

Annual Report 2013



Investor in brief

Vision

As a long-term owner, we actively support the building and development of best-in-class companies.

Business concept

Investor owns significant interests in high-quality companies. Through the Boards of Directors, we actively work for continuous improvement of the performance of the companies.

With our industrial experience, broad network and financial strength, we strive to make and keep our companies best-in-class. We always look at the opportunities and challenges facing each individual company.

Our cash flow allows us to support strategic initiatives in our companies, capture investment opportunities and provide our shareholders with a dividend.

Objective

Our objective is to build the net asset value, operate efficiently and pay out a steadily rising dividend. Over time, this should allow us to generate an attractive total shareholder return. Our long-term return requirement for investments is the risk-free interest rate plus an equity risk premium, i.e. 8-9 percent annually.

- **Build the net asset value**

The net asset value amounted to SEK 215.4 bn. at year-end 2013 (174.7), an increase, with dividend added back, of 27 percent (15). The SIXRX total return index rose by 28 percent.

- **Operate efficiently**

During 2013, management costs were SEK 359 m. (377). This corresponds to 0.17 percent of our net asset value. Going forward, we target a run-rate of SEK 360-380 m., subject to inflationary adjustments.

- **Pay out a steadily rising dividend**

The Board of Directors has proposed a SEK 8.00 dividend per share, (7.00).

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The Annual Report for Investor AB (publ.) 556013-8298 consists of the Administration Report on pages 4-5, 13-14, 25-41 and the financial statements on pages 42-98.

The Annual Report is published in Swedish and English.

Investor is the leading owner of high quality Nordic-based international companies, founded by the Wallenberg family a hundred years ago. Through board participation, our industrial experience, network and financial strength, we strive to make our companies best-in-class. Our holdings include, among others, SEB, Atlas Copco, ABB, Ericsson and Mölnlycke Health Care.

Highlights 2013

Return to shareholders

Long-term, our objective is to generate a return to our shareholders exceeding the market cost of capital. In addition, we believe benchmarking our performance to the Swedish general stock market is appropriate considering the overall risk profile on our investments. Over the past one, five, ten and twenty years, our total shareholder return has exceeded the market cost of capital, and over the past one, ten and twenty years, it has also exceeded the SIXRX total return index.

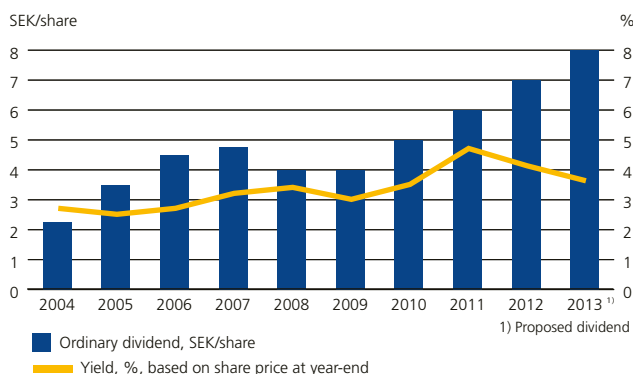
Goal fulfillment

| Years | Return requirement, % | NAV incl. dividend added back % ¹⁾ | Investor total return, % ¹⁾ | SIXRX return index, % ¹⁾ |
|-------|-----------------------|---|--|-------------------------------------|
| 1 | 8-9 | 26.9 | 35.1 | 28.0 |
| 5 | 8-9 | 13.2 | 17.8 | 20.0 |
| 10 | 8-9 | 13.9 | 15.9 | 12.0 |
| 20 | 8-9 | 14.6 | 13.4 | 11.7 |

¹⁾ Average annual return.

Dividend policy

Our dividend policy is to distribute a large percentage of the dividends received from listed Core Investments, as well as to make a distribution from other net assets corresponding to a yield in line with the equity market. The goal is also to pay a steadily rising dividend.



We acquired **Permobil**, which became a **new Core Investments subsidiary**. The company has a strong product offering and market position, creating a good platform for future growth.

Mölnlycke Health Care was refinanced through an equity injection of EUR 544 m., strengthening the balance sheet and enabling growth initiatives and future capital distribution to Investor.

Investor invested SEK 1.0 bn. in equity in **Aleris** and refinanced it with an all senior debt structure.

We invested SEK 8.3 bn. in Core Investments, of which SEK 7.6 bn. in the subsidiaries.

We received SEK 5.4 bn. in dividends from our listed Core Investments.

The holding in **Gambro** was divested, with proceeds of about SEK 10.2 bn. to Investor.

Investor Growth Capital (IGC) in the U.S. changed its strategy from "invest-to-sell" to "invest-to-build". IGC distributed SEK 1.3 bn. to Investor.

Total shareholder return (TSR) amounted to **35 percent**. During the past 20 years, average annual TSR has been 13 percent.

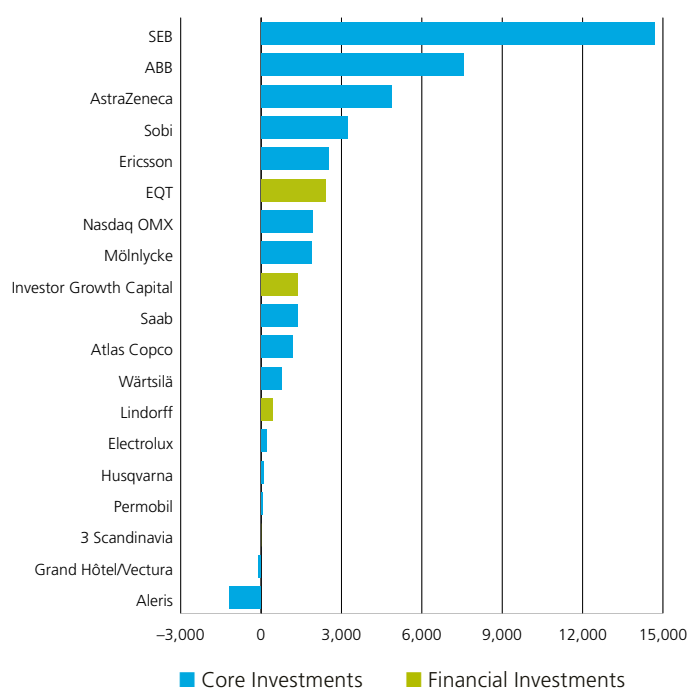
Portfolio overview

We are the leading owner of high-quality Nordic-based companies. Our holdings are active within industrials, financial services, healthcare and technology, industries in which we have long experience and deep knowledge. Our investments are either core investments or financial investments.

Core Investments, 86 percent of our assets, consists of listed holdings in which we are a significant owner and wholly-owned subsidiaries. Our investment perspective is long-term. The objective is to generate returns through value appreciation and dividends.

Financial Investments, 14 percent of our assets, includes mainly EQT and Investor Growth Capital as well as our partner-owned investments. We have the same active ownership approach in Core Investments and Financial Investments; however in the partner-owned investments, we do not control the exit horizon ourselves.

Impact on net asset value, 2013, SEK m.



SEB www.seb.se Share of total assets: **16%**

A leading Nordic financial services group. SEB is present in some 20 countries, with main focus on the Nordic countries, Germany and the Baltics.

| Key figures | |
|--------------------------------|-----------|
| Total operating income, SEK m. | 41,553 |
| Value of holding, SEK m. | 38,618 |
| Share of capital/votes, % | 20.8/20.9 |

Atlas Copco www.atlascopco.com Share of total assets: **15%**

A global leader in compressors, construction and mining equipment, power tools and assembly systems. The group operates in more than 170 countries.

| Key figures | |
|---------------------------|-----------|
| Net Sales, SEK m. | 83,888 |
| Value of holding, SEK m. | 36,687 |
| Share of capital/votes, % | 16.8/22.3 |

ABB www.abb.com Share of total assets: **13%**

A global leader in power and automation technologies that enable utility and industry customers to improve performance while lowering environmental impact.

| Key figures | |
|---------------------------|---------|
| Net Sales, USD m. | 41,848 |
| Value of holding, SEK m. | 31,738 |
| Share of capital/votes, % | 8.1/8.1 |

Mölnlycke HealthCare www.molnlycke.com Share of total assets: **9%**

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

| Key figures | |
|---------------------------|--------|
| Net Sales, EUR m. | 1,153 |
| Value of holding, SEK m. | 20,684 |
| Share of capital/votes, % | 98/96 |

AstraZeneca www.astrazeneca.com Share of total assets: **8%**

A global, innovation-driven, integrated biopharmaceutical company.

| Key figures | |
|---------------------------|---------|
| Net Sales, USD m. | 25,711 |
| Value of holding, SEK m. | 19,753 |
| Share of capital/votes, % | 4.1/4.1 |

ERICSSON www.ericsson.com Share of total assets: **6%**


The world's leading provider of communications technology and services. Ericsson operates in 180 countries and employs more than 100,000 people.

| Key figures | |
|---------------------------|----------|
| Net Sales, SEK m. | 227,376 |
| Value of holding, SEK m. | 13,229 |
| Share of capital/votes, % | 5.3/21.5 |

Electrolux www.electrolux.com Share of total assets: **3%**


A global leader in household appliances and appliances for professional use, selling more than 40 million products to customers in more than 150 markets every year.

| Key figures | |
|---------------------------|-----------|
| Net Sales, SEK m. | 109,151 |
| Value of holding, SEK m. | 8,061 |
| Share of capital/votes, % | 15.5/30.0 |

 **sobi** SWEDISH ORPHAN BIOVITRUM www.sobi.com Share of total assets: **3%**


A leading integrated biopharmaceutical company with international presence, developing and commercializing pharmaceuticals for patients with rare diseases.

| Key figures | |
|---------------------------|-----------|
| Net Sales, SEK m. | 2,177 |
| Value of holding, SEK m. | 7,128 |
| Share of capital/votes, % | 39.8/39.8 |

 **Husqvarna** www.husqvarna.com Share of total assets: **2%**


The world's largest producer of outdoor power products, a world leader in cutting equipment and diamond tools and European leader in consumer watering products.

| Key figures | |
|---------------------------|-----------|
| Net Sales, SEK m. | 30,307 |
| Value of holding, SEK m. | 3,749 |
| Share of capital/votes, % | 16.8/30.5 |

 **SAAB** www.saabgroup.com Share of total assets: **2%**


Serves the global market with world-leading products, services and solutions for military defense and civil security.

| Key figures | |
|---------------------------|-----------|
| Net Sales, SEK m. | 23,750 |
| Value of holding, SEK m. | 5,651 |
| Share of capital/votes, % | 30.0/39.5 |

 **GRAND HOTEL** VECTURA www.grandhotel.se Share of total assets: **1%**


Grand Hôtel: Scandinavia's leading five-star hotel and Lydmar Hotel, a high-end boutique hotel.
Vectura: Manages Investor's real estate, including the Grand Hôtel building.

| Key figures | |
|---------------------------|---------|
| Value of holding, SEK m. | 1,258 |
| Share of capital/votes, % | 100/100 |

 **WÄRTSILÄ** www.wartsila.com Share of total assets: **2%**


A global leader in complete lifecycle power solutions for the marine and energy markets. Wärtsilä has operations in nearly 170 locations in 70 countries.

| Key figures | |
|---------------------------|---------|
| Net Sales, EUR m. | 4,654 |
| Value of holding, SEK m. | 5,537 |
| Share of capital/votes, % | 8.8/8.8 |

 **EQT** www.eqt.se Share of total assets: **5%**


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

| Key figures | |
|----------------------------------|--------|
| Net cashflow to Investor, SEK m. | 1,783 |
| Value of holding, SEK m. | 11,615 |
| Share of capital/votes, % | 6-64 |

 **NASDAQ OMX** www.nasdaqomx.com Share of total assets: **2%**


One of the world's largest exchange operators, which offers listings, trading, exchange technology and public company services across six continents.

| Key figures | |
|---------------------------|-----------|
| Net Sales, USD m. | 1,895 |
| Value of holding, SEK m. | 5,023 |
| Share of capital/votes, % | 11.6/11.6 |

 **IGG** INVESTOR GROWTH CAPITAL www.investorgrowthcapital.com Share of total assets: **5%**

Makes expansion stage venture capital investments in growth companies within technology and healthcare in the U.S. and China.

| Key figures | |
|--------------------------------------|---------|
| Net distribution to Investor, SEK m. | 1,308 |
| Value of holding, SEK m. | 10,793 |
| Share of capital/votes, % | 100/100 |

 **Aleris** www.aleris.se Share of total assets: **2%**


A leading private provider of healthcare and care services in the Nordic region.

| Key figures | |
|---------------------------|---------|
| Net Sales, SEK m. | 6,975 |
| Value of holding, SEK m. | 3,830 |
| Share of capital/votes, % | 100/100 |

 **LINDORFF** www.lindorff.com Share of total assets: **2%**

A leading European provider of debt-related administrative services with operations in 11 European countries.

| Key figures | |
|---------------------------|-------|
| Net Sales, EUR m. | 407 |
| Value of holding, SEK m. | 4,960 |
| Share of capital/votes, % | 58/50 |

 **permobil** www.permobil.se Share of total assets: **2%**

A world-leading manufacturer of advanced powered wheelchairs.

| Key figures | |
|---------------------------|-----------|
| Net Sales, SEK m. | 1,742 |
| Value of holding, SEK m. | 3,759 |
| Share of capital/votes, % | 95.0/90.0 |

 **3** www.tre.se Share of total assets: **1%**

An operator providing mobile voice and broadband services in Sweden and Denmark. The company has more than 2.7 million subscribers.

| Key figures | |
|---------------------------|-------|
| Net Sales, SEK m. | 9,321 |
| Value of holding, SEK m. | 2,643 |
| Share of capital/votes, % | 40/40 |

Financial development

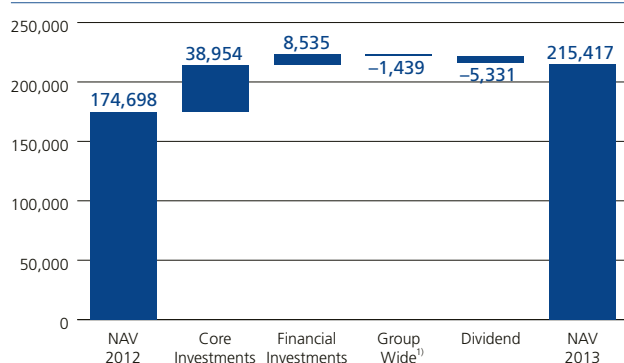
At year-end 2013, net asset value amounted to SEK 215.4 bn., an increase of SEK 40.7 bn. during the year. With dividend added back, the increase was 27 percent, compared to the SIXRX's 28 percent. Leverage was 9.7 percent, in line with our long-term 5-10 percent target range.

The impact on net asset value was mainly related to Core Investments, which contributed SEK 38,954 m. during 2013 (22,979), of which listed SEK 38,433 m. (23,312). Financial Investments contributed by SEK 8,535 m. during the year (591).

Overview of net asset value

| | Owner-ship, % (capital) | SEK/ share | 12/31 2013 | | Dividends/ net distribution | 12/31 2012 |
|---------------------------------------|-------------------------|------------|----------------|--------------|-----------------------------|----------------|
| | | | SEK m. | Value change | | SEK m. |
| Core Investments | | | | | | |
| <i>Listed</i> | | | | | | |
| SEB | 20.8 | 51 | 38,618 | 14,678 | 1,254 | 25,194 |
| Atlas Copco | 16.8 | 48 | 36,687 | 1,180 | 1,138 | 36,645 |
| ABB | 8.1 | 42 | 31,738 | 7,571 | -204 | 24,371 |
| AstraZeneca | 4.1 | 26 | 19,753 | 4,875 | 929 | 15,807 |
| Ericsson | 5.3 | 17 | 13,229 | 2,529 | -420 | 11,120 |
| Electrolux | 15.5 | 11 | 8,061 | 215 | 311 | 8,157 |
| Sobi | 39.8 | 9 | 7,128 | 3,222 | 0 | 3,906 |
| Saab | 30.0 | 7 | 5,651 | 1,371 | 148 | 4,428 |
| Wärtsilä | 8.8 | 7 | 5,537 | 780 | 109 | 4,866 |
| NASDAQ OMX | 11.6 | 7 | 5,023 | 1,919 | 56 | 3,160 |
| Husqvarna | 16.8 | 5 | 3,749 | 93 | 146 | 3,802 |
| | | 230 | 175,174 | | | 141,456 |
| <i>Subsidiaries</i> | | | | | | |
| Mölnlycke Health Care | 98 | 27 | 20,684 | 1,896 | | 16,058 |
| Aleris | 100 | 5 | 3,830 | -1,189 | | 3,930 |
| Permobil | 95 | 5 | 3,759 | 57 | | - |
| Grand Hôtel/Vectura | 100 | 2 | 1,258 | -96 | | 1,303 |
| | | 39 | 29,531 | | | 21,291 |
| | | 269 | 204,705 | | | 162,747 |
| Financial Investments | | | | | | |
| EQT | | 15 | 11,615 | 2,414 | 1,783 | 10,984 |
| Investor Growth Capital | | 14 | 10,793 | 1,374 | 1,308 | 10,727 |
| <i>Partner-owned investments</i> | | | | | | |
| Gambro | - | - | - | 3,260 | | 5,455 |
| Lindorff | | | | | | |
| Equity | 58 | 6 | 4,648 | 447 | | 4,200 |
| Mezzanine debt | | 1 | 312 | 46 | | 284 |
| 3 Scandinavia | 40 | 3 | 2,643 | 356 | 80 | 2,367 |
| Other partner-owned investments | | 0 | 189 | 0 | 13 | 176 |
| Other investments | | 3 | 2,056 | 712 | 393 | 951 |
| | | 42 | 32,256 | | | 35,144 |
| <i>Other assets & liabilities</i> | | 2 | 1,560 | | | -428 |
| Total assets | 313 | | 238,521 | | | 197,463 |
| Net cash (+) net debt (-) | -30 | | -23,104 | | | -22,765 |
| Net asset value | 283 | | 215,417 | | | 174,698 |

Impact on net asset value, SEK m.



1) Incl. net financial items, repurchases of shares, equity effects and management costs.

Development of the Group

| SEK m. | 2013 | 2012 | 2011 | 2010 |
|--------------------------------------|---------------|---------------|--------------------|---------------|
| Changes in value | 37,031 | 19,472 | -17,586 | 28,492 |
| Dividends | 6,052 | 5,177 | 4,330 | 3,622 |
| Other operating income ¹⁾ | 362 | 509 | 480 | 994 |
| Management costs | -359 | -377 | -656 ²⁾ | -646 |
| Other items ³⁾ | 2,020 | -606 | 4,144 | -1,851 |
| Profit (+)/Loss (-) | 45,106 | 24,175 | -9,288 | 30,611 |
| Non-controlling interest | 59 | 51 | 59 | 20 |
| Dividends paid | -5,331 | -4,563 | -3,802 | -3,050 |
| Other effects on equity | 885 | -1,035 | -285 | -381 |
| Total | 40,719 | 18,628 | -13,316 | 27,200 |

1) Includes interest received on loans to associates.

2) Includes a SEK 150 m. restructuring charge and SEK 86 m. related to Investor Growth Capital.

3) Other items include share of results of associates and net financial items.

Results

The consolidated net profit amounted to SEK 45,106 m. (24,175), mainly driven by positive value changes and dividends from Core Investments. The divestiture of Gambro also impacted positively. Management costs amounted to SEK 359 m. (377).

Net debt and leverage

Net debt amounted to SEK 23,104 m. at year-end (22,765), corresponding to leverage of 9.7 percent (11.5). The change was mainly attributable to investments within Core Investments, for example Permobil, and the divestment of Gambro.

Our target leverage range is 5-10 percent over a business cycle, while leverage can fluctuate above and below the target level, given the nature of our business. Leverage should not exceed 25 percent for any longer periods of time. Our leverage

policy allows us to capture opportunities in the market and support our holdings, while taking our tax status into consideration.

The debt financing of the Core Investments subsidiaries and the partner-owned investments within Financial Investments is ringfenced and hence not included in Investor's net debt. Investor guarantees SEK 4.0 bn. of 3 Scandinavia's external debt, which is not included in Investor's net debt.

The average maturity of the debt, excluding the debt of the Core Investments subsidiaries, was 10.8 years as of year-end (10.6). Gross cash amounted to SEK 6,864 m. (7,697).

Net debt 12/31 2013

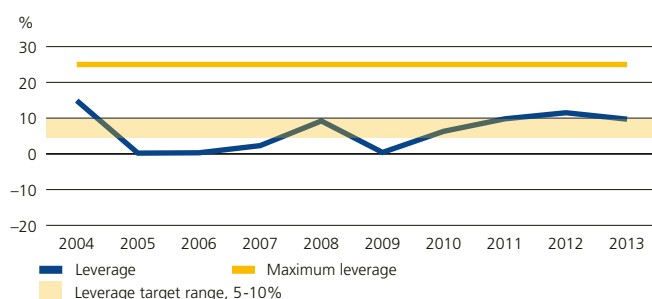
| SEK m. | Consolidated balance sheet | Deductions related to Core Investments subsidiaries and IGC | Investor's net debt |
|---|----------------------------|---|---------------------|
| Other financial investments | 1,761 | – | 1,761 |
| Short-term investments, cash and cash equivalents | 11,716 | –6,613 | 5,103 |
| Receivables included in net debt | 175 | –1 | 174 |
| Loans | –42,264 | 12,276 | –29,988 |
| Provision for pensions | –642 | 488 | –154 |
| Total | –29,254 | 6,150 | –23,104 |

Change in net debt

| SEK m. | 2013 | 2012 |
|------------------------------|---------------------|----------------|
| Opening net debt | –22,765 | –16,910 |
| Core Investments | | |
| Dividends | 5,441 | 4,782 |
| Net investments | –8,277 | –6,147 |
| Financial Investments | | |
| Dividends | 1,308 | 685 |
| Net investments | 9,022 ¹⁾ | 107 |
| Investor groupwide | | |
| Other | –2,502 | –719 |
| Dividend paid | –5,331 | –4,563 |
| Closing net debt | –23,104 | –22,765 |

1) Includes SEK 8.9 bn. in proceeds from the divestiture of Gambro.

Leverage



Parent company

Results after financial items were SEK 34,954 m. (23,057), mainly related to listed Core Investments which contributed with dividends of SEK 5,271 m. (4,738) and value changes of SEK 30,453 m.

(18,244). Write down of participations in Group companies amounted to SEK 1,140 m. (–), which is related to Aleris. The Parent Company invested SEK 15,482 m. in financial assets (9,746), of which SEK 14,643 m. in group companies (9,095) and SEK 719 m. in listed core investments (390). At year-end, shareholder's equity totaled SEK 190,944 m. (161,349).

Risk and uncertainty factors

Risk management is an integral part of the Board's and Management's governance and follow-up of operations. The Board is responsible for setting appropriate risk levels and establishing authorities and limits. The Boards in the operating subsidiaries manage the risks in their respective business and decide on appropriate risk levels and limits. The following is a brief description of the most significant risks and uncertainty factors affecting the Group and the Parent Company. For a more detailed description, see note 3, Risks.

Commercial risks

Commercial risks primarily consist of a high level of exposure to a particular industry or an individual holding, as well as market changes that limit investment potential or prevent exits from holdings at a chosen time. The overall risk in the portfolio is limited as it consists of a number of investments in different industries and geographies, and with various ownership horizons. Commercial risks in the operating subsidiaries' businesses are managed by continuous focus on product development, customer needs, market analysis and cost efficiency, among other things.

Financial risks

The main financial risks are market risks, that is the risks associated with changes in the value of a financial instrument that are primarily caused by fluctuations in share prices, exchange rates and interest rates. Investor uses derivatives as one method of managing these risks.

Uncertainty factors

Uncertainty factors that affect operations relate mainly to changes in share prices, foreign exchange rates, prices of unlisted holdings and the development of various industrial sectors.

Future development

Investor's objective is to build the net asset value, operate efficiently and pay a steadily rising dividend. Core Investments will remain the largest share of the assets and will therefore be the key value driver. Financial Investments' share of the assets is likely to decline over time, as partner-owned investments either become core investments or divested.

Letter from the chairman

Dear Shareholder,

2013 was a very good year for Investor, with our companies generally performing solidly on the back of operational improvements as well as partly improving macro-economic indicators. Our resilience during the more challenging times ensured that we were well placed to capitalize once the green shoots began to appear. I am pleased to report that we recorded a total shareholder return of 35 percent for 2013. More importantly, Investor's annual total returns during the past 20 years exceeded 13 percent, clearly outperforming the Stockholm SIXRX total return index. On the back of our strong performance in 2013, we are proposing a dividend of SEK 8 to our shareholders, an increase from SEK 7 last year.

The economy improves, but uncertainty remains

The global economic climate in 2013 improved as the year progressed, with confidence returning to the markets and the business climate being the most benign it has been since before the financial crisis. Stock markets performed well, consumer confidence improved and economists around the world increased their forecasts for growth. Much of this positivity is driven by the U.S., where innovation and productivity has increased, house prices strengthened and job growth improved and all this despite the enforced Government shutdown.

Having said that, uncertainty remains as we look forward to 2014. There are many questions left unanswered, with one of the crucial ones being whether the U.S. will live up to the expectations. Will a reduction in the liquidity provided by the Federal Reserve have the negative impact many are predicting? Or will an easing in such support be taken as a vote of confidence? My conclusion is that the recovery remains fragile. The patient is not yet ready to be discharged.

To remain competitive, European economies still need to close the gap in productivity and innovation between themselves and those in the U.S. and developing markets, and their success in doing so will differentiate the winners from the losers in 2014.

Globalization is the driving force of growth, which we need to create jobs. Therefore, the Transatlantic Trade and Investment Partnership (TTIP) negotiations aiming to creating a vast free trade zone between the U.S. and the EU are extremely important to help generating new jobs, trade and investments, all the way from Hawaii to the Baltic countries.

This partnership is an important ingredient to accelerate the recovery in Europe, which continues but at a slower pace. Many of the structural problems that helped cause or exacerbate the

crash, from high personal and government debt, housing bubbles and cumbersome regulation, still remain. Asia, and particularly China, is still powering much of the global economy, and providing important growth markets for many European companies, including many of our own, but a slowdown in Chinese growth is pointing to weakness in the economy and the banking sector as well as an increased tendency to nationalism. These are matters which we need to follow closely to better understand where China is heading.

Staying ahead of the game

Sweden has continued to perform well, building on the resilience shown during the downturn to remain competitive. I am especially pleased about the performance of the banking sector, a major source of concern for many other parts of Europe and the world. For example, SEB has had a very impressive year, delivering strong results, a strengthened capital ratio, lowered cost and a strong appreciation of the share price, making it one of our best performing investments of 2013.

However, I am troubled that youth unemployment in Sweden and in Europe remains persistently high. As business people, we must find ways to help on the provision of education and training of the type that will equip our young people for jobs, and we must build a partnership between businesses and schools. Business cannot thrive without a well-educated workforce and a flexible labor market.

In these still-challenging times a small country like Sweden, which depends on the global economy and is facing increasing competition, needs to invest continuously in innovation to remain ahead of the game. It was this very approach to innovation and improved efficiency that secured for Saab the order of

“Our commitment to building best-in-class companies primed for long-term growth remains as strong today as it ever was.”

36 fighter jets to Brazil. I think a deepened industrial partnership with Brazil and many other countries will be very important for Sweden and our companies.

I believe that much of the resilience of Scandinavian companies is directly related to a model which sees business as an integral part of society. We are fully committed to the highest standards of corporate governance and we take our social contract with all stakeholders very seriously. We pay our taxes, create jobs and resources, invest in local communities and endeavor to have a positive impact in every walk of life in which we are active. In the case of Investor, a substantial part of its annual dividend, almost a quarter, helps finance the grants made by the Wallenberg foundations to Swedish scientific research. We also believe that gender and national diversity, both at the board level and in senior executive positions, is a source of corporate strength.

Yet new EU rules, limiting the amount of Board membership for board members in banks, will make it more difficult to attract talent and recruit board members with the diversity agenda in mind. Increased regulation puts an extra burden on the governance of companies. Let us bear in mind that Sweden has a governance model focused on long-term, active and responsible ownership which has served the country well. We are a small country with the highest share of multinational companies per capita in the world after Switzerland. We will not give up our model, which has helped us to maintain our competitive edge.

Continuing to focus on the long term

We are in an election year, both for Sweden and for the European Union as a whole, with the uncertainty that brings. An export-dependent country like Sweden is highly interconnected with the rest of Europe. The defense of the four fundamental freedoms;



goods, capital, labor and services, must remain strong. The members of the business community must be wary to make sure that the short-term time horizon of politics doesn't frustrate the long-term needs of business. Our commitment to building best-in-class companies primed for long-term growth remains as strong today as it ever was, and is the cornerstone of the globally renowned companies in which we invest. Irrespective of the economic climate, our companies continue to grow and succeed.

Under Börje Ekholm's continued excellent leadership, our Management team and employees performed very well throughout the year. On behalf of the Board, I would like to thank them for another year of commitment and hard work. The Board would also like to thank you, our shareholders, for your continued support, allowing us to pursue our long-term goals and drive value for you.

A handwritten signature in dark ink, reading "Jacob Wallenberg". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

Jacob Wallenberg
Chairman of the Board

2013 – a very good year

In 2013, we grew our reported net asset value by 27 percent, with dividends added back, and maintained our cost discipline. We also made progress in strengthening our cash flow generation capacity and substantially de-levered the entire Investor system.

Stock markets rallied sharply during 2013. The total return on the Stockholm stock exchange was 28 percent, and the total return to our shareholders 35 percent. As Frank Sinatra would have sung: “it was a very good year”.

Building for the long-term

Our vision is to be a long-term owner, actively supporting the building and development of best-in-class companies. We engage in our companies through their boards. This means that we take extra care in nominating appropriate, high-quality individuals to the boards, in addition to establishing value creation plans, appointing strong CEOs, identifying and developing future managers, and so on. By doing what we judge is industrially right, acting in the best interest of each company, we strive to create long-term value. Building companies rather than trading them is our DNA and has served us well for a century.

Our objective is to grow net asset value, operate efficiently and pay a steadily rising dividend over time. Achieving these objectives will result in attractive long-term value growth for our owners. Net asset value growth is dependent on having successful holdings, being the best owner of them, and maintaining discipline in investments, or occasional divestments. Among our listed holdings, we only made add-ons in ABB and Ericsson, as we found the difference between our view of intrinsic value and the market value for many of them to be unusually small from an historic perspective.

Core Investments – further steps taken

Our holdings are generally doing well in a challenging macro environment. Several have strengthened their competitive positions further, both through organic growth and value-creating acquisitions. We support investments that strengthen the enterprise for the long-term. For example, Atlas Copco acquired Edwards, broadening its offering into the vacuum area, a great fit with the current business. NASDAQ OMX made several acquisitions, including eSpeed, a platform for trading U.S. treasuries. Electrolux continued its transformation, increasing its exposure to emerging markets with large future potential. Ericsson maintained its position as a technology leader, as reaffirmed by the recent patent agreement with Samsung, and as the leader in telecom related services, which is now almost half of the business. Husqvarna accelerated ongoing programs to reduce cost and business complexity and increased focus on its core premium brands and product leadership areas. Sobi continued the prog-

ress since the merger between Biovitrum and Swedish Orphan and announced important results from clinical trials. Wärtsilä is well positioned with environmentally friendly technology and launched a low speed gas engine. SEB kept focusing on its core business, resulting in strong customer ratings and good cost control. ABB integrated large acquisitions made in recent years and made new ones as well. AstraZeneca outlined its strategy to return to growth and boosted its product pipeline through several acquisitions. Saab received a number of breakthrough orders, both related to the Gripen fighter jet and other products.

In addition, cash flow was generally strong. In 2014, we expect to receive dividends from our listed holdings of SEK 6.2 bn., SEK 750 m., or 14 percent more, compared to last year.

Permobil, a global leader in complex rehab powered wheelchairs, became a new subsidiary. With strong market positions, a great portfolio of products and a deeply-rooted corporate culture focused on improving the lives of its customers, the company is well positioned for continued growth. Our value creation plan focuses on capturing additional organic growth through more investments in expansion of the sales force and R&D and capturing non-organic opportunities where we can create long-term value and build an even stronger product offering.

Mölnlycke Health Care continued to perform well. We refinanced the company with an all senior debt structure. With leverage at some 2x EBITDA, Mölnlycke is now in a position to distribute excess cash flow to Investor. As in all our holdings, however, the pursuit of profitable growth opportunities comes first. Given the attractive return potential in the business, we will continue to look for both organic and outside opportunities. Under the strong leadership of Pierre Guyot, Mölnlycke has grown into a global leader. We now welcome the new CEO Richard Twomey to continue building the enterprise.

Our accounting for subsidiaries hampers the growth of reported net asset value. We focus on growing the intrinsic value, the net present value of expected future cash flows, of each company. Being backward-looking, our reported value fails to capture or reflect the forward-looking intrinsic value. As the acquisition-related amortizations filter through the books, however, the growth in reported net asset value will be a good proxy for the growth in intrinsic value, unless some other peculiar features of IFRS come into play.

Mölnlycke and Permobil have capital structures with moderate leverage, allowing value-creating investments and, over time, distribution of capital to Investor. Accordingly, we de-levered

“As for any company, reinvesting in our business is a way to build a stronger Investor.”

Aleris by investing SEK 1 bn. in equity and refinanced it solely with senior debt. We firmly believe in the long-term potential of Aleris, with demographics driving demand. However, we have updated our value creation plan. In order for Aleris to reach its full potential, its board and CEO Liselott Kilaas have decided on a fundamental overhaul of operations, including the implementation of a country-based organization, consolidation of units and efficiency improvements, e.g. in the Stockholm hospitals, and continued investments in quality. These actions will further strengthen Aleris' potential to become a leading high-quality service provider but, as a consequence, the medium-term forecasts for Aleris have been lowered. This resulted in a goodwill write-down of SEK 940 m. While some improvement may be seen in 2014 results, most will not be achieved until late 2015.

Financial Investments

Net cash flow from EQT to Investor was SEK 1.8 bn. While “lumpy”, we expect cash flow to remain attractive over time. The value change in constant currency was 20 percent. Our return is enhanced by our favorable sponsor economics.

After a tough ten years in venture capital land, the exit market improved. Investor Growth Capital, IGC, made several successful exits and distributed SEK 1.3 bn. to Investor. The value change in constant currency was 14 percent. IGC also began shifting strategy to “invest-to-build” from “invest-to-sell”, better aligning it with Investor's.

Lindorff progressed well, supported by improved operational excellence. 3 Scandinavia generated strong cash flow. In addition to the second shareholder cash distribution, 3 Scandinavia repaid SEK 0.5 bn. of external debt. The repayment also means that our guarantee of the external debt is reduced. Going forward, surplus cash flow will primarily be used to amortize external debt, while the distribution to shareholders will remain limited.

Operate efficiently

We actively managed our operating costs, which came in just below our SEK 360-380 m. target range. Individual years will vary, but the range should only be adjusted for general inflation.

Cash flow and dividends

Over several years, we have strengthened our ability to generate strong cash flow. As for any company, reinvesting in our business is a way to build a stronger Investor. With the cash flow from our companies, we can do this without compromising on our goal to pay a steadily rising dividend.

Our dividend policy, to distribute a large portion of dividends received from listed Core Investments, to make a distribution from other net assets, corresponding to a yield in line with the



equity market, and paying a steadily rising annual dividend, is intact. For 2013, the board of directors proposes a dividend of SEK 8 per share. The increase over the last few years reflects the strong growth in dividends received from our listed holdings.

At year-end, Investor AB's leverage was 9.7 percent. Through the de-levering of Mölnlycke and Aleris, the divestiture of Gambro and the reduced guarantee to 3 Scandinavia, we have delevered the entire “system” substantially. In other words, today's 9.7 percent leverage in Investor AB is ultimately lower than 9.7 percent would have been a year ago. While the financing of our subsidiaries and partner-owned investments, except for 3 Scandinavia, remains ring-fenced, lower debt means lower interest payments and more cash flow that can be used for value-creating growth opportunities and distribution to the owners instead.

Our work is never finished

Putting an eventful 2013 behind us, this is no time to rest. On the contrary, we will continue our enthusiastic and concerted efforts to grow our net asset value, operate efficiently and pay a steadily rising dividend. Our model of long-term value creation in the companies works best when we are the clear lead shareholder. Our portfolio of iconic companies is the foundation for our future value creation, and I think there is much more potential to be unleashed. Sometimes, we also plant a new seed, an option, for the future. Such options, however, will continue to constitute a very limited part of our assets. For example, last year we took over a few IGC holdings that we believe have long term potential not captured in the current valuation. Over time, most of these will be sold - Aptalis was divested in early 2014 at 3x the invested capital - but perhaps a few become long-term holdings. Building long-term intrinsic value remains our beacon. We believe this approach will continue to deliver strong, growing value to you, dear shareholder.

A handwritten signature in black ink, appearing to read 'Börje Ekholm'.

Börje Ekholm
President and Chief Executive Officer

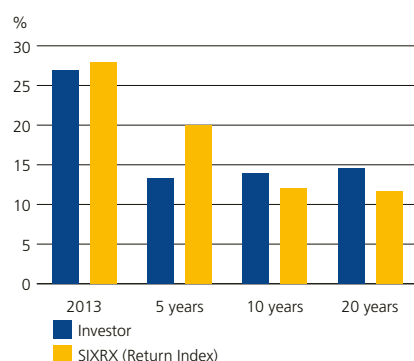
Objective and strategy

We are committed to generating an attractive long-term total return to our shareholders. This is achieved by building our net asset value, operating efficiently and paying a steadily rising dividend. A key factor to succeed with our strategy is a strong recurring cash flow generation.

Our objective

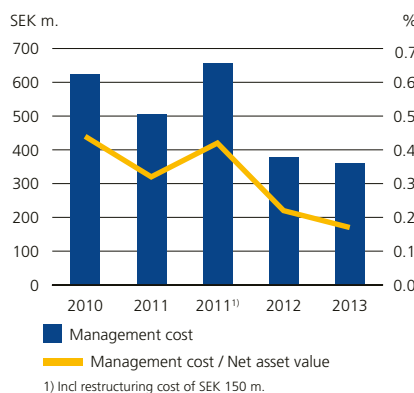
BUILD NET ASSET VALUE

- Owning portfolio companies with attractive growth potential.
- Adding value to our portfolio companies based on strong ownership positions.
- Timing investments and divestitures successfully.



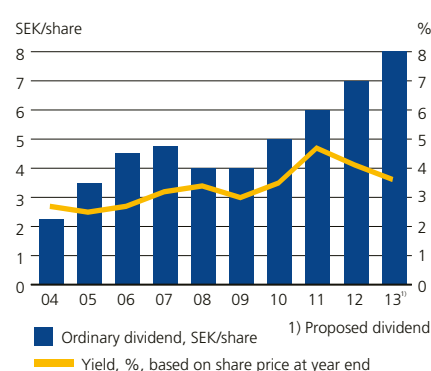
OPERATE EFFICIENTLY

- Maintaining strict cost discipline to maximize cash flow.
- Reducing complexity in everything we do, focusing on value-adding activities.



PAY A STEADILY RISING DIVIDEND

- Generating cash from multiple sources.
- Investing in assets with good yield capacity.

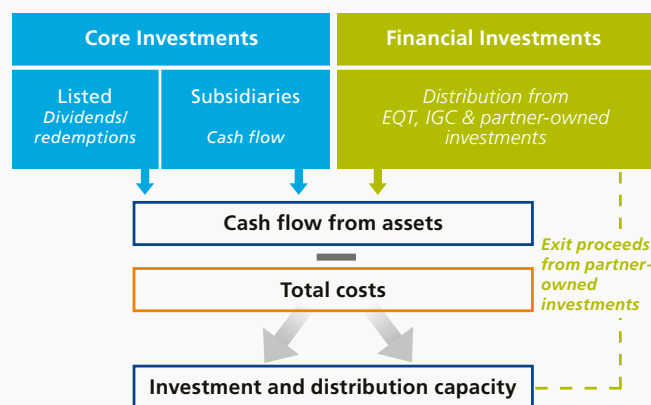


PLATFORM FOR CASH FLOW GENERATION

We strive to maximize the cash flow available for both investments and distribution to our shareholders. A strong recurring cash flow strengthens our financial flexibility. Investment and divestment decisions can be made independently, and dividend capacity is improved.

Within Core Investments, we receive dividends from the listed investments. Over time, we will receive cash flow from our subsidiaries as well, either through dividends or various types of refinancing. Within Financial Investments, we receive distributions from EQT and Investor Growth Capital (IGC). Albeit lumpy, over time, cash flow from EQT is strong. IGC distributes 50 percent of exit proceeds and receives no additional capital from Investor. Given this, cash flow to Investor will always be positive. Over time, our partner-owned investments will also provide cash flow.

How this will be deployed is decided by our Board and owners, bearing in mind our objectives of building our net asset value and paying a steadily rising dividend. To be able to succeed with this long-term, we must invest in both existing and new investments.



Active ownership

We are a long-term owner, focusing on doing what we deem best for each company. Through our international network, strong brand name and active ownership, we create significant value.

Our business model is based on significant ownership positions in each company, allowing us to have an impact on key decisions. A clear division of responsibility between the boards and the management groups of our holdings is essential.

The boards of the holdings

The boards of the holdings are at the core of our active ownership model. The board appoints the CEO, sets strategies and goals, monitors financial performance and the capital structure. It also supervises and supports the management.

We are deeply involved in nomination committees and utilize our network and head hunters to nominate appropriate board members in our holdings. Ideally, we like to have two board representatives, one of which is the Chairman. We also evaluate the work of the boards on a regular basis.

The board should work in the best interest of all shareholders. We believe it is important that board members are aligned with the shareholders and that they build substantial, long-term shareholdings in the companies where they are board members. A well-functioning board should be composed of individuals understanding the fundamentals of the business, with integrity and business acumen. Gender equality and international competence is also important. The right mix of competences in the board varies between companies, and over time, as the conditions under which the company operates change. Therefore, the board composition sometimes needs to be changed.

The management groups of the holdings

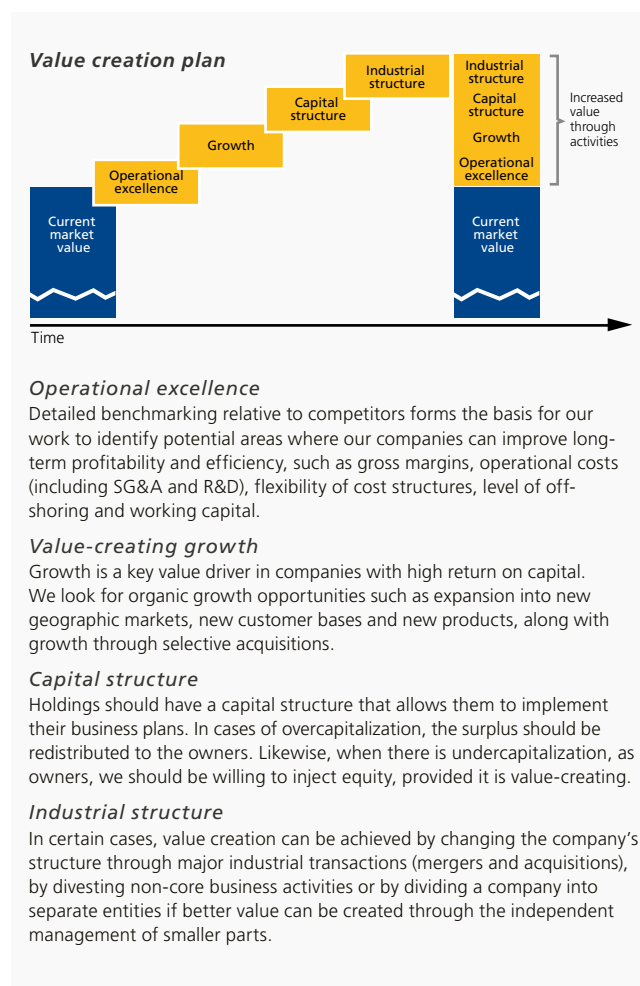
The management groups are responsible for implementing the strategies established by the boards and running the daily business. They should also be able to challenge and sometimes modify the strategies.

Business teams and value creation plans

To assist our board members, every holding has a business team, consisting of the board members and the investment manager and analyst at Investor. Together, the business team members establish a value creation plan. The key activity for the business teams is to identify strategic key drivers that the company should focus on during the next 3-5 years in order to maximize long-term value creation and maintain or achieve best-in-class positions. The value creation plans target four areas: operational excellence,

value-creating growth, capital structure and industrial structure, and are based on extensive benchmarking of our holdings compared to their respective peers.

The business teams are also responsible for continuously updating our view of the long-term value of our holdings, serving as a starting point for our investment decisions. As part of our strategy, we increase ownership in selected holdings when we find valuations fundamentally attractive, the timing right and when we are not otherwise restricted.



How we create value

We act in the best interest of each company and our focus is long-term industrial value creation. We have a long-term investment perspective and engage in industries we know and understand.

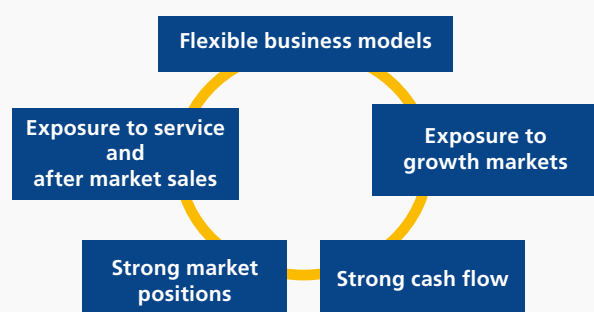
Our holdings, existing and potential ones, should have good long-term growth opportunities and be active in industries with structures that allow attractive profitability. They should be able to constantly improve their offerings to their customers by providing total solutions rather than just products or services.

Given our long-term investment perspective, we actively support our companies in taking long-term value creating decisions such as strengthening the presence in geographic growth areas and to expand their service and after market operations. We support strong focus on R&D as we believe strong products are the basis of competitive advantage. We do not mind taking actions that negatively affect short-term profitability as long as we are convinced that such actions will result in long-term value creation. For example, expanding the sales force in a company

may initially weigh on profitability, but strengthen the company's longer-term potential. However, to succeed long-term, constant cost efficiency is important short-term. It has to be remembered that the long-term is built up on many short-terms. Therefore, strong focus on operational excellence is needed.

Flexibility and sustainability are closely linked to long-term profitability. Flexible business models are vital as demand changes faster and faster. We firmly believe that focus on sustainability is critical and that it offers attractive opportunities. Companies that are best-in-class when it comes to operating in a sustainable way will outperform those that do not, be able to provide superior products and services and recruit the best employees. Strong focus on sustainability is not an obstacle for long-term profitability, it is a prerequisite.

As a long-term investor and owner, we look for certain characteristics in our investments.



Flexible business models

In order to maintain profitability and to protect market positions through downturns and to be able to scale up fast in upturns, it is critical that our holdings have flexible, agile business models.

Exposure to service and after market sales

We strongly support our holdings in expanding their service and aftermarket sales. This offers attractive profitability, additional growth opportunities, increases product penetration and ties customers closer to the company.

Exposure to growth markets

Our holdings should be well positioned to capture growth opportunities, e.g. through strong underlying trends such as demographics, new products or new geographic markets.

Strong market positions

Our holdings should have market leading positions with proven track records across business cycles. Market leadership is important for pricing and profitability.

Strong cash flow

Our holdings should have strong cash flow generation capacity that can be used for long-term investments, for example in R&D and market expansion. It also allows for steady distribution of cash to Investor through dividends and various types of refinancings.

Our Investments

We have a long-term investment perspective in our holdings, with the objective to generate returns through value appreciation and dividends. We do not have a targeted holding horizon in our investments. Investor's holdings are divided into two business areas: Core Investments and Financial Investments. In the partner-owned investments within Financial Investments, we do not control the exit horizon ourselves.

Core Investments

Core Investments, representing 86 percent of our total assets, consists of listed holdings, in which we are a significant owner, and our wholly-owned subsidiaries. We have a long-term investment perspective with the objective to generate returns through value creation and dividends. We focus on developing our existing holdings, but also selectively seek to add new ones. Over time, Core Investments is likely to grow in relative size, as the partner-owned holdings within Financial Investments will either be transferred to core investments or be divested.

Core Investments contributed SEK 39.0 bn. to the net asset value, of which the listed core investments SEK 38.4 bn. The total return for the listed core investments amounted to 28 percent during the year.

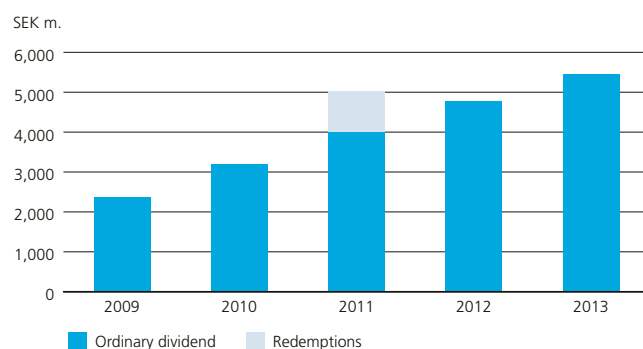
Listed holdings

Our listed core investments are SEB, Atlas Copco, ABB, AstraZeneca, Ericsson, Electrolux, Sobi, Saab, Wärtsilä, NASDAQ OMX and Husqvarna. These are multinational companies with proven business models and strong market positions.

As part of our strategy, we increase ownership in selected holdings when we find valuations fundamentally attractive, the timing right and when we are not otherwise restricted. For a total of SEK 719 m., we added to our positions in ABB (SEK 660 m.) and Ericsson (SEK 59 m.) during the year.

Given the proposals in early 2014, dividends to be received in 2014 for fiscal year 2013 are estimated at SEK 6.2 bn. (5.4 bn.).

Dividends and redemptions received



Subsidiaries

Core Investments also includes our subsidiaries Mölnlycke Health Care, Aleris, Permobil, Grand Hôtel and Vectura. Our ambition is to have modest leverage in our subsidiaries. This allows the companies to operate independently and pursue strategic investment opportunities. In addition, it allows distribution of excess cash flow to Investor. In 2013, both Mölnlycke Health Care and Aleris were refinanced with all senior debt structures, strengthening their balance sheets and financial flexibility further. Net investments in the subsidiaries amounted to SEK 7.6 bn.

Permobil – a new subsidiary

We added Permobil, a global leader in advanced powered wheelchairs, as a wholly-owned subsidiary during the year. Permobil has a strong product offering, leading market positions, and a strong corporate culture of focusing on improving the lives of its end-users. This combination offers an attractive platform for future profitable growth. Having invested SEK 3.7 bn. for a 95 percent ownership, we look forward to contributing to Permobil's future progress.

Contribution to net asset value

| SEK m. | 2013 | 2012 |
|--|---------------|---------------|
| Changes in value, listed | 32,992 | 18,530 |
| Dividends, listed | 5,441 | 4,782 |
| Change in reported value, subsidiaries | 668 | -194 |
| Management costs | -147 | -139 |
| Total | 38,954 | 22,979 |

Facts and figures 2013

- Ownership: significant minority owner in listed holdings, subsidiaries
- Ownership perspective: long-term, no exit strategy
- Board representation: preferably two, including the Chairman or vice Chairman
- Valuation methodology: share price (listed), acquisition method (subsidiaries)
- Return requirement: 8-9 percent annually
- Assets: SEK 175.2 bn. (listed), SEK 29.5 bn. (subsidiaries)
- Percent of total assets: 86
- Impact on net asset value: SEK 39.0 bn.
- Total shareholder return: 28 percent (listed)
- Dividend received: SEK 5.4 bn.
- Net invested: SEK 0.7 bn. (listed), SEK 7.6 bn. (subsidiaries)

Financial Investments

Financial Investments, representing 14 percent of our total assets, consists of our investments in EQT and Investor Growth Capital, our partner-owned investments and some other investments and activities.

In 2013, Financial Investments contributed to net asset value by SEK 8.5 bn. Net cash flow to Investor was to SEK 10.3 bn.

EQT

We were one of the founders of private equity firm EQT in 1994 and have been a sponsor of its funds ever since, allowing us to receive carried interest and fee surplus on top of the returns received as a limited partner. During 2013, EQT changed its structure, establishing a new top company, EQT Holdings AB, in which Investor owns 19 percent. The new structure will have no material impact on the total value of Investor's economic interests in EQT. During the past business cycle, EQT has generated an annual average cash flow of approximately SEK 1 bn. to Investor, of which SEK 1.8 bn. during 2013.

Investor Growth Capital

Investor Growth Capital (IGC) is a stand-alone, but wholly-owned subsidiary of Investor, mainly operating in the U.S. Since 2013, IGC's strategy is focusing on "invest-to-build", aligning it with Investor's core strategy. Before that IGC focused on late stage venture capital investments, based on an "invest-to-sell" model. The strategy change will result in a portfolio of fewer, but larger, U.S. companies, in which IGC can take control positions with a long-term view. Near term, focus will be to scale down the current portfolio in a value-maximizing way. The distribution model, i.e. that Investor receives 50 percent of net proceeds from exits, is unchanged. IGC distributed SEK 1.3 bn. to Investor during 2013.

Partner-owned investments

Our two major unlisted partner-owned investments, Lindorff and 3 Scandinavia, have attractive value growth potential. We have the same active ownership approach to these holdings as for Core Investments. However, we do not control the exit horizon ourselves. As our partners may have a different time horizon from us, Investor's ownership in these companies will change over time. Consequently, they will either become core investments (listed or subsidiaries) or divested. Decisions will be taken jointly with each respective partner in order to maximize the return on investment. Other partner-owned investments are Kunskapsskolan, Novare and Samsari.

Divestment of Gambro completed

In December 2012, EQT and Investor entered into an agreement to divest Gambro to the U.S. medical technology company Baxter for a total consideration of SEK 26.5 bn. This transaction was completed in September 2013. Total proceeds to Investor amounted to approximately SEK 10.2 bn, of which SEK 1.2 bn. is in escrow to be released 15 months after closing.

Other

While the scope of our Financial Investments will not grow over time, we maintain flexibility to act on attractive investment opportunities. Such investments could eventually turn out to be financial investments, and leave the portfolio at some point, or they could become longer-term holdings. Such holdings include Active Biotech, Affibody, Alligator, Atlas Antibodies and Newron. At year-end, these holdings were valued at approximately SEK 1.2 bn. (including Aptalis, which was divested early 2014).

We also have our trading unit, which executes our core investments transactions, trades in equities and equity-related instruments and gathers market intelligence. Our objective is for the trading unit to be profitable on its' own merits over time.

Contribution to net asset value

| SEK m. | 2013 | 2012 |
|----------------------------------|--------------|------------|
| EQT | 2,414 | -54 |
| Investor Growth Capital | 1,374 | 359 |
| <i>Partner-owned investments</i> | | |
| Gambro | 3,260 | -160 |
| Lindorff | 493 | 167 |
| 3 Scandinavia | 356 | 52 |
| Other partner-owned | 0 | -2 |
| Other | 703 | 298 |
| Management costs | -65 | -69 |
| Total | 8,535 | 591 |

Facts and figures 2013

- Ownership: wholly-owned, partner-owned, fund investor
- Ownership horizon: long-term, IPO, divestment
- Board representation: preferably two, including the Chairman or vice Chairman
- Valuation methodology: share price (listed), equity method (partner-owned), multiple or third-party valuation (unlisted)
- Return requirement: 15 percent annually (depending on holding)
- Assets: SEK 32.3 bn.
- Percent of total assets: 14
- Impact on net asset value: SEK 8.5 bn.
- Net divested: SEK 9.0 bn.



SEK 185.9 bn.
Total market capitalization

SEK 38.6 bn.
Value of holding

16%
of total assets

SEK 14.7 bn.
Impact on NAV

A leading Nordic financial services group. SEB is present in some 20 countries, with main focus on the Nordic countries, Germany and the Baltics.

Chairman: Marcus Wallenberg, President and CEO: Annika Falkengren

IMPORTANT EVENTS 2013

- SEB released new financial targets, including a new cost cap of SEK 22.5 bn. for 2013-2015, a revised dividend policy to pay out 40 percent or above of the earnings per share, a Common Equity Tier 1 ratio (Basel III) of 13 percent, and generate return on equity that is competitive with peers.
- SEB was top ranked in Sweden and the Nordics in Prospera's corporate banking survey.
- The Board of Directors has proposed a SEK 4.00 dividend per share. Given AGM approval, this would result in a SEK 1,824 m. dividend flow to investor.

INVESTOR'S VIEW

SEB's ambition remains to be the leading Nordic bank for corporate and institutional clients in its home markets as well as the leading universal bank in Sweden and the Baltics. The bank continues to focus on deepening customer relationships in the Nordic and German corporate franchises by growing ancillary business, offering Swedish small and medium-sized enterprises a full service offering and growing the savings area. Operating leverage has increased, alongside a strengthened balance sheet. Nonetheless, sustained cost, capital and funding efficiency will continue to be essential in the new regulatory environment and to support sustainable and competitive returns. While some uncertainty still remains regarding the final global and local regulatory outcome, our view is that SEB is well prepared to meet the new regulatory requirements.

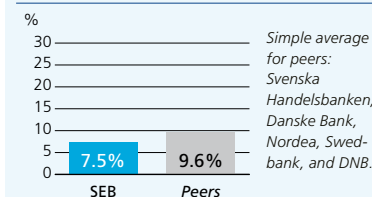
www.seb.se

| Key figures, SEK m. | 2013 | 2012 |
|-------------------------|---------|---------|
| Total operating income | 41,553 | 38,823 |
| Operating profit | 18,127 | 14,235 |
| Net profit | 14,778 | 11,654 |
| Earnings per share, SEK | 6.74 | 5.31 |
| Dividend per share, SEK | 4.00 | 2.75 |
| Core Tier 1 ratio, % | 15.0 | 13.1 |
| Market capitalization | 185,947 | 121,183 |
| Number of employees | 15,870 | 16,925 |

| Investor's engagement | 2013 | 2012 |
|--------------------------|--------|--------|
| Share of capital, % | 20.8 | 20.8 |
| Share of votes, % | 20.9 | 20.9 |
| Value of holding, SEK m. | 38,618 | 25,194 |

Board Members from Investor: Marcus Wallenberg (Chairman) and Jacob Wallenberg (vice Chairman)

Average annual total return, 10 years



SEK 210.4 bn.
Total market capitalization

SEK 36.7 bn.
Value of holding

15%
of total assets

SEK 1.2 bn.
Impact on NAV

A global leader in compressors, construction and mining equipment, power tools and assembly systems. The group operates in more than 170 countries.

Chairman: Sune Carlsson, President and CEO: Ronnie Leten

IMPORTANT EVENTS 2013

- In early 2014, Atlas Copco completed the acquisition of Edwards Group, a leading manufacturer of vacuum products, abatement systems and related services. In 2013, Edwards' sales amounted to SEK 7.0 bn. and the adjusted EBITDA margin was 23.5 percent. A number of smaller acquisitions, contributing approximately SEK 1.3 bn. in annual sales, were completed.
- Ethisphere Institute named Atlas Copco as one of the world's most ethical companies. Atlas Copco was again selected as a member of the FTSE4Good index.
- The Nomination Committee intends to propose Hans Stråberg, vice Chairman, as Chairman of the Board. Sune Carlsson, Chairman, has declined reelection at the Annual General Meeting 2014.
- The Board of Directors has proposed a SEK 5.50 dividend per share. Given AGM approval, this would result in a SEK 1.138 m. dividend flow to investor.

INVESTOR'S VIEW

Atlas Copco has world-leading market positions and a strong corporate culture. For quite some time, the company has had best-in-class operational performance and has generated a total return significantly higher than its peers. Over the last few years, Atlas Copco has focused on strengthening its positions in key growth markets such as China, India and Brazil, and on building world class after-market operations. These initiatives have been instrumental to the company's strong performance. Going forward, the company's strong market positions, a flexible business model and focus on innovation provide an excellent platform for capturing business opportunities and continuing to outperform its peers. Thanks to its stable cash flow, the company is able to distribute significant capital to shareholders, while simultaneously retaining the flexibility to act on its growth strategy.

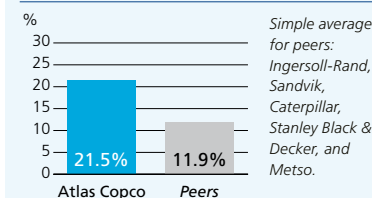
www.atlascopco.com

| Key figures, SEK m. | 2013 | 2012 |
|-------------------------|---------|---------|
| Net sales | 83,888 | 90,533 |
| Operating margin, % | 20.3 | 21.3 |
| Net profit | 12,082 | 13,933 |
| Earnings per share, SEK | 9.95 | 11.47 |
| Dividend per share, SEK | 5.50 | 5.50 |
| Net debt | 7,504 | 9,262 |
| Market capitalization | 210,412 | 208,487 |
| Number of employees | 40,241 | 39,811 |

| Investor's engagement | 2013 | 2012 |
|--------------------------|--------|--------|
| Share of capital, % | 16.8 | 16.8 |
| Share of votes, % | 22.3 | 22.3 |
| Value of holding, SEK m. | 36,687 | 36,645 |

Board Members from Investor: Sune Carlsson (Chairman), Hans Stråberg (vice Chairman), Peter Wallenberg Jr and Johan Forssell

Average annual total return, 10 years



Atlas Copco



SEB



SEK 392.3 bn.
Total market capitalization

SEK 31.7 bn.
Value of holding

13%
of total assets

SEK 7.6 bn.
Impact on NAV

Key figures, USD m.

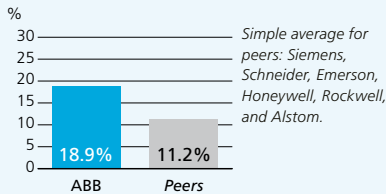
| | 2013 | 2012 |
|-------------------------------|---------|---------|
| Net sales | 41,848 | 39,336 |
| Operating margin, % | 10.5 | 10.3 |
| Net profit | 2,787 | 2,704 |
| Earnings per share, USD | 1.21 | 1.18 |
| Dividend per share, CHF | 0.70 | 0.68 |
| Net debt | 1,539 | 1,590 |
| Market capitalization, SEK m. | 392,307 | 310,523 |
| Number of employees | 147,700 | 145,000 |

Investor's engagement

| | 2013 | 2012 |
|--------------------------|--------|--------|
| Share of capital, % | 8.1 | 7.9 |
| Share of votes, % | 8.1 | 7.9 |
| Value of holding, SEK m. | 31,738 | 24,371 |

Board Members from Investor: Jacob Wallenberg

Average annual total return, 10 years



A global leader in power and automation technologies that enable utility and industry customers to improve performance while lowering environmental impact.

Chairman: Hubertus von Grünberg, *President and CEO:* Ulrich Spiesshofer

IMPORTANT EVENTS 2013

- ABB acquired Power-One at an enterprise value of USD 762 m. Power-One is a leading supplier of Photovoltaic (PV) solar inverters, a key component of the PV value chain.
- Ulrich Spiesshofer assumed the position as CEO of ABB, replacing Joe Hogan. Spiesshofer joined ABB's Executive Committee in 2005 and was responsible for Corporate Development until he was named responsible for Discrete Automation and Motion in 2009.
- Investor acquired shares for SEK 660 m., increasing its share of the capital and votes to 8.1 percent.
- The Board of Directors has proposed a CHF 0.70 dividend per share. Given AGM approval, this would result in a SEK 934 m. dividend flow to Investor, based on the exchange rates at the announcement.

INVESTOR'S VIEW

Both the power and automation industries are attractive with large emerging market exposure and structural growth drivers such as electricity build-out, increased focus on energy efficiency and the need to improve productivity. ABB is well positioned to benefit from the future growth potential due to its strong brand and market positions. The company was early in establishing a presence in China and India with strong local product offerings. We believe that this is critical to long-term success in these industries. Operational performance has been good and the company has strengthened its position in the automation market through a number of acquisitions. ABB's balance sheet remains healthy, supporting further growth and continued distribution to shareholders.

www.abb.com



SEK 481.4 bn.
Total market capitalization

SEK 19.8 bn.
Value of holding

8%
of total assets

SEK 4.9 bn.
Impact on NAV

Key figures, USD m.

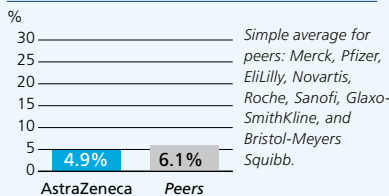
| | 2013 | 2012 |
|--------------------------------|---------|---------|
| Net sales | 25,711 | 27,973 |
| Operating margin, % | 32.6 | 39.9 |
| Net profit | 2,556 | 6,240 |
| Earnings per share, USD (core) | 5.05 | 6.83 |
| Dividend per share, USD | 2.80 | 2.80 |
| Net debt | -39 | 1,369 |
| Market capitalization, SEK m. | 481,370 | 382,013 |
| Number of employees | 51,500 | 51,700 |

Investor's engagement

| | 2013 | 2012 |
|--------------------------|--------|--------|
| Share of capital, % | 4.1 | 4.1 |
| Share of votes, % | 4.1 | 4.1 |
| Value of holding, SEK m. | 19,753 | 15,807 |

Board Members from Investor: Marcus Wallenberg

Average annual total return, 10 years



A global, innovation-driven, integrated biopharmaceutical company.

Chairman: Leif Johansson, *President and CEO:* Pascal Soriot

IMPORTANT EVENTS 2013

- In early 2013, AstraZeneca outlined its strategy to return to growth. CEO Pascal Soriot announced the focus on three core therapy areas, committed to the progressive dividend policy and provided clear milestones for measuring the company's future success. AstraZeneca also announced that it will invest in strategic R&D centers in the UK, the U.S. and Sweden and build a new combined R&D site with the new headquarters in Cambridge.
- AstraZeneca made several acquisitions, including Pearl Therapeutics, Amplimmune and Spirogen. AstraZeneca also announced the acquisition of the entirety of Bristol-Myers Squibb's interests in the two companies' diabetes alliance for an initial consideration of USD 2.7 bn. on completion and up to USD 1.4 bn. in regulatory, launch and sales-related payments. AstraZeneca has agreed to pay various sales-related royalty payments up until 2025.
- The Board of Directors has proposed a USD 2.80 dividend per share. Given AGM approval, this would result in a SEK 932 m. dividend flow to Investor, based on the exchange rates at the announcement.

INVESTOR'S VIEW

AstraZeneca must cope with patent expirations for some of its key products and strengthen its research pipeline. Improved R&D productivity remains the most important driver of long-term value for AstraZeneca and the entire pharmaceutical industry. It is also important that AstraZeneca continues to expand in emerging markets and strives for operational excellence.

www.astrazeneca.com

ABB



AstraZeneca

The world's leading provider of communications technology and services. Ericsson operates in 180 countries and employs more than 100,000 people.

Chairman: Leif Johansson, President and CEO: Hans Vestberg

IMPORTANT EVENTS 2013

- Ericsson made several acquisitions, including TelcoCell and Red Bee Media, and announced plans to invest SEK 7 bn. in building three new ICT centers over the next five years.
- Investor acquired shares for SEK 59 m. Its share of the capital and votes amounts to 5.3 percent and 21.5 percent respectively.
- The Board of Directors has proposed a SEK 3.00 dividend per share. Given AGM approval, this would result in a SEK 525 m. dividend flow to Investor.

INVESTOR'S VIEW

Mobile data traffic is growing significantly and as the leading provider of technology and services for telecom operators, Ericsson is well positioned to capitalize on this development. Nonetheless, the industry continues to be highly competitive. In order for Ericsson to maintain its market position, it needs to sustain its technology and thought leadership, and continue to improve its cost and capital efficiency. In addition, Ericsson should continue its focus on growing its attractive services business.

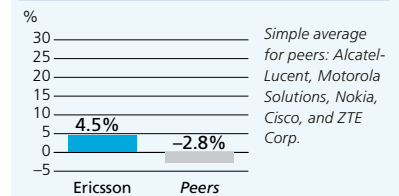
www.ericsson.com

| Key figures, SEK m. | 2013 | 2012 |
|-------------------------------|---------|---------|
| Net sales | 227,376 | 227,779 |
| Operating margin, excl. JV, % | 7.9 | 9.7 |
| Net profit | 12,174 | 5,938 |
| Earnings per share, SEK | 3.69 | 1.78 |
| Dividend per share, SEK | 3.00 | 2.75 |
| Net debt | -37,809 | -38,538 |
| Market capitalization | 251,743 | 208,963 |
| Number of employees | 114,340 | 110,255 |

| Investor's engagement | 2013 | 2012 |
|--------------------------|--------|--------|
| Share of capital, % | 5.3 | 5.3 |
| Share of votes, % | 21.5 | 21.4 |
| Value of holding, SEK m. | 13,229 | 11,120 |

Board Members from Investor: Jacob Wallenberg (vice Chairman) and Börje Ekholm

Average annual total return, 10 years



A global leader in household appliances and appliances for professional use, selling more than 40 million products to customers in more than 150 markets every year.

Chairman: Marcus Wallenberg, President and CEO: Keith McLoughlin

IMPORTANT EVENTS 2013

- Electrolux announced actions to reduce annual costs by SEK 1.8 bn. by improving its manufacturing footprint and reducing overhead costs, mainly within Major Appliances Europe. Restructuring charges will amount to SEK 3.4 bn., of which SEK 2.6 bn. in cash.
- Electrolux was included in the Dow Jones Sustainability World Index for 2013, maintaining its position as industry leader in its category.
- The Nomination Committee has proposed Ronnie Leten, currently deputy Chairman of the Board, as Chairman, succeeding Marcus Wallenberg who has declined reelection at the Annual General Meeting 2014. Petra Hedengran has been proposed as Member of the Board.
- The Board of Directors has proposed a SEK 6.50 dividend per share. Given AGM approval, this would result in a SEK 311 m. dividend flow to Investor.

INVESTOR'S VIEW

The global appliances industry is highly competitive due to low growth in mature markets and a tough industry structure. Growth in emerging markets is high, supported by a fast-growing middle class and increased appliance penetration. Industry margins are low, but returns are nevertheless healthy thanks to high capital turnover. Electrolux is the second largest global appliance company with strong presence across the globe. In recent years, Electrolux has strengthened its positions in emerging markets through organic growth and acquisitions. The company is successfully executing its strategy and we see good potential for a higher long-term operating margin based on the ongoing strategic initiatives. To achieve a higher margin, it is critical to improve performance in the important European market.

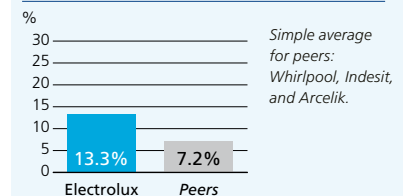
www.electrolux.com

| Key figures, SEK m. | 2013 | 2012 |
|-------------------------------|---------|---------|
| Net sales | 109,151 | 109,994 |
| Operating margin, excl. EO, % | 3.7 | 4.7 |
| Net profit | 672 | 2,599 |
| Earnings per share, SEK | 2.35 | 9.08 |
| Dividend per share, SEK | 6.50 | 6.50 |
| Net debt | 10,653 | 5,685 |
| Market capitalization | 48,198 | 48,757 |
| Number of employees | 60,754 | 59,478 |

| Investor's engagement | 2013 | 2012 |
|--------------------------|-------|-------|
| Share of capital, % | 15.5 | 15.5 |
| Share of votes, % | 30.0 | 29.9 |
| Value of holding, SEK m. | 8,061 | 8,157 |

Board Members from Investor: Marcus Wallenberg (Chairman)

Average annual total return, 10 years



Ericsson



Electrolux

Key figures, SEK m.

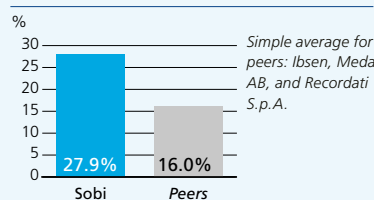
| | 2013 | 2012 |
|-------------------------------|--------|-------|
| Net sales | 2,177 | 1,923 |
| Operating margin, adjusted, % | 9.7 | 21.0 |
| Net profit | -93 | -101 |
| Earnings per share, SEK | -0.35 | -0.38 |
| Dividend per share, SEK | 0.00 | 0.00 |
| Net debt | 353 | 143 |
| Market capitalization | 17,603 | 9,628 |
| Number of employees | 540 | 478 |

Investor's engagement

| | 2013 | 2012 |
|--------------------------|-------|-------|
| Share of capital, % | 39.8 | 39.9 |
| Share of votes, % | 39.8 | 40.5 |
| Value of holding, SEK m. | 7,128 | 3,906 |

Board Members from Investor: Lennart Johansson and Helena Saxon

Average annual total return, 5 years



A leading integrated biopharmaceutical company with international market presence, developing and commercializing pharmaceuticals for patients with rare diseases.

Chairman: Bo Jesper Hansen, *President and CEO:* Geoffrey McDonough

IMPORTANT EVENTS 2013

- Sobi announced that it has acquired the full rights from Amgen to develop and commercialize Kineret for all therapeutic indications. The revised agreement builds on the previous agreement that gave Sobi rights for Kineret within the field of Rheumatoid arthritis and four orphan drug indications. Sobi also acquired the right to additional data for Kevivance from Amgen, allowing the company to explore a potential new therapeutic indication.
- Sobi and Biogen Idec announced an interim analysis of pediatric data of their long-lasting recombinant factor IX and VIII candidates. These interim data are the first to demonstrate that rFIXFc and rFVIIIc have consistently prolonged half-lives in children, compared to study participants' prior therapies.
- Sobi strengthened its Partner Products portfolio with four new partnership agreements, including Auxilium Pharmaceuticals Inc, PharmaSwiss, Hyperion Therapeutics Inc and Exelixis.

INVESTOR'S VIEW

Near-term, continuing to improve operational performance and extending the life of the existing products and commercial agreements are the main drivers for Sobi's business. Sobi has reported positive phase III data for its two hemophilia products under development. Longer term, securing the full commercial potential of Sobi's hemophilia assets is the key focus for the company.

www.sobi.com

Key figures, SEK m.

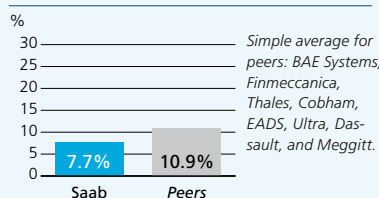
| | 2013 | 2012 |
|-------------------------------|--------|--------|
| Net sales | 23,750 | 24,010 |
| Operating margin, excl. EO, % | 6.6 | 7.7 |
| Net profit | 742 | 1,560 |
| Earnings per share, SEK | 6.98 | 15.00 |
| Dividend per share, SEK | 4.50 | 4.50 |
| Net debt | -1,013 | -1,996 |
| Market capitalization | 18,356 | 14,311 |
| Number of employees | 14,140 | 13,968 |

Investor's engagement

| | 2013 | 2012 |
|--------------------------|-------|-------|
| Share of capital, % | 30.0 | 30.0 |
| Share of votes, % | 39.5 | 39.5 |
| Value of holding, SEK m. | 5,651 | 4,428 |

Board Members from Investor: Marcus Wallenberg (Chairman), Johan Forssell and Lena Treschow Torell

Average annual total return, 10 years



Serves the global market with world-leading products, services and solutions for military defense and civil security.

Chairman: Marcus Wallenberg, *President and CEO:* Håkan Buskhe.

IMPORTANT EVENTS 2013

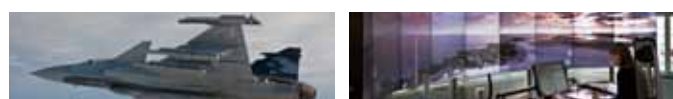
- The Brazilian government announced the selection of Gripen NG. The announcement will be followed by negotiations with the Brazilian Air Force aiming at a procurement of 36 Gripen NG.
- The Swiss parliament confirmed the support for the procurement and financing of the Gripen E fighter. A public vote will be held on May 18, 2014.
- Within the framework of a previously signed agreement with the Swedish Defence Materiel Administration (FMV) for Gripen E, Saab received development and serial production orders amounting to SEK 29.8 bn. for operations during 2013-2026.
- A joint development program was signed with Boeing to develop and build a completely new and advanced training aircraft.
- The Board of Directors has proposed a SEK 4.50 dividend per share. Given AGM approval, this would result in a SEK 148 m. dividend flow to Investor.

INVESTOR'S VIEW

Saab provides state-of-the-art products and is well positioned in many niche markets globally. The Swedish government is still the largest customer and with decreasing Swedish defense spending over the last decade, Saab has focused on developing cost efficient products. Growth outside of Sweden continues to be imperative, and with pressure on defense budgets in most parts of the world, Saab's cost competitive product portfolio becomes increasingly attractive. Focus continues to be on operational efficiency to be able to support internal R&D investments and marketing efforts in international markets, thereby creating a strong platform for the future.

www.saabgroup.com

— Sobi



— Saab



EUR 7.1 bn.
Total market capitalization

SEK 5.5 bn.
Value of holding

2%
of total assets

SEK 0.8 bn.
Impact on NAV

A global leader in complete lifecycle power solutions for the marine and energy markets. The company has operations in nearly 170 locations in 70 countries.

Chairman: Mikael Lilius, President and CEO: Björn Rosengren

IMPORTANT EVENTS 2013

- Investor and Fiskars completed the legal combination of their Wärtsilä holdings into a joint venture. The joint venture company owns in total 21.8 percent of the capital and votes in Wärtsilä.
- Investor's vice chairman Sune Carlsson was elected to the Board at the Annual General Meeting.
- Wärtsilä strengthened its presence in Brazil with the opening of a manufacturing facility in order to meet the local market demand.
- Wärtsilä introduced a new range of dual fuel 2-stroke engines based on the company's successful low pressure gas technology.
- On January 9, 2014, Wärtsilä's Board of Directors issued a press release in which it confirmed that it had been approached by Rolls-Royce with a preliminary proposal for a possible offer for the company, but that there were no longer any ongoing discussions with Rolls Royce.
- The Annual General Meeting 2014 approved the Board of Directors' proposal to pay a dividend per share of EUR 1.05. This is expected to result in a SEK 160 m. dividend flow to Investor, based on the exchange rates at announcement.

INVESTOR'S VIEW

Wärtsilä has leading global market positions and high emerging market exposure, which provide an excellent platform for profitable growth. To counteract the end-market cyclicality, the company has an asset-light business model focused on the design and development of engines and in-house manufacturing of critical components. The company also has a sizeable aftermarket business in 70 countries to support both marine and power customers. We support Wärtsilä's current strategy and see good long-term potential driven by environmental regulations, smart power generation and an increased penetration of natural gas powered engines.

www.wartsila.com



USD 6.7 bn.
Total market capitalization

SEK 5.0 bn.
Value of holding

2%
of total assets

SEK 1.9 bn.
Impact on NAV

One of the world's largest exchange operators, which offers listings, trading, exchange technology and public company services across six continents.

Chairman: Börje Ekholm, President and CEO: Robert Greifeld

IMPORTANT EVENTS 2013

- The acquisition of Thomson Reuters' Investor Relations, Public Relations and Multimedia businesses was closed.
- NASDAQ OMX acquired eSpeed, a market leading electronic trading platform for U.S. treasuries, for a cash consideration of USD 750 m. partly financed by a bond of EUR 600 m. due 2021.
- Investor received dividends of SEK 65 m in 2013, a USD 0.52 dividend per share.

INVESTORS VIEW

NASDAQ OMX has strong market positions and a unique brand in an industry that we know well. An exchange is at the core of the financial system's infrastructure and we believe that more financial products will become traded on exchanges. Our view is that continued focus on capturing growth opportunities, such as expansion into new asset classes and adjacent businesses, should create value. The company's strong cash flow supports continued growth initiatives as well as shareholder cash distributions.

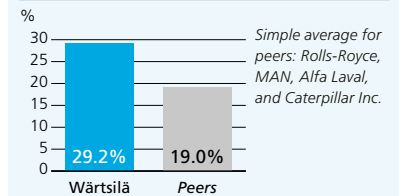
www.nasdaqomx.com

| Key figures, EUR m. | 2013 | 2012 |
|-------------------------|--------|--------|
| Net sales | 4,654 | 4,725 |
| Operating margin, % | 10.7 | 10.2 |
| Net profit | 393 | 344 |
| Earnings per share, EUR | 1.98 | 1.72 |
| Dividend per share, EUR | 1.05 | 1.00 |
| Net debt | 276 | 567 |
| Market capitalization | 7,055 | 6,454 |
| Number of employees | 18,663 | 18,887 |

| Investor's engagement | 2013 | 2012 |
|--------------------------|-------|-------|
| Share of capital, % | 8.8 | 8.8 |
| Share of votes, % | 8.8 | 8.8 |
| Value of holding, SEK m. | 5,537 | 4,866 |

Board Members from Investor: Sune Carlsson

Average annual total return, 10 years



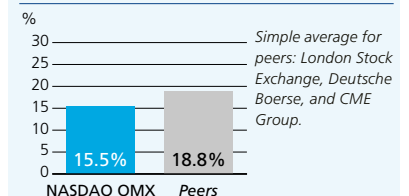
| Key figures, USD m. | 2013 | 2012 |
|--------------------------------|-------|-------|
| Net sales | 1,895 | 1,663 |
| Operating margin (GAAP), % | 36.3 | 41.5 |
| Net profit (GAAP) | 385 | 352 |
| Earnings per share, USD (GAAP) | 2.30 | 2.09 |
| Dividend per share, USD | 0.52 | 0.39 |
| Net debt | 2,209 | 1,479 |
| Market capitalization | 6,663 | 4,140 |
| Number of employees | 3,365 | 2,693 |

| Investor's engagement | 2013 | 2012 |
|----------------------------------|-------|-------|
| Share of capital, % | 11.6 | 11.8 |
| Share of votes ¹⁾ , % | 11.6 | 11.8 |
| Value of holding, SEK m. | 5,023 | 3,160 |

Board Members from Investor: Börje Ekholm (Chairman)

¹⁾ No single owner is allowed to vote for more than 5 percent at the AGM.

Average annual total return, 10 years



Wärtsilä



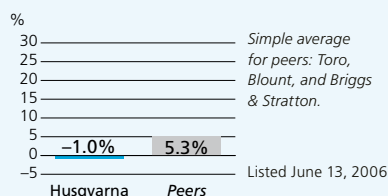
NASDAQ OMX

| Key figures, SEK m. | 2013 | 2012 |
|-------------------------------|--------|--------|
| Net sales | 30,307 | 30,834 |
| Operating margin, excl. EO, % | 6.1 | 6.3 |
| Net profit | 916 | 1,027 |
| Earnings per share, SEK | 1.60 | 1.78 |
| Dividend per share, SEK | 1.50 | 1.50 |
| Net debt | 6,659 | 8,271 |
| Market capitalization | 22,148 | 22,436 |
| Number of employees | 14,156 | 15,429 |

| Investor's engagement | 2013 | 2012 |
|--------------------------|-------|-------|
| Share of capital, % | 16.8 | 16.8 |
| Share of votes, % | 30.5 | 30.3 |
| Value of holding, SEK m. | 3,749 | 3,802 |

Board Members from Investor: Daniel Nodhäll and Tom Johnstone

Average annual total return, 7 years



The world's largest producer of outdoor power products for garden, park and forest care, European leader in watering products, and a world leader in cutting equipment and diamond tools to the construction industry.

Chairman: Lars Westerberg, *President and CEO*: Kai Wärn

IMPORTANT EVENTS 2013

- Husqvarna focused on the need to accelerate ongoing programs to reduce cost and business complexity. Resources will be focused on the core premium brands Husqvarna and Gardena as well as the product leadership areas professional handheld, robotic mowers and watering. Additionally, the company will review how to further differentiate the dealer and retail business models, a key measure to drive margin recovery, especially in the U.S.
- Kai Wärn assumed the position as CEO, replacing Hans Linnarsson.
- The Board of Directors has proposed a SEK 1.50 dividend per share. Given AGM approval, this would result in a SEK 146 m. dividend flow to Investor.

INVESTOR'S VIEW

Total shareholder return for Husqvarna since the spin-off from Electrolux has been unsatisfactory. The company has been negatively impacted by weak markets for outdoor products and an unsatisfactory operational performance in North America. However, we still believe in Husqvarna's long-term potential based on its world-leading market positions, strong brands and global sales organization. The company is addressing its current problems and has announced actions to improve the operational performance and reduce its fixed cost base. Near-term, it is important to turn around the North American business.

www.husqvarna.com

| Key figures, EUR m. | 2013 | 2012 |
|---|-------|-------|
| Net sales | 1,153 | 1,119 |
| Sales growth, % | 3 | 10 |
| In constant currency % | 5 | 6 |
| EBITDA | 344 | 321 |
| EBITDA, % | 30 | 29 |
| Change in working capital | -14 | -8 |
| Capital expenditures | -52 | -48 |
| Operating cash flow | 278 | 265 |
| Acquisitions (-)/divestments(+) | -2 | -26 |
| Shareholder contribution (+)/distribution (-) | 544 | 0 |
| Other | -165 | -140 |
| Increase (-)/decrease (+) in net debt | 655 | 99 |
| Net debt | 728 | 1,383 |
| Working capital/sales, % | 13 | 12 |
| Capital expenditures/sales, % | 4 | 4 |

| Investor's engagement | 2013 | 2012 |
|----------------------------------|--------|--------|
| Share of capital, % | 98.0 | 98.0 |
| Share of votes ¹⁾ , % | 96.0 | 96.0 |
| Value of holding, SEK m. | 20,684 | 16,058 |

Board Members from Investor: Gunnar Brock (Chairman) and Helena Saxon

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

Chairman: Gunnar Brock, *President and CEO*: Pierre Guyot

IMPORTANT EVENTS 2013

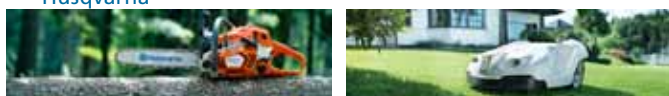
- In constant currency, sales grew by 5 percent, and the EBITDA margin was 30 percent. Continued strong cash flow and the equity injection from Investor reduced net debt.
- Growth continued to be strong in North America and positive in Europe, although some markets remained impacted by public austerity measures.
- The Wound Care division performed well, with strong growth for Advanced Wound Care. A new Advanced Wound Care factory was opened in Brunswick, U.S. In combination with other facilities, this addition will improve the company's production setup and support its market leadership.
- The Surgical division improved during the year, despite continued difficult market conditions. Growth was strong for Staff Clothing and ProcedurePak.
- Richard Twomey was appointed new CEO and will assume the position during the second quarter 2014.
- Investor increased its equity in Mölnlycke Health Care by EUR 544 m., of which EUR 225 m. related to our portion of the mezzanine debt. The company was refinanced with an all senior-debt structure.

INVESTOR'S VIEW

Mölnlycke Health Care is a leader in its industry. Historically, the company has delivered strong growth and outperformed most of its key peers in terms of growth, profitability and cash conversion. The company has a highly competitive product portfolio with leading market positions. Continued focus on product innovation, investments in marketing/sales in existing markets, and geographic expansion into new markets will drive future growth.

www.molnlycke.com

Husqvarna



Mölnlycke Health Care



Unlisted

SEK 3.8 bn.
Value of holding

2%
of total assets

SEK -1.2 bn.
Impact on NAV

A leading private provider of health care and care services in the Nordic region.
Chairman: Bengt Braun, President and CEO: Liselott Kilaas

IMPORTANT EVENTS 2013

- Organic sales growth amounted to 5 percent, while the EBITDA margin declined, mainly due to weaker performance within the Swedish operations.
- Aleris' board and CEO Liselott Kilaas decided on a fundamental overhaul of operations, including the implementation of a country-based organization, consolidation of units, efficiency improvements and continued investments in quality. Given this, Investor lowered its medium-term forecasts for Aleris, which led to a write-down of goodwill of SEK 940 m.
- In Sweden, operating challenges within the Healthcare division, primarily the community hospitals in Stockholm and primary care, remained, while diagnostics continued to perform well. The Care division showed weaker performance, mainly due to the new reimbursement system in home care and slightly lower profitability in senior care. However, several tenders were won within senior care.
- In Norway, performance remained stable, with good volume growth in most areas.
- In Denmark, performance was stable, driven by the cost savings achieved by the merger of the two Copenhagen hospitals in 2012. Public volumes remained low.
- On July 1, Liselott Kilaas became CEO. In March 2014, Lars Idermark was proposed new Chairman.
- Investor invested SEK 1.0 bn. in Aleris and refinanced it with an all senior debt structure.

INVESTOR'S VIEW

The Scandinavian healthcare and care market offers long-term sustainable growth potential with demographics driving growing demand for healthcare. Aleris has a strong market position and an attractive platform for growth. Near-term, however, focus is on improving the performance within units currently operating unsatisfactory. Delivering high-quality and cost-efficient service is the main differentiating and sustainable factor for this business over the long-term, which is why efforts to constantly improve quality and service for patients and payers are the top priority.

www.aleris.se



Unlisted

SEK 3.8 bn.
Value of holding

2%
of total assets

SEK 0.1 bn.
Impact on NAV

A world-leading manufacturer of advanced powered wheelchairs.
Chairman: Martin Lundstedt, President and CEO: Jon Sintorn

IMPORTANT EVENTS 2013

- Permobil became a new wholly-owned subsidiary.
- Sales grew by 12 percent organically. Growth was mainly driven by the U.S. and Scandinavia. Sales in the rest of Europe declined slightly compared to last year, largely driven by tough market conditions in Benelux, where restructuring activities have been initiated.
- Several initiatives were launched to support growth and efficiency, including consolidation of production to the Timrå production facility. New facilities in Timrå is under construction.
- Growth related investments negatively impacted EBITDA. The EBITDA margin was 19.6 percent when adjusting for acquisition-related accounting effects.

INVESTOR'S VIEW

As a global leader in advanced powered wheelchairs and the only company solely focusing on the advanced high-end segment of the market, Permobil has a strong market position. Its competitive product offering, leading market positions, good profitability and cash flow generation offer an attractive platform for future profitable growth. Permobil should continue its focus on strengthening and broadening the product portfolio to capture additional growth opportunities, both in existing and new markets.

www.permobil.se

| Key figures, SEK m. | 2013 | 2012 |
|---|-------|-------|
| Net sales | 6,975 | 6,732 |
| Sales growth, % | 4 | 31 |
| Organic sales growth, constant currency % | 5 | 11 |
| EBITDA | 307 | 330 |
| EBITDA, % | 4 | 5 |
| Change in working capital | 33 | 105 |
| Capital expenditures | -166 | -177 |
| Operating cash flow | 174 | 258 |
| Acquisitions (-)/divestments (+) | - | -116 |
| Shareholder contribution(+)/distribution(-) | 1,000 | 800 |
| Other | -4 | -292 |
| Increase(-)/decrease(+) in net debt | 1,170 | 650 |
| Net debt | 991 | 2,161 |
| Working capital/sales, % | -2 | -2 |
| Capital expenditures/sales, % | 2 | 3 |

| Investor's engagement | 2013 | 2012 |
|---|-------|-------|
| Share of capital, % | 100.0 | 98.0 |
| Share of votes, % | 100.0 | 99.0 |
| Value of holding, SEK m. | 3,830 | 3,930 |
| Board Members from Investor: Peter Wallenberg Jr and Helena Saxon | | |

| Key figures, SEK m. | 2013 | 2012 |
|---|-------|-------|
| Net sales | 1,742 | 1,562 |
| Sales growth, % | 12 | 8 |
| Organic sales growth, constant currency % | 12 | 7 |
| EBITDA | 255 | 313 |
| EBITDA, % | 15 | 20 |
| Change in working capital | -17 | 5 |
| Capital expenditures | -98 | -80 |
| Operating cash flow | 156 | 238 |
| Acquisitions (-)/divestments (+) | - | -51 |
| Shareholder contribution(+)/distribution(-) | - | - |
| Other | 9 | -123 |
| Increase(-)/decrease(+) in net debt | 165 | 64 |
| Net debt | 1,117 | 1,282 |
| Working capital/sales, % | 20 | 22 |
| Capital expenditures/sales, % | 6 | 5 |

| Investor's engagement | 2013 | 2012 |
|--|-------|------|
| Share of capital, % | 95.0 | n.a |
| Share of votes, % | 90.0 | n.a |
| Value of holding, SEK m. | 3,759 | n.a |
| Board members from Investor: Christian Cederholm | | |



Permobil

Aleris

Grand Hôtel

| Key figures, SEK m. | 2013 | 2012 |
|---------------------|------|------|
| Net sales | 462 | 383 |
| Sales growth, % | 21 | -1 |
| EBITDA | -5 | 0 |
| EBITDA, % | -1 | 0 |
| Number of employees | 335 | 265 |

Vectura

| Key figures, SEK m. | 2013 | 2012 |
|---------------------|------|------|
| Net sales | 124 | 116 |
| Sales growth, % | 7 | 15 |
| EBITDA | 76 | 58 |
| EBITDA, % | 61 | 50 |

| Investor's engagement | 2013 | 2012 |
|--------------------------|-------|-------|
| Share of capital, % | 100.0 | 100.0 |
| Share of votes, % | 100.0 | 100.0 |
| Value of holding, SEK m. | 1,258 | 1,303 |

Board Members from Investor:
Grand Hôtel: Peter Wallenberg Jr, Magnus Karlberg
Vectura: Lennart Johansson, Susanne Eklom

Grand Hôtel: Includes Grand Hôtel, Scandinavia's leading five-star hotel, and Lydmar Hotel, a high-end boutique hotel. Both reside in neighboring landmark buildings in central Stockholm.
Chairman: Peter Wallenberg Jr,
President and CEO: Pia Djupmark

IMPORTANT EVENTS 2013 Grand Hôtel

- Organic sales growth was 5 percent. Profitability remained unsatisfactory.
- Grand Hôtel acquired the majority of the neighboring Lydmar Hotel, broadening its offering and allowing synergies within sales and marketing.
- Pia Djupmark was appointed new CEO.

INVESTOR'S VIEW

Grand Hôtel and Lydmar Hotel have unique brands and locations. Wide-scale renovations have been made to the Grand Hôtel. Various initiatives have been implemented in order to cope with the challenging economic climate. The operations of Lydmar Hotel add a complementing brand with scope for synergies between the hotels.

www.grandhotel.se

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

IMPORTANT EVENTS 2013 Vectura

- Sales grew by 7 percent and EBITDA improved sharply, partially due to one-off divestitures.
- Näckström Fastigheter's first project was completed in Sunne and Aleris started operations in the facilities in August.
- The renovation of Grand Hôtel's Verandan restaurant was successfully completed.
- At year-end 2013, the market value of Vectura's real estate assets amounted to SEK 2.4 bn.

INVESTOR'S VIEW

With the properties within the Investor group concentrated into one unit, Vectura can provide efficient real estate management and realize synergies. Näckström Fastigheter, focusing on real estate projects related to Aleris, allows Aleris to focus on its core business in well-adapted facilities. Over time, the number of projects is likely to grow gradually as Aleris expands and relocates parts of its operations.

| Impact on Investor's net asset value, SEK m. | 2013 | 2012 |
|--|--------|--------|
| Net asset value, beginning of the year | 10,984 | 13,214 |
| Contribution to net asset value (value change) | 2,414 | -54 |
| Draw-downs (investments and management fees) | 1,914 | 1,284 |
| Proceeds to Investor (divestitures, fee surplus and carry) | -3,697 | -3,460 |
| Net asset value, end of year | 11,615 | 10,984 |

| Investor's engagement | 2013 | 2012 |
|------------------------------|--------|--------|
| Investor's share of funds, % | 6-64 | 6-64 |
| Value of holding, SEK m. | 11,615 | 10,984 |

The EQT private equity funds invest in companies in Northern and Eastern Europe, Asia and the U.S., in which EQT can act as a catalyst to transform and grow operations.
President and CEO (EQT Partners AB): Thomas von Koch

IMPORTANT EVENTS 2013

- Net cash flow to Investor from EQT amounted to SEK 1.8 bn. The reported value change of Investor's investments in EQT funds was 22 percent. In constant currency, the change was 20 percent.
- Investor's total outstanding commitments to EQT funds were to SEK 6.3 bn. at year-end 2013 (5.5).
- Investments included Terveystalo. Divestments included BTX Group and Springer Science+Business Media. Sanitec was listed on Nasdaq OMX Stockholm.
- EQT established a new corporate structure; bringing operations, fund administration and investments in general partners together under EQT Holdings AB. Investor own 19 percent of EQT Holdings AB. The new structure does not materially change the total value of Investor's economic interests.
- Thomas von Koch was appointed new Managing Partner of EQT, succeeding Conni Jonsson who will become working Chairman of EQT Holdings AB. Changes were effective as of March 1, 2014.

INVESTOR'S VIEW

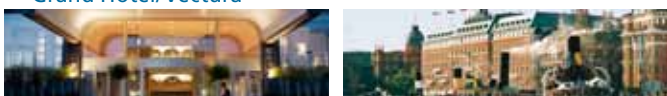
Investor has been a sponsor of EQT's funds since its inception almost 20 years ago. Since then, EQT has delivered top investment performance in its industry and we have received returns on our limited partner interest in the top quartile of the industry. Being a sponsor allows us to capture a portion of both the carry and surplus from management fees. This represents a significant enhancement of our total return from the respective funds over time. Although "lumpy" by nature, depending on whether the funds are in an investment or divestment phase, our investments in the EQT funds are expected to continue to generate strong cash flow.

www.eqt.se

| SEK m. | Total commitment | Investor's share | Investor's remaining commitment | Market value |
|------------------------------------|------------------|------------------|---------------------------------|--------------|
| Terminated funds ¹⁾ | 11,908 | - | - | 3 |
| Fully Invested funds ²⁾ | 106,383 | - | 1,268 | 9,544 |
| EQT VI | 44,500 | 6% | 1,721 | 1,024 |
| EQT Infrastructure II | 17,332 | 8% | 991 | 334 |
| EQT Midmarket | 9,184 | 24% | 1,752 | 412 |
| EQT Credit Fund II | 7,560 | 10% | 552 | 193 |
| Total | 196,867 | | 6,284 | 11,510 |

1) EQT I, EQT II, EQT Denmark, EQT Finland
2) EQT III, EQT IV, EQT V, EQT Expansion Capital I, EQT Greater China II, EQT Infrastructure, EQT Credit Fund, EQT Opportunity, EQT Asia

Grand Hôtel/Vectura



EQT



Unlisted

SEK 10.8 bn.
Value of holding

5%
of total assets

SEK 1.4 bn.
Impact on NAV

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

President and CEO: Stephen Campe

IMPORTANT EVENTS 2013

- Net distribution to Investor from IGC amounted to SEK 1.3 bn. The reported value change was 13 percent. In constant currency, the value change was 14 percent.
- IGC's investment strategy has been changed from "invest-to-sell" to "invest-to-build", aligning it with Investor's core strategy. As a consequence, IGC's organization has been restructured, while IGC Europe will continue to follow the wind-down plan established in 2011. Investor remains committed to managing IGC's existing portfolio in a value-creating way and will continue to receive 50 percent of the net proceeds from exits.
- Divestments included, Antenna Software, Biotage, Biotie Therapies, China ITS, EAB Systems Foresee Results, Global Health Partner, Greenway Medical, Kythera, Ruckus Wireless, Raptor Pharmaceuticals and Vårdapoteket. Affibody and Atlas Antibodies were transferred to Investor. After the end of the year, the holding in Aptalis was divested and NSFocus was listed on the Shanghai Stock Exchange.

INVESTOR'S VIEW

The shift in strategy to "invest-to-build" in the U.S. will make IGC more aligned with Investor's core strategy. The new organization is well suited to realize values from the current portfolio and to develop with the strategy, with new investments in fewer, but larger, U.S. based, companies, in which we can take control positions with a long-term view.

www.investorgrowthcapital.com

| Impact on Investor's net asset value, SEK m. | 2013 | 2012 |
|--|---------------|---------------|
| Net asset value, beginning of the year | 10,727 | 10,225 |
| Contribution to net asset value (value change) | 1,374 | 359 |
| Capital contribution from Investor | – | 750 |
| Distribution to Investor | –1,308 | –607 |
| Net asset value, end of year | 10,793 | 10,727 |
| <i>Of which net cash</i> | <i>3,792</i> | <i>1,976</i> |

| Investor's engagement | 2013 | 2012 |
|--------------------------|--------|--------|
| Share of capital, % | 100.0 | 100.0 |
| Share of votes, % | 100.0 | 100.0 |
| Value of holding, SEK m. | 10,793 | 10,727 |



Unlisted

SEK 5.0 bn.
Value of holding

2%
of total assets

SEK 0.5 bn.
Impact on NAV

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

Chairman: Hugo Maurstad, President and CEO: Endre Rangnes

IMPORTANT EVENTS 2013

- In constant currency, sales grew by 8 percent and EBITdA improved sharply by 19 percent, increasing the EBITdA margin from 31 to 34 percent.
- Capital was the main growth contributor, but Collection also had a good year as new collection volumes increased and internal collections reported solid numbers as well.
- Lindorff completed a number of portfolio acquisitions during the year.
- Initiatives to improve cost efficiency, including site consolidations and other measures, continued.

INVESTOR'S VIEW

Lindorff has a good business mix with its two business areas, Collection and Capital. Collection's service-driven business model has low capital requirements and provides a stable earnings base. Capital has the capacity and ability to pursue portfolio acquisitions with good yield. The growth rate can be adapted to Lindorff's growth ambitions and market opportunities. We expect Lindorff to act on value creating opportunities in Europe. Internally, Lindorff should continue to focus on improving efficiency and operational excellence, as well as integrating recently made acquisitions. We remain confident in Lindorff's long-term growth potential.

www.lindorff.com

| Key figures, EUR m. | 2013 | 2012 |
|------------------------------------|------|------|
| Net sales | 407 | 378 |
| Sales growth, % | 8 | 12 |
| Sales growth, constant currency, % | 8 | 11 |
| EBITdA | 138 | 116 |
| EBITdA, % | 34 | 31 |
| Net debt | 745 | 764 |

| Investor's engagement | 2013 | 2012 |
|--------------------------|-------|-------|
| Share of capital, % | 58.0 | 58.0 |
| Share of votes, % | 50.0 | 50.0 |
| Value of holding, SEK m. | 4,960 | 4,484 |

Board Members from Investor: Lennart Johansson and Petra Hedengran



Lindorff

IGC



Unlisted

SEK 2.6 bn.

Value of holding

1%

of total assets

SEK 0.4 bn.

Impact on NAV

| Key figures SEK m. | 2013 | 2012 |
|--------------------|-------|-------|
| Net sales | 9,321 | 9,341 |
| Sales growth, % | 0 | 5 |
| EBITDA | 2,273 | 2,425 |
| EBITDA, % | 24 | 26 |
| Net debt | 9,676 | 9,652 |

Other key figures

| | | |
|------------------------|-----------|-----------|
| Subscribers | 2,716,000 | 2,407,000 |
| ARPU, SEK | 260 | 282 |
| Non-voice ARPU % | 48 | 46 |
| Postpaid/prepaid ratio | 83/17 | 84/16 |

| Investor's engagement | 2013 | 2012 |
|--------------------------|-------|-------|
| Share of capital, % | 40,0 | 40,0 |
| Share of votes, % | 40,0 | 40,0 |
| Value of holding, SEK m. | 2,643 | 2,367 |

Board Members from Investor: Marcus Wallenberg (Chairman), Lennart Johansson and Christian Cederholm

An operator providing mobile voice and broadband services in Sweden and Denmark. The company has more than 2.7 million subscribers and is recognized for its high-quality network.

Chairman: Marcus Wallenberg, President and CEO: Peder Ramel









IMPORTANT EVENTS 2013

- 3 Scandinavia continued to grow its subscriber base, adding 309,000 new subscribers in total.
- The underlying service revenue was flat, as revenue per subscriber decreased. EBITDA and cash flow grew, and 3 Scandinavia distributed SEK 200 m. to its owners and repaid SEK 0.5 bn. of its external debt. This reduced Investor's guarantee by SEK 200 m. to SEK 4.0 bn.
- In 2011, 3 Scandinavia changed the recognition method of handset sales. During a transition period, sales and EBITDA have been positively impacted by the early recognition of handset revenue from new and prolonged subscribers, while the treatment of the existing subscriber base has remained unchanged. This effect is fading out as subscriber contracts signed prior to the change expire. While 2013 numbers are largely unaffected by this change, any year-over-year comparisons need to consider this change.

INVESTOR'S VIEW

3 Scandinavia has consistently grown by capturing market share in Sweden and Denmark. With strong cost control in place, growth remains the key driver and 3 Scandinavia should continue to increase its market share and capture additional growth opportunities. With its spectrum portfolio and high quality network, the company is well positioned to continue growing. Future revenue and profit growth should translate into enhanced cash flow generation.

www.tre.se

| Company | Operations | Net sales | Investor's ownership, percent of capital | NAV, SEK m. |
|---|--|------------|--|-------------|
|  Active Biotech | A biotechnology company with focus on autoimmune/inflammatory diseases and cancer. Projects in pivotal phase include treatments of multiple sclerosis, prostate cancer and renal cell cancer. | SEK 116 m. | 8.0 | 414 |
|  AFFIBODY | A Swedish biotech company focused on developing next generation biopharmaceuticals based on its unique proprietary technology platforms. Affibody is developing a portfolio of innovative drug projects and, in addition, offers the half-life extension technology, Albumod™, for outlicensing. | SEK 68 m. | 24.7 | 74 |
|  ALLIGATOR bioscience | A Swedish, private company that discovers and develops innovative antibody based immunotherapies for the treatment of cancer. Drug Discovery and Development span early research phases with lead identification up to proof of concept phase IIa clinical studies in cancer patients. | SEK 0.3 m. | 12.5 | 40 |
|  ATLAS ANTIBODIES | A biotech company developing, manufacturing and distributing highly characterized advanced antibodies to the research community worldwide. The antibodies are used to study human proteins, for basic research purposes and clinical research in important disease areas such as cancer and neurological brain diseases. | SEK 46 m. | 35.0 | 80 |
|  Kunskapsskolan | A leading independent school operator in Sweden, operating 36 schools with around 11,000 students. All schools are publically funded, free of charge and non-selective. Outside Sweden, Kunskapsskolan is active in the UK, the U.S. and in India. | SEK 878 m. | 41.0 | 178 |
|  Newron | An Italian biopharmaceutical company focused on the development of novel therapies for patients with diseases of the Central Nervous System (CNS) and pain. | EUR 3.5 m. | 13.1 | 180 |
|  Novare | Novare Human Capital, founded by Investor in 2001, offers a unique and comprehensive platform covering the full HR spectra. All Novare Human Capital companies focus on supporting the development of businesses and their employees. Clients are primarily mid-sized and large companies from a wide range of businesses. | SEK 81 m. | 50.0 | 5 |
|  Samsari | A consultant company that empowers people and organizations to make strategy happen, based on Action Learning. Samsari delivers concrete, measurable results through management training, management meetings and internal communication. | SEK 13 m. | 50.0 | 6 |

Our employees

Having the right people in the right place at the right time is critical in order to build successful companies. To recruit and retain the right people, we focus on creating an attractive workplace that emphasizes competence, professionalism and quality awareness, as well as on maintaining and developing our international network and brand.

Our organization consists of employees in Corporate Relations & Communications, Group Finance, Human Resources, the Investment Organization, IT, Legal, Corporate Governance & Compliance, Trading and Office Support.

Our team of employees is wide ranging in terms of age, gender and expertise. The representation of women in senior management positions within our own organization is 41 percent (39). Our ambition is to continue to have at least one man and one woman in the final process for every recruitment activity, labor laws permitting.

Since the competence of our employees is of central importance to our ability to develop best-in-class companies, we focus on our employees' individual long-term development and offer the opportunity to advance education and professional knowledge on a continuous basis. During 2013 we continued to focus on improving and developing the collaboration between our departments internally and with our holdings.

Our philosophy on remuneration – in short

- Total remuneration, which the individual and the company agree upon, should be competitive in order to attract the right person to the right place at the right time.
- Benchmarking is made annually to ensure that remuneration is competitive and in line with the market.
- A substantial part of the total remuneration package should be variable.
- The system should be linked to long-term shareholder returns by offering the opportunity to build considerable long-term shareholdings. We expect employees to invest their own personal funds in the company.
- The systems should be transparent.
- The remuneration systems should adhere to the "grandfather principle", i.e. all changes in the employee's remuneration are to be approved by the supervisor of the manager proposing the change.

Our culture guides our actions

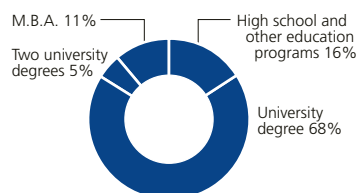
A strong and clear corporate culture is important if we are to successfully achieve our vision and goals. We are constantly developing our corporate culture on the basis of our Core Values; Create Value, Continuous improvement, Contribute your

view and Care for people. The Core Values are an integral part of our way of doing business, as well as our high ethical standards. We conduct an annual employee survey to ensure that our development is progressing and that we are creating an attractive workplace.

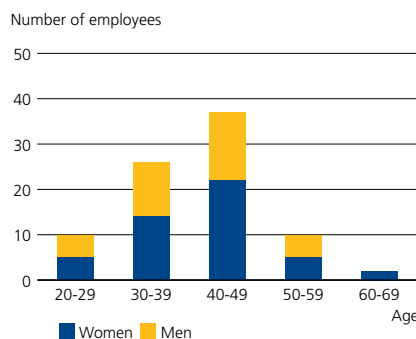
Our global network and international reputation

Our history of owning and developing companies has created a strong international reputation. A key strategic asset is our global network of industrialists that helps us recruit the right talents to our company as well as to our holdings, along with identifying attractive investment opportunities and trends. We work continuously to maintain and develop present relationships while at the same time creating new contacts.

Employees by education



Age distribution



Fact & figures on employees¹⁾

- Number of employees on December 31, 2013: 85 (91).
- Average age: 41.3 years (41.0).
- Invested in education per employee: approximately SEK 34,000 (29,000).
- Percentage of female employees: 56 (56).
- Percentage of women in senior management positions: 41 (39).
- Percentage of women in the Management Group: 40 (40).
- Personnel turnover: 10.2 percent (11.0)

1) Investing activities

The Investor share

The total return for the Investor share in 2013 was 35 percent, while the SIXRX total return index rose by 28 percent. The average annualized total return has been 16 percent over the past ten years and 13 percent over the past 20 years. The price of Investor's A-share increased 30 percent during the year from SEK 165.80 to SEK 215.10. The B-share increased by 30 percent from SEK 170.00 to SEK 221.30.

Turnover

During 2013, the turnover of Investor shares on the Nasdaq OMX Stockholm totaled 298 million (391), of which 18 million were A shares (32) and 279 million were B shares (358). This corresponded to a turnover rate of 6 percent (10) for the A share and 60 percent for the B share (78), compared with 67 percent for the Nasdaq OMX Stockholm as a whole (74). On average, 1.2 million Investor shares were traded daily (1.6). Our share was the 18th most actively traded share on the Nasdaq OMX Stockholm in 2013 (5th). Additional Investor shares were also traded on other exchanges.

Ownership structure

At year-end, our share capital totaled SEK 4,795 m., represented by 767,175,030 registered shares, each with a quota value of SEK 6.25. We had a total of 132,433 shareholders at year-end 2013 (129,559). In terms of numbers, the largest category of shareholders is private investors, and in

terms of the percentage of share capital held, institutional owners dominate. The largest single shareholder category is foundations, of which the three largest are Wallenberg foundations. The Wallenberg foundations' aggregated holding amounts to 23.3 percent of the capital and 50.0 percent of the votes in Investor.

Employee share ownership

Within the framework of our long-term share based remuneration, all employees are given the opportunity to invest 10 percent or more of their gross fixed base salary in Investor shares. Approximately 85 percent of Investor's employees are shareholders (84). In total, employees contributed Investor shares worth of SEK 14.3 m. within the programs for long-term share based remuneration during 2013. The President, senior management and certain key personnel are required to invest a significant portion of their fixed base salary in Investor shares. Personal investments mean that the pro-

gram has both an upside and a downside, aligning the interest of the employees with the shareholders. For more information on remuneration, see Our employees page 25 and note 9, Employees and personnel costs, page 59.

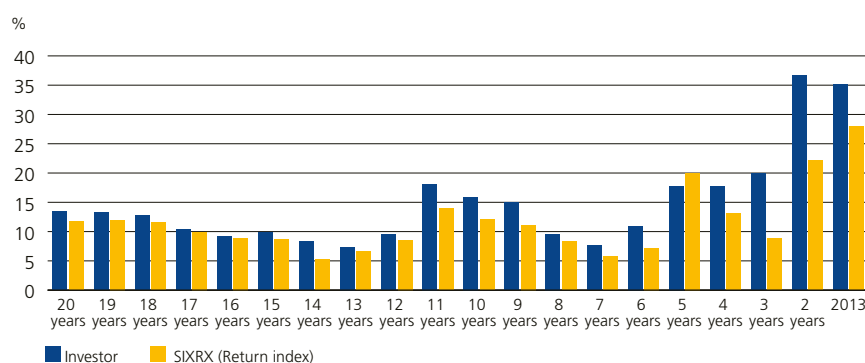
Proposed dividend

The Board and the President propose a dividend to shareholders of SEK 8.00 per share (7.00), corresponding to a maximum of SEK 6,137 m. to be distributed (5,331), based on the total number of registered shares.

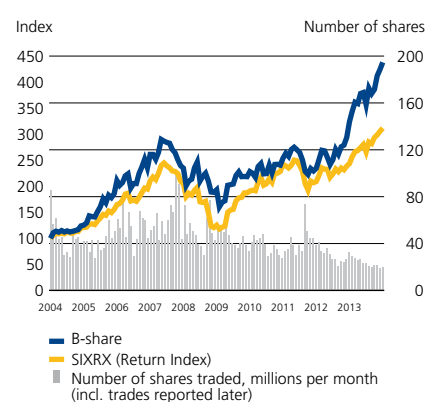
Dividend policy

Our dividend policy is to distribute a large percentage of the dividends received from listed Core Investments, as well as to make a distribution from other net assets corresponding to a yield in line with the equity market. The goal is also to pay a steadily rising dividend.

Average annual total return Investor vs. SIXRX



Total return Investor vs. SIXRX



Characteristics of the Investor share

- Our business model to actively develop holdings is well proven and has continuously generated healthy long-term returns to shareholders.
- Investor has a strong financial position, enabling us to capture attractive business opportunities for ourselves and for our holdings.
- Investor has strong cash flow generation, which provides both investment and distribution capacity.
- The liquidity of Investor shares is one of the highest on the Nordic Stock Exchange.
- Investor is a low-cost alternative to get exposure to a well-diversified portfolio of world class companies.

Brief facts

- Founded 1916, listed since 1917.
- A shares and B shares are mainly traded on Nasdaq OMX Stockholm.
- The only difference between the A and B share classes is that the A share carries one vote while the B share carries 1/10 vote.
- Total number of registered shares: 767,175,030, of which 311,690,844 A shares and 455,484,186 B shares.
- Ticker codes B share: INVEB SS (Bloomberg), INVEB.ST (Reuters), INVE.B (FactSet).
- Market capitalization on December 31: SEK 166 bn. (adjusted for repurchased shares).
- 13th largest company on the Nasdaq OMX Stockholm.

Shareholders statistics according to Euroclear on December 31, 2013

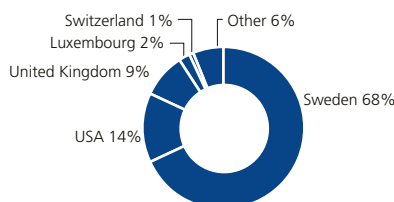
| Number of shares | Number of shareholders | Holding, % |
|------------------|------------------------|------------|
| 1-500 | 95,039 | 2 |
| 501-1,000 | 16,735 | 2 |
| 1,001-5,000 | 16,238 | 5 |
| 5,001-10,000 | 2,117 | 2 |
| 10,001-15,000 | 667 | 1 |
| 15,001-20,000 | 365 | 1 |
| 20,001- | 1,272 | 87 |
| Total | 132,433 | 100 |

Investor's 15 largest shareholders listed by capital stake¹⁾

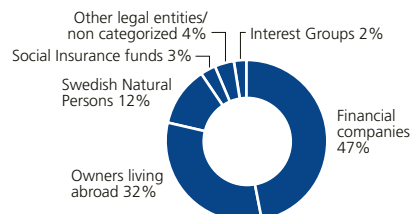
| 12/31 2013 | % of capital | % of votes |
|--|--------------|------------|
| Knut and Alice Wallenberg Foundation | 19.6 | 42.0 |
| Alecta | 5.3 | 2.9 |
| AMF | 3.9 | 6.6 |
| Northern Cross Investments Ltd. | 2.7 | 0.6 |
| SEB Foundation | 2.3 | 4.7 |
| Marianne and Marcus Wallenberg Foundation | 2.3 | 4.9 |
| First Eagle Investment Management | 2.0 | 2.9 |
| Swedbank Robur Funds | 1.6 | 0.8 |
| Norges Bank Investment Management | 1.6 | 0.4 |
| SEB Investment Management | 1.5 | 0.5 |
| Marcus and Amalia Wallenberg Memorial Fund | 1.4 | 3.1 |
| Fourth AP-fund | 1.0 | 0.9 |
| Skandia Liv | 0.9 | 2.0 |
| Handelsbanken funds | 0.9 | 0.2 |
| Afa insurance | 0.9 | 0.2 |

¹⁾ Swedish owners are directly registered or registered in the name of nominees. Foreign owners through filings, custodian banks are excluded. Source: Euroclear Sweden.

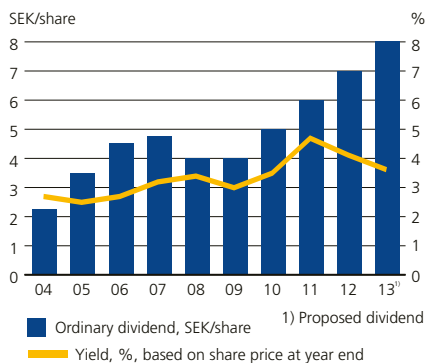
Distribution of ownership by country,%



Distribution of shareholders, % of capital



Dividend



Analyses of Investor

Firms publishing analyses of Investor AB

- ABG Sundal Collier
- Carnegie
- Cazenove
- Danske Bank
- Goldman Sachs
- Handelsbanken
- Kepler Cheuvreux
- Nordea
- SEB
- Swedbank Markets
- UBS

Investor relations contacts

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Sustainable business

We believe that there is a strong link between long-term profitability and sustainability. We see our corporate responsibility in two perspectives; our role as a company and employer and our role as an owner and investor.

The company perspective

We make sure that we have a good working environment and that we take good care of our employees. Our internal policies and instructions constitute important control documents in all parts of the company. We support global initiatives as the OECD Guidelines for Multinational Enterprises and the Global Compact, the UN principals for responsible investments. We also support social initiatives within our sponsorship portfolio.

In addition, our dividend contributed to the Wallenberg Foundations' grants of about SEK 1.7 bn. in 2013. The Wallenberg Foundations are the largest private

donor of funds to Swedish scientific research and education. You can read more about our company perspective in the Corporate Governance Report on page 35.

The ownership perspective

Our main focus within corporate sustainability lies in our role as a responsible owner, as this is where we can make the most impact.

Our sustainability efforts include ongoing dialogs with large businesses, international business networks and government representatives in different countries about the conditions for owning and developing companies long-term.

As a long-term and engaged owner, we support our holdings to develop sustainable business models and we strive to ensure that operations are conducted in a responsible and ethical manner. Compliance with legislation and regulations is a basic requirement. Our influence is mainly exercised through our work on the Boards and we expect our holdings to draw up policies and goals for sustainable business models, built on long-term focus and on the basis of cooperation, in order to keep a competitive edge in the ever-changing business climate. Many of our holdings are leaders within corporate sustainability.

Examples from our holdings

ABB has the technology that makes it possible to increase the supply of renewable energy, as well as ensure that it is produced in a safe, sustainable way and used more efficiently. The two main ways that ABB can help its customers to increase energy efficiency are, first, through knowledge of monitoring and analyzing how energy is used, along with identifying areas of improvement. Second, by installing equipment, systems and technical solutions that reduce energy usage and losses, improve productivity and make the control of equipment and processes more efficient.

Atlas Copco creates a sustainable and profitable development with the responsible use of human capital, natural resources and capital. They deliver innovative products and solutions to demanding customers. For example, customers in the automotive and aerospace industries, which are driven by increased demands for fuel efficiency, are benefiting from Atlas Copco's development and offering of tools that make it possible to assemble lighter materials such as carbon fiber, titanium and aluminum.

Electrolux offers a range of the most efficient products to meet the increasing demand for energy and cost efficient appliances. AEG ÖkoKombi for example, is the world's first washer-dryer with

heat pump technology and has an A- 40 percent energy rating which is the best in the market. In 2013, the Green Range represented 12 percent of products sold and 24 percent of gross profit.

Mölnlycke Health Care is known for its unique, high quality range of products and innovative, patented technologies such as Safetac, which reduces unnecessary pain associated with dressing changes, and the Avance Solo Negative Pressure system which allows patients to undergo NPWT treatment in their own homes. Mölnlycke Health Care's products reach healthcare professionals and patients in over 90 countries.

NASDAQ OMX has an important and fundamental socioeconomic function contributing to stability in the financial system and acting as a guarantor for an open and nondiscriminatory environment for investments in listed companies. The exchange has three purposes in the financial ecosystem, namely: capital procurement, capital allocation and risk management.

SEB's business has a direct and indirect impact in the markets and local communities where the bank operates. By providing credit and managing financial assets, SEB promotes economic growth and prosperity and thus creates value for house-

holds, businesses and the public sector. For example, as the first bank in Sweden, in 2013 SEB launched a micro finance fund which attracted about SEK 450 m. from 23 institutional investors. The money invested is lent to selected micro-finance institutions around the globe, which in turn lend directly to small, local entrepreneurs.

Sobi's objective is to identify where it can add value for patients and their physicians by reducing the time to diagnosis, improving diagnostic accuracy, developing and delivering monitoring tools, understanding the barriers to consistent health outcomes, and working with physicians and other healthcare providers to provide sustainable solutions for patients. By creating and maintaining dialog with this community, and also with governments and payers, Sobi seeks to ensure that its treatments are delivered in a sustainable way.

Wärtsilä offers power solutions with high efficiency and low environmental impact. The offerings include emission control systems for purification of sulfur oxides (SOx), ship engines that dramatically reduce NO emissions and a world-leading technology for management of oily water for power plants and marine applications that meet even the most strict standards.

Corporate Governance Report

Corporate governance practices refer to the decision-making systems through which owners, directly or indirectly, control a company. Investor's business model of active ownership is to create value in the portfolio companies. Good corporate governance is not only an important matter for Investor's own organization. It is an important part of Investor's core business. One of the cornerstones and a central part in Investor's value creation plans for the portfolio companies is high corporate governance. Investor's business model and possibilities to create value for the shareholders builds on owner influence in the companies. A description of the work with the portfolio companies is presented in the section Active Ownership on page 11.

It is also of outmost importance that the corporate governance within Investor has a high standard. Below the corporate governance within Investor is described.

Investor is a Swedish limited liability corporation that is publicly traded on the Nasdaq OMX Stockholm exchange and adheres to the Swedish Code of Corporate Governance (the

Code). The Code is published on www.bolagsstyrning.se, where a description of the Swedish Corporate Governance model can be found.

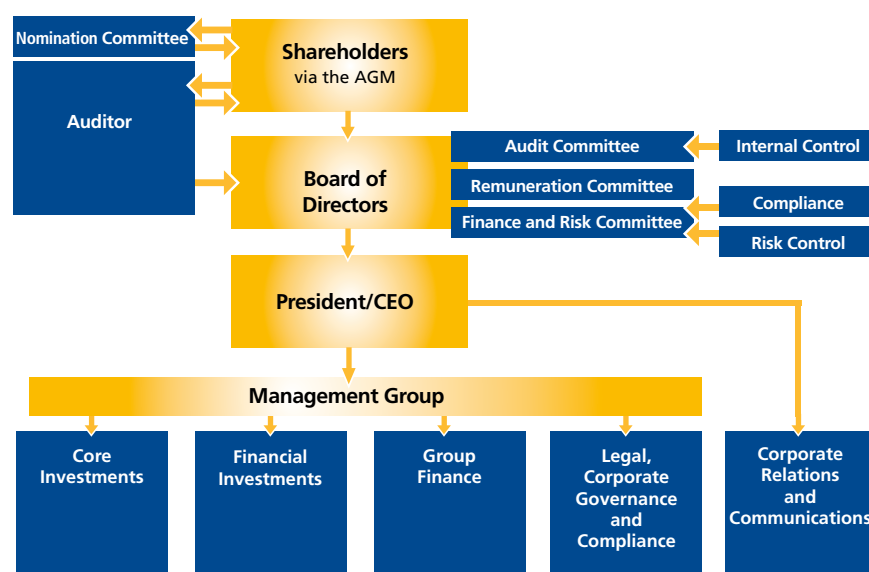
This Corporate Governance Report is submitted in accordance with the Swedish Annual Accounts Act and the Code. It explains how Investor has conducted its corporate governance activities during the 2013 financial year.

This report avoids repeating information in applicable regulations and focuses on presenting the specific corporate governance matters for Investor.

The Corporate Governance Report has been reviewed by Investor's auditor, see page 99.

Investor complied with the Code during 2013. Investor did neither deviate from the Nasdaq OMX Stockholm Rule Book for Issuers nor from good stock market practice.

Corporate Governance at Investor



Examples of external framework for governance at Investor:

- Swedish Companies Act.
- Accounting legislation, e.g. Swedish accounting Act, Swedish Annual Accounts Act, and IFRS.
- Nasdaq OMX Stockholm's Rule Book for Issuers.
- Swedish Code of Corporate Governance.

Examples of internal framework for governance at Investor:

- Articles of Association.
- Board Instructions, Rules of Procedure.
- Policies such as Compliance Policy, Information Policy, Risk Policy, and Safety Policy.
- Process descriptions for each business area.
- Ethical guidelines.

The corporate culture is based on the core values:
Create value / Continuous improvement / Contribute your view / Care for people

Cornerstones for good corporate governance



Annual General Meeting

The 2014 Annual General Meeting (AGM) of Investor will take place on May 6 at the City Conference Centre in Stockholm. Shareholders who would like to have a particular matter discussed at the AGM should submit such request to the Nomination Committee before March 11 and to the company before March 18, 2014. Contact information is available on the company website.

Investor always strives to ensure that the Board, the Management Group, the Nomination Committee and the auditor are present at the AGM.

Each Investor shareholder entitled to vote may vote for the entire number of the shares owned and represented by the shareholder without restrictions to the number of votes. A-shares are entitled to one vote and B-shares are entitled to 1/10 vote.

In addition to applicable law, regarding shareholder's right to participate at the AGM, there is a requirement in Investor's Articles of Association of confirming intention to attend within given time, stated in the notice of the AGM. The shareholder shall at the same time also inform of any assistant participation.

The documents from the AGM and the minutes recorded at the AGM are published on the website.

Shares, ownerships and distribution policy

At year-end 2013, Investor had 132,433 shareholders according to the register of shareholders maintained by Euroclear Sweden. Institutional owners dominate the ownership structure. See page 27 for Investor's largest shareholders and page 89 for Investor's share capital.

Investor's distribution policy is to distribute a large percentage of the dividends received from listed Core investments, as well as to make a distribution from other net assets corresponding to a yield in line with the equity market. Investor AB's goal is to generate a steadily rising annual dividend.

The 2013 AGM decided on a dividend payment of SEK 7.00 per share to shareholders. The Board and President recommend to the 2014 AGM a distribution of dividend to shareholders of SEK 8.00 per share.

Repurchases of own shares

Since year 2000, the Board has requested and been granted a mandate by the AGM to repurchase the company's shares. The company's holding of its own shares should not exceed 1/10 of all shares outstanding in the company. In 2013, 1,000,000 B-shares were repurchased and 954,694 B-shares of the repurchased shares were transferred. Also, for the 2014 AGM, there is a proposal to give authorization to the Board to buy back Investor shares in order to hedge the long-term share-based remuneration programs.

| | Number shares | Share of total number of outstanding shares, % | Nominal value, SEK m. | Transaction price, SEK m. |
|------------------------|------------------|--|-----------------------|---------------------------|
| 2013 | | | | |
| Opening balance | | | | |
| B-shares | 6,248,054 | 0.8 | 39.1 | |
| Repurchased | | | | |
| B-shares | 1,000,000 | 0.1 | 6.2 | 195.1 |
| Transferred B-shares | -954,694 | -0.1 | -6.0 | -103.5 |
| Closing balance | 6,293,360 | 0.8 | 39.3 | |

Nomination Committee

According to the current instruction for the Nomination Committee, the Committee shall consist of one representative from each of the four shareholders or groups of shareholders controlling the largest number of votes that desire to appoint a representative and the Chairman of the Board. The register of recorded shareholders and shareholder groups from Euroclear Sweden and other reliable shareholder information available to the company as of the last business day of August serves as the basis for identifying the members. For further information regarding instruction for the Nomination Committee, see the company website.

Up until February 28, 2014, the Nomination Committee had held four meetings at which the minutes were recorded. They also stayed in contact between these meetings. The AGM documents related to the Nomination Committee are published on the website.

Nomination Committee members 2014 AGM

| Nomination Committee members | Independent in relation to the company and company Management | Independent in relation to the company's major shareholders | 12/31 2013 % of votes |
|---|---|---|-----------------------|
| Hans Wibom, Wallenberg Foundations | Yes | No ¹⁾ | 50.0 |
| Peder Hasslev, AMF | Yes | Yes | 6.6 |
| Lars Isacson, SEB Foundation | Yes | Yes | 4.7 |
| Ramsay Brufer, Alecta | Yes | Yes | 2.9 |
| Jacob Wallenberg, Chairman of the Board | Yes | No ²⁾ | |

The composition of the Nomination Committee was made public on October 4, 2013. The composition meets the independence criteria set forth by the Code.

1) Representing the Wallenberg Foundations.

2) Member of Knut och Alice Wallenberg Foundation.

Auditor

Pursuant to its Articles of Association, Investor must have one or two auditors, and no more than two deputies. A registered firm of auditors may be appointed as the company's auditor.

The auditor is appointed by the AGM for a mandate period of one year, as nothing further is stated in Investor's Articles of Association.

At the 2013 AGM, the registered firm of auditors, Deloitte AB was appointed auditor until the close of the 2014 AGM. The Authorized Public Accountant Thomas Strömberg is the auditor in charge.

The auditing firm has, besides the audit, conducted a limited number of other assignments on behalf of Investor. These assignments mainly consisted of services associated with auditing, such as in-depth reviews during audit. By limiting the extent to which the auditor is allowed to perform services other than auditing, it is possible to ensure that the auditor is independent of the company. For details on remuneration to auditors, see note 10, Auditor's fees and expenses.

Investor's auditor: Deloitte AB

Auditor-in-charge: Thomas Strömberg, Authorized Public Accountant

Born: 1966

Auditor-in-charge for Investor since 2013

Shares in Investor AB: 0 shares

Other auditing assignments: Karolinska Development AB, Mekonomen AB, Rezidor Hotel Group AB, Tele2 AB

Board of Directors 2013

| Member | Elected | Position | Year of birth | Nationality | Independent in relation to the company and company Management | Independent in relation to the company's major shareholders |
|-----------------------------------|---------|---------------|---------------|------------------|---|---|
| Jacob Wallenberg | 1998 | Chairman | 1956 | Swedish | Yes | No ¹⁾ |
| Sune Carlsson | 2002 | Vice Chairman | 1941 | Swedish | Yes | Yes |
| Dr. Josef Ackermann ²⁾ | 2012 | Member | 1948 | Swiss | Yes | Yes |
| Gunnar Brock ³⁾ | 2009 | Member | 1950 | Swedish | No ⁴⁾ | Yes |
| Börje Ekholm | 2006 | Member | 1963 | American/Swedish | No ⁵⁾ | Yes |
| Tom Johnstone | 2010 | Member | 1955 | British | Yes | Yes |
| Carola Lemne | 2010 | Member | 1958 | Swedish | Yes | Yes |
| Grace Reksten Skaugen | 2006 | Member | 1953 | Norwegian | Yes | Yes |
| O. Griffith Sexton | 2003 | Member | 1944 | American | Yes | Yes |
| Hans Stråberg | 2011 | Member | 1957 | Swedish | No ⁴⁾ | Yes |
| Lena Treschow Torell | 2007 | Member | 1946 | Swedish | Yes | Yes |
| Marcus Wallenberg ²⁾ | 2012 | Member | 1956 | Swedish | Yes | No ¹⁾ |
| Peter Wallenberg Jr | 2006 | Member | 1959 | Swedish | Yes | No ¹⁾ |

1) Member of Knut and Alice Wallenberg Foundation.

2) As Directors in EQT, Marcus Wallenberg and Dr. Josef Ackermann, have the possibility to invest in the funds that EQT establishes. These investments are made in accordance with the same terms and conditions as for other national and international investors. This circumstance does not entail that Marcus Wallenberg and Dr. Josef Ackermann, by this reason, are dependent on Investor or its Management.

3) In conjunction with taking over as the Chairman of Mölnlycke Health Care 2007 (which was prior to the Board in Investor), Gunnar Brock acquired shares (ordinary and preferred) in Mölnlycke Health Care as part of the stock investment program for the Board and senior executives of that company. However, it has been concluded that this does not make Gunnar Brock independent on Investor or its Management.

4) Has been President of a closely-related company during the last five years.

5) President.

Board

Pursuant to the Articles of Association, the Board must consist of no less than three and no more than thirteen Directors, as well as no more than four deputies. Since the 2013 AGM, the Board has consisted of thirteen members and no deputies. The percentage of women is 23 and the percentage of foreign members on the Board is 31 percent. A more detailed presentation of the Board is found on the adjacent table, on page 38 and on the website.

New Board members are introduced to Investor's business operations by attending an introduction orientation involving, for example, meetings with department managers. Board members are continuously updated on new regulations, practices and statutory requirements that may affect the business.

The composition of Investor's Board meets the requirements concerning the independence of Directors. Several of the Board members are Directors of Investor's holdings and they receive remuneration from these companies. It is the opinion of the Nomination Committee and the company that this remuneration does not entail a dependence of these members on Investor or its Management. Investor is an industrial holding company and work actively through the Boards of its holdings to identify and drive value-creating initiatives. The work of the Boards of Directors in Investor's holdings is the core of Investor's active ownership model. For Investor, where a fundamental component is to have the right Board in each company, it is natural that Members of Investor's Board of Directors and Management have Board assignments in Investor's holdings. The assessment of each Board member's independence is presented on page 31.

The Chairman of the Board, Jacob Wallenberg, is in addition to his active involvement in Investor also involved in a number of other companies and serves on a number of international organizations. He has an extensive international network and he participates in various policy forums.

Evaluation of the Board and CEO

Pursuant to the Rules of Procedure, the Chairman of the Board initiates an annual evaluation of the performance of the Board.

The 2013 evaluation was answered by each Board member. In addition, the Chairman met with each Board member separately to discuss the work done by the Board during the year.

The objective of the evaluation is to provide insight into the Board members' opinions about the performance of the Board and identify measures that could make the work of the Board more effective. A secondary objective is to form an overview of the areas the Board believes should be afforded greater scope and where additional expertise might be needed within the Board.

The Board discussed the results of this year's evaluation and the Chairman of the Board presented them to the Nomination Committee.

Investor's Board continuously evaluates the performance of the President by monitoring the development of the business in relation to the established objectives. A formal performance review is carried out once a year.

Work of the Board in 2013

During the year, the Board held 15 meetings, of which 11 were regular meetings, one was statutory and three were extraordinary. The attendance of each Board member at these meetings is shown in the table on page 34. The secretary of these Board meetings was General Counsel, Petra Hedengran. Prior to each meeting, Board members were provided with comprehensive written information on the issues that were to be discussed.

During the year, the Board devoted considerable time to the investment of the new core investment Permobil, the divestment of Gambro, acquisition of additional shares in ABB and Ericsson, and other strategic matters regarding the holdings. In addition, the Board has considered the capital structure and refinancing of Mölnlycke Health Care and Aleris, and acquisitions within Financial Investments. Prior to each transaction, extensive analysis were presented to the Board.

The Board devoted time to both internal and external presentations of the financial markets in particular countries, as well as from a global perspective. The Board discussed the development and the effects on industries, markets and individual companies, paying particularly close attention to Investor's holdings and the long-term strategies of such holdings.

During the year the Board also has met with the CEOs of Investor's holdings, inter alia Aleris, Wärtsilä, Mölnlycke Health Care and SEB, for presentations of their companies.

The financial reports presented at every regular Board meeting, including those prior to the year-end and interim reports, are an important aspect of the Board's work. The Board also receives regular reports on the company's financial position. At regular Board meetings, reports are delivered on the ongoing operations in the business areas, together with in-depth analyses and proposed actions regarding one or more of the company's holdings.

Committee work is an important task performed by the Board. For a description of the work conducted by the Committees during 2013, see page 33.

During the year, the company's Management presented value creating plans for Core Investments, including analyses of the holdings' operations and development potential in the business areas where they are active. These analyses and their implications were discussed and assessed by the Board with a focus on the individual companies as well as in the context of overall strategic discussions. The Board also discussed the overall strategy thoroughly at the yearly strategy review.

Board Committees' work 2013

| | Audit Committee | Remuneration Committee | Finance and Risk Committee |
|----------------------------|--|--|--|
| Members | Sune Carlsson (Chairman) Jacob Wallenberg Peter Wallenberg Jr | Jacob Wallenberg (Chairman) O. Griffith Sexton Lena Treschow Torell | Grace Reksten Skaugen (Chairman) Gunnar Brock Jacob Wallenberg |
| Number of meetings | 6 | 5 | 3 |
| Focus areas in 2013 | <ul style="list-style-type: none"> Analyzed each interim report and the year-end report for completeness and accuracy. Evaluated accurate accounting and valuation principles of each business area. Assessed structural and specific tax related issues. Cooperation with the new audit firm is established and the audit reports have been followed-up. Follow-up on the internal control in connection with process changes has been made. | <ul style="list-style-type: none"> Evaluated and approved remuneration structures for personnel and salary reviews for Management. Evaluated and assessed the President's goals and terms and conditions for remuneration, which were then approved by the Board. Discussed strategic personnel related issues. Evaluated guidelines for salary and other remuneration including the long-term variable remuneration programs. Proposed to the Board to submit to the AGM 2014 a long-term variable remuneration program which is substantially identical to the approved program for 2013. | <ul style="list-style-type: none"> Followed-up on limits, mandates and risk status for each business area at each meeting. Performed a review of the Risk policy. Approved updates of Group policies. Assessed the effect on Investor regarding new and coming regulations. Assessed the reported work accomplished by the Security function regarding information security and continuity plans. |

The Board received and discussed reports on the composition of portfolios and developments within Financial Investments, including Investor's involvement in EQT and the operations of Investor Growth Capital.

In addition to participating in meetings of the Audit Committee, the company's auditor also attended a Board meeting during which Board members had the opportunity to pose questions to the auditor without representatives of the company's Management being present.

Board Committees

In order to increase the efficiency of its work and enable a more detailed analysis of certain issues, the Board has formed three Committees: the Audit Committee, the Remuneration Committee and the Finance and Risk Committee. The members of the Committees are appointed for a maximum of one year at the statutory Board meeting. The Committee's duties and decision-making authorities are regulated in the instruction presented to each Committee annually.

The primary objective of the Committees is to provide preparatory and administrative support to the Board. The issues considered at Committee meetings are recorded in minutes and reported at the next Board meeting. Representatives from the company's specialist functions always participate in Committee meetings.

The Audit Committee is responsible for assuring the quality of the financial reporting and the efficiency in the internal control

system. The Audit Committee is the primary way in which the Board and the company's auditor communicate with each other.

The responsibilities of the Remuneration Committee are, among other things, to evaluate and prepare guidelines for salary and other remuneration, and to decide remuneration to the members of the Management Group, except for the President for whom the Board as a whole sets the remuneration.

The Finance and Risk Committee ensures that the company's compliance efforts are effective and monitor risk exposure and financial strategies.

Remuneration

Remuneration to the Board

The total remuneration to the Board approved by the AGM 2013 was SEK 9.13 m. Information on specific compensation is provided in the table on page 34 and in note 9, Employees and personnel costs.

The Nomination Committee believes it is to the advantage of the company and its shareholders if Board members are either shareholders in the company or have similar exposure to changes in the price of Investor's share over the long term. Since the 2008 AGM, it is possible for Board members to receive a portion of their compensation in the form of synthetic shares.

At the statutory Board meeting in April 2013, the Board adopted, as in 2011 and 2012, a policy stating that Board members, who do not already have such holdings, are expected to, over a five-year period, acquire an ownership in Investor shares

(or a corresponding exposure to the Investor share, e.g. in the form of synthetic shares) with a market value equivalent to at least one year Board remuneration, before taxes, excluding remuneration for Committee work.

Remuneration to Management and other employees

In order to achieve solid, long-term growth in value for its shareholders, Investor strives to offer its employees a total remuneration package that is in line with the market and enables the recruitment and retention of the most suitable employees. Comparative studies of relevant industries and markets are carried out annually in order to evaluate current remuneration levels and to determine what constitutes a total level of remuneration in line with market practice.

The total remuneration for the President is determined by the Board. Remuneration issues concerning other members of the Management Group are decided by the Remuneration Committee, after which the Board is informed.

When determining salaries, the employee's total compensation package is benchmarked to the external market. The mix between the various components: fixed cash salary, variable cash salary, long-term variable remuneration, pension and other remuneration and benefits, is set depending on the employee's position.

Investor's policy is for the Management Group to own shares in Investor corresponding to a market value of at least one year's gross salary for the President and at least half of one year's gross salary for the other members of the Management Group.

The development of the programs is evaluated on a continuous basis throughout the year. The Remuneration Committee also regularly carries out a more thorough evaluation of the programs.

The long-term variable remuneration program proposed by the Board and decided by the AGM in 2013 was substantially identical to the program from 2012. The Board has decided to propose to the AGM 2014 a long-term variable remuneration program in which all employees may participate and which is essentially identical to the program from 2013. The Board's final proposal will be announced in the Notice of the 2014 Annual General Meeting.

The Board of Directors' proposal regarding guidelines for salary and other remuneration for the President and other Members of the Management Group to the AGM 2014 comply with the guidelines for remuneration decided 2013, and are based on agreements entered into between Investor and each executive.

See note 9, Employees and personnel costs (page 59), and on the website, for the most recently approved guidelines on remuneration to senior executives and for a description on the long-

Attendance record and Board remuneration in 2013

| Member Chairman | Audit Committee | Remuneration Committee | Finance and Risk Committee | Attendance record, Board Meetings | Attendance record, Committee Meetings | Board fee excl. Committee fees | | | Committee fees | | | Total Board Remuneration incl. synthetic shares, SEK ¹⁾ |
|-----------------------|-----------------|------------------------|----------------------------|-----------------------------------|---------------------------------------|--------------------------------|--|--|----------------------|-----------------------------|---------------------------------|--|
| | | | | | | Cash, SEK | Value of synthetic shares, SEK ¹⁾ | Number of synthetic shares ^{1,2)} | Audit Committee, SEK | Remuneration Committee, SEK | Finance and Risk Committee, SEK | |
| Jacob Wallenberg | ■ | ■ | ■ | 93% | 93% | 2,060,000 | 0 | 0 | 136,000 | 136,000 | 68,000 | 2,400,000 |
| Sune Carlsson | ■ | | | 93% | 100% | 550,000 | 0 | 0 | 204,000 | | | 754,000 |
| Dr. Josef Ackermann | | | | 93% | | 275,000 | 275,000 | 1,533 | | | | 550,000 |
| Gunnar Brock | | | ■ | 100% | 100% | 275,000 | 275,000 | 1,533 | | | 68,000 | 618,000 |
| Börje Ekholm | | | | 100% | | | | | | | | |
| Tom Johnstone | | | | 100% | | 275,000 | 275,000 | 1,533 | | | | 550,000 |
| Carola Lemne | | | | 87% | | 275,000 | 275,000 | 1,533 | | | | 550,000 |
| Grace Reksten Skaugen | | | ■ | 100% | 100% | 550,000 | 0 | 0 | | | 136,000 | 686,000 |
| O. Griffith Sexton | | ■ | | 93% | 80% | 550,000 | 0 | 0 | | 68,000 | | 618,000 |
| Hans Stråberg | | | | 93% | | 275,000 | 275,000 | 1,533 | | | | 550,000 |
| Lena Treschow Torell | | ■ | | 100% | 100% | 275,000 | 275,000 | 1,533 | | 68,000 | | 618,000 |
| Marcus Wallenberg | | | | 93% | | 550,000 | 0 | 0 | | | | 550,000 |
| Peter Wallenberg Jr | ■ | | | 100% | 100% | 275,000 | 275,000 | 1,533 | 136,000 | | | 686,000 |
| Total | | | | | | 6,185,000 | 1,925,000 | 10,731 | 476,000 | 272,000 | 272,000 | 9,130,000 |

1) At point of allocation.

2) The synthetic shares are valued in connection with allocation after the Annual General Meeting 2013 and shall be based on an average market price of Investor shares of class B during a measurement period in conjunction with the allocation, see note 9, Employees and personnel costs.

For total value of the Board fee including synthetic shares and dividends at year-end, see note 9, Employees and personnel costs.

term variable remuneration programs. See the website for the information and evaluation that has to be reported according to the Code.

For the Board's proposal regarding guidelines for salary and other remuneration for the President and other Members of the Management Group to the 2014 AGM, see the website.

The President, the Management Group and the organization

The President, Börje Ekholm's responsibilities include among other things ongoing investments and divestments, personnel, finance and accounting issues and regular contact with the company's stakeholders, such as public authorities and the financial market. The President ensures that the Board is provided with the requisite material for making well-informed decisions.

The President has appointed a Management Group that has day-to-day responsibility for different parts of Investor's business. There has been no change in the Management Group during 2013. For more information about the President and Management Group, see page 40.

The Management Group holds meetings focused on the company's strategy four to five times a year, including risk assessment.

The Management Group regularly works with specific business transactions. During the year the Management Group has had focus on the purchase of Permobil, the divestment of Gambro and the refinancing of Mölnlycke Health Care. The Management Group also worked proactively to ensure the company's financial flexibility. The Management Group regularly monitors the organization to ensure that it has the right competences given the company's strategy, goals and challenges.

During the year the Management Group initiated workshops with all personnel regarding Investor's ethical guidelines, see section Sustainable business.

Investor's Analysts work in business teams with one or more investments. These individuals continuously research each holding, the sector to which it belongs and competitors to identify value creating initiatives, risks and their return potential.

In the listed Core Investments, see page 13, Investor exercises its active ownership through Board representation.

Investor governs its wholly-owned operating subsidiaries, see page 13, through its representation on the Boards of those companies. Investor's Board representatives are appointed by the President of Investor. The Board representatives ensure value creation in the companies and that indications of problems in the portfolio companies, that could impact Investor, are dealt with in an efficient manner. They are also responsible for ensuring that Investor's Management Group and Board are provided with relevant information.

Investor Growth Capital is governed as a standalone wholly-owned subsidiary.

The governance of the partner-owned companies is carried out jointly with each partner.

Investor's Trading function is governed by mandates and limits set by the Board.

Support functions on group level, to the investment organization, are governed by approved policies and instructions.

Control functions

Using the risk policy approved by the Board as framework, the Risk Control function identifies and monitors the risks that Investor is exposed to. This function is responsible for coordinating all internal reporting of Investor's significant risks at aggregate level and developing awareness of different types of risk. The Risk Control function reports to the Finance and Risk Committee.

The Compliance function supports Investor's compliance with laws and regulations, and maintains internal regulatory systems and education to this end. The Compliance function reports to the Finance and Risk Committee.

The Internal Control function is a review function that provides objective support to the Board on matters relating to the internal control structure, partly by investigating major areas of risk and partly by performing reviews and follow-ups in selected areas. The Internal Control function plans its work in consultation with the Audit Committee, Management Group and the external auditor. It also regularly provides reports on its work to the Audit Committee during the year.

Sustainable business

The Management Group works actively with engaging all employees to develop the corporate culture and act accordingly. As long-term owner it is important that Investor's core values and culture are built on long-term sustainable objectives and valuations. During 2013 an initiative has been taken to review Investor's ethical guidelines and core values with focus on instructions for gifts and other benefits. All employees have participated in internal education and workshops in this matter.

Health, the working environment and safety are very important to Investor in its role as employer. Internal policies and instructions constitute important control documents within the areas of ethics, anti-corruption and whistleblowing. Investor supports the OECD Guidelines for Multinational Enterprises and the ten principles of the UN Global Compact, the world's biggest initiative within the CR field.

Since 2007, Investor reports its climate footprint, as part of the Carbon Disclosure Project. In the 2013 Nordic CDP Report, Investor's score was 76 out of a possible 100 points, putting Investor at the top for its category of companies in Sweden.

Investor also supports social initiatives within its sponsorship portfolio: Ung Företagsamhet and Business Challenge, both working to promote entrepreneurship among young adults and

the Curiosity Club which encourages young women to seek leadership positions within the technical field. More information about Investor's sponsorship portfolio is found on the website.

For further information on Investor's role as an owner regarding sustainable business, see page 28.

The Board's report on Internal control for financial reporting

The Board has the ultimate responsibility of the internal control for the financial reporting.

Investor's system of internal control and risk management, with regard to financial reporting, is designed to manage risks involved in the processes related to financial reporting and ensure a high level of reliability in the financial reporting. It is also designed to ensure compliance with the applicable accounting requirements and other requirements that Investor must meet as a listed company. Investor's main business is the management of financial transactions and the company's internal control over financial reporting is focused primarily on ensuring efficient and reliable management of, and accounting for, purchases, sales and accurate evaluation of securities. Correct consolidation of the operating subsidiaries is also a priority.

Investor's wholly-owned operating subsidiaries have separate internal control systems in place for their operational activities. The Board of each of these companies is responsible for ensuring the efficiency of the operating subsidiary's internal regulations, internal controls, risk management and financial reporting, as well as reporting on these items to respective company's Board of Directors. Investor's Board representatives provide this information to Investor's investment organization, where analysis and follow-up take place.

Control environment

The control environment is built around an organization with clear decision-making channels, powers and responsibilities that are defined by explicit instructions and a corporate culture based on shared values. It also requires each individual's awareness of his/her role in maintaining effective internal control. The corporate culture at Investor is based on four core values: Create value, Continuous improvement, Contribute your view and Care for people.

All of Investor's business areas have policies, instructions and detailed process descriptions for the various phases of each business flow. These documents establish rules on responsibilities for specific tasks, mandates and powers and how validation is to be carried out. The governing documents are presented on the intra-net for all employees. The documents are updated yearly or when needed to ensure that they always reflect current legislation, regulations and changes in processes. The Compliance function educates and informs the organization continuously

about internal policies and instructions. During 2013 the education has focused on Investor's ethical guidelines and Investor's instruction for gifts and benefits.

Risk assessment

Risk assessment, i.e. identifying and evaluating risks that could prevent the company from achieving its business goals and having reliable financial reporting, is conducted continuously at Investor. The Board, via the Finance and Risk Committee and the Audit Committee, is responsible for identifying and managing significant financial risks and any risks of material weaknesses in financial reporting. The Board follows up frequently on limits and risk exposure to ensure the ability to reach business strategies and goals.

The CEO is responsible for ensuring that the organization complies with the Risk policy and for the continuous management of all risks within the business. The Board's and the Management's support function for managing and identifying risks and activities required, is the Risk Control Function.

Investor's Board representative in the subsidiaries ensures that Investor's Board and Management is informed about any issue in the financial reporting, that could affect Investor's business or financial reporting.

Risk measurement is performed daily regarding the Treasury and Trading businesses and provided to the Management Group. The financial reports are compiled monthly and provided to the Management Group.

Risk management



Risk assessment is carried out yearly in the form of a self-evaluation and includes the establishment of action plans to mitigate identified risks. Risk assessment encompasses the entire organization and all of its processes. It takes into consideration such things as systems, control activities and key individuals. Special focus during 2013 has been on process enhancement and information security. When needed, action plans were implemented to minimize the probability and impact of identified risks. The identified risks are compiled in a company-wide risk map. Conclusions drawn from the risk assessments are then reported to the Management Group and the Board. The CEO and Management Group follow up on the implementation of action plans.

Using each business area's risk assessment as a starting point, the Audit Committee determines which of the identified risks for the financial reporting should be prioritized by the Internal Control function. Focus is placed on risks of material weaknesses in the financial reporting for significant Income Statement and Balance Sheet items, which have a higher risk because of the complexity of the process, or where there is a risk that the effects of potential weaknesses may become significant because of the high transaction values involved. Actions such as improved control routines are when needed, taken in order to further ensure accurate financial reporting. The Finance and Risk Committee follows up on the measures in place for dealing with other risks.

For a more detailed description of Investor's risks, see note 3, Risks.

Control activities

To ensure that business is conducted efficiently and that financial reporting gives a true and fair picture on each reporting date, every process incorporates a number of control activities. These involve all levels of the organization, from the Board and company Management to other employees.

At Investor, control activities include approval of business transactions, reconciliation with external counterparties, daily monitoring of risk exposure, daily account reconciliation, monthly custody reconciliation, performance monitoring and analytical monitoring of decisions. During 2013 the controls in the consoli-

dation process have been confirmed. In addition new controls in Investor Growth Capital's process for financial reporting have been implemented.

Investor's financial reports are analyzed and validated by the company's control function within Finance. The validation process consists of both automatic checks, including deviation reporting, and manual checks such as reasonability assessment of the values found. The effectiveness of the automatic checks in the IT systems is monitored regularly on the basis of information received from system administrators in the business process. Suggestions for improvements are identified and implemented on an ongoing basis.

Information and communication

Investor's Board has adopted a communication policy for the purpose of ensuring that the external information is correct and complete. Within the company, there are also instructions regarding information security and how to communicate financial information between Management and other employees.

The instruction for information security has been updated during the year and education has been held with the employees. During 2013 there has been a specific focus on implementing efficient processes for reporting of the financial information from the new subsidiary Permobil.

Monitoring

Both the Board and the Management Group regularly follow up on the compliance and effectiveness of the company's internal controls to ensure the quality of internal processes. Investor's financial situation and strategy regarding the company's financial position are discussed at every Board meeting and the Board is furnished with detailed monthly reports on the financial situation and development of the business to this end. The Audit Committee plays an important role in ensuring and monitoring that control activities are in place for important areas of risk inherent in the processes for financial reporting. The Audit Committee, Management Group and Internal Control function regularly follow up reported deviations.

Board of Directors



Jacob Wallenberg



Sune Carlsson



Dr. Josef Ackermann



Gunnar Brock



Börje Ekholm



Tom Johnstone



Carola Lemne

Jacob Wallenberg

Born 1956
Chairman since 2005
Vice Chairman 1999-2005
Director since 1998
Chairman: Remuneration Committee
Member: Audit Committee, Finance and Risk Committee

Other board assignments

Vice Chairman: Ericsson, SAS, SEB
Director: ABB, The Coca-Cola Company, Knut and Alice Wallenberg Foundation, Stockholm School of Economics
Member: The European Round Table of Industrialists, IBLAC Shanghai's International Business Leaders Advisory Council

Work experience

Chairman: SEB
Vice Chairman: Atlas Copco
President and CEO: SEB
Executive VP and Head of Enskilda Division: SEB
Advisor to the President and CEO: SEB
Executive VP and CFO: Investor

Education

B.Sc. in Economics and M.B.A., Wharton School, University of Pennsylvania
Reserve Officer, Swedish Navy

Independent/Dependent ¹⁾

Shares in Investor ²⁾
191,936, Synthetic shares: 31,629

Sune Carlsson

Born 1941
Vice Chairman since 2011
Director since 2002
Chairman: Audit Committee

Other board assignments

Chairman: Atlas Copco
Director: Wärtsilä

Work experience

Vice Chairman: Scania
President and CEO: SKF
Executive Vice President: ABB, ASEA

Education

M.Sc. in Engineering, Chalmers University of Technology, Gothenburg

Independent/Dependent ¹⁾

Shares in Investor ²⁾
50,000, Synthetic shares: 8,434

Dr. Josef Ackermann

Born 1948
Director since 2012

Other board assignments

Honorary Chairman: St. Gallen Foundation for International Studies
Vice Chairman: Belenos Clean Power Holding
Vice Chairman foundation board: World Economic Forum
Director International Advisory Board: Akbank
Director: EQT Holdings
Non-executive member: Royal Dutch Shell

Work experience

Chairman Management Board and the Group Executive Committee: Deutsche Bank
Chairman: Zurich Insurance Group
President Executive Board: Schweizerische Kreditanstalt (Switzerland)

Education

Dr. oec, economics and social sciences, University of St. Gallen, Switzerland

Independent/Dependent ¹⁾

Shares in Investor ²⁾
0, Synthetic shares: 3,330

Gunnar Brock

Born 1950
Director since 2009
Member: Finance and Risk Committee

Other board assignments

Chairman: Mölnlycke Health Care, Rolling Optics, Stora Enso
Director: SOS Children's Villages, Stena, Stockholm School of Economics, Syngenta, Total
Member: The Royal Swedish Academy of Engineering Sciences (IVA)

Work experience

CEO: Alfa Laval, Atlas Copco, Tetra Pak Group of Companies, Thule International

Education

M.Sc. in Economics and Business Administration, Stockholm School of Economics

Independent/Dependent ¹⁾

Shares in Investor ²⁾
0, Synthetic shares: 9,967

Börje Ekholm

See information on page 40

Tom Johnstone

Born 1955
Director since 2010

Current role

President and CEO: SKF

Other board assignments

Director: Husqvarna, SKF

Work experience

Director: The Association of Swedish Engineering Industries, Electrolux
Executive Vice President: SKF
President: Automotive Division, SKF

Education

M.A., University of Glasgow

Independent/Dependent ¹⁾

Shares in Investor ²⁾
0, Synthetic shares: 7,508

Carola Lemne

Born 1958
Director since 2010

Current role

President and CEO: Praktikertjänst

Other board assignments

Chairman: Uppsala University
Director: The Confederation of Swedish Enterprise, Getinge

Work experience

Director: Apoteket, Meda, Stockholm University, The Strategic Research Foundation
Managing Director: Danderyd University Hospital
Vice President Clinical Development and Regulatory Affairs Strategy: Pharmacia Corp, New Jersey

Education

M.D., Ph.D. and Associate Professor, Karolinska Institutet

Independent/Dependent ¹⁾

Shares in Investor ²⁾
1,000, Synthetic shares: 7,508

Assignments as of December 31, 2013. Updated assignments will be reported on Investor's website.

1) See page 31, table Board of Directors 2013.

2) Includes holdings of close relatives and legal entities. For more information about synthetic shares see note 9, Employees and personnel costs.



Grace Reksten Skaugen



O. Griffith Sexton



Hans Stråberg



Peter Wallenberg



Lena Treschow Torell



Marcus Wallenberg



Peter Wallenberg Jr.

**Honorary Chairman
Peter Wallenberg**

Born 1926
Honorary Chairman since 1997
Chairman 1982-1997
Director 1969-1982

Other board assignments:

Chairman: The Knut and Alice Wallenberg Foundation, Honorary Chairman: Atlas Copco AB

Education: Bachelor of Laws, University of Stockholm

Grace Reksten Skaugen

Born 1953
Director since 2006
Chairman: Finance and Risk Committee

Other board assignments
Chairman: Norwegian Institute of Directors
Deputy Chairman: Orkla, Statoil

Work experience
Chairman: Entra Eiendom, Ferd
Director: Atlas Copco, Corporate Finance Enskilda Securities (Oslo), Opera Software, Renewable Energy Corporation, Storebrand, Tandberg

Education
M.B.A., BI Norwegian School of Management, Careers in Business Program, New York University, Ph.D., Laser Physics, Imperial College of Science and Technology, London

Independent/Dependent¹⁾

Shares in Investor²⁾
2,000

O. Griffith Sexton

Born 1944
Director since 2003
Member: Remuneration Committee

Other board assignments
Director: Morgan Stanley

Work experience
Advisory Director: Morgan Stanley
Managing Director: Morgan Stanley
Adjunct Professor of Finance, Columbia Business School
Visiting Lecturer, Princeton University

Education
M.B.A., Stanford University, Graduate School of Business B.S.E., Princeton University

Independent/Dependent¹⁾

Shares in Investor²⁾
3,550

Hans Stråberg

Born 1957
Director since 2011

Other board assignments
Chairman: CTEK, Orchid, Roxtec
Vice Chairman: Atlas Copco
Director: N Holding, Stora Enso
Member: Royal Swedish Academy of Engineering Sciences (IVA)

Work experience
President and CEO: Electrolux
COO: Electroflux
Various positions with Electrolux

Education
M.Sc. in Engineering, Chalmers University of Technology, Gothenburg
Reserve Officer, The Swedish Army

Independent/Dependent¹⁾

Shares in Investor²⁾
8,300, Synthetic shares: 5,460

Lena Treschow Torell

Born 1946
Director since 2007
Member: Remuneration Committee

Other board assignments
Chairman: Chalmers University of Technology, MISTRA
Vice Chairman: ÅF
Director: Saab, SKF

Work experience
Chairman: Euro-CASE
Chairman and President: Royal Swedish Academy of Engineering Sciences (IVA)
Research Director: Joint Research Centre, European Commission (Brussels)
Professor in Physics: Chalmers University of Technology, Uppsala University
Board member: Ericsson, Gambio, Getinge, Micronic Mydata

Education
Ph.D., Physics, University of Gothenburg
Docent, Physics, Chalmers University of Technology

Independent/Dependent¹⁾

Shares in Investor²⁾
16,500, Synthetic shares: 9,967

Marcus Wallenberg

Born 1956
Director since 2012

Other board assignments
Chairman: Electrolux, Foundation Asset Management, LKAB, Saab, SEB
Director: AstraZeneca, EQT Holdings, Knut and Alice Wallenberg Foundation, Stora Enso, Temasek Holding

Work experience
President and CEO: Investor
Executive VP: Investor
Chairman: International Chamber of Commerce (ICC)
Director: Stora Feldmühle (Germany)
SEB (Stockholm, London)

Education
B. Sc of Foreign Service, Georgetown University, Washington D.C.
Reserve Officer, Swedish Navy

Independent/Dependent¹⁾

Shares in Investor²⁾
552,223

Peter Wallenberg Jr.

Born 1959
Director since 2006
Member: Audit Committee

Other board assignments
Chairman: Foundation Administration Management, Grand Group, The Royal Swedish Automobile Club
Vice Chairman: The Knut and Alice Wallenberg Foundation
Director: Aleris, Atlas Copco, Foundation Asset Management, Scania

Work experience
President and CEO: Grand Hôtel Holdings
General Manager: Grand Hôtel
President: Hotel Division Stockholm-Saltsjön

Education
BSBA Hotel Administration, University of Denver, International Bacheloria, American School, Leysin, Switzerland

Independent/Dependent¹⁾

Shares in Investor²⁾
57,598, Synthetic shares: 9,967

Assignments as of December 31, 2013. Updated assignments will be reported on Investor's website.

1) See page 31, table Board of Directors 2013.

2) Includes holdings of close relatives and legal entities. For more information about synthetic shares see note 9, Employees and personnel costs.

Management Group



Börje Ekholm

Born 1963
 Director since 2006
 President and Chief Executive Officer since 2005
 Member of the Management Group since 1997,
 employed in 1992

Board assignments

Chairman: KTH Royal Institute of Technology,
 NASDAQ OMX

Director: Avlis, Avlis Invest, Chalmersinvest, Ericsson
 and in several subsidiaries in Investor

Work experience

Board member: Biotage, Greenway Medical Technology,
 Scania, Tessera Technologies, WM-data
 Head of New Investments: Investor
 CEO: Novare Kapital
 Analyst: Core Holdings, Investor
 Associate: McKinsey & Co

Education

M.B.A., INSEAD, Fontainebleau
 M.Sc. in Engineering, KTH Royal Institute of Technology,
 Stockholm

Shares in Investor¹⁾
 445,395



Susanne Ekblom

Born 1966
 Chief Financial Officer
 Member of the Management Group since 2011,
 employed in 2011

Board assignments

Director: Kunskapsskolan, Vectura,
 SOS Children's Villages

Work experience

CFO: Sveriges Television
 Controller: Scania
 Head of Financial and Administration: DynaMate
 Head of Accounting: LRF Media
 Financial Manager: Ingenjörsköretningen

Education

BSc. in Business and Economics, Stockholm University

Shares in Investor¹⁾
 5,944



Johan Forssell

Born 1971
 Head of Core Investments
 (On rotation to Aleris 2014)
 Member of the Management Group since 2006,
 employed in 1995

Board assignments

Director: Atlas Copco, Saab

Work experience

Head of Research, Head of Capital Goods and
 Healthcare sector, Head of Capital Goods sector and
 Analyst: Core Holdings, Investor

Education

M.Sc. in Finance, Stockholm School of Economics,
 Stockholm

Shares in Investor¹⁾
 62,008



Petra Hedengran

Born 1964
 General Counsel, and Head of Corporate Governance
 and Compliance
 Member of the Management Group since 2007,
 employed 2007

Board assignments

Director: The Association for Generally Accepted
 Principles in the Securities Market, Lindorff Group

Work experience

Partner och Head of Banking and Financing Group:
 Advokatfirman Lindahl
 Legal Counsel and General Counsel: ABB Financial
 Services, Nordic Region
 Assistant Judge: Stockholms Tingsrätt
 Associate: Gunnar Lindhs Advokatbyrå

Education

Bachelor of Laws, Stockholm University

Shares in Investor¹⁾
 14,742



Lennart Johansson

Born 1955
 Head of Financial Investments
 (Acting Head of Core Investments during 2014)
 Member of the Management Group since 2006,
 employed 2003

Board assignments

Director: Hi3G, Lindorff Group, SOBI and in several
 subsidiaries in Investor

Work experience

CEO: b-business partners och Emerging Technologies
 Deputy CEO/Senior Executive Vice President and Senior
 Vice President Accounting: Atlas Copco Audit and Control
 Business Area Controller: Atlas Copco Industrial Technique
 Management consultant: Nordic Management, SMG

Education

M. Sc. in Business Administration,
 Stockholm School of Economics, Stockholm

Shares in Investor¹⁾
 37,100

See note 9, Employees and personnel costs, for shares and
 share-related instruments held by Management Group
 members.

1) Includes holdings of close relatives and legal entities.

Proposed Disposition of Earnings

The Board of Directors propose that the unappropriated earnings in Investor AB:

| Total available funds for distribution | |
|--|------------------------|
| Retained earnings | 137,259,676,315 |
| Net profit for the year | 34,954,460,222 |
| Total SEK | 172,214,136,537 |

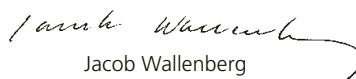
| To be allocated as follows: | |
|--|-----------------------------|
| Dividend to shareholders, SEK 8.00 per share | 6,137,400,240 ¹⁾ |
| Funds to be carried forward | 166,076,736,297 |
| Total SEK | 172,214,136,537 |

The consolidated accounts and annual accounts have been prepared in accordance with the international accounting standards in Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of July 19, 2002 on the application of international accounting standards and generally accepted accounting standards in Sweden and give a true and fair view of the Group's and Parent Company's financial position and results of operations. The Administration Report for the Group and the Parent Company gives a true and fair view of the operations, position and results, and describes significant risks and uncertainty factors that the Parent Company and Group companies face. The annual accounts and the consolidated financial statements were approved for release by the Board of Directors and the President on March 24, 2014. The consolidated Income Statement and Balance Sheet, and the Income Statement and Balance Sheet of the Parent Company, will be presented for adoption by the Annual General Meeting on May 6, 2014.

The proposed dividend amounts to SEK 6,137 m. The Group's equity attributable to the shareholders of the Parent Company was SEK 215,417 m. as of December 31, 2013, and unrestricted equity in the Parent Company was SEK 172,214 m. Unrestricted equity includes SEK 97,194 m. attributable to unrealized changes in value according to a valuation at fair value. With reference to the above, and to other information that has come to the knowledge of the Board, it is the opinion of the Board that the proposed dividend is defensible with reference to the demands that the nature, scope and risks of Investor's operations place on the size of the company's and the Group's equity, and the company's and the Group's consolidation needs, liquidity and position in general.

1) Calculated on the total number of registered shares. No dividend is paid for the Parent Company's holding of own shares, whose exact number is determined on the record date for cash payment of the dividend. On December 31, 2013, the Parent Company's holding of own shares totaled 6,293,360.


Stockholm, March 24, 2014


Jacob Wallenberg
Chairman


Dr. Josef Ackermann
Director


Gunnar Brock
Director


Sune Carlsson
Vice Chairman


Tom Johnstone
Director


Carola Lemne
Director


Grace Reksten Skaugen
Director


O. Griffith Sexton
Director


Hans Stråberg
Director



Lena Treschow Torell
Director


Marcus Wallenberg
Director


Peter Wallenberg Jr
Director


Börje Ekholm
President and
Chief Executive Officer

Our Audit Report was submitted on March 25, 2014

Deloitte AB

Thomas Strömberg
Authorized Public Accountant

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Consolidated Income Statement

| SEK m. | Note | 2013 | 2012 |
|--|--------------------|---------------|---------------|
| Dividends | 6 | 6,052 | 5,177 |
| Other operating income | 6 | 362 | 509 |
| Changes in value | 7 | 37,031 | 19,472 |
| Net sales | 6 | 18,569 | 16,849 |
| Cost of goods and services sold | 8,9,11,16,17,18 | -12,120 | -11,166 |
| Sales and marketing costs | 8,9,11,16,17,18 | -2,786 | -2,595 |
| Administrative, research and development and other operating costs | 8,9,10,11,16,17,18 | -2,795 | -1,549 |
| Management costs | 8,9,10,11,16,17,18 | -359 | -377 |
| Share of results of associates | 12 | 3,584 | -237 |
| Operating profit/loss | | 47,538 | 26,083 |
| Financial income | 13 | 763 | 906 |
| Financial expenses | 13 | -3,327 | -3,432 |
| Net financial items | | -2,564 | -2,526 |
| Profit/loss before tax | | 44,974 | 23,557 |
| Tax | 14 | 132 | 618 |
| Profit/loss for the year | 5 | 45,106 | 24,175 |
| Attributable to: | | | |
| Owners of the Parent Company | | 45,165 | 24,226 |
| Non-controlling interest | | -59 | -51 |
| Profit/loss for the year | | 45,106 | 24,175 |
| Basic earnings per share, SEK | 15 | 59.35 | 31.85 |
| Diluted earnings per share, SEK | 15 | 59.25 | 31.83 |

Consolidated Statement of Comprehensive Income

| SEK m. | Note | 2013 | 2012 |
|--|------|---------------|---------------|
| Profit/loss for the year | | 45,106 | 24,175 |
| Other comprehensive income for the year, including taxes | | | |
| <i>Items that will not be recycled to profit/loss for the year</i> | | | |
| Revaluation of property, plant and equipment | | -28 | 32 |
| Remeasurements of defined benefit plans | | 95 | -70 |
| <i>Items that have been or may be recycled to profit/loss for the year</i> | | | |
| Cash flow hedges | | 606 | 399 |
| Foreign currency translation adjustment | | 319 | -720 |
| Share of other comprehensive income of associates | | 63 | 41 |
| Total other comprehensive income for the year | | 1,055 | -318 |
| Total comprehensive income for the year | | 46,161 | 23,857 |
| Attributable to: | | | |
| Owners of the Parent Company | | 46,176 | 23,913 |
| Non-controlling interest | | -15 | -56 |
| Total comprehensive income for the year | 23 | 46,161 | 23,857 |

Consolidated Balance Sheet

| SEK m. | Note | 12/31 2013 | 12/31 2012 |
|--|------|----------------|----------------|
| ASSETS | | | |
| Non-current assets | | | |
| Goodwill | 16 | 25,819 | 23,996 |
| Other intangible assets | 16 | 11,530 | 8,718 |
| Buildings and land | 17 | 2,819 | 2,563 |
| Machinery and equipment | 18 | 1,847 | 1,595 |
| Shares and participations recognized at fair value | 29 | 196,581 | 162,244 |
| Shares and participations in associates | 12 | 6,129 | 2,074 |
| Other financial investments | 22 | 1,761 | 1,072 |
| Long-term receivables | 19 | 3,185 | 6,281 |
| Deferred tax assets | 14 | 643 | 823 |
| Total non-current assets | | 250,314 | 209,366 |
| Current assets | | | |
| Inventories | 20 | 1,441 | 1,264 |
| Tax assets | | 133 | 137 |
| Trade receivables | | 2,400 | 1,942 |
| Other receivables | 19 | 297 | 284 |
| Prepaid expenses and accrued income | 21 | 700 | 716 |
| Shares and participations in trading operation | | 149 | 113 |
| Short-term investments | 22 | 1,933 | 2,672 |
| Cash and cash equivalents | 22 | 9,783 | 7,696 |
| Assets held for sale | 12 | – | 5,455 |
| Total current assets | | 16,836 | 20,279 |
| TOTAL ASSETS | | 267,150 | 229,645 |

Consolidated Balance Sheet

| SEK m. | Note | 12/31 2013 | 12/31 2012 |
|--|------|----------------|----------------|
| EQUITY AND LIABILITIES | | | |
| Equity | 23 | | |
| Share capital | | 4,795 | 4,795 |
| Other contributed equity | | 13,533 | 13,533 |
| Reserves | | 361 | -536 |
| Retained earnings, including profit/loss for the year | | 196,728 | 156,906 |
| Equity attributable to shareholders of the Parent Company | | 215,417 | 174,698 |
| Non-controlling interest | | 549 | 408 |
| Total equity | | 215,966 | 175,106 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Long-term interest-bearing liabilities | 24 | 42,212 | 45,278 |
| Provisions for pensions and similar obligations | 25 | 642 | 728 |
| Other provisions | 26 | 160 | 108 |
| Deferred tax liabilities | 14 | 3,439 | 2,714 |
| Other long-term liabilities | 27 | 139 | 51 |
| Total non-current liabilities | | 46,592 | 48,879 |
| Current liabilities | | | |
| Current interest-bearing liabilities | 24 | 52 | 1,210 |
| Trade payables | | 1,255 | 1,178 |
| Tax liabilities | | 109 | 192 |
| Other liabilities | 27 | 741 | 608 |
| Accrued expenses and prepaid income | 28 | 2,355 | 2,301 |
| Provisions | 26 | 80 | 171 |
| Total current liabilities | | 4,592 | 5,660 |
| Total liabilities | | 51,184 | 54,539 |
| TOTAL EQUITY AND LIABILITIES | | 267,150 | 229,645 |

For information regarding pledged assets and contingent liabilities see note 30, Pledged assets and contingent liabilities.

Consolidated Statement of Changes in Equity

| SEK m. | Note 23 | Equity attributable to shareholders of the Parent Company | | | | | | | Non-controlling interest | Total equity |
|---|---------|---|--------------------------|---------------------|---------------------|-----------------|---|---------------|--------------------------|---------------|
| | | Share capital | Other contributed equity | Translation reserve | Revaluation reserve | Hedging reserve | Retained earnings, incl. profit/loss for the year | Total | | |
| Opening balance 1/1 2013 | | 4,795 | 13,533 | -972 | 578 | -142 | 156,906 | 174,698 | 408 | 175,106 |
| Profit/loss for the year | | | | | | | 45,165 | 45,165 | -59 | 45,106 |
| Other comprehensive income for the year | | | | 383 | -28 | 555 | 101 | 1,011 | 44 | 1,055 |
| Total comprehensive income for the year | | | | 383 | -28 | 555 | 45,266 | 46,176 | -15 | 46,161 |
| Release of revaluation reserve due to amortization of revalued amount | | | | | -13 | | 13 | | | |
| Dividend | | | | | | | -5,331 | -5,331 | | -5,331 |
| Change in non-controlling interest | | | | | | | -67 | -67 | 156 | 89 |
| Stock options exercised by employees | | | | | | | 103 | 103 | | 103 |
| Equity-settled share-based payment transactions | | | | | | | 33 | 33 | | 33 |
| Repurchases of own shares | | | | | | | -195 | -195 | | -195 |
| Closing balance 12/31 2013 | | 4,795 | 13,533 | -589 | 537 | 413 | 196,728 | 215,417 | 549 | 215,966 |

| SEK m. | Note 23 | Equity attributable to shareholders of the Parent Company | | | | | | | Non-controlling interest | Total equity |
|---|---------|---|--------------------------|---------------------|---------------------|-----------------|---|---------------|--------------------------|---------------|
| | | Share capital | Other contributed equity | Translation reserve | Revaluation reserve | Hedging reserve | Retained earnings, incl. profit/loss for the year | Total | | |
| Opening balance 1/1 2012 | | 4,795 | 13,533 | -349 | 558 | -492 | 138,025 | 156,070 | 649 | 156,719 |
| Profit/loss for the year | | | | | | | 24,226 | 24,226 | -51 | 24,175 |
| Other comprehensive income for the year | | | | -623 | 32 | 350 | -72 | -313 | -5 | -318 |
| Total comprehensive income for the year | | | | -623 | 32 | 350 | 24,154 | 23,913 | -56 | 23,857 |
| Release of revaluation reserve due to amortization of revalued amount | | | | | -12 | | 12 | | | |
| Dividend | | | | | | | -4,563 | -4,563 | | -4,563 |
| Change in non-controlling interest | | | | | | | -779 | -779 | -185 | -964 |
| Stock options exercised by employees | | | | | | | 25 | 25 | | 25 |
| Equity-settled share-based payment transactions | | | | | | | 32 | 32 | | 32 |
| Closing balance 12/31 2012 | | 4,795 | 13,533 | -972 | 578 | -142 | 156,906 | 174,698 | 408 | 175,106 |

Consolidated Statement of Cash Flow

| SEK m. | Note | 2013 | 2012 |
|---|------|----------------|---------------|
| Operating activities | | | |
| Core Investments | | | |
| Dividends received | | 5,445 | 4,783 |
| Cash receipts | | 20,008 | 17,313 |
| Cash payments | | -16,384 | -14,146 |
| Financial Investments and management costs | | | |
| Dividends received | | 618 | 416 |
| Net cash flows, trading operation | | 12 | -781 |
| Cash payments | | -328 | -585 |
| Cash flow from operating activities before net interest and income tax | | 9,371 | 7,000 |
| Interest received ¹⁾ | | 903 | 1,115 |
| Interest paid ¹⁾ | | -3,258 | -3,182 |
| Income tax paid | | -300 | -148 |
| Cash flow from operating activities | | 6,716 | 4,785 |
| Investing activities²⁾ | | | |
| Acquisitions | | -3,484 | -6,164 |
| Divestments | | 13,690 | 4,864 |
| Increase in long-term receivables | | -59 | 0 |
| Decrease in long-term receivables | | 200 | 262 |
| Acquisitions of subsidiaries, net effect on cash flow | | -3,564 | -1,217 |
| Increase in other financial investments | | -3,544 | -1,803 |
| Decrease in other financial investments | | 2,861 | 2,658 |
| Net changes, short-term investments | | 722 | 6,099 |
| Acquisitions of property, plant and equipment | | -772 | -688 |
| Proceeds from sale of other investments | | 13 | 4 |
| Net cash used in investing activities | | 6,063 | 4,015 |
| Financing activities | | | |
| Borrowings | | 12,067 | 4,288 |
| Repayment of borrowings | | -17,155 | -5,062 |
| Repurchases of own shares | | -195 | - |
| Dividend | | -5,331 | -4,563 |
| Net cash used in financing activities | | -10,614 | -5,337 |
| Cash flow for the year | | 2,165 | 3,463 |
| Cash and cash equivalents at beginning of the year | | 7,696 | 4,312 |
| Exchange difference in cash | | -78 | -79 |
| Cash and cash equivalents at year-end | | 9,783 | 7,696 |
| | 22 | | |

1) Gross flows from interest swap contracts are included in interest received and interest paid.

2) Mandatory heading in statement of cash flow according to IFRS. Investing activities in this statement are not in accordance with Investor's definition.

Notes to the consolidated financial statements

1 Significant accounting policies

The most significant accounting policies applied in this annual report are presented in this note and, where applicable, in the following notes to the financial statements. Significant accounting policies for the Parent Company can be found on page 91. For a more comprehensive description of the accounting policies applied by the Group and the Parent Company, refer to Investors homepage www.investorab.com.

Statement of compliance

The consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS as adopted by the European Union). In addition, RFR 1 Supplementary Accounting Policies for Groups, was applied.

Basis of preparation for the Parent Company and consolidated financial statements

The financial statements are presented in SEK, which is the functional currency of the Parent Company. All amounts, unless otherwise stated, are rounded to the nearest million (SEK m.).

The majority of the consolidated assets are financial assets and the majority of these as well as the majority of the property within the Group are measured at fair value. Other assets and liabilities are in essence measured at historical cost.

Non-current assets and non-current liabilities consist primarily of amounts that are expected to be settled more than 12 months from the Balance Sheet date. Other assets and liabilities are presented as current assets and current liabilities.

The accounting policies have been consistently applied to all periods presented in the financial statements, unless otherwise noted. The accounting policies have also been consistently applied to the reporting and consolidation of the Parent Company, subsidiaries and associates.

In some of the notes for the Group, information relating to the investing activities is presented. Investing activities include; Parent Company operations, Investor's internal bank and trading operations. Information regarding the investing activities is presented in the notes if the amounts are significant.

Certain comparative figures have been reclassified in order to conform to the presentation of the current year's financial statements. In cases where reclassifications pertain to significant amounts, special information has been provided.

Changes in accounting policies

The following is a description of the revised accounting policies applied by the Group and Parent Company as of January 1, 2013. Other new or revised IFRSs and interpretations from the IFRS Interpretations Committee have had no effect on the profit/loss, financial position or disclosures for the Group or Parent Company. A number of new or amended standards will come into effect for the next financial year and they have not been adopted early when preparing these financial statements.

Changes in accounting policies due to new or amended IFRS

Amendment to IAS 1 Presentation of Financial Statements: The amendment concerns how items in other comprehensive income must be presented, i.e. items that will not be recycled to profit/loss for the period at a future point in time, such as revaluations relating to defined benefit pension plans and revaluations in accordance with the revaluation model for Property, Plant and Equipment, must be presented separately from items which will be recycled to profit/loss. Examples of items that should be recycled are translation differences and gains/losses from cash flow hedges.

Amendment to IAS 19 Employee benefits: For the Investor Group the impact of this amendment is that the financing cost for the net pension liability will be calculated based on the discount rate relating to the pension obligation. Previously the expected return on assets was used for the plan assets and the discount rate was used for the pension obligation. The amendment does not have any material effect on the Group or Parent Company.

IFRS 13 Fair Value Measurement: This is a new standard for measuring fair value, including changed disclosure requirements. The new standard does not have any material monetary effect on the Group or Parent Company.

Amendment to IFRS 7 Financial instruments – Disclosures: The change refers to new requirements for disclosures regarding netting of financial assets and liabilities.

New IFRS regulations and interpretations to be applied in 2014 or later

The new or revised standards described below will be applied, and have an impact on the Group as of January 1, 2014.

IFRS 10 Consolidated Financial Statements, including new requirements regarding investment entities. IFRS 10 introduces a revised definition of control including the de facto control concept. Investor has analyzed the criteria set out in the revised definition of control and has concluded that the new definition and control concept will not have any impact on entities subject to consolidation. Further, IFRS 10 also introduces a definition of an investment entity. If the criteria for an investment entity is met, all subsidiaries should be considered as investments and recognized at fair value with fair value movements through profit or loss. Based on Investor's business model with a long term investment perspective, Investor concluded that the criteria for an investment entity is not met (more specifically Investor does not fulfil the exit strategy criteria set out in IFRS 10).

IFRS 12 Disclosure of Interests in Other Entities: This is a new standard regarding disclosures for investments in subsidiaries, joint arrangements and associates. The amendment will lead to additional disclosures for the Group.

The new or revised standard described below will be applied and have an impact on the Group as of January 1, 2017.

IFRS 9 Financial Instruments will replace IAS 39 Financial Instruments Recognition and Measurement: with mandatory effective date of January 1, 2017. The IASB has thus far published the first parts of what will become the final IFRS 9. The changes are not expected to have any substantial effects on amounts reported in the consolidated financial statements, since the majority of the Group's financial assets are reported in accordance with the fair value option.

Other known changes to IFRS and IFRIC to be applied in the future are not expected to have any significant impact on the Group's reporting.

Consolidation principles

The consolidated financial statements comprise the Parent company, subsidiaries and associates.

- Subsidiaries are companies in which Investor AB has more than 50 percent of the votes or by other means have a controlling influence. Subsidiaries are reported in accordance with the purchase method.
- Associates are companies in which Investor has a significant influence, typically between 20 and 50 percent of the votes. Accounting for associates is dependent on how Investor controls and monitors the companies' operations. For further information see note 12, Shares and participations in associates.

Intra-group receivables, payables and transactions as well as gains arising from transactions with associates, that are consolidated using the equity method, are eliminated when preparing the consolidated financial statements.

Foreign currency

Translation to functional currency

Foreign currency transactions are translated at the exchange rate in existence on the date of the transaction. Assets and liabilities in foreign currency are translated at the exchange rate in existence on the balance sheet date, except for non-monetary assets and liabilities which are recognized at historical cost using the exchange rate in existence on the date of the transaction. Exchange differences arising on translation are recognized in the income statement with the exception of effects from cash-flow hedges, see note 29, Financial Instruments.

Financial statements of foreign operations

Assets and liabilities of foreign operations, including goodwill and other consolidated surpluses/deficits are translated to SEK using the exchange rate in existence on the balance sheet date. Revenues and expenses in a foreign operation are translated to SEK using an average exchange rate that approximates the exchange rates on the dates of the transactions. Translation differences arising when translating foreign operations are recognized directly in other comprehensive income and are accumulated in the translation reserve, which is a separate component of equity.

The following symbols **IS** and **BS** show which amounts in the notes that can be found in the Income Statement or Balance Sheet.

2 Critical estimates and key judgments

In order to close the books and prepare the financial statements in accordance with IFRS, management must make estimates and assumptions that affect the application of the accounting policies and the amounts recognized for assets, liabilities, income and expenses.

Estimates and judgments are based on historical experience, market information and assumptions that management considers to be reasonable based on the circumstances prevailing at the time. Changes in assumptions may result in adjustments to reported values and the actual outcome may differ from the estimates and judgments that were made.

Judgments in relation to the application of accounting policies

Within the scope of IFRS, there are some instances where management must either choose between accounting policies, or choose whether to apply a particular accounting policy, in order to provide a fair view of the Group's activities. The development relating to accounting and the choice of policies are discussed in the Audit Committee.

Significant items for which a special judgment has been made in order to define the Group's accounting policies are presented below.

| | Judgments | See note |
|--|---------------------------------|----------|
| Participations in associates | Fair value or equity method | Note 12 |
| Owner-occupied property | Revaluation or cost model | Note 17 |
| Interest-bearing liabilities and related derivatives | Application of hedge accounting | Note 29 |

Important sources of uncertainty in estimates

The most significant estimation uncertainties in relation to the preparation of the consolidated financial statements are presented below. Changes in assumptions may result in material effects on the financial statements and the actual outcome may differ from estimated values. For more detailed descriptions of the judgments and assumptions, please refer to the specific notes referenced below.

| | Estimates and assumptions | See note |
|---|--|----------|
| Valuation of unlisted holdings | Appropriate valuation method, comparable companies, future revenue and margin | Note 29 |
| Valuation of interest-bearing liabilities and derivatives | Yield curve for valuation of financial instruments for which trading is limited and duration is long-term | Note 29 |
| Valuation of owner-occupied property | Comparable properties, long-term inflation rate, projected cash flows, real interest rate and risk premium | Note 17 |
| Impairment test of intangible assets | Projected cash-flows, growth rate, margins and discount factor | Note 16 |
| Reporting of deferred tax assets | Future possibilities to benefit from tax loss carry forwards | Note 14 |
| Valuation of pension liabilities | Discount rate and future salary increase | Note 25 |
| Purchase Price Allocation | Valuation of acquired intangible assets | Note 4 |

3 Risks

In its business, the Investor group is exposed to:

| | |
|--|----------------|
| Commercial risks | page 50 |
| Financial risks: | page 51 |
| – <i>Market risks</i> | |
| – <i>Liquidity and financing risks</i> | |
| – <i>Credit risks</i> | |
| Legal and regulatory risks | page 54 |
| Operational risks | page 54 |
| Other risks | page 54 |

Risk management is part of the Board's and management's governance and follow-up of the business. At Investor, risk management is an integral part of the Group's processes, meaning that control and responsibility for control is close to the business operations. Investor's Board decides on risk levels, mandates and limits for the Investing activities and Investor's different operations, while the Boards of the operating subsidiaries decide on policies that have been adapted to manage the risks in their respective businesses. For further information on the risk assessment process, see the Corporate Governance Report page 36.

Investor's Risk policy sets measurement and mandates for market risks for the short-term trading, excess liquidity and financing activities. The policy also outlines principles for foreign exchange risk management in connection with investments and cash flows in foreign currency, measurements and limits for credit risks and principles to minimize legal, regulatory and operational risks in the business.

There has been no significant change in the measurement and follow-up of risks compared with the preceding year.

Commercial risks

Maintaining long-term ownership in Core Investments and a flow of investments and divestments in Financial Investments involves commercial risks. These risks include, for instance, having a high exposure to a certain sector or an individual holding, changed market conditions for finding attractive investment candidates and barriers that arise and prevent exits from a holding at the chosen time. Investor's subsidiaries operate within the healthcare sector on different geographical markets for products and services. To remain competitive, all business units need to continuously develop innovative products and services that satisfy customer needs in a cost efficient way. New products, services and techniques developed and promoted by competitors can also affect the ability to achieve business plans and objectives. An important component of the subsidiaries' strategies for growth is to make strategic acquisitions and enter strategic alliances that complement their current businesses. A subsidiary's failure to identify appropriate targets for strategic acquisitions, or unsuccessfully integrate its acquisitions, could have a negative impact on competitiveness and profitability. In order to manage its various business risks, Investor focuses on such factors as the ones explained in the following three paragraphs:

Diversification represents an important tool for risk control and it pertains to sector, industry, investment horizon, ownership stake, type of company, region and degree of maturity of the companies. Diversification of Investor's portfolio maintains a balance between companies in different sectors, of different sizes and at different stages of development. Core Investments have international operations and therefore their exposure to economic and political developments in a single country is limited. The same is also true for a significant portion of the operating subsidiaries and partner-owned financial investments. The ownership share varies, depending on the investment strategy, and the investment horizon, from long-term to short-term. Core Investments and Financial Investments that are listed have a high liquidity, which provides Investor with a high degree of financial flexibility.

The knowledge, experience and expertise that the Company has accumulated over time is an important asset in managing commercial risks. Investor's network is not only an important asset in facilitating the sharing of knowledge and experience, but also a source of suggestions and advice in identifying investment opportunities. Expertise and presence where the investments are implemented play an important role in the management of commercial risks. Continued development of the Group and ability to achieve strategic objectives depend, among others, on the ability to attract and retain employees with cutting-edge expertise.

3 cont'd Risks

For a company to be considered as an investment candidate, it must undergo a series of structured processes involving not only the investment manager, but also various committees and boards. These processes and each individual business process are well documented in investment instructions. External experts of high repute are also engaged, for example, analyzing the companies concerned. Out of the many attractive investment opportunities considered, only a few survive right through to the end of the process.

Thorough preparation plays an important role in the management of commercial risks. Once a company is brought into the portfolio, it is managed as part of the Group's active ownership. At Investor, active ownership means supporting the company in its product and process development efforts, as well as critically examining and exercising influence over its activities to prevent loss of focus on profitability. The work to manage commercial risks is continuously reviewed, evaluated and documented.

Financial risks

The main category of financial risks that the Investor Group is exposed to is market risks. These are primarily risks associated with fluctuations in share prices, as well as interest rate risks and foreign exchange rate risks.

Derivative instruments are used to manage financial risks. All derivative transactions are handled in accordance with established guidelines and limits stated in financial policies. The financial risks in the subsidiaries are managed by each subsidiary's Treasury function.

MARKET RISKS

Market risks refer to the risk of a change in value of a financial instrument because of changes in share prices, exchange rates or interest rates.

Share price risk

Investor's most significant risk is share price risk. The majority of Investor's share price risk exposure is concentrated to Core Investments. At year-end 2013, Listed Core Investments accounted for 73 percent of total assets (71). For further information about listed Core Investments, see page 13 and pages 15-22. The companies and their share prices are analyzed and continuously monitored by Investor's analysts. Through committed ownership, which is exercised through Board representation and in other ways, Investor influences a company's strategy and decisions. Thus, a large portion of share price exposure in a Core Investment does not necessarily lead to any action. It is the long-term commitment that lays the groundwork for Investor's strategic measures. Investor does not have defined goals for share price risks, as share prices are affected by short term fluctuations. The share price risk for listed Core Investments is not hedged.

Core Investments subsidiaries accounted for 13 percent of total assets (11). Their profit/loss and changes in equity have an impact on Investor's net asset value. The financial assets of each subsidiary primarily consist of trade receivables from public hospitals/care institutions resulting from the delivery of health care products and services. Each subsidiary also has financial assets that are cash equivalents. The Group's financial liabilities primarily consist of loans from credit institutes that were taken in order to finance acquisitions or for other reasons. In general, Mölnlycke Health Care (Mölnlycke) strives to use hedge accounting to minimize volatility in the Income Statement, which can result from measurement at fair value. Aleris and Permobil do not use hedge accounting. The profit/loss of the consolidated subsidiaries have a direct impact on Investor's net assets. There is no share price risk associated with the wholly-owned subsidiaries.

If the market value of Listed Core investments was to decline by 10 percent (generally, simultaneously and holding all other factors constant), the impact on income and equity would be approximately SEK -17.5 bn. (-14.1). If the consolidated net assets of Core Investment subsidiaries was to decline by 10 percent (generally, simultaneously and holding all other factors constant), the impact on income and equity would be approximately SEK -3.0 bn. (-2.1).

Financial Investments are comprised of investments in EQT, Investor Growth Capital (IGC), partner-owned investments consolidated as associates, trading operations and other investments. EQT and IGC investments are exposed to share price risk. Compared with Core Investments, this area has a higher risk exposure. IGC is mainly exposed to smaller unlisted companies and new technologies and markets, although there is also a higher potential return on these investments. Venture Capital investments comprise companies operating in Asia, Europe and the U.S. and they make a considerable contribution to the portfolio's diversity. IGC investments are valued in accordance with the guidelines of the International Private Equity and Venture Capital Association.

Investor also takes an active role in these companies through Board work. At year-end 2013, EQT and IGC investments accounted for 10 percent of total assets (11).

At year-end 2013, the Partner-owned and Other investments represented 5 percent of Investor's assets (7). The impact on Investor's assets is generated by the companies change in equity. The partner-owned investments' businesses have a direct impact on Investor's assets. However, there is no share price risk from these investments.

By the end of 2013, Financial Investments accounted for 15 percent of the total assets (18). If the market value or equity of Financial investments was to decline by 10 percent (generally, simultaneously and holding all other factors constant) the impact on income and equity would be SEK -3.4 bn. (-3.5).

Investor has a trading operation for the purpose of executing Core Investments transactions and obtaining market information. The trading operation conducts short-term equity trading and deals in equity derivatives (primarily for hedging market risk in the portfolio). The market risk in this activity is measured and monitored in terms of cash delta. Limits on gross, net and maximum position size are measured as well as liquidity risk. At year-end 2013, the trading operation accounted for less than 0.5 percent of total assets (0.5). If the market value of the assets belonging to the trading operation were to decline by 10 percent (generally, simultaneously and holding all other factors constant), the impact on income and equity would be SEK -13 (-3) m.

Listed holdings in all business areas

If the market value of listed holdings in all business areas were to decline by 10 percent (generally, simultaneously and holding all other factors constant), the impact on income and equity would be approximately SEK -17.7 bn. (-14.4), which equals 8.2 percent of Investor's net asset value (8.2). Market risks associated with listed stocks constitute the greatest risk for Investor.

Exchange rate risk

Currency exposure arises from cash flows in foreign currencies (transaction exposure), the translation of Balance Sheet items to foreign currencies (Balance Sheet exposure) and the translation of foreign subsidiaries' Balance Sheets and Income Statements to the Groups accounting currency (translation exposure).

Balance sheet exposure

Since the majority of Core Investments are listed in SEK, there is a limited direct exchange rate risk that affects Investor's Balance Sheet. However, Investor is indirectly exposed to exchange rate risks in Core Investments that are listed on foreign stock exchanges or that have foreign currency as their pricing currency. In addition, there are indirectly exchange rate risks since the majority of the companies in the Core Investments business area are active in several markets. These risks have a direct impact on the company's Balance Sheet and Income Statement, which indirectly affects valuation of the shares.

The operating subsidiaries, IGC, EQT and partner-owned companies are exposed to exchange rate risks in business and investments made in foreign companies.

There is no regular hedging of foreign currency since the investment horizon is more than three years and currency fluctuations are expected to equal out over time. This hedging policy is subject to continuous evaluation and deviations from the policy may be allowed if judged beneficial from a market economic perspective.

Exchange rate risks for investments in the trading operation are minimized through currency derivative contracts at the portfolio level.

Total currency exposure for the Investor Group is provided in the table below. If the SEK were to appreciate 10 percent against both the USD and EUR (holding all other factors constant), the impact on income and equity would be approximately SEK -4.0 bn. (-3.1).

| Gross exposure in foreign currency, SEK m. | Gross assets | | Gross liabilities | |
|--|---------------|---------------|-------------------|----------------|
| | 12/31 2013 | 12/31 2012 | 12/31 2013 | 12/31 2012 |
| EUR | 42,642 | 40,891 | -27,141 | -31,581 |
| USD | 18,447 | 12,548 | -2,057 | -880 |
| Other European currencies | 10,927 | 8,070 | -12,917 | -10,390 |
| Asian currencies | 712 | 1,261 | -1,529 | -1,955 |
| Total | 72,728 | 62,770 | -43,644 | -44,806 |

3 cont'd Risks

Exchange rate risk in excess liquidity resulting from investments in foreign currency is managed through currency derivative contracts.

Exchange rate risk arising in connection with loans in foreign currency is managed by, among other things, exchanging the loans to SEK through currency swap contracts. The objective is to minimize the exchange rate risk in excess liquidity and the debt portfolio. This strategy is applied if there is a high level of net exposure, having considered the holdings in foreign currency.

The net exposure in foreign currencies after hedge is presented in the table below:

| Net exposure in foreign currencies after hedge, SEK m. | 12/31 2013 | 12/31 2012 |
|--|---------------|---------------|
| EUR | 22,394 | 18,724 |
| USD | 17,291 | 12,736 |
| Other European currencies | 4,120 | 4,502 |
| Asian currencies | 643 | 916 |
| Total | 44,448 | 36,878 |

The increased exposure to the USD is primarily explained by value change due to increased rates and valuations, for example the NASDAQ-holding and in the EQT funds, and also to the new subsidiary Permobil's USD exposure. The increased exposure in EUR during 2013 is primarily explained by the refinancing in Investor and in Mölnlycke.

Currency exposure associated with transactions

Investor's guideline is for future known cash flows in foreign currency exceeding the equivalent of SEK 50 m. to be hedged through forward exchange contracts, currency options or currency swaps. This is valid for forecast or contracted flows for Core Investments and Financial Investments.

Mölnlycke's operational cash flows in foreign currency are estimated at the equivalent of EUR 392 m. (362), corresponding to SEK 3.5 bn. (3.1), for the next 12 months. Only exposures expected to generate cash flow transactions within 12 months are hedged. As of December 31, 2013, 66 percent (66) of the forecasted net transaction flows in foreign currency for the next 12 months were hedged. For outstanding currency hedging as of December 31, an immediate 10 percent rise in the value of each currency against the EUR would impact net income by EUR -0.9 m. during the next 12 month period (1.9). The impact on equity from valuation of the financial derivatives that are recognized in hedge accounting would be EUR -16.8 m. (-15.0).

Permobil's operational cash flows in foreign currency are estimated to SEK 555 m. for the coming 12 months. An immediate 10 percent rise in the value of each currency against the SEK would impact net income and equity for Permobil by SEK 53 m. the coming 12 months.

Currency exposure associated with net investments in foreign operations

Currency exposure associated with investments made in independent foreign entities is considered as a translation risk and not an economic risk. The exposure arises when the foreign net investment is translated to SEK on the balance sheet date and it is recognized in the translation reserve under equity. Net investments are partly neutralized by loans in foreign currencies. Currency exposure due to net investments in foreign operations is normally not hedged.

The table below show the exposure, in main currencies, arising from net investments in foreign subsidiaries (in investment currency).

| | 12/31 2013 | 12/31 2012 |
|--------|------------|------------|
| DKK m. | 181 | 174 |
| EUR m. | 1,433 | 661 |
| GBP m. | 175 | 148 |
| HKD m. | - | 510 |
| NOK m. | 104 | 252 |
| USD m. | 1,624 | 1,418 |

The increase in exposure in EUR relates to the completion of the legal combination of Investor's and Fiskar's Wärtsilä holdings.

If the SEK were to appreciate by 10 percent this would decrease equity by SEK -2.4 bn. due to translation effects of currency exposure in net investments in foreign subsidiaries (-1.9).

Interest rate risk

The Groups' interest rate risk is primarily associated with long-term borrowings. In order to minimize the effects of interest rate fluctuations and limits, instructions have been established for such things as fixed interest rate periods.

Excess liquidity and debt portfolio

The Treasury function manages interest rate risks, exchange rate risks, liquidity risks and financing risks associated with the administration of the excess liquidity portfolio and financing activities.

For excess liquidity exposed to interest rate risks, the goal is to limit interest rate risks while maximizing return within the established guidelines of the risk policy. High financial flexibility is also strived for in order to satisfy future liquidity needs. Investments are therefore made in interest-bearing securities of short duration and high liquidity. For further information, see note 22. Other financial investments, short-term investments and cash and cash equivalents. A one percentage point parallel movement upward of the yield curve would reduce the value of the portfolio and affect the Income Statement by approximately SEK -52 m. (-43).

On the liability side, Investor strives to manage interest rate risks by having an interest rate fixing tenor within the established limits and instructions of the Risk Policy. Fixed rates are established to provide flexibility to change the loan portfolio in step with investment activities and to minimize loan costs and volatility in the cash flow over time. A parallel movement of the yield curve downwards by one percentage point would increase the reported value of the hedged portion of loans by SEK 1.1 bn. (1.4). The amount is reduced to 0.1 bn. (0.1) when hedging derivatives are included. The interest cost effect for the non-hedged loans would be SEK -1.2 bn. (-1.0), with a movement of the yield curve downwards with one percentage point.

Investor uses derivatives to hedge against interest rate risks (related to both fair value and cash flow fluctuations) in the debt portfolio. Some derivatives do not qualify for hedge accounting, but are still grouped together with loans since the intention of the derivative is to achieve the desired fixed-interest term for each loan. The subsidiaries Aleris and Permobil do not apply hedge accounting.

The distribution between hedged and non-hedged loans is shown in the table below.

| Outstanding amount allocated to hedged loans and non-hedged loans, SEK m. | 12/31 2013 | | 12/31 2012 | |
|---|--------------|-----------------|--------------|-----------------|
| | Derivatives | Carrying amount | Derivatives | Carrying amount |
| Hedged loans | | 22,247 | | 29,579 |
| -related foreign exchange/interest rate derivatives with positive value | -191 | | -953 | |
| -related foreign exchange/interest rate derivatives with negative value | 976 | | 1,502 | |
| Non-hedged loans | | 18,528 | | 14,776 |
| - related foreign exchange/interest rate derivatives with negative value | 368 | | 561 | |
| Total | 1,153 | 40,775 | 1,110 | 44,355 |

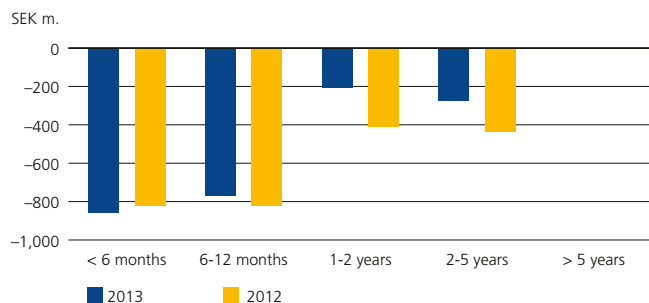
The effect of fair value hedges is recognized in the Income Statement. The remaining maturities of fair value hedges vary between 3 and 24 years. For further information on the maturity structure, see schedule, Investor AB's debt maturity profile, page 53.

In the case of cash flow hedges, hedging instruments are valued on each balance sheet date and the change in value is recognized in other comprehensive income. The remaining maturities for cash flow hedges are between 1 and 5 years.

3 cont'd Risks

During the year, the impact of cash flow hedges on other comprehensive income was SEK 23 m. (362). With a parallel movement of the yield curve by one percentage point, the cash flow hedges effect on other comprehensive income would be SEK -258 m. (-287).

Future cash flows from cash flow hedged transactions



Because the operating subsidiaries are ring-fenced, a sensitivity analysis is also presented for each operating subsidiary.

For Mölnlycke, a one percentage point increase in interest rates for all currencies, calculated on the Group's net debt as of December 31, 2013, would impact income during the subsequent 12-month period by EUR -0.2 m. (-0.6). A one percentage point decrease in all of the Group's interest rate derivatives that are classified as cash flow hedges, would have an impact on equity of EUR -57.5 m. (-26.0).

For Aleris, the total interest rate risk exposure associated with assets amounts to SEK 312 m. (522). A parallel movement of the yield curve upwards by one percentage point would reduce value by approximately SEK 2 m. (4). Interest rate risk exposure associated with liabilities amounts to SEK 1,223 m. (2,360). A parallel movement downward of the yield curve by one percentage point would impact income and the equity by approximately SEK 10 m. (17).

For Permobil, the total interest rate risk exposure associated with liabilities amounts to SEK 1,487 m. and a parallel movement of the yield curve upwards by one percentage point would impact the income statement and equity by approximately SEK 10 m.

LIQUIDITY AND FINANCING RISK

Liquidity risk refers to the risk that a financial instrument cannot be divested without considerable extra costs, and to the risk that liquidity will not be available to meet payment commitments. To reduce the effect of refinancing risks, limits are set regarding average maturities for loans.

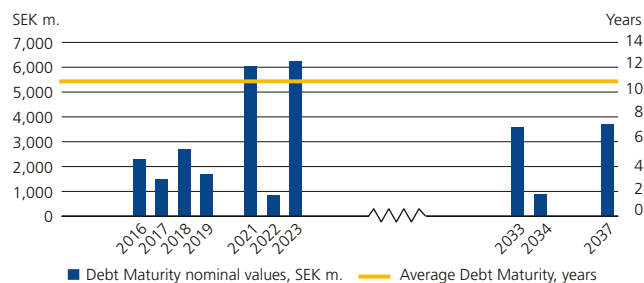
Liquidity risks are minimized in Treasury operations by keeping the maturity of short-term cash investments to less than two years and by always maintaining a higher than 1:1 ratio between cash and credit commitments/current liabilities. Liquid funds are invested in overnight markets and short-term interest-bearing securities with low risk and high liquidity. In other words, they are invested in a well-functioning second-hand market, allowing conversion to cash when needed. Liquidity risk in the trading operations is restricted via limits established by the Board.

Financing risks are defined as the risk that financing can not be obtained, or can only be obtained at increased costs as a result of changed conditions in the capital market. In order to minimize financing risks, the Treasury function works actively to ensure financial preparedness by establishing loan and credit limits for both long-term and short-term borrowing. Financing risks are further reduced by allocating loan maturities evenly over time (please refer to the chart below with information on the maturity profile) and by diversifying sources of capital. An important aspect, in this context, is the ambition to have a long borrowing profile. Furthermore, proactive liquidity-planning efforts also help limit both liquidity and financing risk.

Investor's funding is primarily done through long-term loan programs in the Swedish and European capital markets. Investor has a European Medium Term Note Program (EMTN), which is a loan program intended for long-term financing. The program is for EUR 5.0 bn. (SEK 44.7 bn.), of which EUR 3.1 bn. (SEK 27.5 bn.) has been utilized. For short-term financing, Investor has

an uncommitted Swedish and a European Commercial Paper program (CP/ECP) for SEK 10.0 bn. and USD 1.5 bn. (SEK 9.8 bn.), respectively. Investor has a committed syndicated bank loan facility of SEK 10.0 bn. Approximately 90 percent of Investor's SEK 10 bn. undrawn revolving credit facility (RCF) is extended to 2018. Consequently, 100 percent of the existing RCF is available until 2016, 95 percent until 2017 and 90 percent until 2018. This facility was unutilized at year-end. In contrast to an uncommitted credit facility, a committed loan program is a formalized commitment from the credit grantor. There are no financial covenants in any of Investor AB's loan contracts, meaning that Investor does not have to meet special requirements with regard to key financial ratios for the loans it has obtained.

Investor AB's debt maturity profile



The operating subsidiaries ensure their financial preparedness by keeping credit facilities, should there be a need for additional working capital or minor acquisitions. As of December 31, 2013, Aleris had a total credit facility of SEK 1,495 m. (3,395), of which SEK 1,195 m. was utilized (2,301). At the same time, Mölnlycke had a total credit facility amounting to EUR 1,116 m. (1,397) of which EUR 903 m. (1,299) had been utilized. Also at year-end 2013, Permobil had total credit facilities of SEK 1,528 m. of which 1,487 m. was used and Vectura had a fully used credit facility of SEK 1,258 m. The terms of the credit facility require the companies to meet a number of key financial ratios. The subsidiaries fulfilled all financial ratios during 2013.

Investor's liquidity and financing risks are considered to be low. With an equity/assets ratio of 81 percent at year-end (76), Investor has considerable financial flexibility, since leverage is low and most assets are highly liquid.

The following table shows the Group's contracted cash flow of loans including other financial payment commitments and derivatives, as per December 31, 2013 and 2012.

| Cash flow of financial liabilities and derivatives, ¹⁾ SEK bn. | 2013 | | 2012 | |
|---|---------------------------------------|-------------|---------------------------------------|-------------|
| | Loans and other financial commitments | Derivatives | Loans and other financial commitments | Derivatives |
| < 6 months | -2.0 | -0.1 | -3.2 | -0.2 |
| 6-12 months | -0.7 | 0.1 | -1.0 | -0.1 |
| 1-2 years | -4.2 | 0.0 | -4.4 | -0.2 |
| 2-5 years | -19.5 | 0.1 | -20.6 | -0.3 |
| > 5 years | -28.8 | -0.1 | -29.6 | -0.4 |

1) interest payments included.

Exposure from guarantees and other contingent liabilities also constitutes a liquidity risk. For such exposure as per December 2013, see note 30, Pledged assets and contingent liabilities.

3 cont'd Risks

CREDIT RISK

Credit risk is the risk of a counterparty or issuer being unable to repay a liability to Investor. Investor is exposed to credit risks primarily through investments of excess liquidity in interest-bearing securities. Credit risks also arise as a result of positive market values in derivative instruments (mainly interest rate, currency swaps and a minor portion in OTC derivatives). In order to limit credit risks, there are specified limits for exposure to counterparties. According to the Company's credit risk policy, Investor may only be exposed to credit risks towards counterparties with good creditworthiness, based on ratings by highly-reputable rating institutions, for a limited amount and for a limited duration. Limits are set for exposures to single counterparties, with the exception of government debt instruments guaranteed by AAA/Aaa rated sovereigns.

Investor applies a wide-ranging limit structure with regard to maturities, issuers and counterparties in order to control credit risks. With a view to further limiting credit risks in interest rate and currency swaps, and other derivative transactions, agreements are established with counterparties in accordance with the International Swaps and Derivatives Association, Inc. (ISDA), as well as netting agreements. Credit risk is closely monitored each day and the agreements with various counterparties are continuously analyzed. Despite the high level of turbulence in world financial markets, Investor has not recorded any credit losses during the past three years.

The following diagram shows the credit risk exposure in interest-bearing securities, by rating category, as of December 31, 2013.

| Instrument | Nominal amount | Average remaining maturity, months | Number of counterparties | Percentage of the credit risk exposure |
|---------------------------------|----------------|------------------------------------|--------------------------|--|
| Swedish government papers (AAA) | 2,350 | 3.2 | 1 | 18 |
| AAA | 2,200 | 14.4 | 4 | 17 |
| AA | 1,910 | 0.7 | 15 | 14 |
| A | 6,773 | 0.1 | 21 | 51 |
| Lower than A | 67 | 0.0 | 11 | 0 |
| Total | 13,300 | 3.1 | 52 | 100 |

The total credit risk exposure related to the fair value reported items at the end of 2013 amounted to SEK 13,300 m. (11,627). As of December 31, 2013, the credit risks resulting from positive market values for derivatives amounted to SEK 191 m. (517), which have been reported in the Balance Sheet.

The operating subsidiaries do not invest excess liquidity as repayment of loans are prioritized. The credit risk in the operating subsidiaries relates mainly to trade account receivables. Mölnlycke's, Aleris' and Permobil's credit risks are limited due to the fact that a significant portion of their customers are public hospitals/care institutions. The maximum exposure related to commercial credit risk corresponds to the carrying amount of trade receivables.

The following diagram shows the aging of trade receivables and other short-term receivables within the Group.

| Aging of receivables | 12/31 2013 | | | 12/31 2012 | | |
|-----------------------|-----------------------|------------|--------------|-----------------------|------------|--------------|
| | Gross carrying amount | Impairment | Net | Gross carrying amount | Impairment | Net |
| Not past due | 2,004 | | 2,004 | 1,582 | -1 | 1,581 |
| Past due 0-30 days | 295 | | 295 | 349 | -2 | 347 |
| Past due 31-90 days | 158 | -2 | 156 | 108 | -3 | 105 |
| Past due 91-180 days | 89 | -4 | 85 | 94 | -4 | 90 |
| Past due 181-360 days | 117 | -4 | 113 | 71 | -9 | 62 |
| More than 360 days | 72 | -28 | 44 | 67 | -26 | 41 |
| BS Total | 2,735 | -38 | 2,697 | 2,271 | -45 | 2,226 |

Concentrations of credit risks

Concentrations of risk are defined as individual positions or areas accounting for a significant portion of the total exposure to each area of risk. The concentration of credit risk exposure is presented in the table above. The secured bonds issued by Swedish mortgage institutions have the primary rating category of AAA. The proportion of AAA-rated instruments accounted for 34 percent of the total credit risk portfolio's nominal value (47).

Because of the global nature of its business and sector diversification, the Group does not have any specific customers representing a significant portion of receivables.

Legal and regulatory risks

The Compliance function monitors commitments that must comply with external regulations and laws, contract-related commitments and internal company rules. The work of the Legal and Compliance function focuses on minimizing these risks. The Group ensures that its activities comply with existing laws, regulations and other external requirements that are imposed.

Health care companies must comply with laws and regulations of each country where they conduct business. Examples of such laws are the Health and Medical Service Act, the Social Services Act and environmental legislation. In other words, activities are heavily regulated. The awareness of such risks is high within the Investor Group.

Operational risks

Operational risks are defined as the risk of loss due to inadequacies in internal routines, processes or systems, or the risk of disruptions to operations from external events. In addition to the high level of awareness of operational risks in the organization, policies and instructions are in place in every unit and at the Group level, which govern how activities are to be conducted.

Risks associated with selling and operating healthcare services are dealt with by the different levels of management for each area of operations. Continuous quality improvement is performed in accordance with ISO-standards.

Property risks, liability risks and interruption risks are covered by insurance policies. Up to this date, very few incidents have occurred.

The process is followed up on an ongoing basis to determine and strengthen appropriate control measures aimed at reducing operational risks. Besides Risk Control, Internal Control and Compliance functions, the efforts of all employees are required in order to successfully control operational risks. The annual risk assessment process is an important tool for identifying operational risks and other types of risks. One important aspect of this is the Group's endeavor to maintain a high level of professionalism and sound ethics. These ambitions, along with the strict policies and effective control procedures, help to significantly reduce operational risks.

Other risks

Work is actively carried out in the area of security to protect Investor against internal and external threats. Investor's Security Committee evaluates security risks that could have short-term or long-term implications for Investor. The committee also takes necessary measures to minimize the negative effects of such risks, and it is responsible for ensuring that disaster and continuity planning is updated.

The Group is also exposed to political risks. To a large extent, spending on healthcare products and services is regulated by various governments. This applies to most markets around the world. Funds are made available or withdrawn from healthcare budgets due to different types of political decisions. In most of the major markets, pricing of the Group's products and services is controlled by decisions made by government authorities.

4 Business combinations

Accounting policies

In connection with a business combination, the consolidated cost is established through a purchase price allocation. In the analysis, the fair value of the identifiable assets and the assumed liabilities is determined. For business combinations where the cost exceeds the net carrying amount of the acquired identifiable assets and the assumed liabilities, the difference is reported as goodwill in the Balance Sheet. The purchase price allocation identifies assets and liabilities that are not reported in the acquired company, such as trademarks and customer contracts. Surplus values that have been identified when making the purchase price allocation are depreciated over the estimated useful life. Goodwill and strong trademarks are considered to have an indefinite useful life and are therefore tested annually for impairment, or whenever there is any indication of impairment.

Non-controlling interests

At the time of an acquisition, the Group must choose to either recognize non-controlling interest at fair value, meaning that goodwill is included in the non-controlling interest or recognize the non-controlling interest as the share of the net identifiable assets. The choice between the two methods is made individually for each acquisition.

If a business combination achieved in stages results in a controlling influence, the prior acquired shares are revalued at fair value and the resulting profit or loss is recognized in the Income Statement. Acquisitions that are made subsequent to having obtained a controlling influence and divestments that do not result in a loss of the controlling influence are reported under equity as a transfer between equity attributable to the Parent Company's shareholders and non-controlling interests.

Consideration that is contingent upon the outcome of future events is valued at fair value and the change in value is recognized in the Income Statement.

The financial statements of subsidiaries are reported in the consolidated financial statements as of the acquisition date and until the time when a controlling interest no longer exists.

Acquisition of controlling interest in Permobil

On March 27, 2013, Investor announced its acquisition of the Timrå (Sweden) based medical technology company Permobil from Nordic Capital Fund V. Following regulatory approval, Investor's acquisition was completed on May 14, 2013.

The acquisition of Permobil entailed Investor acquiring 90 percent of the votes of the company. Investor invested SEK 3.7 bn. of which SEK 3.6 bn. to the sellers and SEK 0.1 bn. as a capital contribution to the company. The invested amount was paid in cash and corresponded to 95 percent of the capital injected.

A maximum SEK 400 m. earn-out payment, subject to future profitability, may be made in 2016. Future profitability has to well exceed our initial investment case projections for any payment to be made. The fair value of the contingent consideration at the acquisition date was estimated to be SEK 0 m. The estimate has not changed as of December 31, 2013.

In the Purchase Price Allocation, goodwill amounts to SEK 2,056 m. The goodwill recognized for the acquisition corresponds to the company's product offering, market position and the experience of the personnel. Intangible assets consist mainly of customer relations that are amortized over the life of the relations, and SEK 1,494 m. in brands that are not amortized.

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

Acquisition costs amount to SEK 36 m. and relate to external legal fees and due diligence costs. The costs have been included in the item value change in the Group's consolidated income statement.

For the seven and a half month period from the acquisition date until December 31, 2013, Permobil contributed SEK 1,163 m. to consolidated Net sales. The EBITDA for Permobil for the same period amounted to SEK 193 m. and the contribution to the consolidated profit amounted to SEK -126 m., including acquisition costs and effects from the purchase price allocation. If the acquisition had occurred on January 1, 2013, management estimates that consolidated Net sales for the Investor Group would have increased with SEK 579 m. and consolidated profit for the period would have decreased with SEK 65 m., including costs relating to the purchase price allocation of SEK -82 m. In determining these amounts, it was assumed that the fair value adjustments, that arose on the date of acquisition, would have been the same if the acquisition had occurred on January 1, 2013.

Permobil

| SEK m. | Final Purchase Price Allocation |
|--|---------------------------------|
| Intangible assets | 3,521 |
| Property, plant and equipment | 228 |
| Financial fixed assets | 19 |
| Inventory | 311 |
| Accounts receivables | 255 |
| Other current assets | 91 |
| Cash and cash equivalents | 350 |
| Non-current liabilities and provisions | -1,669 |
| Deferred tax liabilities | -1,034 |
| Current liabilities | -309 |
| Net identifiable assets and liabilities | 1,763 |
| Non-controlling interest | -211 |
| Consolidated goodwill | 2,056 |
| Consideration | 3,608 |

Grand Hôtel's acquisition of controlling interest in Lydmar Hotel

On July 1, 2013, Grand Hôtel acquired 80 percent of the company operating the neighboring Lydmar Hotel.

Lydmar Hotel is a boutique hotel established in 2008. Lydmar has since built a strong brand in the Stockholm hotel market. The acquisition will give Grand Hôtel a broader offering with a second brand in a different niche and will offer synergies within sales and marketing.

The consideration amounted to SEK 13 m. and was paid in cash. In the purchase price allocation, goodwill amounts to SEK 13 m.

Due to the fact that the acquisition is relatively small no further information is presented.

Finalization of purchase price allocations for 2012

Other acquisitions during 2012 consisted of Aleris' acquisitions of Stureplans Husläkarmottagning, Södermalms Hemtjänst and Xyrinx Medical AB as well as Mölnlycke Health Care's acquisition of WoundEL.

Other

| SEK m. | Preliminary Purchase Price Allocation | New valuation | Final Purchase Price Allocation |
|--|---------------------------------------|---------------|---------------------------------|
| Property, plant and equipment | 11 | | 11 |
| Deferred tax assets | | 1 | 1 |
| Inventory | 2 | | 2 |
| Accounts receivables | 8 | | 8 |
| Other current assets | 28 | -3 | 25 |
| Cash and cash equivalents | 21 | | 21 |
| Non-current liabilities and provisions | -8 | -4 | -12 |
| Deferred tax liability | -1 | | -1 |
| Current liabilities | -27 | -1 | -28 |
| Net identifiable assets and liabilities | 34 | -7 | 27 |
| Consolidated goodwill | 158 | 12 | 170 |
| Consideration | 192 | 5 | 197 |

The total considerations amounted to SEK 197 m. and were paid in cash. According to the preliminary purchase price allocations presented at the end of 2012, goodwill amounted to SEK 158 m. The purchase price allocations relating to the acquisitions have been fixed with a goodwill amounting to SEK 170 m. The increase in goodwill, SEK 12 m., relates to adjustments in consideration and intangible assets.

5 Operating Segments

An operating segment is a component of the entity that is reviewed and evaluated by the CEO. Investor's presentation of operating segments corresponds to the internal structure for management and reporting.

Investor divides its operations into two segments comprising of its business areas, which have different investment strategies and goals. Segment classification is based on the internal reporting model and consists of Core Investments and Financial Investments.

Core Investments consists of listed holdings and majority-owned operating subsidiaries, see page 13.

Financial Investments consists of the EQT funds, Investor Growth Capital, partner-owned investments and smaller holdings, see page 14.

The reported items in the operating segment profit/loss for the year, assets and liabilities, are presented according to how they are reviewed by the CEO. In the operating segment presentation, items directly attributable and items that can be reliably and fairly allocated to each respective segment are included. Non-allocated items are related to the investing activities and consist, within profit/loss, of management costs, net financial items and components of tax. None of the Group's net debt has been distributed to segments, neither other assets and liabilities within investing activities, for example deferred taxes and provisions. Market prices are used for any transactions that occur between operating segments.

For information about goods, services and geographical areas, see note 6, Revenues.

| Performance by business area 2013 | Core Investments | Financial Investments | Investor groupwide | Elimination | Total |
|--|------------------|-----------------------|--------------------|-------------|----------------|
| Dividends | 5,441 | 611 | | | 6,052 |
| Other operating income | 99 | 362 | | -99 | 362 |
| Changes in value | 32,977 | 4,054 ¹⁾ | | | 37,031 |
| Net sales | 18,696 | | | -127 | 18,569 |
| Cost of goods and services sold | -12,247 | | | 127 | -12,120 |
| Sales and marketing costs | -2,786 | | | | -2,786 |
| Administrative, research and development and other operating costs | -2,663 | -132 | | | -2,795 |
| Management costs | -147 | -65 | -147 | | -359 |
| Share of results of associates | 4 | 3,580 | | | 3,584 |
| IS Operating profit/loss | 39,374 | 8,410 | -147 | -99 | 47,538 |
| Net financial items | -1,709 | -65 | -889 | 99 | -2,564 |
| Tax | 130 | | 2 | | 132 |
| IS Profit/loss for the year | 37,795 | 8,345 | -1,034 | - | 45,106 |
| Non-controlling interest | 59 | | | | 59 |
| Net profit/loss for the period attributable to the Parent Company | 37,854 | 8,345 | -1,034 | - | 45,165 |
| Dividend | | | -5,331 | | -5,331 |
| Repurchase of own shares | | | -195 | | -195 |
| Other effects on equity ²⁾ | 1,100 | 190 | -210 | | 1,080 |
| Contribution to net asset value | 38,954 | 8,535 | -6,770 | - | 40,719 |
| Net asset value by business area 12/31 2013 | | | | | |
| Shares and participations | 175,184 | 26,526 | 1,149 | | 202,859 |
| Other assets | 49,852 | 6,723 | 679 | | 57,254 |
| Other liabilities | -20,331 | -993 | -268 | | -21,592 |
| Net debt ³⁾ | | | -23,104 | | -23,104 |
| Total net asset value | 204,705 | 32,256 | -21,544 | - | 215,417 |
| Shares in associates reported according to the equity method | | 7,792 | 1,149 | | 8,941 |
| Cash flow for the year | 8,351 | 11,367 | -17,553 | | 2,165 |
| Non-current assets by geographical area⁴⁾ | | | | | |
| Sweden | 34,153 | | 27 | | 34,180 |
| Europe excl. Sweden | 3,342 | | | | 3,342 |
| Other countries | 4,490 | 3 | | | 4,493 |

1) Includes turnover of the trading operation amounting to SEK 1,160 m.

2) Refers mainly to revaluation reserve, effects of long-term share-based remuneration, changes in non-controlling interest and changes in the hedging and translation reserves.

3) Net debt refers to other financial investments, short-term investments, cash and cash equivalents, interest-bearing liabilities with related derivatives and defined benefit pensions within investing activities.

4) Non-current assets consists of intangible and tangible assets. Information regarding associates by geographical area is not presented because Investor, as a minority owner, can not access information that can be compiled in a meaningful way.

5 cont'd Operating Segments

| Performance by business area 2012 | Core Investments | Financial Investments | Investor groupwide | Elimination | Total |
|--|------------------|-----------------------|--------------------|-------------|----------------|
| Dividends | 4,782 | 395 | | | 5,177 |
| Other operating income | 110 | 509 | | -110 | 509 |
| Changes in value | 18,464 | 1,008 ¹⁾ | | | 19,472 |
| Net sales | 16,909 | | | -60 | 16,849 |
| Cost of goods and services sold | -11,225 | | | 59 | -11,166 |
| Sales and marketing costs | -2,595 | | | | -2,595 |
| Administrative, research and development and other operating costs | -1,406 | -143 | | | -1,549 |
| Management costs | -139 | -69 | -169 | | -377 |
| Share of results of associates | -10 | -227 | | | -237 |
| IS Operating profit/loss | 24,890 | 1,473 | -169 | -111 | 26,083 |
| Net financial items | -1,464 | -29 | -1,144 | 111 | -2,526 |
| Tax | 707 | | -89 | | 618 |
| IS Profit/loss for the year | 24,133 | 1,444 | -1,402 | - | 24,175 |
| Non-controlling interest | 51 | | | | 51 |
| Net profit/loss for the period attributable to the Parent Company | 24,184 | 1,444 | -1,402 | - | 24,226 |
| Dividend | | | -4,563 | | -4,563 |
| Other effects on equity ²⁾ | -1,205 | -853 | 1,023 | | -1,035 |
| Contribution to net asset value | 22,979 | 591 | -4,942 | - | 18,628 |
| Net asset value by business area 12/31 2012 | | | | | |
| Shares and participations | 141,476 | 28,410 | | | 169,886 |
| Other assets | 43,444 | 7,002 | 669 | | 51,115 |
| Other liabilities | -22,173 | -268 | -1,097 | | -23,538 |
| Net debt ³⁾ | | | -22,765 | | -22,765 |
| Total net asset value | 162,747 | 35,144 | -23,193 | - | 174,698 |
| Shares in associates reported according to the equity method | | 12,482 | | | 12,482 |
| Cash flow for the year | 5,198 | 764 | -2,499 | | 3,463 |
| <i>Non-current assets by geographical area⁴⁾</i> | | | | | |
| Sweden | 33,679 | | 31 | | 33,710 |
| Europe excl. Sweden | 2,719 | | | | 2,719 |
| Other countries | 439 | 4 | | | 443 |

1) Includes turnover of the trading operation amounting to SEK 2,927 m.

2) Refers mainly to revaluation reserve, effects of long-term share-based remuneration, changes in non-controlling interest and changes in the hedging and translation reserves.

3) Net debt refers to other financial investments, short-term investments, cash and cash equivalents, interest-bearing liabilities with related derivatives and defined benefit pensions within investing activities.

4) Non-current assets consists of intangible and tangible assets. Information regarding associates by geographical area is not presented because Investor, as a minority owner, can not access information that can be compiled in a meaningful way.

6 Revenues

Accounting policies

Revenues included in operating profit are dividends, other operating income and net sales.

Dividends received are recognized when the right to receive payment has been established. Other operating income consists primarily of interest on shareholder loans to associates and it is calculated using the effective interest rate method.

Net sales

Revenue from the sale of goods is recognized in net income when the significant risks and rewards of ownership have been transferred to the buyer. Services provided as part of healthcare activities are sold via multi-year operating contracts and, in some cases, framework agreements. Revenue from services is recognized in net income based on the stage of completion on balance sheet date. Completion is determined by an assessment of the work done, on the basis of performed examinations. Revenue is not recognized if it is probable that economic benefits will not flow to the Group. No revenue is recognized if there is significant uncertainty regarding the payment, associated costs or the risk of returns. Neither is revenue recognized if the seller remains involved in day-to-day management activities that are typically associated with ownership. Revenue is recognized at the fair value of consideration received or expected to be received, less any discounts. Revenue shall be recognized when the amount of revenue can be measured reliably.

A provision is made for the risk of loss if the total directly attributable costs during the entire term of the contract are expected to exceed the total revenues, including indexation.

Net sales

| <i>By category:</i> | 2013 | 2012 |
|---------------------|---------------|---------------|
| Sales of products | 11,094 | 10,099 |
| Sales of services | 7,312 | 6,594 |
| Other income | 163 | 156 |
| IS Total | 18,569 | 16,849 |

| <i>By field of operation:</i> | 2013 | 2012 |
|-------------------------------|---------------|---------------|
| Health care equipments | 11,094 | 9,719 |
| Health care services | 6,995 | 6,586 |
| Hotel | 460 | 388 |
| Real estate | 20 | 6 |
| Other | – | 150 |
| IS Total | 18,569 | 16,849 |

| <i>By geographical market:</i> | 2013 | 2012 |
|--------------------------------|---------------|---------------|
| Sweden | 5,199 | 5,151 |
| Scandinavia | 3,665 | 3,078 |
| Europe, excl. Scandinavia | 5,828 | 5,567 |
| U.S. | 2,815 | 2,091 |
| North America, excl. U.S. | 226 | 210 |
| Latin America | 52 | 43 |
| Africa | 138 | 108 |
| Australia | 332 | 326 |
| Asia | 314 | 275 |
| IS Total | 18,569 | 16,849 |

External revenues are presented on the basis where the customer is resident.

Net sales are attributable to operating subsidiaries.

No customer exceeds 10 percent of total net sales.

7 Changes in value

Accounting policies

Changes in value consist of realized and unrealized result from long-term and short-term holdings in shares and participations, transaction costs, profit-sharing costs and management fees for fund investments.

For shares and participations that were realized during the period, the changes in value consist of the difference between the consideration received and the value at the beginning of the period. Profit or loss from the divestment of a holding is recognized when the risks and benefits associated with owning the instrument are transferred to the buyer and the Group no longer has control over the instrument.

| | 2013 | 2012 |
|---|---------------|---------------|
| Realized and unrealized results from long-term and short-term investments | 37,423 | 19,837 |
| Other | –392 | –365 |
| IS Total | 37,031 | 19,472 |

8 Operating costs

| | 2013 | 2012 |
|-------------------------------|---------------|---------------|
| Raw materials and consumables | 4,320 | 3,833 |
| Personnel costs | 7,353 | 6,564 |
| Depreciation and impairment | 2,543 | 1,484 |
| Other operating expenses | 3,844 | 3,806 |
| Total | 18,060 | 15,687 |
| Of which: | | |
| Investing activities | | |
| Management costs | 359 | 377 |

9 Employees and personnel costs

Accounting policies

Accounting policies on employee benefits such as short-term benefits, termination benefits and share-based payment transactions are presented below. Post-employment benefits are presented in note 25, Provisions for pensions and similar obligations.

Short-term benefits

Short-term employee benefits are measured on an undiscounted basis and are expensed as the related services is provided. A provision is made for the anticipated cost of bonus payments and profit-sharing contracts when the Group has a current obligation to make such payments (because services have been provided by employees) and when the obligation can be reliably estimated.

Termination benefits

The cost of termination benefits is recognized only if the company is demonstrably committed (without any realistic possibility of withdrawing the commitment) by a formal plan to prematurely terminate an employee's employment.

Share-based payment transactions

Investor AB has issued equity-settled stock option and share programs and cash-settled (synthetic) shares.

Accounting for equity-settled programs

The fair value of stock options and share programs issued is determined at the grant date in accordance with the Black & Scholes valuation model, taking into consideration the terms and conditions that are related to the share price. The value is recognized in the Income statement as a personnel cost allocated over the vesting period. The amount charged to the Income statement is reversed in equity each time of the income statement charge. The recognized cost corresponds to the fair value of the estimated number of options and shares that are expected to vest. This cost is adjusted in subsequent periods to reflect the actual number of vested options and shares. However, no adjustment is made when options and shares expire only because share-price related conditions do not reach the level needed for the options to vest.

When equity-settled programs are exercised, shares are delivered to the employee. The delivered shares are treasury shares that were repurchased when the program was implemented. When exercised, the payment of the exercise price that was received from the employee is reported under equity.

Equity-settled programs issued to employees in Group companies

In the Parent Company, the value of equity instruments, which is offered to employees of other companies belonging to the Group, is reported as a capital contribution to subsidiaries. The value of participations in subsidiaries increases simultaneously to the Parent Company's reporting of an increase in equity. The costs related to employees in companies concerned are invoiced to the subsidiaries. The cash settlement of the invoices then neutralizes the increase of participations in subsidiaries.

Accounting for cash-settled programs

Cash-settled (synthetic) shares result in an obligation that is valued at fair value and recognized as an expense with a corresponding increase in liabilities. Initial fair value is calculated and the grant value is recognized over the vesting period as a personnel cost, which is similar to the recognition of equity-settled programs. However, cash settled programs are revalued every balance sheet date and at final settlement. All changes in the fair value as a result of changes in share price are recognized in the financial net with a corresponding change in liabilities.

When cash-settled programs are exercised, the liability to the holder of the synthetic shares is settled.

Accounting for social security attributable to share-based payment transactions

Social security expenses attributable to share-based remuneration are recognized and amortized in accordance with the same policies as the costs for synthetic shares.

Average number of employees in the Group

| | 2013 | | 2012 | |
|------------------------------|---------------|----------------|---------------|----------------|
| | Total | Of which women | Total | Of which women |
| Parent Company, Sweden | 84 | 47 | 91 | 53 |
| Sweden, excl. Parent company | 5,447 | 4,173 | 4,853 | 3,813 |
| Europe excl. Sweden | 4,659 | 3,165 | 4,499 | 3,201 |
| North- and South America | 702 | 243 | 405 | 181 |
| Asia | 3,727 | 2,775 | 3,825 | 2,716 |
| Australia | 58 | 44 | 55 | 46 |
| Total Group | 14,677 | 10,447 | 13,728 | 10,010 |

Of which:

| | | | | |
|-----------------------------|-----------|-----------|-----------|-----------|
| <i>Investing activities</i> | 88 | 48 | 95 | 54 |
|-----------------------------|-----------|-----------|-----------|-----------|

Gender distribution in Boards and senior management

| | 2013 | | 2012 | |
|--|------|-------|------|-------|
| | Men | Women | Men | Women |
| <i>Gender distribution in percent</i> | | | | |
| Board of the Parent company | 77 | 23 | 77 | 23 |
| Management Group of the Parent company incl. the President | 60 | 40 | 60 | 40 |
| Boards in the Group ¹⁾ | 83 | 17 | 82 | 18 |
| Management Groups in the Group | 58 | 42 | 59 | 41 |

1) Based on all Group companies including small, internal companies with minor activity.

Guidelines for remuneration to members of the Management Group and other employees in investing activities

Investor's Remuneration Committee is appointed each year by the Board. The Committee's main purpose is "to enable an independent and thorough review of all aspects of Investor's total remuneration program and to make decisions about executive remuneration in the company". The Remuneration Committee submits a recommendation to the Board concerning the President and Chief Executives Officer's remuneration and decides on the remuneration for the other members of the Management Group.

Remuneration to the President and other members of the Management Group is based on the Guidelines adopted at the AGM.

The Management Group consists of President Börje Ekholm, along with Susanne Ekblom, Johan Forssell, Petra Hedengran and Lennart Johansson.

Investor strives to offer a total remuneration that is competitive and in line with market conditions, thereby enabling it to attract (and retain) the right type of expertise to the company. The total remuneration should be based on factors such as position, performance and individual qualifications.

The total remuneration for the Management Group shall consist of: basic salary, variable cash salary, long-term share-based remuneration, pension and other remuneration and benefits.

Basic salary

Basic salary is reviewed annually for all Investor employees. Basic salary constitutes the basis for calculating variable salary.

Variable cash salary

Investor's employees have variable cash salary. The variable portion of salary differs between business areas. For the President, it amounts to a maximum of 10 percent of basic salary. For other employees, the maximum variable salary ranges between 10 and 80 percent of their basic salary, although for a very limited number of key personnel, the variable portion of salary can be a maximum of 100 percent of their basic salary. The President may award additional variable salary to company employees who he feels have made an exceptional contribution during the year. However, any such additional variable salary must be approved by Investor's Remuneration Committee.

The established goals must also be reached in order to receive the variable salary. Goals are reviewed at the end of the year. The focus of the President's goals for the year is determined through a dialog between the President and the Chairman of the Board. The goals for the President are proposed by the Remuneration Committee and later approved by the Board. Goals for other employees are established by each employee's manager.

9 cont'd Employees and personnel costs

Long-term share-based remuneration

For long-term variable remuneration programs, it is the Board's ambition to create a structure that results in employee commitment and is based on the long-term development of Investor. As a result, part of the remuneration to employees is related to the long-term performance of Investor and the Investor share, which exposes the employee to both increases and decreases of the share price. In 2006, a Stock Matching Plan was introduced for all Investor employees, as well as a performance based share program for Senior Management. "Senior Management" is defined as the President, other members of the Management Group and a maximum of 20 other senior executives. The structure of the programs for 2007-2013 correspond in all material aspects to the program for 2006. The employee is required to invest his or her own funds, or commit shares, in order to participate in the program. For more details regarding the programs, see the section Long-term share-based remuneration – program descriptions, page 62.

Pension

The pension for the President and Management Group has two components:

- A pension plan based on premiums in accordance with the BTP plan (Swedish pension plan for the banking sector) on parts of salary up to 30 basic income amounts (SEK 1,698 t.) and the option to choose BTP's alternative special pension plan for managers with an annual salary above 10 basic income amounts.
- A pension plan based on special pension regulations ("Särskilt Pensionsreglemente") on parts of salary above 20 basic income amounts. The amount of the pension provision depends on age and is 25 percent until the age of 40, 30 percent between the ages of 41 and 50 and 35 percent for those who are over the age of 50. Only basic salary is used to establish the annual pension premium. The retirement age is 60 years for the President and Management Group.

Other remuneration and benefits

Profit-sharing program for the trading operation

This program includes participants both from the trading organization and the investment organization. The participants in this program receive a variable salary equivalent to 20 percent of the trading function's net result. The pro-

gram includes a clawback principle by which 50 percent of the variable salary allotment is withheld for one year and will only be paid out in full if the trading result for that year is positive. In order to receive full allotment, two consecutive profitable years are thus required. Approximately 15-20 employees in total participate in the program, including the Management Group Member responsible for Core Investments. For 2013, SEK 1,654 t. in total has been paid out from this program (791).

Severance pay

A mutual six-month term of notice applies between the President and the Company. If the Company terminates the employment, the President will receive severance pay corresponding to 12 months of basic salary. If no new employment has been obtained after one year, the President is entitled to a maximum of 12 months' additional severance pay. The terms and conditions regarding notice and severance pay for other members of the Management Group are the same, provided that the employment contract for that person was entered into before the 2010 Annual General Meeting. If the employment contract was entered into subsequent to the 2010 Annual General Meeting, then the fixed cash salary during the notice period plus the severance pay may not exceed two years' fixed cash salary.

Fees received for Board work

For many years, Investor has allowed Management Group members to keep any fees that they have received for work done on the Boards of the Company's Core Investments. One reason for allowing this practice is that the employee assumes personal responsibility by having a Board position. Fees received for Board work are taken into account by Investor when determining the employee's total remuneration.

Other benefits

Investor offers Management Group members and other employees a variety of non-monetary benefits, including corporate health service, health insurance, subsidized lunches, employee fitness programs and the possibility to rent vacation homes. Managers and employees with young children are also offered in-home services in the form of cleaning and baby-sitting.

Remuneration and benefits 2009-2013 to Börje Ekholm, President and Chief Executive Officer (SEK t.)

| Year | Basic salary | Vacation remuneration | Variable salary for the year | Total cash salary | Change of vacation pay liability | Pension premiums | Benefits | Long-term share-based remuneration value at grant date | Total | Own investment in long-term share based remuneration | Own investment, % of basic salary pre-tax |
|------|--------------|-----------------------|------------------------------|-------------------|----------------------------------|------------------|----------|--|---------------|--|---|
| 2013 | 7,900 | 115 | 727 | 8,742 | 962 | 2,973 | 1,195 | 9,085 | 22,957 | 3,502 | 44.3 |
| 2012 | 7,250 | 105 | 645 | 8,000 | 811 | 2,605 | 1,319 | 8,338 | 21,073 | 3,319 | 45.8 |
| 2011 | 7,000 | 102 | 630 | 7,732 | 140 | 2,415 | 1,092 | 8,050 | 19,429 | 2,921 | 41.7 |
| 2010 | 7,000 | 102 | – | 7,102 | 440 | 2,515 | 1,105 | 8,050 | 19,212 | 3,033 | 43.3 |
| 2009 | 7,500 | 94 | 1,356 | 8,950 | 450 | 2,671 | 805 | 6,000 | 18,876 | 2,310 | 30.8 |

9 cont'd Employees and personnel costs

Expensed remunerations

The amounts in the table below are calculated according to the accruals concept, in which the terms basic salary and variable salary refer to expensed amounts, including any changes to the reserve for variable salary, vacation pay provisions, etc. Variable salary refers to the approved variable salary for the current financial year, unless specified otherwise.

Remuneration to the President and other members of the Management Group in the Parent company

| Total remuneration for 2013 (SEK t.) | Basic salary | Vacation remuneration | Change of vacation pay liability | Variable salary for the year | Cost of long-term share-based remuneration ¹⁾ | Total | Pension costs ²⁾ | Other remuneration and benefits | Total expensed remuneration |
|---------------------------------------|---------------|-----------------------|----------------------------------|------------------------------|--|---------------|-----------------------------|---------------------------------|-----------------------------|
| President and CEO | 7,900 | 115 | 962 | 727 | 10,184 | 19,888 | 2,973 | 1,195 | 24,056³⁾ |
| Management Group, excl. the President | 13,630 | 197 | 313 | 6,215 | 8,199 | 28,554 | 8,284 | 495 | 37,333 |
| Total | 21,530 | 312 | 1,275 | 6,942 | 18,383 | 48,442 | 11,257 | 1,690 | 61,389 |

| Total remuneration for 2012 (SEK t.) | Basic salary | Vacation remuneration | Change of vacation pay liability | Variable salary for the year | Cost of long-term share-based remuneration ¹⁾ | Total | Pension costs ²⁾ | Other remuneration and benefits | Total expensed remuneration |
|---------------------------------------|---------------|-----------------------|----------------------------------|------------------------------|--|---------------|-----------------------------|---------------------------------|-----------------------------|
| President and CEO | 7,250 | 105 | 811 | 645 | 9,417 | 18,228 | 2,605 | 1,319 | 22,153³⁾ |
| Management Group, excl. the President | 13,200 | 191 | 356 | 6,157 | 7,052 | 26,956 | 6,569 | 494 | 34,019 |
| Total | 20,450 | 296 | 1,167 | 6,802 | 16,469 | 45,184 | 9,174 | 1,813 | 56,172 |

1) There is a deviation from the value at grant date according to the table on page 60, in the table above the cost is calculated based on the principles in IFRS 2 and allocated over the vesting period. The calculation is also adjusted for the actual outcome of allotted performance shares, whereas in the table on page 60 the value is based on an assumed allotment.

2) There are no outstanding pension commitments for the Management Group.

3) Of which expensed in subsidiaries; basic salary SEK 1,057 t. (1,009), pension SEK 42 t. (37), as well as other remuneration and benefits SEK 646 t. (571).

Expensed remuneration from the profit-sharing programs for the trading operation to members of the Management Group totaled SEK 80 t. for the year (36). These remunerations are in addition to the amounts presented in the table above.

Total remuneration - expensed salaries, Board of Directors fees and other remuneration and social security costs

| Total remuneration (SEK m.), Group | 2013 | | | | | | | 2012 | | | | | | |
|------------------------------------|----------------------------|-----------------|------------------------------------|--------------|----------------------------|-------------------------------|--------------|----------------------------|-----------------|------------------------------------|--------------|----------------------------|-------------------------------|--------------|
| | Basic salary ¹⁾ | Variable salary | Long-term share-based remuneration | Pension cost | Cost for employee benefits | Social security contributions | Total | Basic salary ¹⁾ | Variable salary | Long-term share-based remuneration | Pension cost | Cost for employee benefits | Social security contributions | Total |
| Parent Company | 84 | 21 | 37 | 36 | 13 | 91 | 282 | 82 | 20 | 35 | 26 | 15 | 77 | 255 |
| Subsidiaries | 4,818 | 295 | 3 | 443 | 125 | 1,118 | 6,802 | 4,401 | 309 | 3 | 363 | 105 | 1,014 | 6,195 |
| Total | 4,902 | 316 | 40 | 479 | 138 | 1,209²⁾ | 7,084 | 4,483 | 329 | 38 | 389 | 120 | 1,091²⁾ | 6,450 |

Of which:

| | | | | | | | | | | | | | | |
|-----------------------------|----|----|----|----|----|----|-----|----|----|----|----|----|----|-----|
| <i>Investing activities</i> | 89 | 22 | 38 | 39 | 14 | 93 | 295 | 88 | 21 | 36 | 29 | 15 | 79 | 268 |
|-----------------------------|----|----|----|----|----|----|-----|----|----|----|----|----|----|-----|

1) Includes vacation remuneration and change of vacation pay liability.

2) Of which SEK 54 m. refers to social security contribution for long-term share-based remuneration (39).

Expensed wages and remuneration distributed between senior executives, Presidents and Boards in subsidiaries and other employees

| Remuneration (SEK m.), Group | 2013 | | | | 2012 | | | |
|------------------------------|---|--|-----------------|--------------|---|--|-----------------|--------------|
| | Salary Senior executives, Presidents and Boards in subsidiaries ^{1,2)} | Of which variable salary ¹⁾ | Other employees | Total | Salary senior executives, Presidents and Boards in subsidiaries ^{1,2)} | Of which variable salary ¹⁾ | Other employees | Total |
| Parent Company | 38 | 7 | 67 | 105 | 35 | 7 | 67 | 102 |
| Subsidiaries | 43 | 8 | 5,071 | 5,114 | 44 | 12 | 4,666 | 4,710 |
| Total | 81 | 15 | 5,138 | 5,219 | 79 | 19 | 4,733 | 4,812 |

Of which:

| | | | | | | | | |
|-----------------------------|----|---|----|-----|----|---|----|-----|
| <i>Investing activities</i> | 38 | 7 | 72 | 110 | 35 | 7 | 74 | 109 |
|-----------------------------|----|---|----|-----|----|---|----|-----|

1) The number of people in the Parent Company is 17 (17) and in subsidiaries 30 (26).

2) Pension costs relating to senior executives, Presidents and Boards in subsidiaries amount to SEK 20 m. and are in addition to the amounts presented in the table (14).

9 cont'd Employees and personnel costs

Long-term share-based variable remuneration – program descriptions

Through the long-term variable remuneration programs, part of the remuneration to employees becomes linked to the long-term performance of the Investor share. The program consists of the following two components:

1) Stock Matching Plan in which all employees may participate

Through the Stock Matching Plan, an employee could acquire or commit shares in Investor at the market price during a period (determined by the Board) subsequent to the release of Investor's first quarterly report for each year, respectively (the "Measurement Period"). After a three-year vesting period, two options (Matching Options) are granted for each Investor share acquired or committed by the employee, as well as a right to acquire one Investor share (Matching Share) for SEK 10. The Matching Share may be acquired during a four-year period subsequent to the vesting period. Each Matching Option entitles the holder to purchase one Investor share, during the corresponding period, at a strike price corresponding to 120 percent of the average volume-weighted price paid for Investor shares during the Measurement Period.

The President, other members of the Management Group and a maximum of 20 other senior executives ("Senior Management") are obligated to invest at least 5 percent of their basic salary in Investor shares according to the Stock Matching Plan. Other employees are not obligated to invest, but they are still entitled to invest to the extent that the value of the allotted Matching Options and Matching Shares amounts to a maximum of between 10 and 15 percent of their basic salary. Senior Management has the right to invest to such an extent that the value of the allotted Matching Options and Matching Shares amounts to maximum between 10 and 38 percent of their respective basic salary. In order to participate fully in the Stock Matching Plan for 2013, the President had to invest or commit approximately 44 percent of his basic salary in Investor shares. If the President, through the investment mentioned above, participates fully in the Stock Matching Plan, the theoretical value of the right to receive a Matching Share and two Matching Options per acquired share under the Stock Matching Plan is 38 percent of the basic salary. For 2013 year's program, the President is entitled to exercise Matching Shares and Matching Options during a period of 12 months from the earlier of (i) seven years from the date of allocation and (ii) two months from the expiry of the year during which the President terminates his employment.

2) Performance-Based Share Program, in which Senior management participates in addition to the Stock Matching Plan

Senior management has, in addition to the Stock Matching Plan, the right (and obligation) to participate in a Performance-Based Share Program. Under this program, which presumes participation in the Stock Matching Plan, Senior management, after a three-year vesting period, has the right during four years to acquire additional Investor shares ("Performance Shares") for a price that corresponds to, in 2013 year's program, 50 percent of the price of the shares

acquired by the employee ("Acquisition Price"). This right is conditional upon whether certain financial goals related to the total return of the Investor share are met during the vesting period.

Total return is measured over a three-year qualification period. The average annual total return (including reinvested dividends) must exceed the interest on 10-year government bonds by more than 10 percentage points in order for Senior management to be entitled to acquire the maximum number of Performance Shares that they were allotted. If the total return does not exceed the 10-year interest on government bonds by at least 2 percentage points Senior management is not entitled to acquire any shares. If the total return is between the 10-year interest on government bonds plus 2 percentage points and the 10-year interest on government bonds plus 10 percentage points, a proportional (linear) calculation of the number of shares that may be acquired is made. The total return is measured quarterly on running 12-month basis during the qualification period, where the total outcome is estimated as the average total return during the three-year period based on 9 measurement points.

For 2013 year's program, the President is entitled to exercise Performance Shares during a period of 12 months from the earlier of (i) seven years from the date of allocation and (ii) two months from the expiry of the year during which the President terminates his employment.

Adjustment for dividend

At the time when Matching Shares and Performance Shares are acquired, employees are entitled to remuneration for dividends paid during the vesting period and up until the acquisition date. This is done so that the program will not be affected by dividends and to avoid the risk that a decision on dividends is affected by the long-term variable remuneration program.

Hedge contracts for employee stock option and share programs

Investor's policy is to implement measures to minimize the effects on equity from the programs in the event of an increase in Investor's share price. For programs implemented in 2006 and later, Investor has been repurchasing its own shares in order to guarantee delivery.

Other programs in subsidiaries

Participation program in Investor Growth Capital (IGC)

Within IGC, selected senior staff and other senior executives are, to a certain extent, allowed to make parallel investments with Investor, or else receive profit-sharing. The programs are linked to realized growth in the value of the holdings, after having deducted costs and any unrealized decline in value, which are viewed as a portfolio. The maximum share that can be credited to program participants is 16 percent, which is in line with practice in the venture capital market.

During the year, a total of SEK 16 m. was paid out from these programs (94). The provision (not paid out) on unrealized gains amounted to SEK 486 m. at year-end (445). Expensed amounts were reported in the item "Changes in Value" in the Income Statement.

Summary of long-term share-based variable remuneration programs 2006-2013

Matching Shares 2006-2013

| Year issued | Number of Matching Shares granted | Number at the beginning of the year | Adjustment for dividend | Matching Shares forfeited in 2013 | Matching Shares exercised in 2013 | Weighted average share price on exercise | Number of Matching Shares at year-end | Theoretical value ¹⁾ | Fair value ²⁾ | Strike price, SEK | Maturity date | Vesting period (years) ³⁾ |
|--------------|-----------------------------------|-------------------------------------|-------------------------|-----------------------------------|-----------------------------------|--|---------------------------------------|---------------------------------|--------------------------|-------------------|--------------------------|--------------------------------------|
| 2013 | 72,378 | – | – | 580 | – | – | 71,798 ⁴⁾ | 167.90 | 187.33 | 10.00 | 12/31 2019 | 3 |
| 2012 | 120,160 | 118,636 | 4,716 | 1,404 | 1,111 | 213.58 | 120,837 ⁴⁾ | 109.60 | 122.17 | 10.00 | 12/31 2018 | 3 |
| 2011 | 88,959 | 88,030 | 3,483 | 888 | 1,596 | 212.57 | 89,029 ⁴⁾ | 127.15 | 141.66 | 10.00 | 12/31 2017 | 3 |
| 2010 | 124,543 | 106,688 | 2,605 | 851 | 62,225 | 186.88 | 46,217 | 114.91 | 128.33 | 10.00 | 12/31 2016 | 3 |
| 2009 | 134,540 | 65,838 | 1,653 | 125 | 31,944 | 188.79 | 35,422 | 97.64 | 109.01 | 10.00 | 12/31 2015 | 3 |
| 2008 | 88,075 | 40,267 | 1,058 | 16 | 22,791 | 191.99 | 18,518 | 116.71 | 130.40 | 10.00 | 12/31 2014 | 3 |
| 2007 | 70,194 | 29,780 | 512 | 210 | 19,176 | 188.97 | 10,906 | 150.91 | 168.48 | 10.00 | 12/31 2013 ⁵⁾ | 3 |
| 2006 | 95,497 | 11,221 | 448 | – | – | – | 11,669 | 109.19 | 121.34 | 10.00 | 12/31 2012 ⁵⁾ | 3 |
| Total | 794,346 | 460,460 | 14,475 | 4,074 | 138,843 | | 404,396 | | | | | |

1) The value of Matching Shares on the grant date was based on a theoretical value calculated in accordance with the Black & Scholes valuation model.

2) The fair value on the grant date was calculated in accordance with IFRS 2, which was also used for calculating recognized value. See page 63 for specification of the basis of calculation.

3) Under certain circumstances, in conjunction with the end of employment, Matching Shares can be exercised before the end of the vesting period. Matching Shares that have already vested must be exercised within three months from the date employment was terminated, if the holder has been employed less than four years, and 12 months if the holder has been employed more than four years.

4) Matching Shares not available for exercise at year-end.

5) The president are entitled to exercise Matching Shares during a period of 12 months from the earlier of ten years from the date of allocation and two months from the expiry of employment.

9 cont'd Employees and personnel costs

Matching Options 2006-2013

| Year issued | Number of Matching Options granted | Number at the beginning of the year | Matching Options forfeited in 2013 | Number of Matching Options exercised in 2013 | Weighted average share price on exercise | Number of Matching Options at year-end | Theoretical value ¹⁾ | Fair value ²⁾ | Strike price, SEK | Maturity date | Vesting period (year) ³⁾ |
|--------------|------------------------------------|-------------------------------------|------------------------------------|--|--|--|---------------------------------|--------------------------|-------------------|--------------------------|-------------------------------------|
| 2013 | 144,756 | – | 1,158 | – | – | 143,598 ⁴⁾ | 22.63 | 24.97 | 236.10 | 12/31 2019 | 3 |
| 2012 | 240,320 | 237,657 | 2,718 | 2,541 | 210.84 | 232,398 ⁴⁾ | 14.70 | 16.87 | 157.80 | 12/31 2018 | 3 |
| 2011 | 177,918 | 170,118 | 1,941 | 4,709 | 205.04 | 163,468 ⁴⁾ | 19.78 | 22.82 | 180.30 | 12/31 2017 | 3 |
| 2010 | 249,086 | 200,775 | 2,580 | 76,979 | 191.21 | 121,216 | 17.44 | 19.73 | 164.60 | 12/31 2016 | 3 |
| 2009 | 269,080 | 150,382 | 192 | 52,694 | 194.78 | 97,496 | 14.52 | 16.68 | 141.50 | 12/31 2015 | 3 |
| 2008 | 176,150 | 129,164 | 2,060 | 77,554 | 187.96 | 49,550 | 16.41 | 18.98 | 166.20 | 12/31 2014 | 3 |
| 2007 | 140,388 | 95,880 | 17,716 | 60,860 | 217.48 | 17,304 | 22.80 | 18.84 | 212.00 | 12/31 2013 ⁵⁾ | 3 |
| 2006 | 190,994 | 17,984 | – | – | – | 17,984 | 15.62 | 12.47 | 155.90 | 12/31 2012 ⁵⁾ | 3 |
| Total | 1,588,692 | 1,001,960 | 28,365 | 275,337 | | 843,014 | | | | | |

1) The value of Matching Options on the grant date was based on a theoretical value calculated in accordance with the Black & Scholes valuation model.

2) The fair value on the grant date was calculated in accordance with IFRS 2, which was also used for calculating recognized values. See below for specification of the basis of calculation.

3) Under certain circumstances, in conjunction with the end of employment, Matching Option can be exercised before the end of the vesting period. Matching Options that have already vested must be exercised within three months from the date employment was terminated, if the holder has been employed less than four years, and within 12 months if the holder has been employed more than four years.

4) Matching Options not available for exercise at year-end.

5) The president are entitled to exercise Matching Options during a period of 12 months from the earlier of ten years from the date of allocation and two months from the expiry of employment.

Performance Shares 2006-2013

| Year issued | Maximum number of Performance Shares granted | Number at the beginning of the year | Adjustment for dividend | Performance Shares, forfeited 2013 | Performance Shares exercised 2013 | Weighted average share price on exercise | Number of Performance Shares at year-end | Theoretical value ¹⁾ | Fair value ²⁾ | Strike price | Maturity date | Vesting period (years) |
|--------------|--|-------------------------------------|-------------------------|------------------------------------|-----------------------------------|--|--|---------------------------------|--------------------------|--------------|--------------------------|------------------------|
| 2013 | 320,473 | – | – | – | – | – | 320,473 ³⁾ | 49.33 | 54.26 | 98.39 | 12/31 2019 | 3 |
| 2012 | 457,517 | 457,517 | 16,681 | – | – | – | 474,198 ³⁾ | 32.69 | 36.41 | 63.48 | 12/31 2018 | 3 |
| 2011 | 663,784 | 694,162 | 25,033 | – | – | – | 719,195 ³⁾ | 20.56 | 23.14 | 138.68 | 12/31 2017 | 3 |
| 2010 | 799,197 | 841,840 | 24,353 | 34,653 | 238,745 | 193.13 | 592,795 | 18.34 | 20.34 | 122.45 | 12/31 2016 | 3 |
| 2009 | 870,373 | 666,107 | 15,339 | 1,175 | 311,889 | 187.44 | 368,382 | 15.45 | 17.26 | 102.20 | 12/31 2015 | 3 |
| 2008 | 94,166 | 30,867 | 1,271 | 238 | 16,404 | 192.77 | 15,496 | 38.18 | 40.04 | 69.29 | 12/31 2014 | 3 |
| 2007 | 48,973 | 15,559 | 269 | 61 | 8,978 | 186.85 | 6,789 | 77.78 | 82.55 | 10.00 | 12/31 2013 ⁴⁾ | 3 |
| 2006 | 63,315 | 8,025 | 321 | – | – | – | 8,346 | 52.35 | 57.03 | 10.00 | 12/31 2012 ⁴⁾ | 3 |
| Total | 3,317,798 | 2,714,077 | 83,267 | 36,127 | 576,016 | | 2,505,674 | | | | | |

1) The value of Performance Shares on the grant date was based on a theoretical value calculated in accordance with the Black & Scholes valuation model.

2) The fair value on the grant date was calculated in accordance with IFRS 2, which was also used for calculating recognized values. See below for specification of the basis of calculation.

3) Performance Shares not available for exercise at year-end.

4) The president are entitled to exercise Performance Shares during a period of 12 months from the earlier of ten years from the date of allocation and two months from the expiry of employment.

The calculation of the fair value on the grant date, according to IFRS 2, was based on the following conditions:

| | 2013 | | | 2012 | | |
|---|----------------|-----------------|-------------------|----------------|-----------------|-------------------|
| | Matching Share | Matching Option | Performance Share | Matching Share | Matching Option | Performance Share |
| Averaged volume-weighted price paid for Investor B shares | 196.79 | 196.79 | 196.79 | 131.58 | 131.58 | 131.58 |
| Strike price | 10.00 | 236.10 | 98.39 | 10.00 | 157.80 | 65.79 |
| Assumed volatility ¹⁾ | 30% | 30% | 30% | 30% | 30% | 30% |
| Assumed average term ²⁾ | 5 years | 5 years | 5 years | 5 years | 5 years | 5 years |
| Assumed percentage of dividend ³⁾ | 0% | 4% | 0% | 0% | 4% | 0% |
| Risk-free interest | 1.52% | 1.52% | 1.52% | 1.21% | 1.21% | 1.21% |
| Expected outcome ⁴⁾ | | | 50% | | | 50% |

1) The assumed volatility was based on future forecasts based on the historical volatility of Investor B shares, in which the term of the instrument is an influencing factor. The historical volatility has been in the interval of 15 to 30 percent.

2) The assumption of average term for the instruments at grant is based on historical exercise patterns and the actual term of the instruments within each remuneration program.

3) The dividend for Matching Shares and Performance Shares is compensated for by increasing the number of shares.

4) Probability to achieve the performance criteria is calculated based on historic data and verified externally.

The difference between the theoretical value and fair value is mainly due to the fact that the anticipated personnel turnover is taken into consideration when determining the theoretical value. When estimating the fair value in

accordance with IFRS 2, personnel turnover is not taken into account; instead the anticipated number of vested shares or options is adjusted. The adjustment is based on average historical outcome.

9 cont'd Employees and personnel costs

Summary of Long-term Restricted Stock Programs 2004–2005

| Year issued | Number of granted Shares | Number of shares at the beginning of the year | Fair value ¹⁾ | Number of Shares exercised 2013 | Number of Shares at year-end | Maturity date ²⁾ | Vesting period (years) |
|--------------|--------------------------|---|--------------------------|---------------------------------|------------------------------|-----------------------------|------------------------|
| 2005 | 58,331 | 9,612 | 97.04 | – | 9,612 | 1/21 2010 | 5 |
| 2004 | 74,000 | 3,200 | 77.00 | – | 3,200 | 1/20 2009 | 5 |
| Total | 132,331 | 12,812 | | – | 12,812 | | |

1) The fair value on the grant date was calculated in accordance with IFRS 2, which was also used for calculating recognized values.

2) The President is entitled to exercise the Shares during a period of twelve months from the earlier of (i) ten years from April 1, 2006 and (ii) two months from the expiry of the year during which the President terminates his employment.

Expensed remuneration to the Board 2013

| Total remuneration for 2013 (SEK t.) | Cash Board fee | Value of Synthetic Shares as at grant date | Commit-tee fee | Total Board fee as at grant date | Effect from change in market value of previous years Synthetic Shares | Effect from change in market value of Synthetic Shares issued 2013 | Effect from exercised 2013 | Total fee, actual cost | Number of Synthetic Shares at the beginning of the year | Number of Synthetic Shares granted 2013 ¹⁾ | Adjust-ment for dividend | Exercised Synthetic Shares, 2013 | Number of Synthetic Shares on December 31, 2013 |
|--------------------------------------|----------------|--|----------------|----------------------------------|---|--|----------------------------|------------------------|---|---|--------------------------|----------------------------------|---|
| Jacob Wallenberg | 2,060 | – | 340 | 2,400 | 1,824 | – | 259 | 4,483 | 38,437 | – | 1,432 | 8,240 | 31,629 |
| Sune Carlsson | 550 | – | 204 | 754 | 486 | – | 69 | 1,309 | 10,249 | – | 382 | 2,197 | 8,434 |
| Dr. Josef Ackermann | 275 | 275 | – | 550 | 104 | 64 | – | 718 | 1,729 | 1,533 | 68 | – | 3,330 |
| Gunnar Brock ²⁾ | 275 | 275 | 68 | 618 | 486 | 64 | – | 1,168 | 8,117 | 1,533 | 317 | – | 9,967 |
| Börje Ekholm | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Tom Johnstone | 275 | 275 | – | 550 | 344 | 64 | – | 958 | 5,751 | 1,533 | 224 | – | 7,508 |
| Carola Lemne | 275 | 275 | – | 550 | 344 | 64 | – | 958 | 5,751 | 1,533 | 224 | – | 7,508 |
| Grace Reksten Skaugen | 550 | – | 136 | 686 | – | – | – | 686 | – | – | – | – | – |
| Anders Scharp ³⁾ | – | – | – | – | – | – | 69 | 69 | 2,132 | – | 65 | 2,197 | – |
| O. Griffith Sexton | 550 | – | 68 | 618 | – | – | – | 618 | – | – | – | – | – |
| Hans Stråberg | 275 | 275 | – | 550 | 226 | 64 | – | 840 | 3,780 | 1,533 | 147 | – | 5,460 |
| Lena Treschow Torell | 275 | 275 | 68 | 618 | 486 | 64 | 69 | 1,237 | 10,249 | 1,533 | 382 | 2,197 | 9,967 |
| Marcus Wallenberg | 550 | – | – | 550 | – | – | – | 550 | – | – | – | – | – |
| Peter Wallenberg Jr. ²⁾ | 275 | 275 | 136 | 686 | 486 | 64 | 69 | 1,305 | 10,249 | 1,533 | 382 | 2,197 | 9,967 |
| Total | 6,185 | 1,925 | 1,020 | 9,130 | 4,786 | 448 | 535 | 14,899 | 96,444 | 10,731 | 3,623 | 17,030 | 93,770 |

1) Based on weighted average stock price for Investor B in the period April 17 to April 23, 2013: SEK 179.36.

2) Additional remunerations of SEK 1,256 t. to Gunnar Brock and SEK 333 t. to Peter Wallenberg Jr. have been expensed in the subsidiaries.

3) Member of the board until 3/31 2009.

Expensed remuneration to the Board 2012

| Total remuneration for 2012 (SEK t.) | Cash Board fee | Value of Synthetic Shares as at grant date | Commit-tee fee | Total Board fee as at grant date | Effect from change in market value of previous years Synthetic Shares | Effect from change in market value of Synthetic Shares issued 2012 | Total fee, actual cost | Number of Synthetic Shares at the beginning of the year | Number of Synthetic Shares granted 2012 ¹⁾ | Adjust-ment for dividend | Number of Synthetic Shares on December 31, 2012 |
|--------------------------------------|----------------|--|----------------|----------------------------------|---|--|------------------------|---|---|--------------------------|---|
| Jacob Wallenberg | 984 | 984 | 328 | 2,296 | 1,459 | 273 | 4,028 | 29,683 | 7,412 | 1,342 | 38,437 |
| Sune Carlsson | 262 | 263 | 197 | 722 | 391 | 74 | 1,187 | 7,915 | 1,977 | 357 | 10,249 |
| Dr. Josef Ackermann ²⁾ | 230 | 229 | – | 459 | – | 64 | 523 | – | 1,729 | – | 1,729 |
| Gunnar Brock ³⁾ | 263 | 262 | 66 | 591 | 290 | 74 | 955 | 5,875 | 1,977 | 265 | 8,117 |
| Börje Ekholm | – | – | – | – | – | – | – | – | – | – | – |
| Tom Johnstone | 263 | 262 | – | 525 | 178 | 74 | 777 | 3,611 | 1,977 | 163 | 5,751 |
| Carola Lemne | 262 | 263 | – | 525 | 178 | 74 | 777 | 3,611 | 1,977 | 163 | 5,751 |
| Grace Reksten Skaugen | 525 | – | 131 | 656 | – | – | 656 | – | – | – | – |
| Anders Scharp ⁴⁾ | – | – | – | – | 101 | – | 101 | 2,040 | – | 92 | 2,132 |
| O. Griffith Sexton | 525 | – | 66 | 591 | – | – | 591 | – | – | – | – |
| Hans Stråberg | 263 | 263 | – | 525 | 85 | 74 | 684 | 1,725 | 1,977 | 78 | 3,780 |
| Lena Treschow Torell | 263 | 263 | 66 | 591 | 391 | 74 | 1,056 | 7,915 | 1,977 | 357 | 10,249 |
| Marcus Wallenberg ⁵⁾ | 525 | – | – | 525 | – | – | 525 | – | – | – | – |
| Peter Wallenberg Jr. ³⁾ | 263 | 263 | 131 | 656 | 391 | 74 | 1,121 | 7,915 | 1,977 | 357 | 10,249 |
| Total | 4,627 | 3,051 | 985 | 8,662 | 3,464 | 855 | 12,981 | 70,290 | 22,980 | 3,174 | 96,444 |

1) Based on weighted average stock price for Investor B in the period April 25 to May 5, 2012: SEK 132.81.

2) Member of the board as of 6/1 2012.

3) Additional remunerations of SEK 956 t. to Gunnar Brock and SEK 250 t. to Peter Wallenberg Jr. have been expensed in the subsidiaries.

4) Member of the board until 3/31 2009.

5) Member of the board as of 4/17 2012.

9 cont'd Employees and personnel costs

Remuneration to the Board of the Parent Company

At the 2013 Annual General Meeting (AGM), it was decided that Board remuneration should total SEK 9,130 t., of which SEK 8,110 t. would be in the form of cash and synthetic shares and SEK 1,020 t. would be distributed as cash remuneration for committee work done by the Board of Directors. Expensed remuneration to former members of the Board during the year amounted to SEK 0 t. (300). At year-end, total outstanding pension commitments including payroll tax for former members of the Board amounted to SEK 130,778 t. (142,525), of which SEK 78,730 t. pertained to Peter Wallenberg (86,011). Remuneration to Peter Wallenberg of SEK 15,367 t. was paid out during the year (15,367).

Synthetic shares 2008-2013

As of 2008, Board members may choose to receive a part of their gross remuneration, excluding committee fees, in synthetic shares. AGM's decision regarding synthetic shares 2013 is essentially identical to the decision of the AGM 2012. In 2013, Board Members were entitled to receive 50 percent of the proposed remuneration before tax, excluding remuneration for committee work, in the form of synthetic shares and 50 percent in cash (instead of receiving 100 percent of the remuneration in cash). A synthetic share carries the same economic rights as a class B Investor share, which means that the value of the Board of Director's remuneration in synthetic shares, just like for class B shares, is dependent upon value fluctuations as well as the amount of dividends during the five-year period until 2018, when each synthetic share entitles the Board member to receive an amount corresponding to the share price, at the time, of a class B Investor share.

At the statutory meeting in April 2013 the Board approved, as in 2012, establishment of a policy pursuant to which members of the Board (who do not already have such holdings) are expected to, over a five-year period, acquire ownership in Investor shares (or a corresponding exposure to the Investor share, for example in synthetic shares) for a market value that is expected to correspond to at least one year's remuneration for board work, before taxes and excluding remuneration for committee work.

The Director's right to receive payment occurs after the publications of the year-end report and the three interim reports, respectively, during the fifth year following the general meeting which resolved on the allocation of the Synthetic Shares, with 25 percent of the allocated Synthetic Shares on each occasion. In case the Director resigns as Board Member prior to a payment date the Director has a right, within three months after the Director's resignation, to request that the time of payment shall be brought forward, and instead shall occur, in relation to 25 percent of the total number of allocated Synthetic Shares, after the publications of each of the year-end report and the three interim reports, respectively, which are made during the year after the year when such request was received by the Company.

10 Auditor's fees and expenses

| | 2013 | 2012 |
|--------------------------------|-----------------|-----------------|
| <i>Auditor in charge</i> | <i>Deloitte</i> | <i>KPMG</i> |
| Auditing assignment | 15 | 12 |
| Other audit activities | – | 1 |
| Tax advice | 4 | 1 |
| Other assignment | – | 5 ¹⁾ |
| Total Auditor in charge | 19 | 19 |
| <i>Other auditors</i> | | |
| Auditing assignment | 5 | 8 |
| Total other auditors | 5 | 8 |
| Total | 24 | 27 |

1) Including cost related to acquisition of subsidiaries.

Accounting effects of share-based payment transactions

| Costs relating to share-based payment transactions, SEK m. | 2013 | 2012 |
|--|-------------|-------------|
| <i>Group</i> | | |
| Costs relating to equity-settled share-based payment transactions | 32 | 32 |
| Costs relating to cash-settled share-based payment transactions | 8 | 7 |
| Social security and other costs relating to share-based payment transactions | 54 | 39 |
| Total | 94 | 78 |
| <i>Parent Company</i> | | |
| Costs relating to equity-settled share-based payment transactions | 30 | 28 |
| Costs relating to cash-settled share-based payment transactions | 8 | 7 |
| Social security and other costs relating to share-based payment transactions | 52 | 38 |
| Total | 90 | 73 |
| <i>Other effects of share-based payment transactions, SEK m.</i> | <i>2013</i> | <i>2012</i> |
| <i>Group and Parent Company</i> | | |
| Effect on equity relating to Stock-Options exercised by employees | 104 | 25 |
| Carrying amount of liability relating to cash-settled instruments | 27 | 13 |
| Effect on net financial items relating to share-based payment transactions | – | 2 |

11 Operating leases

Accounting policies

Costs related to operating leases are recognized in the Income Statement on a straight-line basis over the lease term.

Operating leases mainly consist of rent of premises, leasing of company cars and office furniture.

Non-cancellable future lease payments

| | 2013 | 2012 |
|---|--------------|--------------|
| Less than 1 year from balance sheet date | 493 | 420 |
| 1-5 years from balance sheet date | 998 | 678 |
| More than 5 years from balance sheet date | 529 | 144 |
| Total | 2,020 | 1,242 |
| <i>Costs for the year</i> | | |
| Minimum lease payments | –500 | –553 |
| Contingent rent | –8 | –1 |
| Total | –508 | –554 |

12 Shares and participation in associates

Accounting policies

Associates are companies in which Investor, directly or indirectly, has a significant influence, typically between 20 and 50 percent of the votes. Accounting for associates is dependent on how Investor controls and monitors the companies' operations. The Group applies the equity method for unlisted holdings in those cases where Investor has a large ownership stake in the underlying investment and is significantly involved in the associate's operations.

Unlisted associates of Investor Growth Capital and all listed associates are controlled and monitored based on fair value and are accounted for as financial instruments at fair value through profit/loss.

Reporting of associates in accordance with the equity method

Associates are reported in the consolidated financial statements as of the date when significant influence was obtained. When applying the equity method, the carrying amount of the investments in associates that is reported in the consolidated financial statements, corresponds to the Group's share of the associates' equity, consolidated goodwill, and any consolidated surpluses/deficits.

In the consolidated Income Statement, the Group's share of the associates' profit/loss that is attributable to the owners of the Parent Company (adjusted for any depreciation, impairment losses or reversals of acquired surpluses/deficits) is recognized as "share of results of associates". These shares of profit/loss (less any dividends received from associates) are the primary component of the change in reported value of participations in associates. The Group's share of other comprehensive income in associates is reported as a separate component of other comprehensive income.

Upon acquisition of an associate, any difference between the cost of the holding including transaction costs and the investor's share of the net fair value of the associate's identifiable assets and liabilities is reported as goodwill corresponding to principles for acquisition of subsidiaries.

When the Group's share of reported losses in the associate exceeds the carrying amount of the participations in the Group, the value of the participa-

tions is reduced to zero. Losses are also offset against long-term financial receivables without collateral, the economic substance of which is comprised of part of the investor's net investment in the associate. Continuing losses are not recognized, unless the Group has an obligation to cover the losses incurred by the associate. The equity method is applied until such time when the Group no longer has significant influence.

Assets held for sale

Shares and participations in associates that are classified as assets held for sale are measured at the lower of the asset's previous carrying amount or the fair value less cost to sell.

Specification of carrying amount using the equity method

| | 12/31 2013 | 12/31 2012 |
|--|---------------------|--------------|
| At the beginning of the year | 7,529 | 7,268 |
| Acquisitions | 122 | 560 |
| Divestments | -7,566 | -1 |
| Conversion of shareholder loan | 2,426 | - |
| Reclassifications | 0 | -5,455 |
| Share of results of associates ¹⁾ | 3,584 ²⁾ | -237 |
| Exchange rate differences, etc. | 34 | -61 |
| Carrying amount at year-end | 6,129 | 2,074 |
| Assets held for sale | - | 5,455 |
| BS Total carrying amount at year-end | 6,129 | 7,529 |

1) Share of results of associates refers to the participating interest in the company's result after tax and after adjustments in accordance with Investor's accounting policies.

2) Includes results and gains from the divestment of Gambro, formerly held by Indap Sweden AB, amounting to SEK 3,251 m.

Specification of investments in associates 12/31 2013

| Company, Registered office, Registration number | Number of shares | Share of voting power% | Proportion of equity% | Investor's share of | | | | |
|--|------------------|------------------------|-----------------------|----------------------|---------------------------|----------------------|-----------------------|--|
| | | | | Assets ¹⁾ | Liabilities ¹⁾ | Equity ²⁾ | Revenue ³⁾ | Profit/loss for the year ⁴⁾ |
| Lindorff First Holding AB, Stockholm, 556714-9413 ⁵⁾ | 251,018,745 | 50 | 51 | 7,987 | 5,317 | 2,670 | 2,324 | 41 |
| Hi3G Holdings AB, Stockholm, 556619-6647 ⁵⁾ | 40,000 | 40 | 40 | 7,336 | 5,446 | 1,890 | 3,728 | 385 |
| Hi3G Enterprise AB, Stockholm, 556782-9329 ⁵⁾ | 40,000 | 40 | 40 | 4,227 | 4,200 | 27 | 0 | -132 |
| Gordon Gambro Holding Sarl, Luxemburg, B170.244 | 43,560,674 | 49 | 48 | 1,247 | 122 | 1,125 | - | 3,251 |
| Kunskapsskolan Education Sweden AB, Stockholm, 556691-3066 ⁵⁾ | 17,412 | 32 | 41 | 214 | 166 | 48 | 360 | -3 |
| Other | | | | 224 | 103 | 121 | 392 | 42 |
| Total Investments in associates | | | | 21,235 | 15,354 | 5,881 | 6,804 | 3,584 |

Specification of investments in associates 12/31 2012

| Company, Registered office, Registration number | Number of shares | Share of voting power% | Proportion of equity% | Investor's share of | | | | |
|--|------------------|------------------------|-----------------------|----------------------|---------------------------|----------------------|-----------------------|--|
| | | | | Assets ¹⁾ | Liabilities ¹⁾ | Equity ²⁾ | Revenue ³⁾ | Profit/loss for the year ⁴⁾ |
| Lindorff First Holding AB, Stockholm, 556714-9413 ⁵⁾ | 109,493,255 | 50 | 51 | 7,568 | 7,323 | 245 | 2,205 | -198 |
| Hi3G Holdings AB, Stockholm, 556619-6647 ⁵⁾ | 40,000 | 40 | 40 | 7,278 | 5,841 | 1,437 | 3,736 | 296 |
| Hi3G Enterprise AB, Stockholm, 556782-9329 ⁵⁾ | 40,000 | 40 | 40 | 4,239 | 4,200 | 39 | - | -170 |
| Kunskapsskolan Education Sweden AB, Stockholm, 556691-3066 ⁵⁾ | 17,117 | 32 | 40 | 204 | 154 | 50 | 324 | -6 |
| Other | | | | 187 | 103 | 84 | 382 | 27 |
| Investments in associates | | | | 19,476 | 17,621 | 1,855 | 6,647 | -51 |
| <i>Assets held for sale</i> | | | | | | | | |
| Indap Sweden AB, Stockholm, 556678-4111 ^{5, 6)} | 490,000 | 49 | 48 | 11,435 | 6,054 | 5,381 | 5,230 | -186 |
| Total investments in associates | | | | 30,911 | 23,675 | 7,236 | 11,877 | -237 |

1) Refers to the ownership interest in the assets and liabilities of the company after adjustments in accordance with Investor's accounting policies.

2) Refers to the ownership interest in the equity of the company including the equity component in untaxed reserves and adjustments in accordance with Investor's accounting policies.

3) Refers to the ownership interest of the company's net sales.

4) Profit/loss for the year refers to the participating interest in the company's results after tax including the equity component in the change in untaxed reserves for the year and after adjustments in accordance with Investor's accounting policies.

5) Reported with one month's delay.

6) The investment in Gambro is included in Indap Sweden AB. In December 2012, Investor and EQT signed an agreement to divest the associate Gambro to Baxter.

13 Net financial items

Accounting policies

Financial income and financial expenses consist mainly of interest, exchange rate differences and changes in the value of financial investments, liabilities and derivatives used to finance operations.

Interest is calculated using the effective interest rate method. The effective interest rate is the rate that discounts estimated future payments or receipts throughout the expected life of the financial instrument to the net carrying amount of the financial asset or liability. Transaction costs, including issuing costs, are expensed at the same point in time that receivables or payables are measured at fair value through profit/loss. When valued at amortized cost, amortization takes place over the remaining life using the effective interest rate. Borrowing costs are recognized in profit/loss using the effective interest rate method except to the extent that they are directly attributable to the acquisition, construction or production of assets that take considerable time to prepare for their intended use or sale. In such cases, they are included in the acquisition cost of the asset. Costs related to unused credit facilities are recognized as interest and are amortized on a straight-line basis over the term of the facilities. Other financial items are mainly changes in the value of derivatives and loans that are subject to fair value hedging, and foreign currency result.

| | Group | | Investing activities | |
|------------------------------------|---------------|---------------|----------------------|---------------|
| | 2013 | 2012 | 2013 | 2012 |
| Interest | | | | |
| Interest income | 138 | 182 | 109 | 167 |
| Interest expense | -2,159 | -2,317 | -1,157 | -1,193 |
| Total interest | -2,021 | -2,135 | -1,048 | -1,026 |
| Other financial items | | | | |
| Changes in value, income | 198 | 90 | 175 | 90 |
| Changes in value, expense | -61 | -124 | -50 | -124 |
| Realized results from loans/swaps | -583 | - | -30 | - |
| Exchange gain | 427 | 638 | 465 | 664 |
| Exchange loss | -375 | -904 | -419 | -855 |
| Other items | -149 | -91 | -49 | 104 |
| Total other financial items | -543 | -391 | 92 | -121 |
| IS Net financial items | -2,564 | -2,526 | -956 | -1,147 |

Other financial items consists of unrealized market value changes and realized results of financial items excluding interest. Net financial items include the changes in value of derivatives relating to economic hedges of employee stock options by SEK -50 m. (-31) and revaluations established with valuation techniques totaling SEK 157 m. (15). Liabilities accounted for as hedges have been revalued by SEK 548 m. (-494) and the associated hedging instruments have been revalued by SEK -615 m. (584). Derivatives included in cash flow hedges are not recognized in the Income Statement but have affected Other comprehensive income by SEK 770 m. (460). For more information see note 29, Financial instruments.

14 Income tax

Accounting policies

The amount reported as the Group's total income tax for the year consists of current tax and deferred tax. Current tax is tax that must be paid or refunds that will be received for the current year and adjustments to current tax attributable to earlier periods. Deferred tax is based on the temporary differences between the tax base of an asset or liability and its carrying amount. Temporary differences attributable to goodwill are not recognized. Furthermore, temporary differences attributable to investments in subsidiaries or associates are not recognized unless they are expected to reverse within the foreseeable future. The valuation of deferred tax is based on the extent to which underlying assets and liabilities are expected to be realized or settled. Deferred tax is calculated using the tax rates and tax regulations that have been decided or announced at year-end. If the calculations result in a deferred tax asset, it will only be reported as such if it is probable that it will be realized.

Income taxes are reported in the Income Statement unless the underlying transaction is reported as part of Other comprehensive income or as a component of equity. In such cases, the associated tax effect is also reported as part of Other comprehensive income or as a component of equity.

Part of the difference between the effective tax rate and the Parent Company's tax rate that occurs upon reconciliation is due to the fact that the Parent Company is taxed in accordance with the rules that apply to industrial holding companies.

Income tax for the year

| | 2013 | 2012 |
|--|------------|------------|
| Current tax expense | -215 | -260 |
| Deferred tax expense relating to changes in temporary differences and losses carry-forward | 347 | 878 |
| IS Total | 132 | 618 |

Information about the connection between tax expense for the period and reported income before tax

| | 2013 (%) | 2013 | 2012 (%) | 2012 |
|--|-------------|------------|-------------|------------|
| Reported loss/profit before taxes | | 44,974 | | 23,557 |
| Tax according to applicable tax rate | 22.0 | -9,894 | 26.3 | -6,195 |
| Effect of changed tax rate to 22.0% | 0.0 | - | -1.7 | 407 |
| Effect of other tax rates for foreign subsidiaries | -0.1 | 24 | -0.3 | 58 |
| Tax from previous years | 0.0 | 4 | 0.3 | -61 |
| Tax effect of non-taxable income and status as an industrial holding company ¹⁾ | -24.5 | 10,997 | -47.0 | 11,076 |
| Non-deductible expenses | 1.6 | -728 | 15.2 | -3,577 |
| Tax effect impairment of goodwill | 0.5 | -207 | - | - |
| Standard interest on tax allocation reserves | 0.0 | 0 | 0.0 | -2 |
| Current year loss, not recognized as deferred tax asset | 0.0 | -2 | 0.1 | -32 |
| Recognition and utilization of prior years not recognized losses carry-forward | 0.0 | 3 | -0.3 | 68 |
| Controlled Foreign Company taxation | 0.1 | -35 | 4.8 | -1,125 |
| Other | 0.1 | -30 | 0.0 | 1 |
| Reported tax expense | -0.3 | 132 | -2.6 | 618 |

1) For tax purposes, industrial holding companies may deduct the dividend approved at the Annual General Meeting.

14 cont'd Income tax

Deferred taxes

Deferred taxes refer to the following assets and liabilities

| | Deferred tax asset | | Deferred tax liability | | Net | |
|--|--------------------|------------|------------------------|---------------|---------------|---------------|
| | 12/31 2013 | 12/31 2012 | 12/31 2013 | 12/31 2012 | 12/31 2013 | 12/31 2012 |
| Intangible assets | 48 | 40 | -2,915 | -2,208 | -2,867 | -2,168 |
| Property, plant and equipment | 2 | 12 | -349 | -321 | -347 | -309 |
| Financial assets | 1 | 77 | -94 | -137 | -93 | -60 |
| Inventory | 108 | 88 | -1 | 0 | 107 | 88 |
| Interest-bearing liabilities | 0 | 16 | 0 | - | 0 | 16 |
| Pension provisions | 162 | 10 | - | 79 | 162 | 89 |
| Provisions | 18 | 11 | -7 | -4 | 11 | 7 |
| Losses carry-forward | 301 | 396 | - | - | 301 | 396 |
| Tax allocation reserves | - | - | -160 | -158 | -160 | -158 |
| Other | 107 | 242 | -17 | -34 | 90 | 208 |
| Total deferred tax assets and liabilities | 747 | 892 | -3,543 | -2,783 | -2,796 | -1,891 |
| Net of deferred tax assets and liabilities ¹⁾ | -104 | -69 | 104 | 69 | - | - |
| BS Net deferred tax | 643 | 823 | -3,439 | -2,714 | -2,796 | -1,891 |

1) Deferred tax assets and liabilities are offset if a legal right exists for this.

Unrecognized deferred tax assets

Taxes relating to deductible, temporary differences for which deferred tax assets have not been recognized amounted to SEK 1,101 m. on December 31, 2013 (632). The amount refers to unrecognized losses carry-forward and pension provisions.

Part of the losses carry-forwards relating to Mölnlycke Health Care are subject to litigation due to a decision from the Swedish Tax Agency.

The amount does not include the Parent Company due to its status as an industrial holding company for tax purposes.

Change in deferred taxes related to temporary differences and losses carry-forward

| 12/31 2013 | Amount at the beginning of the year | Business combinations | Recognized in the Income Statement | Recognized in Other comprehensive income | Amount at year-end |
|-------------------------------|-------------------------------------|-----------------------|------------------------------------|--|--------------------|
| Intangible assets | -2,137 | -1,026 | 352 | -56 | -2,867 |
| Property, plant and equipment | -340 | 5 | -21 | 9 | -347 |
| Financial assets | -60 | - | -33 | 0 | -93 |
| Inventory | 88 | 5 | 12 | 2 | 107 |
| Interest-bearing liabilities | 16 | - | -16 | 0 | 0 |
| Pension provisions | 89 | -6 | 91 | -12 | 162 |
| Provisions | 7 | 2 | 2 | 0 | 11 |
| Losses carry-forward | 396 | 0 | -99 | 4 | 301 |
| Tax allocation reserves | -158 | -27 | 25 | 0 | -160 |
| Other | 208 | 9 | 34 | -161 | 90 |
| Total | -1,891 | -1,038 | 347 | -214 | -2,796 |
| 12/31 2012 | Amount at the beginning of the year | Business combinations | Recognized in the Income Statement | Recognized in Other comprehensive income | Amount at year-end |
| Intangible assets | -2,847 | -21 | 644 | 87 | -2,137 |
| Property, plant and equipment | -343 | 8 | 27 | -32 | -340 |
| Financial assets | -60 | 0 | -2 | 2 | -60 |
| Inventory | 92 | - | -2 | -2 | 88 |
| Interest-bearing liabilities | 14 | - | 2 | - | 16 |
| Pension provisions | 79 | - | -9 | 19 | 89 |
| Provisions | 10 | 0 | -3 | 0 | 7 |
| Losses carry-forward | 244 | 2 | 154 | -4 | 396 |
| Tax allocation reserves | -211 | -1 | 36 | 18 | -158 |
| Other | 209 | 19 | 31 | -51 | 208 |
| Total | -2,813 | 7 | 878 | 37 | -1,891 |

15 Earnings per share

Accounting policies

The calculation of basic earnings per share is based on the profit/loss for the year attributable to shareholders of the Parent Company and on the weighted average number of shares outstanding during the year. When calculating diluted earnings per share, the average number of shares is adjusted to take into account the effects of dilutive potential ordinary shares, originating during the reported periods from stock option and share programs that have been offered to employees. Dilutions from stock option and share programs affect the number of shares and only occur when the strike price is less than the share price. The potential ordinary shares are not viewed as dilutive if they would result in better earnings per share after dilution, which occurs when net income is negative.

Basic earnings per share

| | 2013 | 2012 |
|---|--------|--------|
| Profit/loss for the year attributable to the holders of ordinary shares in the Parent Company, SEK m. | 45,165 | 24,226 |
| Weighted average number of ordinary shares outstanding during the year, millions | 761.0 | 760.5 |

IS Basic earnings per share, SEK **59.35** **31.85**

Change in the number of outstanding shares, before dilution, millions

| | 2013 | 2012 |
|---|-------|-------|
| Total number of outstanding shares at beginning of the year, millions | 760.9 | 760.5 |
| Repurchase of own shares during the year, millions | -1.0 | 0.0 |
| Sales own shares during the year, millions | 1.0 | 0.4 |

Total number of outstanding shares at year-end, millions **760.9** **760.9**

Diluted earnings per share

| | 2013 | 2012 |
|---|--------|--------|
| Profit for the year attributable to the holders of ordinary shares in the Parent Company, diluted, SEK m. | 45,165 | 24,226 |
| Weighted average number of outstanding ordinary shares, millions | 761.0 | 760.5 |

Effect of issued:

Employee share and stock option programs, millions 1.3 0.6

Number of shares used for the calculation of diluted earnings per share, millions 762.3 761.1

IS Diluted earnings per share, SEK **59.25** **31.83**

Instruments that are potentially dilutive in the future and changes after the balance sheet date

Outstanding options and shares in long-term share-based programs are to be considered dilutive only if earnings per share was less after than before dilution. Some options are out of money due to a lower average share price (SEK 194,09) compared to exercise price and potential value per option to be expensed in accordance to IFRS 2. Finally there are Performance Shares for which performance terms and conditions are to be met before they can be dilutive. There have been no changes in the number of outstanding shares after the balance sheet date. See note 9, Employees and personnel costs, for exercise price and a description of performance terms and conditions.

16 Intangible assets

Accounting policies

Intangible assets, except for goodwill and trademarks with indefinite life, are reported at cost after a deduction for accumulated amortization or any impairment losses. Goodwill and trademarks have an indefinite life and are reported at cost after any impairment losses.

Goodwill

Goodwill arises when the acquisition cost in a business combination exceeds the fair value of acquired assets and liabilities according to the purchase price allocation.

Trademarks

Trademarks are valued as part of the fair value of businesses acquired from a third party. The trademark must have long-term value and it must be possible to sell it separately. Otherwise, the trademark may arise through a contract or legal rights.

Capitalized development expenditure

Costs attributable to the development of qualifying assets are capitalized as a component of the asset's acquisition cost. An internally generated intangible asset is reported by the Group only if all of the following apply: it is possible to identify the asset that was created, it is both technically and financially feasible to complete the asset, there is both intent and ability to use the asset, it is likely that the asset will generate future economic benefits and it is possible to calculate the expenses in a reliable way. Amortization of the asset begins as soon as it is put into use. All other expenditure is immediately recognized in the Income Statement.

Proprietary technology

Proprietary technology consists of assets such as patents and licenses and is valued as part of the fair value of acquired businesses.

Customer contracts and relations

Customer contracts and relations are valued as part of the fair value of acquired businesses (less any amortization or impairment losses). The useful life of these assets are sometimes long, which reflects the long-term nature of the underlying business. Customer contracts and relations are based on the period of time over which net payments are expected to be received from the contract, as well as legal and financial factors.

Software and other

Costs for software intended for own administrative use are recognized as an asset in the Balance Sheet when the costs are expected to generate future economic benefits in the form of more efficient processes. Capitalized expenditure for software is amortized from the date it became available for use.

Amortizations

Amortizations are made linearly over the asset's estimated useful life. Goodwill and trademarks have an indefinite useful life and are not amortized.

Estimated useful lives:

| | |
|-------------------------------------|-------------|
| Capitalized development expenditure | 3-8 years |
| Proprietary technology | 10-20 years |
| Customer contracts and relations | 4-30 years |
| Software | 3-10 years |

Impairment

The recoverable amount of an asset is calculated whenever there is an indication of impairment. The recoverable amount is calculated once per year or more often if there are any indications of impairment for goodwill, trademarks and other intangible assets with an indefinite useful life and intangible assets that are not yet available for use. The recoverable amount is the higher of the fair value less selling expenses and the value-in-use. When determining the value-in-use, future cash flows are discounted using a discount rate that takes into account the risk-free interest rate and risk associated with the specific asset. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount and the loss is reported in the Income Statement.

16

cont'd Intangible assets

| 12/31 2013 | Goodwill | Trademarks | Capitalized development expenditure | Proprietary technology | Customer contracts and relations | Software and other | Total |
|--|---------------|--------------|-------------------------------------|------------------------|----------------------------------|--------------------|---------------|
| <i>Accumulated costs</i> | | | | | | | |
| Opening balance | 23,996 | 4,701 | 316 | 1,778 | 3,891 | 274 | 34,956 |
| Business combinations | 2,156 | 1,480 | 103 | | 1,929 | 18 | 5,686 |
| Internally generated intangible assets | | | 93 | | | | 93 |
| Acquisitions | | | 21 | 36 | 6 | 41 | 104 |
| Disposals | -27 | | -8 | -9 | | -19 | -63 |
| Reclassifications | | -2 | -10 | 42 | -42 | 24 | 12 |
| Exchange rate differences | 634 | 178 | 0 | 64 | 88 | 2 | 966 |
| At year-end | 26,759 | 6,357 | 515 | 1,911 | 5,872 | 340 | 41,754 |
| <i>Accumulated amortization and impairment losses</i> | | | | | | | |
| Opening balance | | -1 | -59 | -195 | -1,833 | -154 | -2,242 |
| Disposals | | | 9 | 8 | | 19 | 36 |
| Impairment loss | -940 | | | | -13 | | -953 |
| Amortizations | | | -46 | -110 | -949 | -47 | -1,152 |
| Reclassifications | | 1 | | -11 | 11 | -1 | 0 |
| Exchange rate differences | | | -1 | -10 | -81 | -2 | -94 |
| At year-end | -940 | 0 | -97 | -318 | -2,865 | -185 | -4,405 |
| BS Carrying amount at year-end | 25,819 | 6,357 | 418 | 1,593 | 3,007 | 155 | 37,349 |
| <i>Allocation of amortization and impairment in Income Statement</i> | | | | | | | |
| Cost of goods and services sold | | | | -8 | -180 | -2 | -190 |
| Sales and marketing costs | | | | -64 | -704 | -3 | -771 |
| Administrative, research and development and other operating costs | -940 | | -46 | -38 | -78 | -38 | -1,140 |
| Management costs | | | 0 | | | -4 | -4 |
| Total | -940 | - | -46 | -110 | -962 | -47 | -2,105 |
| | | | | | | | |
| 12/31 2012 | Goodwill | Trademarks | Capitalized development expenditure | Proprietary technology | Customer contracts | Software and other | Total |
| <i>Accumulated costs</i> | | | | | | | |
| Opening balance | 24,619 | 4,844 | 241 | 1,803 | 3,947 | 209 | 35,663 |
| Business combinations | 236 | 16 | | 61 | 37 | | 350 |
| Internally generated intangible assets | | | 79 | | | | 79 |
| Acquisitions | | | | 0 | | 43 | 43 |
| Disposals | -6 | | -4 | -16 | -139 | -10 | -175 |
| Reclassifications | -109 | 19 | 0 | | 125 | 29 | 64 |
| Exchange rate differences | -744 | -178 | 0 | -70 | -79 | 3 | -1,068 |
| At year-end | 23,996 | 4,701 | 316 | 1,778 | 3,891 | 274 | 34,956 |
| <i>Accumulated amortization and impairment losses</i> | | | | | | | |
| Opening balance | | 0 | -30 | -105 | -1,088 | -71 | -1,294 |
| Disposals | | | | | 127 | 6 | 133 |
| Reclassifications | | | | | | -26 | -26 |
| Amortizations | | -1 | -29 | -101 | -882 | -59 | -1,072 |
| Exchange rate differences | | | 0 | 11 | 10 | -4 | 17 |
| At year-end | - | -1 | -59 | -195 | -1,833 | -154 | -2,242 |
| BS Carrying amount at year-end | 23,996 | 4,700 | 257 | 1,583 | 2,058 | 120 | 32,714 |
| <i>Allocation of amortization and impairment in Income Statement</i> | | | | | | | |
| Cost of goods and services sold | | | | 0 | -159 | -7 | -166 |
| Sales and marketing costs | | -1 | | -63 | -714 | -2 | -780 |
| Administrative, research and development and other operating costs | | | -29 | -38 | -9 | -45 | -121 |
| Management costs | | | | | | -5 | -5 |
| Total | - | -1 | -29 | -101 | -882 | -59 | -1,072 |

16 cont'd Intangible assets

Impairment testing

Goodwill and other intangible assets with an indefinite useful life originating from acquisitions are divided between three cash-generating entities, Mölnlycke Health Care, Aleris and Permobil. Investor makes continuous tests to determine that the carrying values of these assets do not exceed the value in use. The method for impairment testing is based on a discounted cash flow forecast to determine the value in use. Various assumptions are used to suit the different companies and its business. The calculated value in use is then compared to the carrying amount.

Value in use

Value in use is calculated as Investors share of present value of future estimated cash flow generated from the subsidiaries. The estimate of future cash flows is based upon reasonable assumptions and best knowledge of the company and future economic conditions. The base for the estimate is an assumption of the future growth rate, budgets and forecasts. The chosen discount factor reflects specific risks that are assignable to the asset and marketable assessments of the time value of money. The base for calculation of the discount rate is the company's weighted average cost of capital, where the assumption of the risk free interest rate, market risk premium, leverage, cost of debt and relevant tax rate are important components. The ambition is to use a weighted average cost of capital which is not dependent on short term market sentiment, but instead reflects a long-term cost of capital corresponding to Investor's long term investment horizon.

Mölnlycke Health Care

Impairment testing of goodwill and trade names for Mölnlycke Health Care is based on a calculation of value in use in which assumptions of future growth and operating margins are important components. The estimated value is based on the budget until year-end 2014 and financial forecasts until year-end 2018. A growth rate of 2.1 (3.1)¹⁾ percent has been used to extrapolate the cash flows for the years beyond 2018, which is considered reasonable given the company's historical growth, geographical positioning and industry fundamentals. Estimated cash flows have been discounted using a discount rate of 10.0 (9.9) percent pre tax. No impairment requirement has been identified since the carrying value is lower than calculated value in use. No reasonably possible change in any key assumption will lead to a calculated recoverable amount that is lower than the carrying amount.

Trade names of SEK 4,857 m. is included in intangible assets assignable to Mölnlycke Health Care (4,681). Mölnlycke Health Care's trade names, which have a long history, have an indefinite useful life as Mölnlycke Health Care has a strong position on all its core markets and will continue to actively use them, expecting continued growth with increased net profit margins.

Consolidated goodwill attributable to Mölnlycke Health Care amounts to SEK 19,580 m. (18,867).

1) Restated to comply with adjusted model.

Aleris

A write down of goodwill of SEK 940 m. relating to Aleris was recognized. Impairment testing of goodwill for Aleris is based on a value in use calculation in which assumptions of future growth rate and EBITDA margins are important components. The estimated value in use is based on the budget until year-end 2014 and financial forecasts until year-end 2018. A growth rate of 3.0 (3.0) percent has been used to extrapolate the cash flows for the years beyond 2018, which is based on the company's historical growth and the sector's long term growth drivers, such as demographics and lifestyle aspects. Estimated cash flows have been discounted using a discount rate of 9.2 percent pre tax (9.6).

Working with the board and the CEO, Investor has updated the business plan for Aleris. In order for Aleris to reach its full potential, its board and CEO have decided on a fundamental overhaul of operations. As a consequence of the recent operational challenges and the overhaul, Investor has lowered the medium-term forecast for Aleris and it has therefore been decided to recognize a SEK 940 m. write-down of goodwill. The impairment loss is reported in the Income Statement as an administrative, research and development cost within the operating segment Core Investments.

Consolidated goodwill attributable to Aleris amounts to SEK 4,100 m. (5,129).

16 cont'd Intangible assets

Permobil

Impairment testing of goodwill for newly acquired Permobil is based on a calculation of value in use in which assumptions of future growth and operating margins are important components. The estimated value is based on the budget until year-end 2014 and financial forecasts until year-end 2018. A growth rate of 2.9 percent has been used to extrapolate the cash flows for the years beyond 2018 (-), which is considered reasonable given the company's historical growth, the market structure and industry fundamentals. Estimated cash flows have been discounted using a discount rate of 10.5 percent pre tax (-). No impairment requirement has been identified since the carrying value is lower than calculated value in use.

Consolidated goodwill attributable to Permobil amounts to SEK 2,034 m. (-).

17 Buildings and land

Accounting policies

The majority of owner occupied property within the Group is reported according to the revaluation model less accumulated depreciation and revaluation adjustments. Industrial property is reported at cost less accumulated depreciation and any impairment losses.

Owner-occupied property has been categorized based on their characteristics:

| | |
|---------------------|-------------------|
| Hotel property | Revaluation model |
| Care property | Revaluation model |
| Office property | Revaluation model |
| Industrial property | Cost model |

Cost includes the original purchase price and directly attributable costs, including borrowing costs, required to bring the asset to working condition for its intended use. Property consist of parts with different useful lives (such as the framework, roof and basic installations), the parts are treated as separate components of property.

Subsequent expenditure is capitalized only if it is probable that future economic benefits associated with the asset will flow to the company and if the cost can be measured reliably. All other subsequent costs are expensed in the period they arise.

Any undepreciated carrying amount of replaced components, or parts of components, are retired and expensed in connection with the exchange. Repairs are expensed as incurred.

Owner-occupied property is recognized according to the revaluation model less accumulated depreciation and revaluation adjustments. Property is revalued with sufficient regularity to ensure that the carrying amount does not differ materially from the amount established as fair value on the balance sheet date. When an asset's carrying amount is increased as a result of a revaluation, the increase is reported in other comprehensive income and accumulated in a separate component of equity, called the Revaluation Reserve. When an asset's carrying amount is decreased as a result of a revaluation and there is a balance in the revaluation reserve attributable to the asset, the decrease in value is recognized in other comprehensive income and the amount in the revaluation reserve is also decreased. The difference between depreciation based on the revalued amount, and depreciation based on the original cost, is transferred from the revaluation reserve to retained earnings.

At the time of a revaluation the accumulated depreciation is recalculated in proportion to the change in the asset's increased cost so that the carrying amount of the asset (the net of the adjusted cost and adjusted depreciation) after revaluation corresponds to the revalued amount. When an asset is divested, the value attributable to the asset in the revaluation reserve is transferred to retained earnings, without having any effect on profit/loss or other comprehensive income.

17 **cont'd Buildings and land**

Depreciation

Depreciation is made linearly over the asset's estimated useful life. Land is not depreciated.

Estimated useful lives:

| | |
|---------------------|--------------|
| Frameworks | 50-100 years |
| Land improvements | 20-40 years |
| Building components | 5-40 years |

Impairment

The recoverable amount of an asset is calculated whenever there is an indication of impairment. An impairment loss is recognized in the income statement if the carrying amount exceeds the recoverable amount and there is no value relating to the asset to release from the revaluation reserve.

Valuation of owner-occupied property recognized with the revaluation model

Owner-occupied property recognized with the revaluation model is classified in level 3, according to the definition in IFRS 13. The revaluation model has been applied for properties owned by Swedish and foreign subsidiaries. Property valuations are regularly conducted by external appraisers. Fair value has been determined based on current market prices for comparable property and by using a return model based on a calculation of the present value of future cash flows.

The discount rate has been estimated at 6.8-7 percent and consists of an estimated long-term inflation rate of 2 percent, a risk-free long-term real rate of interest of 4 percent and a risk premium of about 0.8 percent. Payments for operations and maintenance have been assessed following the rate of inflation during the calculation period.

The residual value has been assessed by the long-term, normalized net operating income for the year after the calculation period divided by an estimated long-term yield. The long-term yield requirement has been assessed to be in a span of 4.75 percent to 4.85 percent. Value determined on an earnings basis nominal development during the calculation period will then be around 2 percent.

All valuations in level 3 are based on assumptions and judgments that management consider to be reasonable based on the circumstances prevailing at the time. Changes in assumptions may result in adjustments to reported values and actual outcome may differ from the estimates and judgments that were made. The valuation of owner-occupied property recognized with the revaluation model is dependent on the level of the discount rate and the long-term yield requirement. A 0.5 percent change of the discount rate would have an effect on the value of the owner-occupied property recognized with the revaluation model of approximately SEK 100 m. Respectively a 0.5 percent change of the long-term yield requirement would have an effect on the value of approximately SEK 150 m.

Part of the properties was revalued during 2013. The Hotel properties, some Office properties and some Land properties have been evaluated by June 30, 2013.

| | 12/31 2013 | | | | | 12/31 2012 | | | | |
|---|-------------------|------------|-------------|-----------|--------------|-------------------|------------|-------------|-----------|--------------|
| | Revaluation model | | Cost model | | Total | Revaluation model | | Cost model | | Total |
| | Buildings | Land | Buildings | Land | | Buildings | Land | Buildings | Land | |
| <i>Revalued cost</i> | | | | | | | | | | |
| Opening balance | 2,156 | 495 | 499 | 27 | 3,177 | 2,073 | 491 | 459 | 27 | 3,050 |
| Business Combinations | | | 82 | 21 | 103 | | | | | |
| Other acquisitions | 126 | 18 | 117 | 3 | 264 | 48 | 0 | 15 | 0 | 63 |
| Sales and disposals | -1 | | -7 | 0 | -8 | 0 | | -1 | | -1 |
| Reclassifications | -115 | 115 | 1 | | 1 | 35 | 4 | 37 | 0 | 76 |
| Effect of revaluations on revaluation reserve | -36 | | | | -36 | | | | | |
| Exchange rate differences | | | -16 | -1 | -17 | | | -11 | 0 | -11 |
| At year-end | 2,130 | 628 | 676 | 50 | 3,484 | 2,156 | 495 | 499 | 27 | 3,177 |
| <i>Accumulated depreciation</i> | | | | | | | | | | |
| Opening balance | -510 | | -104 | 0 | -614 | -469 | | -87 | 0 | -556 |
| Sales and disposals | | | 7 | 0 | 7 | 0 | | | | 0 |
| Depreciation for the year | -40 | 0 | -23 | 0 | -63 | -41 | | -21 | | -62 |
| Reclassifications | 4 | | 0 | | 4 | 0 | | | | 0 |
| Effect of revaluations on revaluation reserve | -1 | | | | -1 | | | | | |
| Exchange rate differences | | | 2 | 0 | 2 | | | 4 | 0 | 4 |
| At year-end | -547 | 0 | -118 | 0 | -665 | -510 | - | -104 | 0 | -614 |
| BS Carrying amount at year-end | 1,583 | 628 | 558 | 50 | 2,819 | 1,646 | 495 | 395 | 27 | 2,563 |
| Carrying amount if acquisition cost model had been used | 1,013 | 509 | 558 | 50 | 2,130 | 904 | 495 | 395 | 27 | 1,821 |

18 Machinery and equipment

Accounting policies

Items of machinery and equipment are reported at cost after a deduction for accumulated depreciation and any impairment losses.

Depreciation is made linearly over the assets estimated useful life:

| | |
|----------------------------------|------------|
| Machinery | 3-15 years |
| Furniture, fixtures and fittings | 3-10 years |
| Expenditure on leased property | 7-20 years |

| | 12/31 2013 | | | | 12/31 2012 | | | |
|--|-------------|----------------------------------|--------------------------------|--------------|-------------|----------------------------------|--------------------------------|--------------|
| | Machinery | Furniture, fixtures and fittings | Expenditure on leased property | Total | Machinery | Furniture, fixtures and fittings | Expenditure on leased property | Total |
| <i>Accumulated costs</i> | | | | | | | | |
| Opening balance | 691 | 1,495 | 142 | 2,328 | 563 | 1,500 | 91 | 2,154 |
| Business combinations | 2 | 134 | 8 | 144 | – | 12 | 0 | 12 |
| Other acquisitions | 58 | 451 | 27 | 536 | 70 | 424 | 58 | 552 |
| Sales and disposals | –4 | –166 | –33 | –203 | –7 | –251 | –8 | –266 |
| Reclassifications | 181 | –387 | 189 | –17 | 78 | –188 | – | –110 |
| Exchange rate differences | –1 | –18 | –6 | –25 | –13 | –2 | 1 | –14 |
| At year-end | 927 | 1,509 | 327 | 2,763 | 691 | 1,495 | 142 | 2,328 |
| <i>Accumulated depreciation and impairment</i> | | | | | | | | |
| Opening balance | –172 | –520 | –41 | –733 | –122 | –512 | –19 | –653 |
| Sales and disposals | 2 | 149 | 32 | 183 | 7 | 243 | 4 | 254 |
| Reclassifications | 0 | 148 | –149 | –1 | 29 | –7 | – | 22 |
| Impairments | – | – | – | 0 | – | –8 | – | –8 |
| Depreciation | –86 | –264 | –29 | –379 | –84 | –233 | –25 | –342 |
| Exchange rate differences | 1 | 10 | 3 | 14 | –2 | –3 | –1 | –6 |
| At year-end | –255 | –477 | –184 | –916 | –172 | –520 | –41 | –733 |
| BS Carrying amount at year-end | 672 | 1,032 | 143 | 1,847 | 519 | 975 | 101 | 1,595 |

19 Long-term receivables and other receivables

| | 12/31 2013 | 12/31 2012 |
|---|--------------|--------------|
| <i>Non-current receivables</i> | | |
| Receivables from associates ¹⁾ | 2,923 | 5,026 |
| Derivatives | 174 | 947 |
| Other | 88 | 308 |
| BS Total | 3,185 | 6,281 |
| <i>Other receivables</i> | | |
| Derivatives | 91 | 76 |
| Incoming payments | 22 | 20 |
| Other | 184 | 188 |
| BS Total | 297 | 284 |

1) Refers to shareholder loans including capitalized interest. The decrease mainly consists of conversion of shareholder loans.

20 Inventories

Accounting policies

Inventory is valued at the lower of net realizable value (NRV) and cost. The cost of finished goods and work-in-progress includes a reasonable portion of the indirect costs based on normal capacity utilization. The cost of inventories is calculated using the FIFO (first in, first out) method.

Net realizable value is based on the estimated sales price in the ordinary course of business less the estimated costs to bring about a sale.

| | 12/31 2013 | 12/31 2012 |
|-------------------------------|--------------|--------------|
| Raw materials and consumables | 412 | 309 |
| Work in progress | 66 | 48 |
| Finished goods | 931 | 881 |
| Supplies | 32 | 26 |
| BS Total | 1,441 | 1,264 |

The Group's inventories are valued at cost.

21 Prepaid expenses and accrued income

| | 12/31 2013 | 12/31 2012 |
|-----------------------------|------------|------------|
| Interest | 417 | 463 |
| Other financial receivables | 20 | 17 |
| Other | 263 | 236 |
| BS Total | 700 | 716 |

22 Other financial investments, short-term investments and cash and cash equivalents

Accounting policies

Other financial investments and short-term investments consist of interest-bearing securities which are recognized at fair value through profit/loss.

Short-term investments with a maturity of three months or less from the date of acquisition have been classified as cash and cash equivalents provided that:

- there is an insignificant risk of changes in value
- they are readily convertible to cash

For more information regarding accounting policies, see note 29, Financial instruments.

Excess liquidity is to be invested for maximum return within the framework of given limits for foreign exchange, interest rate, credit and liquidity risks, see note 3, Risks.

| 12/31 2013 | 0-3 months | 4-6 months | 7-12 months | 13-24 months | Total carrying amount |
|-----------------------------|--------------|--------------|-------------|--------------|-----------------------|
| Short-term investments | 2,860 | 1,933 | | | 4,793 |
| Cash and bank | 6,923 | | | | 6,923 |
| Other financial investments | | | | 1,761 | 1,761 |
| BS Total | 9,783 | 1,933 | - | 1,761 | 13,477 |

| 12/31 2012 | 0-3 months | 4-6 months | 7-12 months | 13-24 months | Total carrying amount |
|-----------------------------|--------------|--------------|--------------|--------------|-----------------------|
| Short-term investments | 3,050 | 1,109 | 1,563 | | 5,722 |
| Cash and bank | 4,646 | | | | 4,646 |
| Other financial investments | | | | 1,072 | 1,072 |
| BS Total | 7,696 | 1,109 | 1,563 | 1,072 | 11,440 |

Of the total carrying amount, SEK 6,864 m. is attributable to investing activities and available for investments (7,697).

23 Equity

Share capital

Share capital in the Parent Company.

Other contributed equity

Refers to equity contributed by shareholders. It also includes premiums paid in connection with new stock issues.

Translation reserve

The translation reserve includes all foreign exchange differences arising on the translation of financial statements from foreign operations reported in a currency different from the reporting currency of the Group. The translation reserve also comprises exchange rate differences arising in conjunction with the translation of swap contracts reported as hedging instruments of a net investment in a foreign operation. Changes in translation reserve had no impact on reported tax.

Revaluation reserve

The revaluation reserve includes changes in value relating to owner-occupied property and related taxes.

Hedging reserve

The hedging reserve includes the effective component of the accumulated net change of fair value and related taxes, of an instrument used for a cash flow hedge, relating to hedging transactions not yet accounted for in the Profit/loss. Changes in the hedging reserve for the Parent Company had no impact on reported tax.

Specification of reserves in equity

| | 12/31 2013 | 12/31 2012 |
|--|-------------|-------------|
| Translation reserve | | |
| Opening balance | -972 | -349 |
| Translation differences for the year, subsidiaries | 304 | -687 |
| Change for the year, associates | 79 | 64 |
| | -589 | -972 |
| Revaluation reserve | | |
| Opening balance | 578 | 558 |
| Revaluation of non-current assets for the year | -28 | - |
| Effect of changed tax rate for the year | - | 32 |
| Release of revaluation reserve due to depreciation of revalued amount | -13 | -12 |
| | 537 | 578 |
| Hedging reserve | | |
| Opening balance | -142 | -492 |
| Cash flow hedges: | | |
| Change in fair value of cash flow hedges for the year | 1,479 | 360 |
| Change in Income Statement | -751 | 67 |
| Tax relating to changes in fair value of cash flow hedges for the year | -154 | -57 |
| Change for the year, associates | -19 | -20 |
| | 413 | -142 |
| Total reserves | | |
| Opening balance | -536 | -283 |
| Change in reserves for the year: | | |
| Translation reserve | 383 | -623 |
| Revaluation reserve | -41 | 20 |
| Hedging reserve | 555 | 350 |
| Carrying amount at year-end | 361 | -536 |

Repurchased shares

Repurchased shares include the cost of acquiring own shares held by the Parent Company. On December 31, 2013, the Group held 6,293,360 of its own shares (6,248,054). Repurchases of own shares are reported as a deduction from equity. Cash proceeds from the sale of such equity instruments are reported as an increase in unrestricted equity. Any transaction costs are recognized directly under equity.

23 cont'd Equity

Repurchased shares included in retained earnings under equity, including profit/loss for the year

| | Number of shares | | Amounts affecting equity, SEK m. | |
|--|------------------|------------------|----------------------------------|------------------|
| | 2013 | 2012 | 2013 | 2012 |
| Opening balance, repurchased own shares | 6,248,054 | 6,669,158 | -864 | -889 |
| Sales/repurchases for the year | 45,306 | -421,104 | -92 ¹⁾ | 25 ¹⁾ |
| Balance at year-end, repurchased own shares | 6,293,360 | 6,248,054 | -956 | -864 |

1) In connection with transfer of shares and options within Investors' long-term variable remuneration program, the payment of strike price has had a positive effect on equity.

Dividend

After the balance sheet date, the Board of Directors proposed a dividend for 2013 amounting to SEK 6,137 m. (SEK 8.00 per share). The dividend is subject to the approval of the Annual General Meeting on May 6, 2014. The dividend for 2012 amounted to SEK 5,331 m. (SEK 7.00 per share) and the dividend for 2011 amounted to 4,563 m. (SEK 6.00 per share). Dividends paid out per share for 2012 and 2011 correspond to proposed dividend per share. Dividends are recognized as a liability as soon as the Annual General Meeting has approved the dividend for the year.

Capital management

In order to be able to act upon business opportunities at any point in time, it is vital for Investor to maintain financial flexibility. The Group's goal is to have leverage (net debt as a percentage of total assets) of 5-10 percent over an economic cycle. The ceiling for Investor's leverage has been set at a maximum of 25 percent, which may only be exceeded on a short-term basis. Investors' leverage at the beginning of the year was 11.5 percent and at the end of the period 9.7 percent. The change is mainly due to cash flows arising from the divestment of Gambro, the acquisition of Permobil, as well as dividends paid to shareholders. For more information, see Financial development page 4-5.

The Group's total shareholder return objective (sum of the share price change and dividend) is to exceed the risk-free interest rate plus a risk premium, i.e. 8-9 percent. The total shareholder return for 2013 was 35 percent.

Capital is defined as total recognized equity.

| Equity | 12/31 2013 | 12/31 2012 |
|--|----------------|----------------|
| Attributable to shareholders of the Parent Company | 215,417 | 174,698 |
| Attributable to non-controlling interest | 549 | 408 |
| BS Total | 215,966 | 175,106 |

24 Interest-bearing liabilities

Accounting policies

For more information relating to accounting policies for financial liabilities see note 29, Financial instruments.

Leasing

In the consolidated financial statements, leases are classified as either finance or operating leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. Assets that are classified as financial leases are reported as assets in the Group's Balance Sheet. Obligations to pay future lease payments are reported as a liability. Leased assets are depreciated according to plan, whereas the leasing payments are apportioned between the finance charge and a reduction of the outstanding liability.

24 cont'd Interest-bearing liabilities

Interest-bearing liabilities

| | 12/31 2013 | 12/31 2012 |
|---|---------------|---------------|
| <i>Long-term interest-bearing liabilities</i> | | |
| Bond loans | 28,901 | 30,037 |
| Related interest rate derivatives with negative value | 1,344 | 1,233 |
| Bank loans | 11,834 | 13,961 |
| Finance lease liabilities | 118 | 45 |
| Other long-term interest-bearing liabilities | 15 | 2 |
| BS Total | 42,212 | 45,278 |

Short-term interest-bearing liabilities

| | | |
|---|-----------|--------------|
| Related interest rate derivatives with negative value | - | 830 |
| Bank loans | 1 | 325 |
| Finance lease liabilities | 27 | 25 |
| Other short-term interest-bearing liabilities | 24 | 30 |
| BS Total | 52 | 1,210 |

Total interest-bearing liabilities and related derivatives

| | | |
|---|-------------|-------------|
| Related long-term interest rate derivatives positive value | -174 | -947 |
| Related short-term interest rate derivatives positive value | -17 | -6 |
| Total | -191 | -953 |

Total interest-bearing liabilities and related derivatives

Of which:

| <i>Investing activities</i> | 12/31 2013 | 12/31 2012 |
|---|---------------|---------------|
| <i>Long-term interest-bearing liabilities</i> | | |
| Bond loans | 28,901 | 30,037 |
| Related interest rate derivatives with negative value | 1,086 | 1,163 |
| Total | 29,987 | 31,200 |

Short-term interest-bearing liabilities

| | | |
|---|---------------|---------------|
| Related interest rate derivatives with negative value | - | - |
| Total | 29,987 | 31,200 |

| | | |
|---|-------------|-------------|
| Related long-term interest rate derivatives positive value | -174 | -947 |
| Related short-term interest rate derivatives positive value | 0 | - |
| Total | -174 | -947 |

Total interest-bearing liabilities and related derivatives, investing activities

| | | |
|--------------|---------------|---------------|
| Total | 29,813 | 30,253 |
|--------------|---------------|---------------|

Finance lease liabilities

| Maturity | 12/31 2013 | | Present value of minimum lease payments |
|---|-------------------------------|------------|---|
| | Future minimum lease payments | Interest | |
| Less than 1 year from balance sheet date | 33 | -6 | 27 |
| 1-5 years from balance sheet date | 61 | -19 | 42 |
| More than 5 years from balance sheet date | 109 | -33 | 76 |
| Total | 203 | -58 | 145 |

| Maturity | 12/31 2012 | | Present value of minimum lease payments |
|--|-------------------------------|-----------|---|
| | Future minimum lease payments | Interest | |
| Less than 1 year from balance sheet date | 27 | -2 | 25 |
| 1-5 years from balance sheet date | 51 | -6 | 45 |
| Total | 78 | -8 | 70 |

25 Provisions for pensions and similar obligations

Accounting policies

The amendments to IAS 19 "Employee benefits" are applied from January 1, 2013.

- The revised standard does not allow the "corridor", with "income smoothing" of actuarial gains and losses. Actuarial gains and losses (remeasurements) are recognized immediately with a charge or credit to other comprehensive income (OCI) in the period in which they occur. The fact that the corridor method is removed has a limited impact on the Investor Group.
- In 2013, pension payroll taxes are no longer reported separately, but included in the calculation of the net obligation.
- The return on plan assets recognized in the Income Statement is from 2013, calculated with the rate of interest, used to discount the pension obligation.

Defined contribution plans

Defined contribution plans are plans under which the company's obligations are limited to the premium of fixed contributions. In such cases, the size of the employee's pension depends on the contributions the company makes to the plan, or to an insurance company, along with the return that the capital contributions generate. Consequently, the employee carries both the actuarial risk (i.e. the risk that benefits will be lower than expected) and the investment risk (i.e. the risk that invested assets will be insufficient for providing the expected benefits). The company's obligations to pay contributions to defined contribution plans are recognized as an expense in the Income Statement at the rate that employees provide services to the company during a period.

Defined benefit plans

In defined benefit pension plans, payments are made to employees and former employees based on their salary at the time of retirement and the number of years of service. The Group carries the risk for making the payments. The net obligation under defined benefit plans is measured separately for each plan, by estimating the future benefits earned by the employees, in current and prior periods.

This benefit is discounted to a present value with a discount rate representing the closing day rate on high quality corporate bonds, mortgage backed bonds or government bonds with a life corresponding to the duration of the pension obligations. The measurement is made by a qualified actuary using the projected unit credit method. The fair value of any plan assets is calculated on the closing date.

When determining the present value of the obligation and the fair value of plan assets, actuarial gains and losses may arise. This is either because the actual outcome differs from the previous assumption or because the assumptions have changed. Remeasurements of defined benefit obligations are recognized as income or expenses in other comprehensive income.

The value presented in the balance sheet for pensions and similar commitments corresponds to the obligation's present value at year-end, less the fair value of plan assets. When the calculation results in a Group asset, the carrying amount of the asset is limited to the present value of future repayments from the plan or decreased future payments to the plan (asset ceiling).

When there is a difference between how pension costs are determined for a legal entity and for the Group, a provision or receivable for a special employer's contribution is recognized, based on this difference. The present value of the provision or receivable is not calculated. The net of the interest on pension liabilities and the yield on adherent management assets is recognized in net financial items. Other components are recognized in operating profit/loss.

Risks associated with the defined benefit plan

Investment risks

The defined benefit obligation is calculated using discount rates with references to, for example, corporate bond yields. If assets in funded plans under perform this yield, it will increase the amount of deficit. Allocation of assets among different categories is important to reduce the portfolio risk. The time horizon for the investments is also an important factor.

Interest risks

A decrease in corporate bond yields will increase the value of the defined benefit obligation for accounting purposes.

Longevity risk

The majority of the obligations are to provide benefits for the life of the plan member, so increases in life expectancy will result in an increase in the defined benefit obligation.

Salary risk

The majority of the obligations are to provide benefits for plan members based on annual salaries. If salaries increase faster than has been assumed, this will result in an increase in the defined benefit obligation.

Pension benefits

Employees in Group companies have various kinds of pension benefits. These benefits are either defined contribution plans or defined benefit plans. In Sweden the total retirement benefit package is often a mixed solution with some parts being defined contribution pension plans and others being defined benefit pension plans. Salaried employees' plans comprise the defined benefit plans BTP and ITP and the defined contribution plans BTPK and ITPK.

The BTP plan is secured with the insurance company SPP and the ITP plan is secured with the insurance company Alecta. Since the information provided by Alecta is not sufficient to be able to account for as a defined benefit plan, the Alecta plan has been reported as a defined contribution plan (multi-employer plan).

The ITP plan has contracts with a premium, where benefits continue unchanged until retirement. This means that premiums can not be changed to the policyholder's or the insured's disadvantage.

The Group operates defined contributions plans in Sweden, Australia, Canada, the Czech Republic, Denmark, Finland, Malaysia and the UK. The plans imply that the Group obtains pension insurances or makes cash payments to foundations.

The majority of the Group's defined benefit plans exist in Sweden, but they also exist in the U.S., Belgium, Germany, the Netherlands, Thailand, Italy, Norway, France and Austria. The plans in Belgium, the U.S. and the Netherlands are funded. In Sweden and Norway there are funded and unfunded plans and the plans in other countries are unfunded.

Amounts recognized in Profit/loss and Other comprehensive income for defined benefit plans

| Components of defined benefit cost (gain -) | 2013 | 2012 |
|---|-------------|------------|
| Current service cost | 56 | 48 |
| Past service cost and gains/losses from settlements | -4 | -10 |
| Additional pension obligations | 3 | 2 |
| Other values | 0 | -12 |
| Total operating cost | 55 | 28 |
| Net interest expense | 21 | 15 |
| Exchange rate differences | 2 | -1 |
| Other values | 1 | 1 |
| Total financial cost | 24 | 15 |
| Components recognized in profit/loss | 79 | 43 |
| Remeasurement on the net defined benefit liability (gain -) | 2013 | 2012 |
| Return on plan assets (excl. amounts in interest income) | 3 | -8 |
| Actuarial gains/losses, demographic assumptions | 10 | 2 |
| Actuarial gains/losses, financial assumptions | -153 | 98 |
| Actuarial gains/losses, experience adjustments | -6 | 8 |
| Adjustments for restrictions, defined benefit asset | 0 | 0 |
| Components in Other comprehensive income | -146 | 100 |

25 cont'd Provisions for pensions and similar obligations

Provision for defined benefit plans

| The amount included in the consolidated Balance Sheet arising from defined benefit plan | 12/31 2013 | 12/31 2012 |
|---|--------------|-------------------------|
| Present value of funded or partly funded obligations | 679 | 746 |
| Present value of unfunded obligations | 483 | 535 |
| Total present value of defined benefit obligations | 1,162 | 1,281 |
| Fair value of plan assets | -525 | -536 |
| NPV of obligations and fair value of plan assets | 637 | 745 |
| Restriction on asset ceiling recognized | 5 | 4 |
| BS Net liability arising from defined benefit obligations | 642 | 749¹⁾ |

1) Disclosure restatement of SEK 21 m. from subsidiaries (pension tax).

| Changes in the obligations for defined benefit plans recognized during the year | 12/31 2013 | 12/31 2012 |
|---|--------------|--------------|
| Defined benefit plan obligations, opening balance | 1,281 | 1,147 |
| Current service cost | 61 | 51 |
| Interest cost | 38 | 37 |
| <i>Remeasurement of defined benefit obligations</i> | | |
| Actuarial gains/losses, demographic assumptions | 10 | 2 |
| Actuarial gains/losses, financial assumptions | -159 | 88 |
| Actuarial gains/losses, experience adjustment | 0 | 7 |
| Contributions to the plan from the employer | 1 | 3 |
| Past service cost and gains/losses from curtailments | -4 | -11 |
| Liabilities extinguished on settlements | -70 | -2 |
| Liabilities assumed in a business combination | 72 | - |
| Exchange difference on foreign plans | -27 | 10 |
| Benefit paid | -43 | -37 |
| Other | -16 | 1 |
| Exchange rate difference | 17 | -15 |
| Obligations for defined benefit plans at year-end | 1,162 | 1,281 |

| Changes in fair value of plan assets during the year | 12/31 2013 | 12/31 2012 |
|--|------------|------------|
| Fair value of plan assets, opening balance | 536 | 478 |
| Interest income | 17 | 8 |
| <i>Remeasurement of fair value plan assets</i> | | |
| Return on plan assets (excl. amounts in interest income) | -3 | 22 |
| Contributions from the employer | 33 | 43 |
| Contributions from plan participants | 2 | 1 |
| Assets distributed on settlements | -43 | 5 |
| Assets acquired in a business combination | 28 | - |
| Exchange differences on foreign plans | -19 | 3 |
| Benefit paid | -14 | -11 |
| Other | -17 | -9 |
| Exchange rate difference | 5 | -4 |
| Fair value of plan assets at year-end | 525 | 536 |

| The fair value of the plan asset at the end of the reporting period for each category are as follows | 12/31 2013 | 12/31 2012 |
|--|------------|------------|
| Cash and cash equivalents | 15 | 22 |
| Equity investments | 60 | 58 |
| Debt investment | 331 | 335 |
| Properties | 32 | 44 |
| Other values ¹⁾ | 87 | 77 |
| Total | 525 | 536 |

1) Includes insurance contracts from countries where the liabilities are insured (the Netherlands, Belgium and Norway). There are no split of the underlying assets available.

| Changes in restriction asset ceiling in the current year | 12/31 2013 | 12/31 2012 |
|--|-----------------|------------|
| Restriction asset ceiling, opening balance | 4 | 4 |
| Interest net | 0 | 0 |
| Changes asset ceiling, OCI | 1 ¹⁾ | 0 |
| Restriction asset ceiling at year-end | 5 | 4 |

1) The changes of asset ceiling in current year is netted out in OCI with the actuarial gain/losses from the present value on the obligation and the FV of the plan assets.

The Group estimates that SEK 44 m. will be paid to defined benefit plans during 2014.

Assumptions

| Assumptions for defined benefit obligations 2013 | Sweden | Norway | Other (weighted average) |
|--|------------|---------------|--------------------------|
| Discount rate | 4 | 4.1 | 3.5 |
| Future salary growth | 2.5-3.0 | 3.75 | 2.7 |
| Future pension growth | 2.0-2.5 | 2.72 | 2.0 |
| Mortality assumptions used | DUS06, PRI | K2013, 2013BE | Local mortality tables |

| Assumptions for defined benefit obligations 2012 | Sweden | Norway | Other (weighted average) |
|--|---------|--------|--------------------------|
| Discount rate | 3.4-3.5 | 2.2 | 3.3 |
| Future salary growth | 3.0-3.5 | 3.25 | 2.7 |
| Future pension growth | 2.0-3.5 | 2.23 | 2.0 |
| Mortality assumptions used | DUS06 | K2005 | Local mortality tables |

Basis used to determine the discount rate

The discount rate has been set separately for each country by reference to market rates on high quality corporate bonds with a duration and currency that is consistent with the duration and currency of the defined benefit obligation. This may involve interpolation of bond yield curves where there is no direct match for duration or the market is not deep for matching bond durations. The market for high quality Swedish mortgage backed bonds is considered to be deep and thereby fulfills the requirements of high quality corporate bonds according to IAS 19. Swedish mortgage backed bonds have therefore served as reference when determining the discount rate used for the calculation of the defined benefit obligations in Sweden. In countries where there is no deep market for high quality corporate bonds, government bonds are used as a reference when determining the discount rate.

Maturity profile of the defined benefit obligation for Investor, Investing activities

| Maturity profile | 0-3 year | 3-6 year | 6-15 year | Over 15 year | Total |
|------------------|----------|----------|-----------|--------------|-------|
| Cash flows | 51 | 77 | 99 | 544 | 771 |

Multi-employer plans

Alecta, which is a mutual life insurance company, is owned by its customers, i.e. businesses and their employees. The company form means that any surplus in operations is returned to the customers and the insured population is responsible for any deficit.

For 2014, the Investor Group expect to pay SEK 70 m. for premiums to Alecta. Alecta's total premiums per year for defined benefit pensions is about SEK 19 bn.

A measure of the financial strength of a mutual insurance company is the solvency margin, which shows the relationship between the assets and the total insurance undertaking. Alecta aims to have a solvency margin varying between 125 and 155 percent, with a target level of 140 percent. The assets that exceed the insurance undertaking are a surplus to policyholders' behalf. Surplus can be used to increase future pensions, reduce future premiums or reimbursement for already-made premium payments. The solvency margin in Alecta was 145 percent June 30, 2013.

In the mutualized insurance company SPP, the funding ratio is always 100 percent. This means that at any given time all assets for the benefit of policyholders are distributed to policyholders. Any buffer of unfunded assets, as a mutual insurance company can have, does not exist.

Defined contribution plans

| Defined contribution plans | 2013 | 2012 |
|---|------|------|
| Expenses for defined contribution plans | 402 | 357 |

26 Other provisions

Accounting policies

The Group reports a provision in the Balance Sheet when there is a formal or informal obligation as a result of a past event for which it is probable that an outflow of resources will be needed to settle the obligation and when a reliable estimate of the amount can be made.

A restructuring provision is recognized when the Group has a detailed, formal plan for the restructuring, and the restructuring plan has commenced or has been publicly announced.

For medical care and health care operations, a provision is made for the risk of loss if the total directly attributable costs during the entire term of the contract are expected to exceed the total revenues, including indexation. Provisions are reviewed at each balance sheet date.

| | 12/31 2013 | 12/31 2012 |
|---|------------|------------|
| <i>Provisions expected to be paid after more than 12 months</i> | | |
| Reserve related to business combinations | 17 | – |
| Restructuring reserve | 20 | 57 |
| Provision for social security contributions for LTVR | 80 | 48 |
| Other | 43 | 3 |
| BS Total non-current other provisions | 160 | 108 |
| <i>Provisions expected to be paid within 12 months</i> | | |
| Reserve related to business combinations | – | 86 |
| Restructuring reserve | 53 | 57 |
| Provision for social security contributions for LTVR | 0 | 4 |
| Other | 27 | 24 |
| BS Total current other provisions | 80 | 171 |
| Total other provisions | 240 | 279 |

Reserves related to business combinations

In connection to acquisitions of subsidiaries in Group companies, provisions has been made for acquisition related costs. The reserves related to business combinations are expected to fully be stated and paid during 2017.

Provision for social security contributions for long-term share-based remuneration (LTVR)

Investor operates LTVR programs which are offered to all employees. Provision is made for social security contributions connected to these programs. The provision will be used during the years 2014-2019.

Other

Provisions for guarantees and other provisions that have been considered immaterial to specify are included in other and intend to be settled with SEK 27 m. in 2014 and SEK 43 m. in 2015.

| | Reserve related to business combinations | Restructuring reserve | Social security LTVR | Other | Total other provisions |
|------------------------------------|--|-----------------------|----------------------|-----------|------------------------|
| 12/31 2013 | | | | | |
| Opening balance | 86 | 114 | 52 | 27 | 279 |
| Provisions for the year | 16 | 40 | 28 | 48 | 132 |
| Reversals for the year | –85 | –81 | 0 | –5 | –171 |
| Carrying amount at year-end | 17 | 73 | 80 | 70 | 240 |
| 12/31 2012 | | | | | |
| Opening balance | 128 | 155 | 26 | 28 | 337 |
| Provisions for the year | 1 | 47 | 37 | 11 | 96 |
| Reversals for the year | –43 | –88 | –11 | –12 | –154 |
| Carrying amount at year-end | 86 | 114 | 52 | 27 | 279 |

27 Other long-term and short-term liabilities

| | 12/31 2013 | 12/31 2012 |
|---|------------|------------|
| Acquisition related liabilities | 121 | 41 |
| Other | 18 | 10 |
| BS Total other long-term liabilities | 139 | 51 |
| Derivatives | 101 | 41 |
| Shares on loan | 39 | 23 |
| Incoming payments | 10 | 69 |
| VAT | 159 | 142 |
| Personnel-related | 293 | 227 |
| Other | 139 | 106 |
| BS Total other current liabilities | 741 | 608 |

28 Accrued expenses and deferred income

| | 12/31 2013 | 12/31 2012 |
|----------------------------|--------------|--------------|
| Interest | 768 | 875 |
| Personnel-related expenses | 1,092 | 958 |
| Other | 495 | 468 |
| BS Total | 2,355 | 2,301 |

29 Financial instruments

Accounting policies

Financial instruments recognized in Investor's Balance Sheet include assets such as the following: shares and participations recognized at fair value, other financial investments, loan receivables, trade receivables, short-term investments, cash and cash equivalents, and derivatives. Liabilities recognized in the Balance Sheet include the following: loans, shares on loan, trade payable and derivatives.

A financial asset or financial liability is recognized in the Balance Sheet when the Group becomes party to the instrument's contractual terms.

Trade receivables and trade payable are recognized in the Balance Sheet when an invoice is sent or received.

A financial asset or part thereof is derecognized in the Balance Sheet when the rights in the agreement have been realized, upon maturity, or when the Group loses control over them. A financial liability or part thereof is derecognized in the Balance Sheet when the obligations in the contract have been fulfilled or no longer exist for some other reason.

A financial asset and liability are offset against one another and the net amount is reported in the Balance Sheet only when there is a legally enforceable right and an intention to set off the recognized amounts.

A purchase or sale of financial assets is recognized on the trade date, which is the date that an entity commits itself to purchase or sell an asset.

Classification and measurement

Financial instruments are allocated to different categories. A financial instrument is classified upon initial recognition based on the purpose for which it was acquired. The classification determines how the financial instrument is measured after initial recognition, as described below.

Financial instruments belonging to the category, "Financial assets recognized at fair value through profit/loss", are initially recognized at fair value (excluding transaction costs). Other financial instruments are initially recognized at cost, which corresponds to the instrument's fair value (including transaction costs).

Cash and cash equivalents consist of cash and demand deposits in banks and similar institutions and short-term investments with a maturity of three months or less from the acquisition date, which are subject to an insignificant risk of changes in value.

Financial assets

Financial assets at fair value through profit/loss

This category consists of two subcategories: financial assets that are initially placed in this category (via the fair value option) and held-for-trading financial assets. Financial assets in this category are continuously measured at fair value and value changes are reported in the Income Statement.

Financial assets recognized in accordance with the fair value option

This category primarily includes short-term investments, other financial assets and shares/participations recognized at fair value. In this category, the Group has chosen, on initial recognition, to designate financial assets that are managed and measured on the basis of fair values, in accordance with the risk management and investment strategies.

Financial assets held for trading

Shares and participations belonging to the trading operation are recognized as held-for-trading financial assets. The same applies to derivatives with a positive fair value (except for derivatives identified as effective hedging instruments).

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. These assets are recognized at amortized cost. Trade receivables are recognized at net realizable value less any deductions for bad debts, which are assessed on an individual basis. Trade receivables are short term in nature, which is why they are reported at nominal amounts without any discounting.

Available-for-sale financial assets

To the available-for-sale financial assets category, Investor has allocated a few financial assets that do not belong to any of the other categories.

Financial liabilities

Financial liabilities at fair value through profit/loss

This category includes financial liabilities held for trading. For example, this includes shares on loan in the trading operation. When shares on loan are sold, an amount corresponding to the fair value of the shares is recorded as a liability. The category also include any derivatives with a negative fair value (except for identified derivatives that are effective hedge instruments).

Other financial liabilities

This category includes loans and other financial liabilities. Loans are recognized at amortized cost, except when they are used for fair value hedging. For more information, see the heading below, "Hedging of the Group's interest rate exposures - fair value hedges". Amortized cost is calculated based on the effective interest that was determined when the loan was obtained. This means that surpluses/deficits, as well as direct issuing costs, are amortized over the life of the liability. Trade payables are short-term in nature, which is why they are recognized at nominal amounts without any discounting.

Derivatives

Derivatives, such as forwards, options and swaps, are used to offset the risks associated with fluctuations in exchange rates and share prices, as well as the exposure to interest rate risks. Derivatives are initially recognized at fair value through profit/loss, which means that transaction costs are charged to profit/loss for the period. In the following periods, the derivative instrument is recognized at fair value and changes in the value are recognized in the Income Statement as income or expense (part of operating profit) or as part of net financial items. Where they are reported is based on the purpose of the derivative and whether its use is related to an operating item or a financial item. The interest rate coupon from an interest rate swap is recognized as interest and value changes are recognized as other financial items as a component of financial net, provided that the interest rate swap is not part of a cash flow hedge, which is accounted for according to the description below.

Hedge accounting

Investor applies hedge accounting in order to reduce fluctuations in profit/loss related to hedging of interest rate risks and currency risks. When hedge accounting is applied, value changes related to the hedging instrument is presented in profit/loss at the same time as the result from the hedged item. The effective part of the hedge is presented in the same component of the income statement as the hedged item.

Receivables and liabilities in foreign currency

Currency derivatives are used to hedge receivables and liabilities against foreign exchange rate risks. Hedge accounting is not used to protect against foreign exchange risk since an economic hedge has already been reflected in the financial statements. This occurs by recognizing the underlying receivable or liability at the closing rate and the hedge instrument at fair value in the Income Statement.

Forecast transactions in foreign currency – cash flow hedges

In order to hedge currency risks from forecast transactions, derivatives are used. These derivatives are often subject to hedge accounting. The derivatives are recognized at fair value in the Balance Sheet. Changes in value for the period are recognized in other comprehensive income and the accumulated changes in value are recognized in the Hedging Reserve until the hedged cash flow affects profit for the period, whereas the accumulated value changes of the hedging instrument are recycled to profit/loss for the period.

Hedging the Group's interest rate risk – cash flow hedges

The Group uses interest rate swaps to control the uncertainty of future interest rate fluctuations for loans with a variable interest rate. In the Balance Sheet, interest rate swaps are valued at fair value. The interest rate coupon is recognized on an on-going basis in the Income Statement as a component of interest expense. Unrealized changes to the fair value of interest rate swaps are recognized in other comprehensive income and are included as a component of the hedging reserve until the hedged item has an effect on the Income Statement and as long as the criteria for hedge accounting and effectiveness are met. The gain/loss attributable to the ineffective component of the unrealized value changes on interest rate swaps is recognized in the Income Statement.

29 cont'd Financial instruments

Hedging of the Group's interest rate exposure— fair value hedges

The Group uses interest rate swaps to hedge the risk of changes in the fair value of its own borrowings that have a fixed rate of interest. The interest rate swaps are recognized at fair value in the Balance Sheet and the hedged item is recalculated at the fair value of the hedged risk (the risk-free interest rate). Changes in the fair value of the derivative and hedged item are recognized in the Income Statement.

The interest rate coupon is recognized on an on-going basis in the Income Statement as a component of interest expense.

Hedging of currency risk in foreign net investments

In the consolidated Balance Sheet, investments in foreign operations are reported as net assets in subsidiaries. To a certain extent, currency risks associated with such investments are reduced by entering into forward contracts in the same currency as the net investments. In order to match the translation differences relating to the net investments in the hedged foreign operations, the effective component of the period's exchange rate fluctuations for hedging instruments is reported under other comprehensive income, and the cumulative changes are reported under Translation Reserve. The amount in the Translation Reserve, which is related to currency changes in both the net investment and the hedging instrument is reversed and recognized in the Income Statement when a foreign operation is divested. When hedging has not been effective, the ineffective component is recognized in the Income Statement.

Impairment testing of financial assets

On each reporting date, an assessment of the need for impairment of a financial asset or group of assets is performed. Since the majority of the Group's assets are included in the category "Financial assets at fair value through profit/loss", most negative changes in value affect the Income Statement on an on-going basis. If any event has occurred that might have a negative impact on the collectability of assets belonging to the category "Loans and Receivables", the recoverable amount is calculated. The recoverable amount is calculated as the present value of future cash flows discounted at the effective interest rate upon initial recognition of the asset. Assets with short maturities are not discounted. Impairments losses are reported in the Income Statement.

Impairment losses on loans and trade receivables (which are recognized at amortized cost) are reversed if the prior reasons for the impairment no longer exist and full payment is expected.

Financial guarantees

Financial guarantee contracts commit the Group to reimburse the holder of a debt instrument for the losses incurred when a specified debtor fails to make payment when due, in accordance with the contract terms. Financial guarantee contracts are initially recognized at fair value less the fair value of contracted guarantee fees. However, an asset will not be reported in the Balance Sheet if the difference is positive.

Subsequent to initial recognition, financial guarantee contracts are continuously recognized at the higher of:

- the best estimate of the present value of anticipated net fees to settle the guarantee commitment less the present value of future guarantee fees, and
- the original amount booked as a liability less reversed cumulative straight line amortization over the contracted guarantee period.

Measurements of financial instruments at fair value

The following is a description of the methods and assumptions used to determine the fair value of financial assets and liabilities shown in this Annual Report.

Measurements of financial instruments in level 1

Listed holdings

Listed holdings are valued on the basis of their share price (bid price, if there is one quoted) on the balance sheet date.

Measurements of financial instruments in level 2

Shares and participations

Shares and participations in level 2 consist of holdings in listed shares for which the classes are not actively traded. The measurement of these shares is based on the market price for the most traded class of shares for the same holding.

Derivatives

Derivatives in level 2 consist mainly of currency and interest rate swaps for which the valuation is based on discounted future cash flows according to the terms and conditions in the agreement and based on the market rate of interest for similar instruments with different durations.

Measurement of financial instruments in level 3

Unlisted holdings and fund holdings

Unlisted holdings are measured on the basis of the "International Private Equity and Venture Capital Valuation Guidelines". For directly owned holdings (i.e. those owned directly by a company in the Investor Group), an overall evaluation is made to determine the measurement method that is appropriate for each specific holding. It is first taken into account whether a recent financing round or "arm's length transaction" has been made, after which a valuation is made by applying relevant multiples to the holding's key ratios (for example, EBITDA), derived from a relevant sample of comparable companies, with deduction for individually determined adjustments as a consequence of, for example, the size difference between the company being valued and the sample of comparable companies. In those cases when other measurement methods better reflect the fair value of a holding, this value is used. Method of how the credit risk is calculated is presented in note 3, Risks.

Unlisted holdings in funds are measured at Investor's share of the value that the fund manager reports for all unlisted holdings in the fund (Net Asset Value, NAV) and is normally updated when a new valuation is received. If Investor's assessment is that the fund manager's valuation does not sufficiently take into account factors that affect the value of the underlying holdings, or if the valuation is considered to deviate considerably from IFRS principles, the value is adjusted.

When estimating the fair value market conditions, liquidity, financial condition, purchase multiples paid in other comparable third-party transactions, the price of securities of other companies comparable to the portfolio company, and operating results and other financial data of the portfolio company are taken in considerations as applicable. Representatives from Investor's management participate actively in the valuation process within Investor Growth Capital (IGC) and evaluate the estimated fair values for holdings in IGC and the EQT funds in relation to their knowledge of the development of the portfolio companies and the market. Listed holdings in funds are measured in the same way as listed holdings, as described above.

Derivatives

The valuation of currency interest rate swaps with long duration and limited liquidity is based on discounted cash flows according to the terms and conditions of the agreement and based on an estimated market rate for similar instruments with diverse durations.

Options

The value of unlisted options is calculated in accordance with the Black & Scholes valuation model.

Fair value of assets and liabilities not measured at fair value in the Balance Sheet

Interest-bearing liabilities

The fair value would be classified in level 3 and is based on market prices and generally accepted methods, in which future cash flows have been discounted at the current interest rate, including Investor's current credit rating, for the remaining life.

Loans, trade receivables and trade payables

The carrying amounts of loans, trade receivables and trade payables are considered to reflect their fair value.

29 cont'd Financial instruments

The table below indicates which valuation technique and which important unobservable input that has been used in order to estimate the carrying amounts of financial instruments in level 3. The inputs in the table below are not indicative of all the unobservable inputs that may have been used for an individual investment.

Valuation techniques

| 12/31 2013 | Fair value | Valuation technique | Input | Range |
|--|------------|---|---|----------------------------------|
| Shares and participations | 19,973 | Last round of financing Comparable companies | n.a. EBITDA multiples Sales multiples | n.a. 0.8 – 13.8 0.4 – 18.4 |
| | | Comparable transactions NAV | Sales multiples n.a. | 1.2 – 10.8 n.a. |
| Long-term receivables | – | Present value computation | Market interest rate | n.a. |
| Long-term interest bearing liabilities | 345 | Present value computation | Market interest rate | n.a. |

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

A significant part of IGC's portfolio companies are valued based on comparable companies, and the value is dependent on the level of the multiples. A 10 percent change of the multiples would have an effect on the portfolio value of IGC of approximately SEK 600 m.

For the derivatives, a parallel shift of the interest rate curve upwards by one percentage point would affect the value positively by approximately SEK 800 m.

Financial assets and liabilities by valuation category

| 12/31 2013 | Financial assets and liabilities measured at fair value through profit/loss | | Derivatives used in hedge accounting | Loans and receivables | Financial assets available-for-sale | Other liabilities | Total carrying amount | Fair value |
|--|---|------------------|--------------------------------------|-----------------------|-------------------------------------|-------------------|-----------------------|----------------------|
| | Fair value option | Held for trading | | | | | | |
| <i>Financial assets</i> | | | | | | | | |
| Shares and participations recognized at fair value | 196,576 | | | | 5 | | 196,581 | 196,581 |
| Other financial investments | 1,761 | | | | | | 1,761 | 1,761 |
| Long-term receivables | | | 174 | 3,011 | | | 3,185 | 3,185 |
| Accrued interest income | | | | 417 | | | 417 | 417 |
| Trade receivables | | | | 2,400 | | | 2,400 | 2,400 |
| Other receivables | | 74 | 17 | 206 | | | 297 | 297 |
| Shares and participations in trading operation | | 149 | | | | | 149 | 149 |
| Short-term investments | 1,933 | | | | | | 1,933 | 1,933 |
| Cash and cash equivalents | 9,783 | | | | | | 9,783 | 9,783 |
| Total | 210,053 | 223 | 191 | 6,034 | 5 | – | 216,506 | 216,506 |
| <i>Financial liabilities</i> | | | | | | | | |
| Long-term interest-bearing liabilities | | 597 | 747 | | | 40,868 | 42,212 | 43,958 ¹⁾ |
| Current interest-bearing liabilities | | | | | | 52 | 52 | 52 |
| Trade payables | | | | | | 1,255 | 1,255 | 1,255 |
| Accrued interest expenses | | | | | | 768 | 768 | 768 |
| Other liabilities | | 39 | 101 | | | 740 | 880 | 880 |
| Total | – | 636 | 848 | – | – | 43,683 | 45,167 | 46,913 |

1) The Groups loans are valued at amortized cost. Fair value on loans are presented, for other assets and liabilities there are no differences between carrying amount and fair value.

29 cont'd Financial instruments

Financial assets and liabilities by valuation category

| 12/31 2012 | Financial assets and liabilities measured at fair value through profit/loss | | Derivatives used in hedge accounting | Loans and receivables | Financial assets available-for-sale | Other liabilities | Total carrying amount | Fair value |
|--|---|------------------|--------------------------------------|-----------------------|-------------------------------------|-------------------|-----------------------|----------------------|
| | Fair value option | Held for trading | | | | | | |
| <i>Financial assets</i> | | | | | | | | |
| Shares and participations recognized at fair value | 162,239 | | | | 5 | | 162,244 | 162,244 |
| Other financial investments | 1,072 | | | | | | 1,072 | 1,072 |
| Long-term receivables | | | 947 | 5,334 | | | 6,281 | 6,281 |
| Accrued interest income | | | | 463 | | | 463 | 463 |
| Trade receivables | | | | 1,942 | | | 1,942 | 1,942 |
| Other receivables | | 29 | 47 | 208 | | | 284 | 284 |
| Shares and participations in trading operation | | 113 | | | | | 113 | 113 |
| Short-term investments | 2,672 | | | | | | 2,672 | 2,672 |
| Cash and cash equivalents | 7,696 | | | | | | 7,696 | 7,696 |
| Total | 173,679 | 142 | 994 | 7,947 | 5 | – | 182,767 | 182,767 |
| <i>Financial liabilities</i> | | | | | | | | |
| Long-term interest-bearing liabilities | | 561 | 672 | | | 44,045 | 45,278 | 46,954 ¹⁾ |
| Current interest-bearing liabilities | | | 830 | | | 380 | 1,210 | 1,210 |
| Trade payables | | | | | | 1,178 | 1,178 | 1,178 |
| Accrued interest expenses | | | | | | 875 | 875 | 875 |
| Other liabilities | | 54 | 11 | | | 594 | 659 | 659 |
| Total | – | 615 | 1,513 | – | – | 47,072 | 49,200 | 50,876 |

1) The Groups loans are valued at amortized cost. Fair value on loans are presented, for other assets and liabilities there are no differences between carrying amount and fair value.

Result from financial assets and liabilities by valuation category

| 2013 | Financial assets and liabilities measured at fair value through profit/loss | | Derivatives used in hedge accounting | Loans and receivables | Other liabilities | Total |
|--------------------------------------|---|------------------|--------------------------------------|-----------------------|-------------------|---------------|
| | Fair value option | Held for trading | | | | |
| <i>Operating profit/loss</i> | | | | | | |
| Dividends | 6,049 | 3 | | | | 6,052 |
| Other operating income | 362 | | | | | 362 |
| Changes in value, including currency | 37,019 | 12 | | | | 37,031 |
| Cost of sales, distribution expenses | | 42 | | –59 | | –17 |
| <i>Net financial items</i> | | | | | | |
| Interest | 138 | –149 | –35 | | –1,975 | –2,021 |
| Changes in value | –32 | 198 | –1,193 | | 548 | –479 |
| Exchange rate differences | | –182 | –8 | 439 | –197 | 52 |
| Total | 43,536 | –76 | –1,236 | 380 | –1,624 | 40,980 |

| 2012 | Financial assets and liabilities measured at fair value through profit/loss | | Derivatives used in hedge accounting | Loans and receivables | Other liabilities | Total |
|--------------------------------------|---|------------------|--------------------------------------|-----------------------|-------------------|---------------|
| | Fair value option | Held for trading | | | | |
| <i>Operating profit/loss</i> | | | | | | |
| Dividends | 5,173 | 4 | | | | 5,177 |
| Other operating income | 509 | | | | | 509 |
| Changes in value, including currency | 19,530 | 9 | | –1 | | 19,538 |
| Cost of sales, distribution expenses | | 54 | | –83 | | –29 |
| <i>Net financial items</i> | | | | | | |
| Interest | 182 | –90 | –242 | | –1,985 | –2,135 |
| Changes in value | –35 | –124 | 584 | | –494 | –69 |
| Exchange rate differences | | –185 | –737 | –348 | 1,004 | –266 |
| Total | 25,359 | –332 | –395 | –432 | –1,475 | 22,725 |

29 cont'd Financial instruments

Assets and liabilities measured at fair value

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

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

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

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

Financial assets and liabilities by level

| 12/31 2013 | Level 1 | Level 2 | Level 3 | Other ¹⁾ | Total |
|--|----------------|--------------|---------------|---------------------|----------------|
| <i>Financial assets</i> | | | | | |
| Shares and participations recognized at fair value | 175,027 | 1,578 | 19,973 | 3 | 196,581 |
| Other financial instruments | 1,761 | | | | 1,761 |
| Long-term receivables | | 174 | | 3,011 | 3,185 |
| Other receivables | | 91 | | 206 | 297 |
| Shares and participations in trading operation | 149 | | | | 149 |
| Short-term investments | 1,933 | | | | 1,933 |
| Cash and cash equivalents | 9,783 | | | | 9,783 |
| Total | 188,653 | 1,842 | 19,973 | 3,221 | 213,689 |
| <i>Financial liabilities</i> | | | | | |
| Long-term interest-bearing liabilities | | 999 | 345 | 40,868 | 42,212 |
| Other liabilities | 39 | 101 | | 2,815 | 2,955 |
| Total | 39 | 1,100 | 345 | 43,683 | 45,167 |
| <i>12/31 2012</i> | | | | | |
| <i>Financial assets</i> | | | | | |
| Shares and participations recognized at fair value | 142,399 | 1,522 | 18,323 | | 162,244 |
| Other financial instruments | 1,072 | | | | 1,072 |
| Long-term receivables | | 575 | 372 | 5,334 | 6,281 |
| Other receivables | | 76 | | 208 | 284 |
| Shares and participations in trading operation | 113 | | | | 113 |
| Short-term investments | 2,672 | | | | 2,672 |
| Cash and cash equivalents | 6,213 | 1,483 | | | 7,696 |
| Total | 152,469 | 3,656 | 18,695 | 5,542 | 180,362 |
| <i>Financial liabilities</i> | | | | | |
| Long-term interest-bearing liabilities | | 1,140 | 93 | 44,045 | 45,278 |
| Short-term interest-bearing liabilities | | 830 | | 380 | 1,210 |
| Other liabilities | 23 | 42 | | 2,647 | 2,712 |
| Total | 23 | 2,012 | 93 | 47,072 | 49,200 |

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

The table below shows a reconciliation between opening and closing balance for the financial instruments recognized at fair value in the Balance Sheet derived from a valuation technique of unobservable input (level 3). No transfers have been made between level 1 and 2.

Changes of financial assets and liabilities in level 3

| 12/31 2013 | Shares and participations recognized at fair value | Long-term receivables | Total financial assets | Long-term interest-bearing liabilities | Total financial liabilities |
|---|--|-----------------------|------------------------|--|-----------------------------|
| Opening balance | 18,323 | 372 | 18,695 | 93 | 93 |
| Total gains or losses | | | | | |
| in profit/loss | 3,717 | -372 | 3,345 | 252 | 252 |
| in other comprehensive income | 32 | | 32 | | |
| Acquisitions | 2,112 | | 2,112 | | |
| Divestments | -4,158 | | -4,158 | | |
| Transfers from level 3 | -53 | | -53 | | |
| Carrying amount at year-end | 19,973 | - | 19,973 | 345 | 345 |
| <i>Total gains or losses for the period included in profit/loss for assets and liabilities held at the end of the period (unrealized results)</i> | | | | | |
| Changes in value | 3,008 | -372 | 2,636 | 252 | 252 |
| Total | 3,008 | -372 | 2,636 | 252 | 252 |

29 cont'd Financial instruments

Changes of financial assets and liabilities in level 3

| 12/31 2012 | Shares and participations recognized at fair value | Long-term receivables | Total financial assets | Long-term interest- bearing liabilities | Total financial liabilities |
|---|---|--------------------------|---------------------------|--|--------------------------------|
| Opening balance | 21,387 | 361 | 21,748 | 46 | 46 |
| Total gains or losses in profit/loss | 442 | -259 | 183 | 47 | 47 |
| in other comprehensive income | -416 | 270 | -146 | | |
| Acquisitions | 2,224 | | 2,224 | | |
| Divestments | -4,626 | | -4,626 | | |
| Transfers from level 3 | -688 | | -688 | | |
| Carrying amount at year-end | 18,323 | 372 | 18,695 | 93 | 93 |
| <i>Total gains or losses for the period included in profit/loss for assets and liabilities held at the end of the period (unrealized results)</i> | | | | | |
| Changes in value | 1,074 | 11 | 1,085 | 47 | 47 |
| Total | 1,074 | 11 | 1,085 | 47 | 47 |

Net amounts of financial assets and liabilities

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

| Financial assets | 12/31 2013 | | | 12/31 2012 | | |
|---------------------------|--|--|------------------------------------|--|--|------------------------------------|
| | Gross and net amounts of financial assets | Not set off in the Balance Sheet Financial instruments | Net amounts of financial assets | Gross and net amounts of financial assets | Not set off in the Balance Sheet Financial instruments | Net amounts of financial assets |
| SEK m. | | | | | | |
| Shares ¹⁾ | 191 | -39 | 152 | 260 | -22 | 238 |
| Derivatives ²⁾ | 174 | -174 | - | 947 | -947 | - |
| Derivatives ³⁾ | 79 | -78 | 1 | 67 | -45 | 22 |
| Total | 444 | -291 | 153 | 1,274 | -1,014 | 260 |

1) Included in the Balance sheet under Shares and participations recognized at fair value, SEK 196,581 m. (162,244).

2) Included in the Balance sheet under Long-term receivables, SEK 3,185 m. (6,281).

3) Included in the Balance sheet under Other receivables, SEK 297 m. (284).

| Financial liabilities | 12/31 2013 | | | 12/31 2012 | | |
|----------------------------------|---|--|---|---|--|---|
| | Gross and net amounts of financial liabilities | Not set off in the Balance Sheet Financial instruments | Net amounts of financial liabilities | Gross and net amounts of financial liabilities | Not set off in the Balance Sheet Financial instruments | Net amounts of financial liabilities |
| SEK m. | | | | | | |
| Derivatives ¹⁾ | 1,342 | -190 | 1,152 | 1,162 | -947 | 215 |
| Derivatives ²⁾ | 76 | -62 | 14 | 901 | -45 | 856 |
| Securities lending ³⁾ | 39 | -39 | - | 22 | -22 | - |
| Total | 1,457 | -291 | 1,166 | 2,085 | -1,014 | 1,071 |

1) Included in the Balance sheet under Long-term interest bearing liabilities, SEK 42,212 m. (45,278).

2) Included in the Balance sheet under Current interest bearing liabilities, SEK 52 m. (1,210).

3) Included in the Balance sheet under Other liabilities, SEK 741 m. (608).

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

30 Pledged assets and contingent liabilities

Accounting policies

A contingent liability exists when there is a possible obligation depending on whether some uncertain future event occurs, or, when there is a present obligation, but payment is not probable or the amount cannot be measured reliably. A provision must be recognized if and only if a present obligation (legal or constructive) has arisen as a result of a past event (the obligating event), the payment is probable (more likely than not), and the amount can be estimated reliably.

| | 12/31 2013 | 12/31 2012 |
|---|--------------|---------------|
| Pledged assets | | |
| <i>In the form of pledged securities for liabilities and provisions</i> | | |
| Real estate mortgages | 310 | 140 |
| Shares etc | 4,257 | 15,450 |
| <i>Other pledged and equivalent collateral</i> | | |
| Real estate mortgages | 211 | 149 |
| Total pledged assets | 4,778 | 15,739 |
| Contingent liabilities | | |
| Guarantee commitments to FPG/PRI | 1 | 1 |
| Guarantees on behalf of associates | 4,001 | 4,200 |
| Other contingent liabilities | 192 | 143 |
| Total contingent liabilities | 4,194 | 4,344 |

The credit facilities within the operating subsidiaries are subject to financial covenants.

In addition, the Group's share of contingent liabilities related to the associated companies amounts to SEK 313 m. (–).

31 Related party transactions

The following additional information about related parties is being provided in addition to what has been reported in other notes to the financial statements.

Relations with related parties with significant influence

The Wallenberg foundations have significant influence over Investor (in accordance with the definition in IAS 24 Related Party Disclosures). The largest of these foundations are the Knut and Alice Wallenberg Foundation, the Marianne and Marcus Wallenberg Foundation and the Marcus and Amalia Wallenberg Memorial Fund.

Investor's support functions provide a limited scope of services for Foundation Asset Management Sweden AB and Foundation Administration Management Sweden AB, which are owned by the Wallenberg foundations. Transactions with these companies are priced according to market terms.

Companies with common board members

In addition to the above-noted relations with related parties, there are a number of companies in which Investor and the company have common board members. Information has not been provided in this note because these situations are either not considered to involve influence of the type described in IAS 24, or the transactions refer to non material amounts.

Related party transactions

Transactions with related parties are priced according to market terms. For information about the Parent Company see note P18, Related party transaction.

With key persons

See note 9, Employees and payroll costs for information about salaries and other compensation, costs and commitments regarding pensions and similar benefits, and severance payment agreements for the board, President and other senior executives.

31 cont'd Related party transactions

Investment programs

Carried interest plans

Within Financial Investments, selected senior staff and other senior executives have had the opportunity for a number of years to make parallel investments to some extent with Investor. The plans are designed in accordance with market practice in the venture capital market and are evaluated periodically against similar programs in Europe, the U.S. and Asia. Carried interest plans provide an economic incentive for managers and encourage personal commitment to analysis and investment work since the result is directly connected to the financial performance of the business.

Carried interest plans are linked to realized growth in the value of holdings, after deduction for costs, seen as a portfolio. This means that when an investment is realized with a profit, each parallel investor receives his or her share of the profit, after provisions for any unrealized declines in value or write-downs of other investments.

The plans allow a maximum share of 16 percent that can be given to parallel investors, which is in line with practice in the venture capital market.

Due to the restructuring of Investor Growth Capital (IGC) during 2011, a handful of employees have exchanged their participation in IGC's main program for parallel investments/profit-sharing for participation in a profit sharing program that is better adapted to reflect the decision to restructure IGC. This program is linked to the realized proceeds of holdings in excess of a pre-defined threshold that was established in relation to the holding's market value. The total maximum share that can be credited to program participants is 10 percent of the proceeds above the threshold.

Management Participation Programs

Board members and senior executives in unlisted investments, including Mölnlycke Health Care (Mölnlycke) and Permobil, are offered the opportunity to invest in the companies through management participation programs. The terms of the programs are based on market valuations and are designed to yield lower return to the participants than that of the owners if the investment plan is not reached but higher return to the participants than that of the owners if the plan is exceeded. In connection with the position as Chairman of the Board of Mölnlycke in 2007, prior to election to the Board of Directors of Investor in 2009, Gunnar Brock acquired shares for an amount of approximately SEK 6.4 m. under the Mölnlycke's Management Participation Program.

No other members of the Board of Directors of Investor AB participate in these programs.

Related party transactions

| | Associates | | Other related party ¹⁾ | |
|-------------------------------|------------|-------|-----------------------------------|------|
| | 2013 | 2012 | 2013 | 2012 |
| Sales of products/services | 17 | 7 | 1 | 1 |
| Purchase of products/services | 31 | 12 | | |
| Financial income | 367 | 471 | | |
| Financial expenses | 541 | 182 | | |
| Dividend/redemption | 3,962 | 3,383 | | |
| Capital contribution | 120 | 182 | | |
| Receivables | 3,803 | 6,752 | | |
| Liabilities | 3,777 | 2,425 | | |

1) Wallenberg foundations

32 Subsequent events

No major events to report.

Parent Company Income Statement

| SEK m. | Note | 2013 | 2012 |
|--|--------|---------------|---------------|
| Dividends | | 5,271 | 4,738 |
| Changes in value | P8, P9 | 30,453 | 18,244 |
| Net sales | | 7 | 29 |
| Operating costs | P2 | -348 | -378 |
| Impairment subsidiaries | P7 | -1,140 | - |
| Operating profit/loss | | 34,243 | 22,633 |
| Profit/loss from financial items | | | |
| Results from other receivables that are non-current assets | P3 | 3,111 | 1,094 |
| Interest income and similar items | | -1 | 30 |
| Interest expenses and similar items | P4 | -2,399 | -700 |
| Profit/loss after financial items | | 34,954 | 23,057 |
| Tax | P1 | - | - |
| Profit/loss for the year | | 34,954 | 23,057 |

Parent Company Statement of Comprehensive Income

| SEK m. | 2013 | 2012 |
|--|---------------|---------------|
| Profit/loss for the year | 34,954 | 23,057 |
| Other comprehensive income for the year, net taxes | | |
| <i>Items that will not be recycled to profit/loss for the year</i> | | |
| Remeasurements of defined benefit plans | 31 | -17 |
| <i>Items that have been or may be recycled to profit/loss for the year</i> | | |
| Change in fair value of cash flow hedges for the year | - | 183 |
| Total other comprehensive income for the year | 31 | 166 |
| Total comprehensive income for the year | 34,985 | 23,223 |

Parent Company Balance Sheet

| SEK m. | Note | 12/31 2013 | 12/31 2012 |
|--|------|----------------|----------------|
| ASSETS | | | |
| Non-current assets | | | |
| Intangible assets | P5 | 7 | 11 |
| Property, plant and equipment | P6 | 19 | 19 |
| Financial assets | | | |
| Participations in Group companies | P7 | 51,449 | 44,399 |
| Participations in associates | P8 | 114,725 | 94,733 |
| Other long-term holdings of securities | P9 | 51,491 | 40,178 |
| Receivables from Group companies | P10 | 34,321 | 29,066 |
| Total non-current assets | | 252,012 | 208,406 |
| Current assets | | | |
| Trade receivables | | 2 | 1 |
| Receivables from Group companies | | 711 | 1,107 |
| Receivables from associates | | 1 | 0 |
| Tax assets | | 13 | 13 |
| Other receivables | | 16 | 17 |
| Prepaid expenses and accrued income | P11 | 67 | 69 |
| Cash and cash equivalents | | 0 | 0 |
| Total current assets | | 810 | 1,207 |
| TOTAL ASSETS | | 252,822 | 209,613 |

Parent Company Balance Sheet

| SEK m. | Note | 12/31 2013 | 12/31 2012 |
|--|------|----------------|----------------|
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Restricted equity | | | |
| Share capital | | 4,795 | 4,795 |
| Statutory reserve | | 13,935 | 13,935 |
| | | 18,730 | 18,730 |
| Unrestricted equity | | | |
| Fair value fund, hedging reserve | | – | – |
| Accumulated profit/loss | | 137,260 | 119,562 |
| Profit/loss for the year | | 34,954 | 23,057 |
| | | 172,214 | 142,619 |
| Total equity | | 190,944 | 161,349 |
| Provisions | | | |
| Provisions for pensions and similar obligations | P12 | 147 | 194 |
| Other provisions | P13 | 101 | 97 |
| Total provisions | | 248 | 291 |
| Non-current liabilities | | | |
| Interest-bearing liabilities | P14 | 27,541 | 27,684 |
| Liabilities to Group companies | | 796 | 879 |
| Total non-current liabilities | | 28,337 | 28,563 |
| Current liabilities | | | |
| Interest-bearing liabilities | P14 | – | – |
| Trade payables | | 14 | 9 |
| Liabilities to Group companies | | 32,597 | 18,662 |
| Liabilities to associates | | 2 | 0 |
| Tax liabilities | | 1 | – |
| Other liabilities | | 15 | 21 |
| Accrued expenses and deferred income | P15 | 664 | 718 |
| Total current liabilities | | 33,293 | 19,410 |
| TOTAL EQUITY AND LIABILITIES | | 252,822 | 209,613 |
| PLEGDED ASSETS AND CONTINGENT LIABILITIES | | | |
| Pledged assets | P17 | 61 | 95 |
| Contingent liabilities | P17 | 10,001 | 10,200 |

Parent Company Statement of Changes in Equity

| SEK m. | Restricted equity | | Unrestricted equity | | | Total equity |
|---|-------------------|-------------------|----------------------------------|-------------------------|--------------------------|---------------|
| | Share capital | Statutory reserve | Fair value fund, hedging reserve | Accumulated profit/loss | Profit/loss for the year | |
| Opening balance 1/1 2013 | 4,795 | 13,935 | – | 142,619 | | 161,349 |
| Profit/loss for the year | | | | | 34,954 | 34,954 |
| Other comprehensive income for the year | | | | 31 | | 31 |
| Total comprehensive income for the year | | | | 31 | 34,954 | 34,985 |
| Dividend | | | | –5,331 | | –5,331 |
| Stock options exercised by employees | | | | 103 | | 103 |
| Equity-settled share-based payment transactions | | | | 33 | | 33 |
| Sales of own shares | | | | –195 | | –195 |
| Closing balance 12/31 2013 | 4,795 | 13,935 | – | 137,260 | 34,954 | 190,944 |

| SEK m. | Restricted equity | | Unrestricted equity | | | Total equity |
|---|-------------------|-------------------|----------------------------------|-------------------------|--------------------------|---------------|
| | Share capital | Statutory reserve | Fair value fund, hedging reserve | Accumulated profit/loss | Profit/loss for the year | |
| Opening balance 1/1 2012 | 4,795 | 13,935 | –183 | 124,086 | | 142,633 |
| Profit/loss for the year | | | | | 23,057 | 23,057 |
| Other comprehensive income for the year | | | 183 | –17 | | 166 |
| Total comprehensive income for the year | | | 183 | –17 | 23,057 | 23,223 |
| Dividend | | | | –4,563 | | –4,563 |
| Stock options exercised by employees | | | | 25 | | 25 |
| Equity-settled share-based payment transactions | | | | 31 | | 31 |
| Closing balance 12/31 2012 | 4,795 | 13,935 | – | 119,562 | 23,057 | 161,349 |

Unrestricted equity

Fair value fund, hedging reserve

Investor applies the regulations of the Swedish Annual Accounts Act concerning the valuation of financial instruments at fair value in accordance with chapter 4, Section 14a-e. The hedging reserve includes the effective component of the accumulated net change of fair value of an instrument used for a cash flow hedge, relating to hedging transactions not yet accounted for in the Profit/loss. The change in value is recognized in other comprehensive income. Changes in the hedging reserve have no effect on the reported tax expense since the Parent Company is taxed in accordance with the regulations for industrial holding companies in Sweden.

Distribution of share capital

The Parent Company's share capital on December 31, 2013, as well as on December 31, 2012 consists of the following numbers of shares with a quota of SEK 6.25 per share.

| Share class | Number of shares | Number of votes | Share in % of | |
|--------------|--------------------|--------------------|---------------|--------------|
| | | | Capital | Votes |
| A 1 vote | 311,690,844 | 311,690,844 | 40.6 | 87.2 |
| B 1/10 vote | 455,484,186 | 45,548,418 | 59.4 | 12.8 |
| Total | 767,175,030 | 357,239,262 | 100.0 | 100.0 |

For information regarding repurchased own shares, see the Corporate Governance Report page 30.

Parent Company Statement of Cash Flow

| SEK m. | 2013 | 2012 |
|---|---------------|---------------|
| Operating activities | | |
| Dividends received | 5,270 | 4,738 |
| Cash payments to suppliers and employees | -263 | -319 |
| Cash flow from operating activities before net interest and income tax | 5,007 | 4,419 |
| Interest received | 2,609 | 1,807 |
| Interest paid | -2,294 | -1,683 |
| Income tax paid | 1 | 0 |
| Cash flow from operating activities | 5,323 | 4,543 |
| Investing activities¹⁾ | | |
| Share portfolio | | |
| Acquisitions | -846 | -649 |
| Divestments | - | 83 |
| Other items | | |
| Capital contributions to subsidiaries | -8,190 | -3,224 |
| Acquisitions of property, plant and equipment/intangible assets | -4 | -2 |
| Net cash used in investing activities | -9,040 | -3,792 |
| Financing activities | | |
| Borrowings | 2,759 | 3,277 |
| Repayment of borrowings | -3,390 | -2,078 |
| Change, intra-group balances | 9,874 | 2,613 |
| Repurchases of own shares | -195 | - |
| Dividends paid | -5,331 | -4,563 |
| Net cash used in financing activities | 3,717 | -751 |
| Cash flow for the year | 0 | 0 |
| Cash and cash equivalents at beginning of the year | 0 | 0 |
| Cash and cash equivalents at year-end | 0 | 0 |

1) Mandatory heading in statement of cash flow according to IFRS. Investing activities in this statement are not in accordance with Investor's definition.

The Parent Company does not report cash and cash equivalents since liquidity needs are covered by funds in the joint bank account for the Group. These funds are reported as balances with the Group's internal bank, AB Investor Group Finance.

Notes to the Parent Company's financial statements

P1 Accounting policies

The Annual Accounts Act and RFR 2 Accounting for Legal Entities has been applied for the Parent Company. The Parent Company applies the same accounting policies as the Group unless otherwise noted. Any differences between the accounting policies of the Parent Company and those of the Group are caused by limitations to the application of IFRS in the Parent Company because of the Swedish Annual Accounts Act. Significant accounting policies for the Parent Company that differs from the Group are presented in this note. Other significant accounting policies are presented in note 1, Significant accounting policies on page 49, and in connection to respective note to the consolidated financial statements.

Subsidiaries

Subsidiaries are companies in which Investor AB is able to exert a controlling influence. Controlling influence is the power to, either directly or indirectly, govern the financial and operating policies of an entity in order to obtain economic benefits from its activities.

In the Parent Company, participations in Group companies are recognized in accordance with the cost method and in legal entities, transaction costs attributable to business combinations will be included in the acquisition cost.

Contingent consideration is valued according to the likelihood that the consideration will be paid. Any changes to the provision/receivable result in an increase/decrease in the cost of acquisition. On each balance sheet date, the carrying amounts are reviewed to determine if there are any indications of impairment. Dividends from subsidiaries are included in the Parent Company's operating profit/loss.

Shareholders' contribution

Shareholders' contributions are recognized directly in equity by the receiver and are capitalized in participations by the giver to the extent that no impairment loss is required.

Associates

Participations in associates are recognized at cost or fair value in accordance with IAS 39. The method is dependent on how Investor controls and monitors the companies' operations. For further information see note 12, Shares and participations in associates. On each balance sheet date, the carrying amounts are reviewed to determine if there are any indications of impairment.

Borrowing costs

In the Parent Company, borrowing costs are charged to profit/loss during the period they pertain to. Borrowing costs are not capitalized.

Financial guarantees

The Parent Company's financial guarantee contracts consist primarily of guarantees on behalf of subsidiaries and associates.

The Parent Company applies RFR 2 IAS 39 item 2, to account for financial guarantee contracts issued on behalf of subsidiaries and associates, which is somewhat more lenient than the rules in IAS 39, due to the relationship between accounting and taxation. The Parent Company recognizes financial guarantee contracts as a provision in the Balance Sheet when the company has a commitment for which payment will most likely be required.

Tax regulation

The regulations for industrial holding companies imply that capital gains on shares are not taxable and corresponding capital losses are non-deductible. Dividends received and interest income are both taxable items, while administrative costs, interest expenses and dividend paid are all deductible. Moreover, the Parent Company declares a standard income of 1.5 percent on the market value of listed shares when the voting rights at the beginning of the year are less than 10 percent, or when they exceed 10 percent but, at the beginning of the year, had been owned for less than one year. As a consequence of these tax regulations, the Parent Company typically does not pay income tax. For the same reason, the Parent Company does not report deferred tax attributable to temporary differences. The regulations for industrial holding companies also imply that the Parent Company may neither give nor receive Group contributions.

P2 Operating costs

Depreciation

Operating costs include depreciation of SEK 8 m. (10) of which SEK 4 m. relates to machinery and equipment (5) and SEK 4 m. to other intangible assets (5).

Personnel

Expensed wages, salaries and other remunerations amounted to SEK 282 m. (255), of which social costs SEK 91 m. (77) and pension costs to SEK 36 m. (26).

The number of employees at year-end was 84 (91). For more information see note 9, Employees and personnel costs on page 59.

Auditor's fees and expenses

| | 2013 | 2012 |
|--------------------------|-----------------|-------------|
| <i>Auditor in charge</i> | <i>Deloitte</i> | <i>KPMG</i> |
| Auditing assignment | 1 | 4 |
| Other audit activities | – | 1 |
| Total | 1 | 5 |

Operating leases

| | 2013 | 2012 |
|--|-----------|-----------|
| Non-cancellable future lease payments | | |
| Less than 1 year from balance sheet date | 15 | 20 |
| 1-5 years from balance sheet date | – | 1 |
| Total | 15 | 21 |

Costs for the year

| | | |
|------------------------|------------|------------|
| Minimum lease payments | –15 | –20 |
| Total | –15 | –20 |

P3 Results from other receivables that are non-current assets

| | 2013 | 2012 |
|--------------------------------------|--------------|--------------|
| Interest income from Group companies | 2,359 | 2,050 |
| Changes in value | 196 | 710 |
| Other interest income | 39 | 37 |
| Exchange rate differences | 517 | –1,703 |
| IS Total | 3,111 | 1,094 |

P4 Interest expenses and similar items

| | 2013 | 2012 |
|---|---------------|-------------|
| Interest expenses to Group companies | –558 | –466 |
| Changes in value | –235 | –446 |
| Changes in value attributable to long-term share-based remuneration | –48 | –30 |
| Net financial items, internal bank ¹⁾ | –167 | –184 |
| Interest expenses, other borrowings | –1,243 | –1,247 |
| Exchange rate differences | –120 | 1,699 |
| Other | –28 | –26 |
| IS Total | –2,399 | –700 |

1) Settlement of net financial items between the Parent Company and the Group's internal bank company, AB Investor Group Finance.

P5 Intangible assets

| Software | 12/31 2013 | 12/31 2012 |
|--|------------|------------|
| <i>Accumulated costs</i> | | |
| Opening balance | 27 | 27 |
| At year-end | 27 | 27 |
| <i>Accumulated amortization and impairment losses</i> | | |
| Opening balance | -16 | -11 |
| Amortizations | -4 | -5 |
| At year-end | -20 | -16 |
| BS Carrying amount at year-end | 7 | 11 |
| <i>Allocation of amortizations in Income Statement</i> | | |
| Operating costs | -4 | -5 |
| Total | -4 | -5 |

P6 Property, plant and equipment

| Furniture, fixtures and fittings | 12/31 2013 | 12/31 2012 |
|--|------------|------------|
| <i>Accumulated costs</i> | | |
| Opening balance | 42 | 50 |
| Other acquisitions | 4 | 2 |
| Sales and disposals | - | -10 |
| At year-end | 46 | 42 |
| <i>Accumulated depreciation and impairment</i> | | |
| Opening balance | -23 | -28 |
| Sales and disposals | - | 10 |
| Depreciation for the year | -4 | -5 |
| At year-end | -27 | -23 |
| BS Carrying amount at year-end | 19 | 19 |

P7 Participations in Group companies

Specification of the Parent Company's direct holdings of participations in Group companies

| Subsidiary, Registered office, Registration number | Number of participations | Ownership interest in % ¹⁾ | | Carrying amount | |
|---|--------------------------|---------------------------------------|------------|-----------------|---------------|
| | | 12/31 2013 | 12/31 2012 | 12/31 2013 | 12/31 2012 |
| Investor Holding AB, Stockholm, 556554-1538 | 1,000 | 100.0 | 100.0 | 21,533 | 21,533 |
| Invifed 2 AB, Stockholm, 556752-6057 | 100,000 | 100.0 | 100.0 | 9,484 | 8,773 |
| Rotca AB, Stockholm, 556693-6661 | 1,000 | 100.0 | 100.0 | 4,865 | 4,826 |
| Indap Invest AB, Stockholm, 556690-7084 | 1,000 | 100.0 | 100.0 | 4,621 | 4,621 |
| Invaw Holding AB, Stockholm, 556904-1212 | 50,000 | 100.0 | 100.0 | 3,944 | 0 |
| Indif AB, Stockholm, 556733-9915 | 11,000 | 100.0 | 100.0 | 3,412 | 1,056 |
| Patricia Holding AB, Stockholm, 556619-6753 | 1,000 | 100.0 | 100.0 | 2,669 | 2,669 |
| AB Vectura, Stockholm, 556012-1575 | 50,000 | 100.0 | 100.0 | 393 | 393 |
| Vectura Fastigheter AB, Stockholm, 556903-0587 | 50,000 | 100.0 | 100.0 | 262 | 262 |
| The Grand Group AB, Stockholm, 556302-9650 | 10,000 | 100.0 | 100.0 | 204 | 204 |
| AB Investor Group Finance, Stockholm, 556371-9987 ²⁾ | 100,000 | 100.0 | 100.0 | 54 | 54 |
| AB Cator, Stockholm, 556619-6811 | 1,000 | 100.0 | 100.0 | 6 | 6 |
| Duba AB, Stockholm, 556593-5508 | 1,000 | 100.0 | 100.0 | 2 | 2 |
| BS Carrying amount | | | | 51,449 | 44,399 |

- 1) Refers to share of equity, which also corresponds to the share of voting power.
2) The Group's internal bank.

| Changes in participations in Group companies | 12/31 2013 | 12/31 2012 |
|--|---------------|---------------|
| <i>Accumulated costs</i> | | |
| Opening balance | 44,399 | 41,174 |
| Acquisitions and capital contributions | 8,190 | 3,597 |
| Divestments and repaid capital contributions | - | -372 |
| At year-end | 52,589 | 44,399 |
| <i>Accumulated impairment losses</i> | | |
| Opening balance | - | - |
| Impairment losses | -1,140 | - |
| At year-end | -1,140 | - |
| BS Carrying amount at year-end | 51,449 | 44,399 |

Impairment losses in participations in Group companies was due to the fact that the value of shares and participations held by these companies developed negatively during 2013.

Other material indirect holdings in subsidiaries

| Subsidiary, Registered office | Ownership interest in % ¹⁾ | |
|---|---------------------------------------|------------|
| | 12/31 2013 | 12/31 2012 |
| Investor Growth Capital AB, Stockholm ²⁾ | 100.0 | 100.0 |
| Investor Investment Northern Europe Ltd, Guernsey ³⁾ | 100.0 | 100.0 |
| Mölnlycke AB, Gothenburg | 94.1 | 94.3 |
| Aleris Group AB, Stockholm | 100.0 | 93.6 |
| Permobil Holding AB, Timrå | 95.0 | - |

- 1) Refers to share of equity.
2) Holding company of Investor Growth Capital.
3) The business of the company is share portfolio management.

P8 Participations in associates

Specification of carrying amount for participations in associates valued at cost method

| | 12/31 2013 | 12/31 2012 |
|--|---------------|---------------|
| <i>Accumulated costs</i> | | |
| Opening balance | 6,062 | 5,880 |
| Acquisitions and capital contributions | 120 | 182 |
| At year-end | 6,182 | 6,062 |
| <i>Accumulated impairment losses</i> | | |
| Opening balance | -4,580 | -4,580 |
| At year-end | -4,580 | -4,580 |
| Carrying amount at year-end | 1,602 | 1,482 |

Specification of carrying amount for participations in associates valued at fair value

| | 12/31 2013 | 12/31 2012 |
|--|----------------|---------------|
| Opening balance | 93,251 | 75,311 |
| Acquisitions | 59 | 34 |
| Revaluations disclosed in Income Statement | 19,813 | 17,906 |
| Carrying amount at year-end | 113,123 | 93,251 |

Specification of participations in associates 12/31 2013

| Company, Registered office, Registration number | Number of shares | Share of voting power % | Proportion of equity % | Investor's share of | | | |
|--|------------------|-------------------------|------------------------|----------------------|--|-------------------------------|----------------|
| | | | | Equity ¹⁾ | Profit/loss for the year ²⁾ | Carrying amount ³⁾ | Fair value |
| Financial Investments: | | | | | | | |
| Hi3G Holdings AB, Stockholm, 556619-6647 ⁴⁾ | 40,000 | 40 | 40 | 1,890 | 385 | 1,432 | 1,432 |
| Hi3G Enterprise AB, Stockholm, 556782-9329 ⁴⁾ | 40,000 | 40 | 40 | 27 | -132 | 170 | 170 |
| Total participations in associates valued at cost | | | | | | 1,602 | 1,602 |
| Core Investments: | | | | | | | |
| SEB, Stockholm, 552032-9081 | 456,089,264 | 21 | 21 | 25,528 | 3,072 | 38,618 | 38,618 |
| Atlas Copco, Stockholm, 556014-2720 | 206,895,611 | 22 | 17 | 6,696 | 2,033 | 36,687 | 36,687 |
| Ericsson, Stockholm, 556016-0680 | 175,047,348 | 21 | 5 | 7,500 | 645 | 13,229 | 13,229 |
| Electrolux, Stockholm, 556009-4178 | 47,866,133 | 30 | 15 | 2,217 | 104 | 8,061 | 8,061 |
| Swedish Orphan Biovitrum AB, Stockholm, 556038-9321 | 107,594,165 | 40 | 40 | 1,898 | -37 | 7,128 | 7,128 |
| Saab, Linköping, 556036-0793 | 32,778,098 | 40 | 30 | 3,672 | 223 | 5,651 | 5,651 |
| Husqvarna, Jönköping, 556000-5331 | 97,052,157 | 30 | 17 | 1,918 | 154 | 3,749 | 3,749 |
| Total participations in associates valued at fair value | | | | | | 113,123 | 113,123 |
| BS Total participations in associates | | | | | | 114,725 | 114,725 |

Specification of participations in associates 12/31 2012

| Company, Registered office, Registration number | Number of shares | Share of voting power % | Proportion of equity % | Investor's share of | | | |
|--|------------------|-------------------------|------------------------|----------------------|--|-------------------------------|---------------|
| | | | | Equity ¹⁾ | Profit/loss for the year ²⁾ | Carrying amount ³⁾ | Fair value |
| Financial Investments: | | | | | | | |
| Hi3G Holdings AB, Stockholm, 556619-6647 ⁴⁾ | 40 000 | 40 | 40 | 1,437 | 296 | 1,351 | 1,351 |
| Hi3G Enterprise AB, Stockholm, 556782-9329 ⁴⁾ | 40 000 | 40 | 40 | 39 | -170 | 131 | 131 |
| Total participations in associates valued at cost | | | | | | 1,482 | 1,482 |
| Core Investments: | | | | | | | |
| Atlas Copco, Stockholm, 556014-2720 | 206,895,611 | 22 | 17 | 5,752 ⁵⁾ | 2,344 ⁵⁾ | 36,645 | 36,645 |
| SEB, Stockholm, 552032-9081 | 456,089,264 | 21 | 21 | 22,763 | 2,422 | 25,194 | 25,194 |
| Ericsson, Stockholm, 556016-0680 | 174,303,252 | 21 | 5 | 7,304 | 313 | 11,120 | 11,120 |
| Electrolux, Stockholm, 556009-4178 | 47,866,133 | 30 | 15 | 2,437 ⁵⁾ | 366 ⁵⁾ | 8,156 | 8,156 |
| Saab, Linköping, 556036-0793 | 32,778,098 | 40 | 30 | 3,387 ⁵⁾ | 468 ⁵⁾ | 4,428 | 4,428 |
| Swedish Orphan Biovitrum AB, Stockholm, 556038-9321 | 107,594,165 | 41 | 40 | 1,931 | -40 | 3,906 | 3,906 |
| Husqvarna, Jönköping, 556000-5331 | 97,052,157 | 30 | 17 | 1,854 ⁵⁾ | 173 ⁵⁾ | 3,802 | 3,802 |
| Total participations in associates valued at fair value | | | | | | 93,251 | 93,251 |
| BS Total participations in associates | | | | | | 94,733 | 94,733 |

1) Equity refers to the ownership interest in the company's equity including the equity component in untaxed reserves after adjustments to Investor's accounting policies.

2) Profit/loss for the year refers to the share of the company's results after tax including the equity component in the change for the year in untaxed reserves after adjustments to Investor's accounting policies.

3) Carrying amount includes acquisition cost, additional investments and divestments for the period and value changes due to write-downs to correspond with the fair value of the investments valued at cost and fair value for participations in associates valued at fair value, respectively.

4) Reporting from Hi3G Holdings AB and Hi3G Enterprise AB is received with one month's delay.

5) The company's accounts for 2012 have been changed due to IAS 19 Employee Benefits. Investor's share has been updated accordingly.

P9 Other long-term holdings of securities

| | 12/31 2013 | 12/31 2012 |
|--|---------------|---------------|
| Opening balance | 40,178 | 39,492 |
| Acquisitions | 660 | 436 |
| Divestments | – | –79 |
| Revaluations disclosed in Income Statement | 10,653 | 329 |
| BS Carrying amount at year-end | 51,491 | 40,178 |

P10 Receivables from Group companies

| | 12/31 2013 | 12/31 2012 |
|---------------------------------------|---------------|---------------|
| Opening balance | 29,066 | 25,243 |
| New lending | 18,635 | 5,498 |
| Divestments/due/redeemed | –14,574 | –864 |
| Unrealized change in value | 1,194 | –811 |
| BS Carrying amount at year-end | 34,321 | 29,066 |

P11 Prepaid expenses and accrued income

| | 12/31 2013 | 12/31 2012 |
|-----------------------------|------------|------------|
| Interest | 34 | 60 |
| Other financial receivables | 20 | – |
| Other | 13 | 9 |
| BS Total | 67 | 69 |

P12 Provisions for pensions and similar obligations

For more information see note 25, Provision for pensions and similar obligations.

Amounts recognized in Profit/loss for the year and Other Comprehensive income for defined benefit plans

| Components of defined benefit cost (gain –) | 2013 | 2012 |
|---|-----------|----------|
| Current service cost | 5 | 6 |
| Past service cost and gains/losses from settlements | – | 2 |
| Additional pension obligations | – | –1 |
| Total operating cost | 5 | 7 |
| Net interest expense | 6 | 3 |
| Exchange rate differences | – | –2 |
| Other values | 1 | 1 |
| Total financial cost | 7 | 2 |
| Components recognized in profit or loss | 12 | 9 |

P12 cont'd Provisions for pensions and similar obligations

| | 2013 | 2012 |
|---|------------|-----------|
| Remeasurement on the net defined benefit liability (gain –) | | |
| Return on plan assets (excl. amounts in interest income) | 1 | – |
| Actuarial gains/losses, financial assumptions | –32 | 13 |
| Actuarial gains/losses, experience adjustments | – | 4 |
| Adjustment for restrictions, defined benefit asset | 0 | 0 |
| Components in Other comprehensive income | –31 | 17 |

Provision for defined benefit plans

| The amount included in the consolidated Balance Sheet arising from defined benefit plan | 12/31 2013 | 12/31 2012 |
|---|------------|------------|
| Present value of funded or partly funded obligations | 219 | 217 |
| Present value of unfunded obligations | 131 | 176 |
| Total present value of defined benefit obligations | 350 | 393 |
| Fair value of plan assets | –208 | –203 |
| NPV of obligations and fair value of plan assets | 142 | 190 |
| Restriction on asset recognized | 5 | 4 |
| BS Net liability arising from defined benefit obligations | 147 | 194 |

| Changes in the obligations for defined benefit plans during the year | 12/31 2013 | 12/31 2012 |
|--|------------|------------|
| Defined benefit plan obligations, opening balance | 393 | 381 |
| Current service cost | 5 | 6 |
| Interest cost | 13 | 12 |
| <i>Remeasurement of defined benefit obligations</i> | | |
| Actuarial gains/losses, financial assumptions | –41 | 11 |
| Actuarial gains/losses, experience adjustment | 9 | 3 |
| Contributions to the plan from the employer | – | 2 |
| Exchange difference on foreign plans | 1 | –3 |
| Benefit paid | –31 | –25 |
| Other | 1 | 6 |
| Obligations for defined benefit plans at year-end | 350 | 393 |

| Changes in fair value of plan assets | 12/31 2013 | 12/31 2012 |
|--|------------|------------|
| Fair value of plan assets, opening balance | 203 | 183 |
| Interest income | 7 | – |
| <i>Remeasurement of fair value plan assets</i> | | |
| Return on plan assets (excl. amounts in interest income) | –1 | 9 |
| Contributions from the employer | 7 | 10 |
| Assets distributed on settlements | – | 7 |
| Benefit paid | –8 | –6 |
| Fair value of plan assets at year-end | 208 | 203 |

| The fair value of the plan asset at the end of the reporting period for each category are as follows: | 12/31 2013 | 12/31 2012 |
|---|------------|------------|
| Equity investments | 43 | 14 |
| Debt investment | 153 | 172 |
| Properties | 12 | 17 |
| Total fair value plan assets | 208 | 203 |

| Changes in restriction asset ceiling in the current year | 12/31 2013 | 12/31 2012 |
|--|-----------------|------------|
| Restriction asset ceiling, opening balance | 4 | 4 |
| Changes asset ceiling, OCI | 1 ¹⁾ | 0 |
| Restriction asset ceiling at year-end | 5 | 4 |

1) The changes of asset ceiling in current year is netted out in Other Comprehensive income with the actuarial gain/losses from the present value on the obligation and the FV of the plan assets.

P12 cont'd Provisions for pensions and similar obligations

Estimated premiums to be paid for defined benefit plans during 2014 amounts to SEK 14 m. in the Parent company.

Assumptions

| Assumptions for defined benefit obligations | 12/31 2013 | 12/31 2012 |
|---|------------|------------|
| Discount rate | 4.0 | 3.4 |
| Future salary growth | 3.0 | 3.0 |
| Future pension growth | 2.0 | 2.0 |
| Mortality assumption used | DUS06 | DUS06 |

In the parent company Swedish mortgage backed bonds have been used as reference when determining the discount rate used for the calculation of the defined benefit obligation. The market for high quality Swedish mortgage backed bonds is considered to be deep and thereby fulfill the requirements of high quality corporate bonds according to IAS 19.

Sensitivity analysis

Valuation of provision for pensions and similar obligations are estimates of present and future values. There are always uncertainty involved. Alternative assumptions will give different present values.

The sensitivity analysis below shows for example the impact of discount rate changes, from the current rate of 4 percent.

| Discount rate | 1 percent increase | 1 percent decrease |
|--|--------------------|--------------------|
| Present value of defined benefit obligations | 288 | 403 |
| Current service cost | 4 | 6 |
| Interest expense | 12 | 14 |

Defined contribution plans

| Defined contribution plans | 2013 | 2012 |
|---|------|------|
| Expenses for defined contribution plans | 20 | 28 |

P13 Other provisions

| | 12/31 2013 | 12/31 2012 |
|---|------------|------------|
| <i>Provisions expected to be paid after more than 12 months</i> | | |
| Restructuring reserve | – | 6 |
| Provision for social security contributions for LTVR | 78 | 47 |
| Other | 12 | 3 |
| Total non-current other provisions | 90 | 56 |
| <i>Provisions expected to be paid within 12 months</i> | | |
| Restructuring reserve | 11 | 28 |
| Provision for social security contributions for LTVR | 0 | 3 |
| Other | – | 10 |
| Total current provisions | 11 | 41 |
| BS Total other provisions | 101 | 97 |

P13 cont'd Other provisions

Provision for social security contributions for long-term share-based remuneration (LTVR)

Investor operates LTVR programs which are offered to all employees. Provision is made for social security contributions connected to these programs. The provision will be used during the years 2014-2019.

Other

Provisions that have been considered immaterial to specify are included in other and intend to be settled with SEK 12 m. in 2015.

| | Restructuring reserve | Social security LTVR | Other | Total other provisions |
|------------------------------------|-----------------------|----------------------|-----------|------------------------|
| 12/31 2013 | | | | |
| Opening balance | 34 | 50 | 13 | 97 |
| Provisions for the year | – | 28 | 1 | 29 |
| Reversals for the year | –23 | – | –2 | –25 |
| Carrying amount at year-end | 11 | 78 | 12 | 101 |
| 12/31 2012 | | | | |
| Opening balance | 52 | 25 | 13 | 90 |
| Provisions for the year | – | 36 | 1 | 37 |
| Reversals for the year | –18 | –11 | –1 | –30 |
| Carrying amount at year-end | 34 | 50 | 13 | 97 |

P14 Interest-bearing liabilities

| | 12/31 2013 | 12/31 2012 |
|---|---------------|---------------|
| <i>Interest-bearing liabilities</i> | | |
| Long-term interest-bearing liabilities | 27,452 | 27,678 |
| Related interest rate derivatives with negative value | 89 | 6 |
| BS Total | 27,541 | 27,684 |

| | 12/31 2013 | 12/31 2012 |
|---|---------------|---------------|
| <i>Carrying amounts</i> | | |
| Maturity, 1–5 years from balance sheet date | 6,346 | 5,787 |
| Maturity, more than 5 years from balance sheet date | 21,195 | 21,891 |
| BS Total | 27,541 | 27,678 |

P15 Accrued expenses and deferred income

| | 12/31 2013 | 12/31 2012 |
|----------------------------|------------|------------|
| Interest | 554 | 611 |
| Personnel-related expenses | 95 | 90 |
| Other | 15 | 17 |
| BS Total | 664 | 718 |

P16 Financial instruments

Accounting policies

For accounting policies see note 29, Financial instruments, page 79.

Financial assets and liabilities by valuation category

| 12/31 2013 | Financial assets and liabilities measured at fair value through profit/loss | | Derivatives used in hedge accounting | Loans and receivables | Other assets and liabilities | Total carrying amount | Fair value |
|--|---|------------------|---|--------------------------|---------------------------------|--------------------------|----------------------|
| | Fair value option | Held for trading | | | | | |
| <i>Financial assets</i> | | | | | | | |
| Other long-term holdings of securities | 51,491 | | | | | 51,491 | 51,491 |
| Participations in associates | 113,123 | | | | 1,602 | 114,725 | 114,725 |
| Receivables from Group companies (non-current) | | | | 34,321 | | 34,321 | 34,321 |
| Accrued interest income | | | | 34 | | 34 | 34 |
| Trade receivables | | | | 2 | | 2 | 2 |
| Receivables from Group companies (current) | | | | 711 | | 711 | 711 |
| Receivables from associates | | | | 1 | | 1 | 1 |
| Other receivables | | | | 16 | | 16 | 16 |
| Total | 164,614 | - | - | 35,085 | 1,602 | 201,301 | 201,301 |
| <i>Financial liabilities</i> | | | | | | | |
| Loans (non-current) | | 89 | | | 27,452 | 27,541 | 30,736 ¹⁾ |
| Liabilities to Group companies (non-current) | | | 796 | | | 796 | 796 |
| Loans (current) | | | | | | | |
| Trade payables | | | | | 14 | 14 | 14 |
| Liabilities to Group companies (current) | | | | | 32,597 | 32,597 | 32,597 |
| Liabilities to associates (current) | | | | | 2 | 2 | 2 |
| Accrued interest expenses | | | | | 554 | 554 | 554 |
| Other liabilities | | | | | 15 | 15 | 15 |
| Total | - | 89 | 796 | - | 60,634 | 61,519 | 64,714 |

| 12/31 2012 | Financial assets and liabilities measured at fair value through profit/loss | | Derivatives used in hedge accounting | Loans and receivables | Other assets and liabilities | Total carrying amount | Fair value |
|--|---|------------------|---|--------------------------|---------------------------------|--------------------------|----------------------|
| | Fair value option | Held for trading | | | | | |
| <i>Financial assets</i> | | | | | | | |
| Other long-term holdings of securities | 40,178 | | | | | 40,178 | 40,178 |
| Participations in associates | 93,251 | | | | 1,482 | 94,733 | 94,733 |
| Receivables from Group companies (non-current) | | | | 29,066 | | 29,066 | 29,066 |
| Accrued interest income | | | | 37 | | 37 | 37 |
| Trade receivables | | | | 1 | | 1 | 1 |
| Receivables from Group companies (current) | | | | 1,107 | | 1,107 | 1,107 |
| Other receivables | | | | 17 | | 17 | 17 |
| Total | 133,429 | - | - | 30,228 | 1,482 | 165,139 | 165,139 |
| <i>Financial liabilities</i> | | | | | | | |
| Loans (non-current) | | 6 | | | 27,678 | 27,684 | 31,719 ¹⁾ |
| Liabilities to Group companies (non-current) | | | 879 | | | 879 | 879 |
| Trade payables | | | | | 9 | 9 | 9 |
| Liabilities to Group companies (current) | | | | | 18,662 | 18,662 | 18,662 |
| Accrued interest expenses | | | | | 611 | 611 | 611 |
| Other liabilities | | | | | 21 | 21 | 21 |
| Total | - | 6 | 879 | - | 46,981 | 47,866 | 51,901 |

1) The Groups loans are valued at amortized cost, fair value on loans are presented in the table. For other assets and liabilities there are no differences between carrying amount and fair value.

P16 cont'd Financial instruments

Result from financial assets and liabilities by valuation category

| 2013 | Financial assets and liabilities measured at fair value through profit/loss | | Derivatives used in hedge accounting | Loans and receivables | Other liabilities | Total |
|--------------------------------------|---|------------------|--------------------------------------|-----------------------|-------------------|---------------|
| | Fair value option | Held for trading | | | | |
| <i>Operating profit/loss</i> | | | | | | |
| Dividends | 5,271 | | | | | 5,271 |
| Changes in value, including currency | 30,453 | | | | | 30,453 |
| <i>Net financial items</i> | | | | | | |
| Interest | | 8 | -39 | 2,247 | -1,813 | 403 |
| Changes in value | | 22 | 83 | 196 | -389 | -88 |
| Exchange rate differences | | -106 | | 516 | -14 | 396 |
| Total | 35,724 | -76 | 44 | 2,959 | -2,216 | 36,435 |

| 2012 | Financial assets and liabilities measured at fair value through profit/loss | | Derivatives used in hedge accounting | Loans and receivables | Other liabilities | Total |
|--------------------------------------|---|------------------|--------------------------------------|-----------------------|-------------------|---------------|
| | Fair value option | Held for trading | | | | |
| <i>Operating profit/loss</i> | | | | | | |
| Dividends | 4,738 | | | | | 4,738 |
| Changes in value, including currency | 18,244 | | | | | 18,244 |
| <i>Net financial items</i> | | | | | | |
| Interest | | 11 | -43 | 1,933 | -1,718 | 183 |
| Changes in value | | -26 | -71 | 507 | -168 | 242 |
| Exchange rate differences | | 21 | | -1,166 | 1,144 | -1 |
| Total | 22,982 | 6 | -114 | 1,274 | -742 | 23,406 |

Assets and liabilities measured at fair value

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

- Level 1: According to quoted prices (unadjusted) in active markets for identical instruments
- Level 2: According to directly or indirectly observable inputs that are not included in level 1
- Level 3: According to inputs that are unobservable in the market

Financial assets and liabilities by level

| 12/31 2013 | Level 1 | Level 2 | Level 3 | Other ¹⁾ | Total |
|--|----------------|--------------|------------|---------------------|----------------|
| <i>Financial assets</i> | | | | | |
| Participations associates | 111,545 | 1,578 | | 1,602 | 114,725 |
| Other long-term holdings of securities | 51,491 | | | - | 51,491 |
| Total | 163,036 | 1,578 | - | 1,602 | 166,216 |
| <i>Financial liabilities</i> | | | | | |
| Liabilities to Group companies (non-current) | | | 796 | | 796 |
| Loans (non-current) | | 89 | | 27,452 | 27,541 |
| Total | - | 89 | 796 | 27,452 | 28,337 |
| <i>12/31 2012</i> | | | | | |
| <i>Financial assets</i> | | | | | |
| Participations associates | 91,729 | 1,522 | | 1,482 | 94,733 |
| Other long-term holdings of securities | 40,178 | | | | 40,178 |
| Total | 131,907 | 1,522 | - | 1,482 | 134,911 |
| <i>Financial liabilities</i> | | | | | |
| Liabilities to Group companies (non-current) | | | 879 | | 879 |
| Loans (non-current) | | 6 | | 27,678 | 27,684 |
| Total | - | 6 | 879 | 27,678 | 28,563 |

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

P16 cont'd Financial instruments

The table below shows a reconciliation between opening and closing balance for the financial instruments recognized at fair value in the Balance Sheet derived from a valuation technique of unobservable input (level 3). No transfers have been made between level 1 and 2.

Changes of financial assets and liabilities in level 3

| 12/31 2013 | | Long-term interest-bearing liabilities | |
|---|--|--|--|
| <i>Financial assets and liabilities</i> | | | |
| Opening balance | | | 879 |
| Total gains or losses in profit/loss | | | -83 |
| Carrying amount at year-end | | | 796 |
| <i>Total gains or losses for the period included in profit/loss for liabilities held at the end of the period (unrealized results)</i> | | | |
| Changes in value | | | -83 |
| Total | | | -83 |
| 12/31 2012 | | Long-term receivables | Long-term interest-bearing liabilities |
| <i>Financial assets and liabilities</i> | | | |
| Opening balance | | 178 | 1,169 |
| Total gains or losses in profit/loss | | -322 | -251 |
| in other comprehensive income | | 144 | -39 |
| Carrying amount at year-end | | - | 879 |
| <i>Total gains or losses for the period included in profit/loss for assets and liabilities held at the end of the period (unrealized results)</i> | | | |
| Changes in value | | -178 | -290 |
| Total | | -178 | -290 |

P17 Pledged assets and contingent liabilities

| | 12/31 2013 | 12/31 2012 |
|---|---------------|---------------|
| <i>Pledged assets</i> | | |
| <i>In the form of pledged securities for liabilities and provisions</i> | | |
| Shares | 61 | 95 |
| BS Total pledged assets | 61 | 95 |
| <i>Contingent liabilities</i> | | |
| Guarantees on behalf of Group companies | 6,000 | 6,000 |
| Guarantees on behalf of associates | 4,001 | 4,200 |
| BS Total contingent liabilities | 10,001 | 10,200 |

P18 Related party transactions

The Parent Company is related with its subsidiaries and associated companies see note P7, Participations in Group companies and note P8, Participations in associates.

In addition to the above stated information, guarantees on behalf on the associate 3 Scandinavia amounts to SEK 4.0 bn. (4.2).

For more information about related party transaction see note 31, Related party transactions.

Related party transactions

| | Group companies | | Associates | | Other related party ¹⁾ | |
|-------------------------------|-----------------|--------|------------|-------|-----------------------------------|------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| Sales of products/services | 5 | 28 | 7 | 4 | 1 | 1 |
| Purchase of products/services | 9 | 9 | 10 | 11 | | |
| Financial income | 2,359 | 2,063 | | | | |
| Financial expenses | 558 | 466 | 19 | 17 | | |
| Dividend/redemption | | | 3,476 | 2,873 | | |
| Capital contribution | 8,190 | 3,224 | 120 | 182 | | |
| Receivables | 35,016 | 30,114 | 1 | | | |
| Liabilities | 45 | 47 | 9 | 3 | | |

1) Wallenberg foundations

Auditor's Report

To the annual meeting of the shareholders of Investor AB (publ.)

CORP ID 556013-8298

Report on the annual accounts and consolidated accounts

We have audited the annual accounts and consolidated accounts of Investor AB (publ) for the financial year ended December 31, 2013. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 4-5, 13-14 and 25-98.

Responsibilities of the Board of Directors and the President for the annual accounts and consolidated accounts

The Board of Directors and the President are responsible for the preparation and fair presentation of these annual accounts in accordance with the Annual Accounts Act and of the consolidated accounts in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act, and for such internal control as the Board of Directors and the President determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the President, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2013 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2013 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. A Corporate Governance report has been prepared. The statutory administration report and the Corporate Governance report are consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the parent company and the group.

Other matters

The audit of the annual accounts for the financial year 2012 were performed by another auditor who submitted an auditor's report dated March 13, 2013, with unmodified opinions in the Report on the annual accounts and consolidated accounts.

Report on other legal and regulatory requirements

In addition to our audit of the annual accounts and consolidated accounts, we have also examined the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the President of Investor AB (publ.) for the financial year ended December 31, 2013.

Responsibilities of the Board of Directors and the President

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the President are responsible for administration under the Companies Act.

Auditor's responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

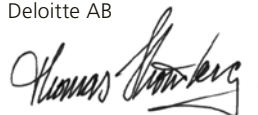
As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the President is liable to the company. We also examined whether any member of the Board of Directors or the President has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Opinions

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the President be discharged from liability for the financial year.

Stockholm, 25 March, 2014
Deloitte AB



Thomas Strömberg
Authorized Public Accountant

Ten-year summary

Investor Group¹⁾

| SEK m. | 2004 | 2005 ¹⁾ | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | Annual average growth 5/10 years, % |
|--|---------|--------------------|---------|---------|---------|---------|---------|---------------------|---------------------|-----------------------|-------------------------------------|
| Net asset value²⁾ | | | | | | | | | | | |
| <i>Core Investments</i> | | | | | | | | | | | |
| Listed | 87,408 | 115,419 | 135,274 | 127,293 | 73,272 | 106,231 | 134,314 | 118,016 | 141,456 | 175,174 | |
| Subsidiaries | 1,425 | 1,505 | 1,477 | 7,066 | 7,335 | 7,436 | 17,111 | 18,400 | 21,291 | 29,531 | |
| <i>Financial Investments</i> | 16,070 | 17,875 | 22,693 | 25,041 | 25,321 | 30,111 | 30,036 | 37,215 | 35,144 | 32,256 | |
| <i>Other assets and liabilities</i> | 3,265 | -631 | -540 | -613 | -432 | -517 | -603 | -651 | -428 | 1,560 | |
| Total assets | 108,168 | 134,168 | 158,904 | 158,787 | 105,496 | 143,261 | 180,858 | 172,980 | 197,463 | 238,521 | |
| Net debt (-)/Net cash (+) | -16,082 | -223 | 416 | -3,583 | 9,737 | -588 | -11,472 | -16,910 | -22,765 | -23,104 | |
| Net asset value | 92,086 | 133,945 | 159,320 | 155,204 | 115,233 | 142,673 | 169,386 | 156,070 | 174,698 | 215,417 | |
| Change in net asset value with dividend added back, % | 13 | 47 | 21 | 0 | -23 | 26 | 21 | -6 | 15 | 27 | 13/14 |
| Condensed Balance Sheet | | | | | | | | | | | |
| Shares and participations | 104,008 | 133,521 | 157,481 | 153,781 | 97,628 | 134,728 | 160,210 | 148,991 | 164,431 | 202,859 | |
| Other | 21,366 | 28,612 | 23,459 | 23,450 | 43,031 | 35,496 | 60,557 | 64,616 | 65,214 | 64,291 | |
| Balance Sheet total | 125,374 | 162,133 | 180,940 | 177,231 | 140,659 | 170,224 | 220,767 | 213,607 | 229,645 | 267,150 | |
| Profit and loss | | | | | | | | | | | |
| Profit/loss for the year attributable to | | | | | | | | | | | |
| Parent Company shareholders | 8,736 | 43,842 | 28,468 | -365 | -36,708 | 31,379 | 30,631 | -9,229 | 24,226 | 45,165 | |
| Comprehensive income ³⁾ | - | - | - | - | -36,093 | 30,858 | 30,510 | -9,553 | 23,857 | 46,161 | |
| Dividends | | | | | | | | | | | |
| Dividends received | 1,710 | 2,415 | 3,171 | 3,474 | 4,147 | 2,866 | 3,622 | 4,330 | 5,177 | 6,052 | |
| of which from Core Investments Listed | 1,574 | 2,163 | 2,852 | 3,161 | 3,803 | 2,358 | 3,203 | 3,998 | 4,782 | 5,441 | 7/13 |
| Contribution to NAV²⁾ | | | | | | | | | | | |
| Contribution to NAV, Core Investments Listed | 9,416 | 39,587 | 30,112 | -4,376 | -31,466 | 31,942 | 27,098 | -17,889 | 23,312 | 38,433 | |
| Total return, Core Investments, % | 11 | 45 | 26 | -3 | -25 | 44 | 26 | -13 | 20 | 27 | |
| Contribution to NAV, Core Investments Subsidiaries | -48 | -43 | -31 | -17 | 329 | 204 | 2,346 | 87 | -194 | 668 | |
| Contribution to NAV, Financial Investments, Partner-owned | -574 | -1,516 | -2,063 | -1,013 | -375 | -1,607 | -304 | 5,475 | 57 | 4,109 | |
| Contribution to NAV, IGC and EQT | 1,204 | 6,053 | 583 | 5,907 | -3,582 | 396 | 1,201 | 4,201 | 305 | 3,788 | |
| Transactions²⁾ | | | | | | | | | | | |
| Investments, Core Investments Listed | 1,509 | 1,157 | 3,125 | 5,571 | 2,150 | 3,825 | 1,693 | 5,104 | 2,762 | 719 | |
| Divestments & redemptions, Core Investments Listed | 7,733 | 10,570 | 10,530 | 6,015 | 20,902 | 450 | - | 1,057 | - | - | |
| Investments, Core Investments Subsidiaries | - | - | - | 5,702 | 166 | 17 | 7,198 | 1,019 | 3,386 | 7,558 | |
| Divestments, Core Investments Subsidiaries | - | - | - | - | - | - | - | - | - | - | |
| Investments, Partner-owned Investments | 2,090 | 1,340 | 5,585 | 1,286 | 4,507 | 247 | 568 | 55 | 376 | 15 | |
| Divestments, Partner-owned Investments | - | 4,202 | 11 | - | - | 5 | 16 | - | 80 | 7,646 | |
| Investments, IGC and EQT | 1,818 | 4,580 | 4,490 | 3,627 | 3,729 | 2,921 | 3,308 | 3,652 ⁴⁾ | 2,034 ⁴⁾ | 1,914 | |
| Divestments, IGC and EQT | 4,448 | 9,268 | 5,630 | 7,401 | 2,937 | 563 | 3,811 | 4,193 ⁴⁾ | 4,067 ⁴⁾ | 5,005 | |
| Key figures per share | | | | | | | | | | | |
| Net asset value per share, SEK | 120 | 175 | 208 | 203 | 150 | 187 | 223 | 205 | 230 | 283 | |
| Basic earnings per share, SEK | 11.39 | 57.15 | 37.13 | -0.48 | -47.98 | 41.12 | 40.24 | -12.14 | 31.85 | 59.35 | |
| Diluted earnings per share, SEK | 11.37 | 57.02 | 37.03 | -0.48 | -47.98 | 41.08 | 40.20 | -12.14 | 31.83 | 59.25 | |
| Equity per share, SEK | 120 | 175 | 208 | 203 | 150 | 187 | 224 | 206 | 230 | 284 | |
| Key ratios | | | | | | | | | | | |
| Leverage, % | 15 | 0 | 0 | 2 | -9 | 0 | 6 | 10 | 12 | 10 | |
| Equity/assets ratio, % | 73 | 83 | 88 | 88 | 82 | 84 | 77 | 73 | 76 | 81 | |
| Return on equity, % | 10 | 39 | 19 | 0 | -27 | 24 | 20 | -6 | 15 | 23 | |
| Discount to net asset value, % | 30 | 21 | 20 | 28 | 24 | 29 | 37 | 39 | 27 | 23 | |
| Management costs, % of net asset value | 0.5 | 0.4 | 0.4 | 0.4 | 0.5 | 0.4 | 0.3 | 0.3 | 0.2 | 0.2 | |
| Share data | | | | | | | | | | | |
| Total number of shares, m. | 767.2 | 767.2 | 767.2 | 767.2 | 767.2 | 767.2 | 767.2 | 767.2 | 767.2 | 767.2 | |
| Holding of own shares, m. | - | - | 0.7 | 1.4 | 2.5 | 4.7 | 6.7 | 6.7 | 6.2 | 6.3 | |
| Share price on December 31, SEK ⁵⁾ | 84.50 | 139.00 | 168.00 | 147.00 | 117.00 | 132.90 | 143.9 | 128.4 | 170.0 | 221.3 | 14/12 |
| Market capitalization on December 31 | 64,826 | 106,326 | 127,950 | 111,244 | 88,066 | 100,992 | 107,907 | 96,028 | 128,048 | 166,451 | |
| Dividend paid to Parent Company shareholders | 1,726 | 2,685 | 3,449 | 3,637 | 3,059 | 3,050 | 3,802 | 4,603 | 5,331 | 6,137 ^{6,7)} | |
| Dividend per share, SEK | 2.25 | 3.50 | 4.50 | 4.75 | 4.00 | 4.00 | 5.00 | 6.00 | 7.00 | 8.00 ⁶⁾ | 15/14 |
| Dividend payout ratio, % | 110 | 124 | 121 | 115 | 80 | 130 | 119 | 115 | 111 | 113 ⁶⁾ | |
| Dividend yield, % | 2.7 | 2.5 | 2.7 | 3.2 | 3.4 | 3.0 | 3.5 | 4.7 | 4.1 | 3.6 | |
| Total annual turnover rate, Investor shares, % ⁵⁾ | 121 | 130 | 146 | 165 | 135 | 117 | 100 | 112 | 78 | 62 | |
| Total return, Investor shares, % ⁵⁾ | 25 | 68 | 24 | -10 | -18 | 18 | 11 | -8 | 38 | 35 | 18/16 |
| SIXRX (return index), % | 21 | 36 | 28 | -3 | -39 | 53 | 27 | -14 | 16 | 28 | 20/12 |
| OMXS30 index, % | 17 | 29 | 20 | -6 | -39 | 44 | 21 | -15 | 12 | 21 | 15/8 |
| Foreign ownership, capital, % | 19 | 20 | 28 | 28 | 31 | 29 | 31 | 33 | 33 | 34 | |

1) As a result of reclassifications and changes in accounting policies, comparative figures have been restated for the year preceding the year when the change was implemented, if not stated otherwise. In accordance comparative figures for 2004 have been restated in connection with the transition to IFRS in 2005. Detailed information about the transition to IFRS is available in the 2005 Annual Report.

2) The present business area reporting was implemented in 2011. For the years 2004-2010 a reallocation of values has been made in order to, as far as possible, resemble the present business area reporting.

3) New statement from 2009, comparative from 2008 have been restated.

4) Invested includes a capital contribution from Investor to IGC of SEK 1,137 m. (2011) and SEK 750 m. (2012). Divested includes dividends from IGC to Investor of SEK 674 m. (2011) and SEK 607 m. (2012).

5) Pertains to class B shares.

6) Proposed dividend of SEK 8.00/share.

7) Based on the total number of registered shares.

Definitions

Basic earnings per share

Profit/loss for the year attributable to the Parent Company's shareholders in relation to the weighted average number of shares outstanding.

Basic net asset value per share

Net asset value per share in relation to the total number of shares on the Balance Sheet date.

Cash conversion

Proportion of profits converted to cash flow.

Change in value, Core Investments

Change in value as a percentage of opening value.

Diluted earnings per share

Profit/loss for the year attributable to the Parent Company's shareholders, plus interest expenses after tax related to convertible debenture loans, in relation to the weighted average number of shares outstanding after full conversion and adjusted for the effect of share-based payments.

Discount to net asset value

The difference between net asset value and market capitalization as a percentage of net asset value. If market capitalization is lower than net asset value, the share is traded at a discount. If market capitalization is higher, it is traded at a premium.

Dividend payout ratio

Dividends paid in relation to dividends received from Core Investments.

Dividend yield

Dividend per share in relation to share price on the Balance Sheet date.

EBITDA

Earnings before interest, taxes, depreciation and amortization.

EBITdA

EBITDA after portfolio depreciation.

Equity/assets ratio

Shareholders' equity and convertible debenture loans as a percentage of the Balance Sheet total.

Equity per share

Equity including convertible debenture loans in relation to the number of shares on the Balance Sheet date after full conversion.

Investing activities

Investing activities include parent company operations, Investor's internal bank and trading operations.

Industrial holding company

A company that offers shareholders the possibility to spread their risks and get attractive returns through long-term ownership of a well-distributed holdings of securities. Its shares are typically owned by a large number of individuals.

Leverage

Net debt/Net cash as a percentage of total assets.

Management costs

General expenses for running the investment operations.

Market cost of capital

Risk-free interest rate plus the market's risk premium.

Multiple valuation

A method for determining the current value of a company by examining and comparing the financial ratios of relevant peer groups.

Net asset value

The market value of total assets less net debt (corresponds to equity).

Net debt/Net cash

Interest-bearing current and long-term liabilities, including pension liabilities, less cash and cash equivalents, short-term investments and interest-bearing current and long-term receivables.

OMX Stockholm 30, OMXS30

A share index that is calculated for the 30 most actively traded shares on Nasdaq OMX Stockholm

Return on equity

Profit/loss for the year as a percentage of average shareholders' equity.

Risk-free interest rate

The interest earned on an investment in government bonds. In calculations, Investor has used SSVX 90 days.

Risk premium

The surplus yield above the risk-free interest rate that an investor requires to compensate for the higher risk in an investment in shares.

SIX's Return Index, SIXRX

A Swedish all shares total return index calculated on share price change and reinvested dividends.

Third-party valuation

External valuation from the most recent financing round.

Total assets

All assets and liabilities not included in net debt or net cash, which is the same as the Balance Sheet total less asset items included in net debt or net cash and less non-interest-bearing liabilities.

Total comprehensive income for the year

Change in equity during the period resulting from transactions and other events, other than those changes resulting from transactions with the owners in their capacity as owners.

Total return

Sum of share price changes including reinvested dividends.

Turnover rate

Number of shares traded during the year as a percentage of the total number of shares outstanding.

History

Investor has operated with the same business philosophy since the company was founded in 1916 – to invest in companies and actively contribute as a leading shareholder to their long-term success. Over the years, we have steadily evolved in step with boom times, depressions and recessions, with globalization trends and with constantly changing capital markets, all to capture new opportunities and create value. We have invested in new, exciting companies and industries, and left others along the way. Over the years, we have built expertise, a unique international network and a strong reputation, which together form our competitive edge as we enter the future with an eye for long-term ownership.

1900s

1916 Investor is established. The equity shareholdings of Stockholms Enskilda Bank are transferred to the industrial holding company Investor. Atlas Copco, SEB and Scania are part of the original portfolio.

1917-25 Investor is listed on the Stockholm Stock Exchange (1917). Shares are acquired in Astra and ASEA.

1937-46 Investor acquires shares in the newly founded military aircraft company Saab. Stockholms Enskilda Bank forms the industrial holding company Providentia. Jacob Wallenberg (1892-1980) is elected Chairman of Investor (1946).

1950-56 Investor acquires shares in Ericsson and Electrolux.

1971-72 Stockholms Enskilda Bank and Skandinaviska Banken merge to Skandinaviska Enskilda Banken (SEB). The industrial holding company Export-Invest is established in connection with the merger.

1978 Marcus Wallenberg (1899-1982) is elected Chairman of Investor and Claes Dahlbäck is appointed President and CEO.

1982 Peter Wallenberg is elected Chairman of Investor.

1984-91 Kema Nobel is sold and the following companies are merged: STORA/Billerud, STORA/Papyrus, STORA/ Swedish Match, ASEA/Brown Boveri, STORA/Feldmühle Nobel. The holding in Alfa Laval is divested to Tetra Pak. Saab-Scania and GM form the jointly owned company Saab Automobile, and OM Gruppen is formed.

1991-92 Investor and Providentia privatize Saab-Scania. Incentive is listed on the Stockholm Stock Exchange following its demerger from ASEA/ABB. Investor and Providentia merge (1992).

1994-95 Investor acquires Export-Invest and invests in WM-data. Investor forms EQT together with SEB and AEA. Saab-Scania is divided into two independent companies, Scania AB and Saab AB. The venture capital-arm Novare Kapital, later renamed Investor Growth Capital (IGC), is formed.

1996-99 Investor sells 55 percent of its holding in Scania and the company becomes listed. An option agreement is reached between Investor and GM to regulate the long-term ownership of Saab Automobile. Investor's holding in TV4 is sold. OM Gruppen and the Stockholm Stock Exchange merge as well as SEB and Trygg-Hansa. Percy Barnevik is elected Investor's Chairman (1997). Stora Enso is formed through a merger between STORA and Enso. British Aerospace becomes part owner of SAAB AB, which is then listed (1998). Investor reaches an agreement to sell its entire holding in Scania to Volvo, but the planned merger is rejected by the EU. Astra and Zeneca merge. Marcus Wallenberg is appointed President and CEO of Investor (1999).

2000s

2000-04 Investor sells shares in Scania to Volkswagen, which becomes the leading shareholder. 3 Scandinavia, co-owned with Hutchison Whampoa, is founded. Investor increases its ownership in ABB and Electrolux. In a transaction with the Wallenberg foundations, Investor exchanges its holdings in Stora Enso, SKF and SAS for the foundations' holdings in Ericsson and SEB. Investor sells its entire holding in Volvo, relinquishes its remaining interest in Saab Automobile and divests part of its holding in AstraZeneca. Claes Dahlbäck is elected Chairman of Investor (2002). Investor participates in Ericsson's and ABB's rights issues.

2005 Jacob Wallenberg is elected Chairman of Investor and Börje Ekholm is appointed President and CEO. Investor sells part of its holding in ABB, AstraZeneca, Scania and SEB, to restore strong financial flexibility. The Private Equity business area finalizes a number of successful transactions, such as the divestments of Bredbandsbolaget and Tessera.

2006-09 Investor and EQT take Gambro private. Husqvarna is spun out of Electrolux. WM-data is sold to LogicaCMG (U.K.). MAN makes a hostile bid for Scania that Investor, and later Volkswagen, rejects. Mölnlycke Health Care and Lindorff are acquired and positions are increased in a number of Core Investments. Gambro Healthcare is divested and Investor sells OMX to NASDAQ/Borse Dubai and the minority holding in Scania to Volkswagen. Investor invests in Biovitrum and supports the merger between Biovitrum and Swedish Orphan International. Investor participates in SEB's and Husqvarna's rights issues.

2010 Investor adds two subsidiaries through the acquisition of Aleris and by acquiring additional shares in Mölnlycke Health Care. Investor acquires additional shares in Saab from BAE Systems and makes add-ons in Atlas Copco, Electrolux and Husqvarna. Shares are acquired in NASDAQ OMX. Throughout 2009-2010, Investor makes investments totaling approximately SEK 23 bn.

2011 Investor updates its strategy, presenting a new business structure, strongly focused on Core Investments. In addition, Investor Growth Capital is launched as a stand-alone entity of Investor. A platform for healthy future cash flow generation is created and substantial cost savings are initiated. Investor further strengthens its position in ABB, Atlas Copco, Electrolux, Ericsson, Husqvarna and NASDAQ OMX. CaridianBCT is divested.

2012 Investor acquires shares in Wärtsilä, in consensus with the main owner Fiskars, which becomes a new core investment. Investor further strengthens its positions in ABB and NASDAQ OMX. The cost reduction program, initiated in 2011, continues and Investor reaches a more sustainable run rate of SEK 360-380 m. subject to inflationary adjustments. Investor and EQT enter into an agreement to divest Gambro.

2013 Investor acquires the medical technology company Permobil, which becomes a new wholly-owned subsidiary. Investor further strengthens its positions in ABB and Ericsson. Mölnlycke Health Care and Aleris are refinanced with all senior debt structures. Investor and EQT complete the divestiture of Gambro.

Shareholder information

Annual General Meeting

Investor AB invites shareholders to participate in the Annual General Meeting on Tuesday, May 6, 2014, at 3:00 p.m. at the City Conference Centre, Barnhusgatan 12-14, in Stockholm. Registration for the Meeting commences at 1.30 p.m. The "Investor Dialog" begins at 2.00 p.m., where Investor's Chairman of the Board Jacob Wallenberg and CEO Börje Ekholm, are available for dialog and questions. Light refreshments will be served before the Meeting.

PARTICIPATION

Shareholders who would like to attend the Annual General Meeting must be recorded in the register of shareholders maintained by Euroclear Sweden AB on Tuesday, April 29, 2014, and must notify the Company of their intention to attend the Meeting no later than Tuesday, April 29, 2014.

NOTICE OF PARTICIPATION IN THE ANNUAL GENERAL MEETING

Shareholders can give their notice of participation by:

- registering on Investor AB's website, www.investorab.com or
- calling +46 8 611 2910, weekdays, between 9:00 a.m. and 5:00 p.m. CET.

NOMINEE-REGISTERED SHARES

In order to be entitled to participate in the Meeting, shareholders whose shares are registered in the name of a nominee through the trust department of a bank or similar institution must request that their shares are temporarily re-registered in their own names in the register of shareholders maintained by Euroclear Sweden AB. Such registration must be completed no later than Tuesday, April 29, 2014. Shareholders are requested to inform their nominees well in advance of this date.

PROXIES, ETC.

Shareholders who are represented by proxy must authorize such proxy by issuing a power of attorney. If such power of attorney is issued by a legal entity, an attested copy of the certificate of registration evidencing the authority to issue the power of attorney must be attached. The original power of attorney and the certificate of registration, where applicable, are to be sent to Investor AB, Annual General Meeting, SE-103 32 Stockholm, Sweden, well in advance of the Meeting. The form to use for a power of attorney is available on Investor AB's website: www.investorab.com.

REPRESENTATIVES

Shareholders or proxies for shareholders at the Annual General Meeting may take a maximum of two representatives with them to the Meeting. Representatives may be brought to the Meeting only if the shareholder of Investor AB gives notice of their attendance as described above for notification of participation of shareholders. If you have any questions about the Annual General Meeting, call +46 8 611 2910, weekdays, between 9:00 a.m. and 5:00 p.m. CET.

Dividend

The Board and President propose a dividend to the shareholders of SEK 8.00 per share for fiscal year 2013. Friday, May 9, 2014, has been proposed as the record date. If the proposal is approved by the Annual General Meeting, the dividend is expected to be distributed by Euroclear Sweden AB on Wednesday, May 14, 2014.

Calendar of events 2014

- Interim Report, January-March: April 23
- Annual General Meeting: May 6
- Interim Report, January-June: July 17
- Interim Report, January-September: October 22
- Interim Report, January-December: January 28, 2015

Information channels

Financial information about Investor can be accessed and ordered (information by sms, e-mail or printed annual report) on Investor AB's website: www.investorab.com, or by calling +46 8 614 2131.

Information material

Printed annual reports are distributed to shareholders that have requested it. All new shareholders will receive a letter asking how they would like to receive information.

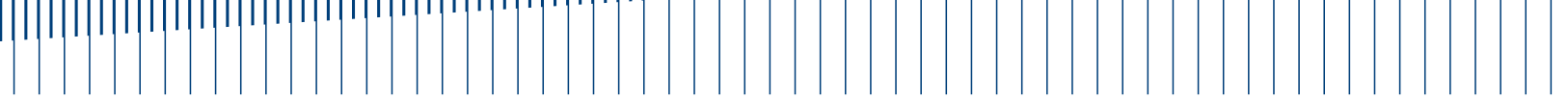
Investor relations

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Corporate website

www.investorab.com



As a long-term owner, we actively support the building and development of best-in-class companies.

