

# Interim Report January-June 2016

## Highlights during the second quarter

- Net asset value\*<sup>1)</sup> amounted to SEK 259,083 m. (SEK 339 per share) on June 30, 2016, a decrease of SEK 3,199 m. (SEK 5 per share) during the quarter, corresponding to a change of -1 percent. Adjusted for the dividend paid, net asset value increased by SEK 4,436 m., or 2 percent. Over the past 20 years, annual average net asset value growth, with dividend added back, has been 9 percent.
- Within Listed Core Investments, shares in Wärtsilä were purchased for SEK 247 m.
- The value change of Investor's investments in EQT was 7 percent in constant currency. Net cash flow from EQT amounted to SEK -0.3 bn. due to draw-downs.
- Within Patricia Industries, the subsidiaries performed well, with overall strong organic growth and improved profitability.

## Financial information, year to date 2016

- Consolidated profit/loss for the period, which includes unrealized change in value, was SEK -6,288 m. (SEK -8.25 basic earnings per share), compared to SEK 25,542 m. (SEK 33.54 basic earnings per share) for the same period 2015.
- Listed Core Investments contributed SEK -6,873 m. to net asset value (18,476).
- EQT contributed SEK 1,166 m. to net asset value (3,093).
- Patricia Industries contributed SEK 1,380 m. to net asset value (3,581).
- Leverage\* (net debt/total assets) was 6.3 percent as of June 30, 2016 (5.5).
- Consolidated net sales for the period was SEK 15,124 m. (11,911).

### Overview annual average performance

	NAV (%)**	Total return	
		Investor B (%)	SIXRX (%)
Q2 2016	1.7	1.3	-0.3
1 year	-4.6	-5.8	-3.3
5 years	11.0	18.2	9.8
10 years	8.8	11.5	8.3
20 years	9.4	11.7	10.6
<i>**Incl. dividend added back</i>			
			<b>6/30 2016</b>
NAV, SEK per share*			339
Share price (B-share), SEK			280.90

1) Key figures market with \* are such financial measures that are not defined or specified in the applicable financial reporting framework. For more information, see page 14 and 24.



# CEO statement

Dear fellow shareholders,

During the second quarter, our net asset value, including dividend added back, increased by 2 percent. The total shareholder return was 1 percent, while the SIXRX return index was roughly flat.

## Agility as important as ever

On the macro side, Brexit clearly dwarfed everything else. The UK decision to actually leave the EU was surprising to many, not the least to some of the political leaders supporting the campaign to leave. Exactly how this will eventually play out is anybody's guess, and it will certainly be some time before we know. I sincerely hope that this will be a catalyst for the EU to take necessary structural actions to strengthen the union and improve its competitiveness and attractiveness.

Sometimes it seems as if the world is going through an extended period of unusual turmoil and uncertainty. Then again, this has often been the case historically, so I think we should expect it to continue in the years ahead. To quote Bruce Lee, the great icon of martial arts: "Do not pray for an easy life, pray for the strength to endure a difficult one". With strong global market positions, flexible business models and solid balance sheets, we believe that our companies are generally well-positioned to handle these times of uncertainty, constantly working on improving their agility and capturing business opportunities.

## Important activities in Listed Core Investments

Many of our listed core investments took important steps forward during the quarter. Atlas Copco continued to strengthen its vacuum business through the announced acquisition of the South Korean company CSK. Wärtsilä announced a number of large power plant orders and strengthened its digital offering to the marine industry by acquiring Eniram. Electrolux and Husqvarna also announced smaller, complementary acquisitions. Sobi received the approval for Alprolix, for the treatment of hemophilia B, and announced the first commercial sale of the product in Europe. Simultaneously, many companies continued to work with efficiency measures to improve competitiveness and adapt to the demand situation.

During the quarter, we invested SEK 247 m. in Wärtsilä, strengthening our ownership to 17.5 percent.

## More capital committed to EQT

EQT generated net cash flow to Investor of SEK -0.3 bn. during the quarter, affected by draw-downs related to recently made investments. The value change on our investments in EQT was 7 percent in constant currency. Activity remained high, with several investments and exits. In addition, two new funds, EQT Mid Market Credit and EQT Ventures were successfully launched. We committed approximately SEK 0.5 bn. to the latter and additional capital to funds that have not yet been officially closed.

## Strong growth within Patricia Industries

Mölnlycke Health Care grew strongly, reporting 10 percent organic growth with an improved operating margin. While growth will vary quarter by quarter, we remain confident in Mölnlycke's long-term potential based on its attractive product offering, new applications and geographic expansion. With its dedicated organization and strong balance sheet, we believe that Mölnlycke is well positioned to continue to invest to capture growth opportunities, both organically and through acquisitions.

Permobil grew 9 percent organically, driven by strong growth in both Europe and the U.S. The operating margin improved.

In Aleris, organic growth was 9 percent, and the operating margin improved slightly. During the quarter, Aleris announced the acquisition of Curato, strengthening its offering in Norway. This is another step in our long-term strategy to build Aleris into a high-quality Scandinavian provider of healthcare and care services.

BraunAbility continued to perform well. The operating margin improved, despite further investments in production and R&D.

## Building successful companies the key priority

At Investor, we continue to execute on our strategy, with strong focus on supporting the development of our companies, both within Listed Core Investments and Patricia Industries. Overall, our companies develop well in this challenging and uncertain environment, although we continue to see improvement potential in a number of areas.

We maintain strong focus on our own operating efficiency and in terms of investments, the key priorities remain unchanged. During the first half of 2016 we have invested approximately SEK 0.4 bn. in Listed Core Investments, increased our commitment to EQT by approximately SEK 3 bn., and Patricia Industries has continued to divest financial investments to release capital, while several subsidiaries have made important complementary acquisitions. Despite recent investments and continued commitments to EQT, our financial flexibility remains strong. However, we will remain disciplined and only invest in what we believe are the right companies, paying what we view as fair given the long-term value creation potential.

Despite the uncertainty surrounding us, one thing is clear, dear fellow shareholders: Investor's goal to execute on our strategy and generate an attractive long-term total shareholder return, remains firmly in place.



Johan Forssell

# Net asset value overview

	Number of shares 6/30 2016	Ownership capital/votes <sup>1)</sup> (%) 6/30 2016	Share of total assets (%) 6/30 2016	Value, SEK/share 6/30 2016	Value, SEK m. <sup>2)</sup> 6/30 2016	Contribution to net asset value YTD 2016	Value, SEK m. <sup>2)</sup> 12/31 2015
<b>Listed Core Investments<sup>3)</sup></b>							
Atlas Copco	207 645 611	16.9/22.3	16	58	44 587	2 016	43 100
ABB	232 165 142	10.0/10.0	14	50	38 406	2 982	35 424
SEB	456 198 927	20.8/20.8	12	43	33 040	-5 392	40 826
AstraZeneca	51 587 810	4.1/4.1	9	34	25 974	-3 056	29 869
Wärtsilä	34 566 544	17.5/17.5	4	16	11 838	-1 108	13 077
Ericsson	175 047 348	5.3/21.4	4	15	11 134	-2 304	14 086
Sobi	107 594 165	39.6/39.8	4	15	11 061	-3 454	14 515
Electrolux	47 866 133	15.5/30.0	4	14	10 861	1 312	9 860
Nasdaq	19 394 142	11.8/11.8	4	14	10 634	1 298	9 423
Saab	32 778 098	30.0/39.5	3	11	8 565	193	8 535
Husqvarna	97 052 157	16.8/32.7	2	8	6 059	684	5 428
<b>Total Listed Core Investments</b>			<b>77</b>	<b>278</b>	<b>212 158</b>	<b>-6 873<sup>4)</sup></b>	<b>224 143</b>
<b>EQT</b>			<b>5</b>	<b>17</b>	<b>13 272</b>	<b>1 166<sup>4)</sup></b>	<b>13 021</b>
<b>Patricia Industries</b>							
Subsidiaries							
Mölnlycke Health Care		99/99	8	29	22 035	1 985	20 050
Permobil		94/90	1	5	4 091	121	3 963
Aleris		100/100	1	5	3 952	82	3 869
BraunAbility		95/95	1	4	2 877	107	2 781
Vectura		100/100	1	2	1 817	21	1 795
Grand Group		100/100	0	0	178	3	175
			<b>12</b>	<b>46</b>	<b>34 950</b>	<b>2 319</b>	<b>32 634</b>
3 Scandinavia		40/40	2	7	5 555	265	5 611
Financial Investments			4	14	10 717	-1 072	12 850
<b>Total Patricia Industries excl. cash</b>			<b>18</b>	<b>67</b>	<b>51 221</b>	<b>1 380<sup>4)</sup></b>	<b>51 095</b>
<i>Total Patricia Industries incl. cash</i>					<i>65 795</i>		<i>65 711</i>
Other Assets and Liabilities			0	0	-139	-8 391 <sup>4,5)</sup>	-565
<b>Total Assets excl. cash Patricia Industries</b>			<b>100</b>	<b>362</b>	<b>276 513</b>		<b>287 695</b>
Gross debt					-33 238		-34 954
Gross cash					15 808		19 062
<i>Of which Patricia Industries</i>					<i>14 574</i>		<i>14 616</i>
<b>Net debt</b>				<b>-23</b>	<b>-17 430</b>		<b>-15 892</b>
<b>Net Asset Value</b>				<b>339</b>	<b>259 083</b>	<b>-12 718</b>	<b>271 801</b>

1) Calculated in accordance with the disclosure regulations of Sweden's Financial Instruments Trading Act (LHF). ABB, AstraZeneca, Nasdaq and Wärtsilä in accordance with Swiss, British, U.S. and Finnish regulations.

2) Includes market value of derivatives related to investments if applicable. The subsidiaries and the partner-owned investments within Patricia Industries are reported according to the acquisition method and equity method respectively.

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

4) Including management costs, of which Listed Core Investments SEK 45 m., EQT SEK 4 m., Patricia Industries SEK 133 m., and Groupwide SEK 54 m.

5) Including paid dividends of SEK 7,635 m.

# Overview

## Net asset value

During the first half of 2016, the net asset value decreased from SEK 271.8 bn. to SEK 259.1 bn. The change in net asset value, with dividend added back, was -2 percent (10) during the period, of which 2 percent during the second quarter (-3). The corresponding total return of the Stockholm Stock Exchange (SIXRX) was -4 percent and 0 percent respectively.

For balance sheet items, figures in parentheses refer to year-end 2015 figures. For income statement items and cash flow items, the figures in parentheses refer to the same period last year.

## Net debt

Net debt\* totaled SEK 17,430 m. on June 30, 2016 (15,892), corresponding to a leverage of 6.3 percent (5.5).

### Investor's net debt

SEK m.	H1 2016
<b>Opening net debt</b>	<b>-15 892</b>
<b>Listed Core Investments</b>	
Dividends	5 529
Investments, net of proceeds	-371
<b>Total</b>	<b>5 158</b>
<b>EQT</b>	
Proceeds (divestitures, fee surplus and carry)	1 861
Draw-downs (investments and management fees)	-930
<b>Total</b>	<b>931</b>
<b>Patricia Industries</b>	
Proceeds	1 691
Investments	-309
Internal transfer to Investor	-1 259
Other <sup>1)</sup>	-165
<b>Total</b>	<b>-42</b>
<b>Investor Groupwide</b>	
Dividends paid	-7 635
Internal transfer from Patricia Industries	1 259
Other <sup>2)</sup>	-1 209
<b>Closing net debt</b>	<b>-17 430</b>

1) Includes currency related effects, net interest and management cost.

2) Incl. revaluation of debt, net interest and management cost excl. Patricia Industries.

### Performance by business area in summary

Q2 2016 SEK m.	Listed Core Investments	EQT	Patricia Industries	Investor Groupwide	Total
Dividends	1 877	30	0	1	1 907
Other operating income			11		11
Changes in value	-176	837	115	2	778
Net sales			7 829		7 829
Management cost	-25	-2	-65	-30	-121
Other profit/loss items		-1	-6 784	-218	-7 004
<b>Profit/loss for the period</b>	<b>1 676</b>	<b>864</b>	<b>1 106</b>	<b>-245</b>	<b>3 400</b>
Non-controlling interest			-4		-4
Dividends paid				-7 635	-7 635
Other effects on equity		234	899	-94	1 040
<b>Contribution to net asset value</b>	<b>1 676</b>	<b>1 099</b>	<b>2 000</b>	<b>-7 974</b>	<b>-3 199</b>
<b>Net asset value by business area 6/30 2016</b>					
Carrying amount	212 158	13 272	51 221	-139	276 513
Investor's net debt/cash			14 574	-32 004	-17 430
<b>Total net assets including net debt/cash</b>	<b>212 158</b>	<b>13 272</b>	<b>65 795</b>	<b>-32 143</b>	<b>259 083</b>

Q2 2015 SEK m.	Listed Core Investments	EQT	Patricia Industries	Investor Groupwide	Total
Dividends	2 477	109	8	1	2 595
Other operating income			17		17
Changes in value	-14 694	2 073	1 265	2	-11 354
Net sales			6 183		6 183
Management cost	-22	-2	-74	3	-95
Other profit/loss items		-17	-5 560	-240	-5 817
<b>Profit/loss for the period</b>	<b>-12 239</b>	<b>2 163</b>	<b>1 839</b>	<b>-234</b>	<b>-8 471</b>
Non-controlling interest			1		1
Dividends paid				-6 856	-6 856
Other effects on equity		-95	-719	-76	-890
<b>Contribution to net asset value</b>	<b>-12 239</b>	<b>2 068</b>	<b>1 121</b>	<b>-7 166</b>	<b>-16 216</b>
<b>Net asset value by business area 6/30 2015</b>					
Carrying amount	233 031	13 599	52 957	-38	299 549
Investor's net debt/cash			11 062	-31 037	-19 975
<b>Total net assets including net debt/cash</b>	<b>233 031</b>	<b>13 599</b>	<b>64 019</b>	<b>-31 075</b>	<b>279 574</b>

# Listed Core Investments

Listed Core Investments contributed to the net asset value with SEK -6,873 m. during the first half of 2016 (18,476), of which SEK 1,676 m. during the second quarter (-12,239).

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

## Contribution to net asset value, Listed Core Investments

SEK m.	Q2 2016	H1 2016	H1 2015
Changes in value	-176	-12 357	12 377
Dividends	1 877	5 529	6 145
Management cost	-25	-45	-46
<b>Total</b>	<b>1 676</b>	<b>-6 873</b>	<b>18 476</b>

The combined total return amounted to -3 percent during the period, of which 1 percent during the second quarter.

## Dividends

Dividends received totaled SEK 5,529 m. during the first half of the year (6,145), of which SEK 1,877 m. during the second quarter. In total, we expect to receive approximately SEK 8.3 bn. in dividends during 2016.

## Contribution to net asset value and total return, YTD 2016

	Value, SEK m.	Contribution to net asset value, SEK m.	Total return, Investor <sup>1)</sup> (%)
Atlas Copco	44 587	2 016	4.7
ABB	38 406	2 982	8.4
SEB	33 040	-5 392	-13.2
AstraZeneca	25 974	-3 056	-10.2
Wärtsilä	11 838	-1 108	-8.5
Ericsson	11 134	-2 304	-16.4
Sobi	11 061	-3 454	-23.8
Electrolux	10 861	1 312	13.3
Nasdaq	10 634	1 298	13.8
Saab	8 565	193	2.3
Husqvarna	6 059	684	12.6
<b>Total</b>	<b>212 158</b>	<b>-6 828</b>	

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

## Investments and divestments












### Second quarter

700,000 shares were purchased in Wärtsilä for SEK 247 m.

### First quarter

750,000 shares were purchased in Atlas Copco for SEK 125 m.

## Listed Core Investments

	A provider of compressors, vacuum and air treatment systems, construction and mining equipment, power tools and assembly systems	<a href="http://www.atlascopco.com">www.atlascopco.com</a>
	A provider of power and automation technologies for utility and industry customers	<a href="http://www.abb.com">www.abb.com</a>
	A financial services group with the main focus on the Nordic countries, Germany and the Baltics	<a href="http://www.seb.se">www.seb.se</a>
	A global, innovation-driven, integrated biopharmaceutical company	<a href="http://www.astrazeneca.com">www.astrazeneca.com</a>
	A provider of complete lifecycle power solutions for the marine and energy markets	<a href="http://www.wartsila.com">www.wartsila.com</a>
	A provider of communication technologies and services	<a href="http://www.ericsson.com">www.ericsson.com</a>
	A specialty healthcare company developing and delivering innovative therapies and services to treat rare diseases	<a href="http://www.sobi.com">www.sobi.com</a>
	A provider of household appliances and appliances for professional use	<a href="http://www.electrolux.com">www.electrolux.com</a>
	A provider of trading, exchange technology, information and public company services	<a href="http://www.nasdaq.com">www.nasdaq.com</a>
	A provider of products, services and solutions for military defense and civil security	<a href="http://www.saabgroup.com">www.saabgroup.com</a>
	A provider of outdoor power products, consumer watering products, cutting equipment and diamond tools	<a href="http://www.husqvarna.com">www.husqvarna.com</a>

# EQT

Our investments in EQT contributed to the net asset value with SEK 1,166 m. during the first half of 2016 (3,093), of which SEK 1,099 m. during the second quarter (2,068).

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

A private equity group with portfolio companies in Europe, Asia and the U.S.

## Activities during the quarter

- Investor paid a net of SEK 268 m. to EQT.
- In constant currency, the value change of Investor's investments in EQT was 7 percent. The reported value change was 9 percent.
- Investor's total outstanding commitments to EQT funds amounted to SEK 11.6 bn. as of June 30, 2016 (8.5).
- EQT V divested parts of its holding in Dometic and listed Academedia on Nasdaq Stockholm.
- EQT VI divested Atos Medical.
- EQT VII acquired a majority stake in Sitecore.
- EQT Infrastructure divested Parkia. EQT Infrastructure II acquired DCLI.
- EQT Mid Market invested in In.Corp Group.
- The new funds EQT Mid Market Credit and EQT Ventures were successfully closed.

## Change in net asset value, EQT

SEK m.	Q2 2016	H1 2016	H1 2015
Net asset value, beginning of period	11 905	13 021	13 522
Contribution to net asset value (value change)	1 099	1 166	3 093
Draw-downs (investments and management fees)	633	946	1 093
Proceeds to Investor (divestitures, fee surplus and carry)	-365	-1 861	-4 109
<b>Net asset value, end of period</b>	<b>13 272</b>	<b>13 272</b>	<b>13 599</b>

## Investor's investments in EQT, June 30, 2016

	Fund size EUR m.	Investor's share (%)	Investor's remaining commitment SEK m.	Reported value SEK m.
Terminated funds <sup>1)</sup>	1 633			-
Fully invested funds <sup>2)</sup>	11 692		705	5 298
EQT VI	4 815	6	565	3 727
EQT VII	6 750	5	2 686	614
EQT Mid Market	1 054	24	577	2 358
EQT Infrastructure II	1 938	8	732	677
EQT Credit Fund II	845	10	358	567
EQT Ventures	566	10	541	0
EQT new funds			5 483	0
EQT AB		19		31
<b>Total</b>	<b>29 293</b>		<b>11 647</b>	<b>13 272</b>

1) EQT I, EQT II, EQT Denmark, EQT Finland, EQT Asia.

2) EQT III, EQT IV, EQT V, EQT Expansion Capital I and II, EQT Greater China II, EQT Infrastructure, EQT Credit, EQT Opportunity.

## Investor's investments in EQT, key figures overview

SEK m.	Q2 2016	Q1 2016	FY 2015	Q4 2015	Q3 2015	Q2 2015	Q1 2015	FY 2014	Q4 2014	Q3 2014	Q2 2014
Reported value	13 272	11 905	13 021	13 021	12 623	13 599	13 991	13 522	13 522	13 490	13 287
Reported value change, %	9	1	30	10	-2	15	8	38	10	3	13
Value change, constant currency, %	7	0	32	12	-4	16	8	30	6	2	10
Draw-downs from Investor	633	313	1 590	133	364	223	870	2 397	389	1 163	476
Proceeds to Investor	365	1 496	6 086	943	1 034	2 683	1 426	4 854	1 714	1 314	591
<b>Net proceeds to Investor</b>	<b>-268</b>	<b>1 183</b>	<b>4 496</b>	<b>810</b>	<b>670</b>	<b>2 460</b>	<b>556</b>	<b>2 457</b>	<b>1 325</b>	<b>151</b>	<b>115</b>

# PATRICIA INDUSTRIES

a part of Investor AB

Patricia Industries contributed to the net asset value with SEK 1,380 m. during the first half of 2016 (3,581), of which SEK 2,000 m. during the second quarter (1,121).

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

## Investments, divestments and distributions

A total of SEK 137 m. was invested during the second quarter, including add-on investments. The capital injection in Affibody was the single largest investment in the quarter.

Divestments and distributions amounted to SEK 753 m., primarily driven by exits and the distribution received from 3 Scandinavia.

For information regarding Alternative Performance Measures related to Patricia Industries and its Investments, see page 14. Definitions can be found on Investors website.

## Patricia Industries, net cash

SEK m.	Q2 2016	H1 2016	H1 2015
Beginning of period	13 907	14 616	10 380
Net cash flow	620	1 382	615
Internal transfer to Investor	-	-1 259	-
Other <sup>1)</sup>	46	-165	67
<b>End of period</b>	<b>14 574</b>	<b>14 574</b>	<b>11 062</b>

1) Includes currency related effects, net interest and management cost.

## Patricia Industries, net asset value

SEK m.	Q2 2016	H1 2016	H1 2015
Beginning of period	49 767	51 095	49 840
Investments	137	310	681
Divestments	-566	-1 375	-731
Distributions	-187	-315	-535
Changes in value	2 070	1 506	3 702
<b>End of period</b>	<b>51 221</b>	<b>51 221</b>	<b>52 957</b>
<b>Total, incl. cash</b>	<b>65 795</b>	<b>65 795</b>	<b>64 019</b>

## Patricia Industries, contribution to net asset value

SEK m.	Q2 2016	H1 2016	H1 2015
Changes in value	2 070	1 506	3 702
Management cost	-65	-133	-133
Other items	-5	7	12
<b>Total</b>	<b>2 000</b>	<b>1 380</b>	<b>3 581</b>

## Major subsidiaries, performance<sup>1)</sup>

Q2 2016							
SEK m.	Mölnycke Health Care	Permobil	Aleris	BraunAbility	Vectura	Grand Group	Total
<b>Income statement items</b>							
Sales	3 352	820	2 503	940	49	179	7 844
EBITDA	1 022	167	162	102	31	24	1 508
EBITDA, %	30	20	6	11	62	14	19
EBITA <sup>2)</sup>	941	135	117	95	4	18	1 311
EBITA, %	28	16	5	10	9	10	17
<b>Cash flow items</b>							
EBITDA	1 022	167	162	102	31	24	1 508
Change in working capital	-157	3	47	-14	-29	9	-141
Capital expenditures	-182	-20	-34	-11	-69	-9	-327
<b>Operating cash flow</b>	<b>682</b>	<b>149</b>	<b>175</b>	<b>76</b>	<b>-68</b>	<b>24</b>	<b>1 040</b>
Acquisitions/divestments	-	-	-	-	-	-	-
Shareholder contribution/distribution	-	-	-	-	-	-	-
Other <sup>3)</sup>	-94	-230	-69	-23	6	0	-411
<b>Increase (-)/decrease (+) in net debt</b>	<b>588</b>	<b>-81</b>	<b>106</b>	<b>53</b>	<b>-63</b>	<b>24</b>	<b>629</b>

1) This table presents the performance of the major subsidiaries within Patricia Industries. Smaller subsidiaries and internal eliminations not included.

2) EBITA is defined as operating profit before acquisition-related amortizations.

3) Please see company section for details.

## Major subsidiaries, performance<sup>1)</sup>

H1 2016							
SEK m.	Mölnycke Health Care	Permobil	Aleris	BraunAbility	Vectura	Grand Group	Total
<b>Income statement items</b>							
Sales	6 571	1 552	4 879	1 788	84	284	15 159
EBITDA	1 933	300	278	166	50	15	2 742
EBITDA, %	29	19	6	9	60	5	18
EBITA <sup>2)</sup>	1 769	236	187	153	-1	2	2 347
EBITA, %	27	15	4	9	-1	1	15
<b>Cash flow items</b>							
EBITDA	1 933	300	278	166	50	15	2 742
Change in working capital	-462	84	30	-162	-18	4	-523
Capital expenditures	-336	-56	-78	-20	-133	-21	-644
<b>Operating cash flow</b>	<b>1 135</b>	<b>328</b>	<b>230</b>	<b>-16</b>	<b>-101</b>	<b>-2</b>	<b>1 575</b>
Acquisitions/divestments	-423	-37	-56	-	-	-	-517
Shareholder contribution/distribution	-	-	-	-	-	-	-
Other <sup>3)</sup>	-268	-231	-161	-21	9	-2	-675
<b>Increase (-)/decrease (+) in net debt</b>	<b>444</b>	<b>60</b>	<b>13</b>	<b>-37</b>	<b>-92</b>	<b>-4</b>	<b>384</b>

1) This table presents the performance of the major subsidiaries within Patricia Industries. Smaller subsidiaries and internal eliminations not included.

2) EBITA is defined as operating profit before acquisition-related amortizations.

3) Please see company section for details.

A provider of advanced products for treatment and prevention of wounds and single-use surgical solutions

### Activities during the quarter

- Organic growth was 10 percent in constant currency.
- Both business areas reported good growth. Wound Care was primarily driven by advanced wound care in the U.S. and in developing markets. In Surgical, growth was driven by surgical gloves and ProcedurePak™ trays.
- The EBITA margin increased, primarily driven by volume growth.
- Operating cash flow was moderate, impacted by an increase in working capital.

### Key figures, Mölnlycke Health Care

Income statement items, EUR m.	2016		2015		Rolling 4 quarters
	Q2	H1	Q2	H1	
Sales	361	707	335	657	1 403
Sales growth, %	8	8	13	12	
Organic growth, constant currency, %	10	8	4	4	
EBITDA	110	208	90	179	403
EBITDA, %	30	29	27	27	29
EBITA	101	190	83	165	362
EBITA, %	28	27	25	25	26
<b>Balance sheet items, EUR m.</b>	<b>6/30 2016</b>		<b>12/31 2015</b>		
Net debt	807		855		
	2016		2015		
<b>Cash flow items, EUR m.</b>	<b>Q2</b>	<b>H1</b>	<b>Q2</b>	<b>H1</b>	
EBITDA	110	208	90	179	
Change in working capital	-17	-50	-38	-64	
Capital expenditures	-20	-36	-14	-24	
<b>Operating cash flow</b>	<b>74</b>	<b>122</b>	<b>38</b>	<b>91</b>	
Acquisitions/divestments	-	-45	-	-	
Shareholder contribution/distribution	-	-	-	-	
Other <sup>1)</sup>	-10	-29	-17	-54	
<b>Increase (-)/decrease (+) in net debt</b>	<b>63</b>	<b>48</b>	<b>22</b>	<b>37</b>	
<b>Key ratios</b>					<b>Rolling 4 quarters</b>
Working capital/sales, %					13
Capital expenditures/sales, %					5
	<b>6/30 2016</b>		<b>6/30 2015</b>		
Number of employees	7 560		7 540		

1) Includes effects of exchange rate changes, interest and tax. During the first half of 2016, foreign exchange rate-related effects from revaluation of net debt amounted to EUR -4 m. (-30), of which EUR -6 m. during the second quarter (-10).

A provider of advanced mobility and seating rehab solutions

### Activities during the quarter

- Organic growth was 9 percent in constant currency, with strong performance in both Europe and the U.S.
- The EBITA margin increased, explained by operational improvement.
- Permobil announced a partnership with BraunAbility within research and product development to improve the interface between wheelchairs and wheelchair accessible vehicles.
- Operating cash flow was strong, with continued good collection of receivables and lower investments compared to last year, following strong investments related to the introduction of the new powered wheelchair series.

### Key figures, Permobil

Income statement items, SEK m.	2016		2015		Rolling 4 quarters
	Q2	H1	Q2	H1	
Sales	820	1 552	723	1 254	3 229
Sales growth, %	13	24	50	40	
Organic growth, constant currency, %	9	14	6	2	
EBITDA	167	300	125	187	659
EBITDA, %	20	19	17	15	20
EBITA	135	236	97 <sup>1)</sup>	138 <sup>1)</sup>	525
EBITA, %	16	15	13	11	16
<b>Balance sheet items, SEK m.</b>	<b>6/30 2016</b>		<b>12/31 2015</b>		
Net debt	2 335		2 395		
	2016		2015		
<b>Cash flow items, SEK m.</b>	<b>Q2</b>	<b>H1</b>	<b>Q2</b>	<b>H1</b>	
EBITDA	167	300	125	187	
<i>Adjustments to EBITDA<sup>2)</sup></i>	-	-	7	7	
Change in working capital	3	84	-40	-39	
Capital expenditures	-20	-56	-57	-100	
<b>Operating cash flow</b>	<b>149</b>	<b>328</b>	<b>35</b>	<b>55</b>	
Acquisitions/divestments	-	-37	-1 024	-1 024	
Shareholder contribution/distribution	-	-	-	-	
Other <sup>3)</sup>	-230	-231	56	-105	
<b>Increase (-)/decrease (+) in net debt</b>	<b>-81</b>	<b>60</b>	<b>-934</b>	<b>-1 075</b>	
<b>Key ratios</b>					<b>Rolling 4 quarters</b>
Working capital/sales, %					19
Capital expenditures/sales, %					4
	<b>6/30 2016</b>		<b>6/30 2015</b>		
Number of employees	1 345		1 310		

1) Restated.

2) Acquisition related inventory adjustment that effects EBITDA negatively but has no effect on cash flow.

3) Includes effects of exchange rate changes, interest and tax. During the first half of 2016, foreign exchange rate-related effects amounted to SEK -46 m. from revaluation of net debt (-53), of which SEK -90 m. during the second quarter (57). It also includes SEK 110 m. in an acquisition-related add-on payment (relating to Permobil).



A provider of healthcare and care services in Scandinavia

### Activities during the quarter

- Organic growth was 9 percent in constant currency, driven by all business areas in all three countries, although Norway continued to be the main driver.
- The EBITA margin increased slightly, driven by Norway and Denmark as well as seasonal effects. Continued weak performance within parts of Healthcare Sweden weighed on profitability. The work to improve the underperforming parts of the business continues.
- Aleris announced the acquisition of Curato, the Norwegian market leader in radiology, with annual sales of NOK 517 m. in 2015. The acquisition will be financed by cash at hand and debt. The Norwegian competition authority has approved the acquisition, which will close in early August.
- Operating cash flow was seasonally strong.

### Key figures, Aleris

Income statement items, SEK m.	2016		2015		Rolling 4 quarters
	Q2	H1	Q2	H1	
Sales	2 503	4 879	2 172	4 238	9 181
Sales growth, %	15	15	15	13	
Organic growth, constant currency, %	9	10	12	10	
EBITDA	162	278	140	277	492
EBITDA, %	6	6	6	7	5
EBITA	117	187	95	193	318
EBITA, %	5	4	4	5	3
<b>Balance sheet items, SEK m.</b>	<b>6/30 2016</b>		<b>12/31 2015</b>		
Net debt	1 402		1 415		
<b>Cash flow items, SEK m.</b>	<b>2016</b>		<b>2015</b>		
	Q2	H1	Q2	H1	
EBITDA	162	278	140	277	
Change in working capital	47	30	93	4	
Capital expenditures	-34	-78	-36	-70	
<b>Operating cash flow</b>	<b>175</b>	<b>230</b>	<b>197</b>	<b>211</b>	
Acquisitions/divestments	-	-56	-91	-91	
Shareholder contribution/distribution	-	-	-	-	
Other <sup>1)</sup>	-69	-161	-22	-53	
<b>Increase (-)/decrease (+) in net debt</b>	<b>106</b>	<b>13</b>	<b>84</b>	<b>67</b>	
<b>Key ratios</b>					<b>Rolling 4 quarters</b>
Working capital/sales, %					-2
Capital expenditures/sales, %					2
	<b>6/30 2016</b>	<b>6/30 2015</b>			
Number of employees	8 430	7 305			

1) Includes effects of exchange rate changes, interest and tax. During the first half of 2016, foreign exchange rate-related effects from revaluation of net debt amounted to SEK -38 m. (16), of which SEK -22 m. during the second quarter (13).

A world-leading manufacturer of wheelchair accessible vehicles and wheelchair lifts

### Activities during the quarter

- Organic growth was 1 percent in constant currency, reflecting a high sales level in the second quarter last year.
- EBITA grew despite significant investments in production and R&D to support the transition to new OEM models.
- The process to improve operations in terms of quality and productivity as well as safety, which is a focus area, continued.
- Operating cash flow improved both compared to last year and, reflecting the historical seasonality in the business, sequentially over the first quarter.

### Key figures, BraunAbility

Income statement items, USD m.	2016		2015 <sup>1)</sup>		Rolling 4 quarters <sup>1)</sup>
	Q2	H1	Q2	H1	
Sales	114	215	113	190	423
Sales growth, %	1	13	12	3	
Organic growth, constant currency, %	1	13	12	3	
EBITDA	12	20	11	17	33
EBITDA, %	11	9	10	9	8
EBITA	12	18	10	16	30
EBITA, %	10	9	9	9	7
<b>Balance sheet items, USD m.</b>	<b>6/30 2016</b>		<b>12/31 2015</b>		
Net debt	80		75		
<b>Cash flow items, USD m.</b>	<b>2016</b>		<b>2015</b>		
	Q2	H1	Q2	H1	
EBITDA	12	20	11	17	
Change in working capital	-2	-19	-5	-17	
Capital expenditures	-1	-2	-0	-1	
<b>Operating cash flow</b>	<b>9</b>	<b>-2</b>	<b>6</b>	<b>0</b>	
Acquisitions/divestments	-	-	-	-	
Shareholder contribution/distribution	-	-	-	-	
Other <sup>2)</sup>	-3	-2	-6	-7	
<b>Increase (-)/decrease (+) in net debt</b>	<b>6</b>	<b>-4</b>	<b>0</b>	<b>-8</b>	
<b>Key ratios</b>					<b>Rolling 4 quarters</b>
Working capital/sales, %					17
Capital expenditures/sales, %					1
	<b>6/30 2016</b>	<b>6/30 2015</b>			
Number of employees	1 040	990			

1) Consolidated as of October 30, 2015. Historical pro forma figures presented for information purposes.

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

Develops and manages real estate, including Grand Hôtel and Aleris-related properties

### Activities during the quarter

- Growth was 20 percent, primarily driven by revenue-based rental income from Grand Hôtel and the new Aleris facility in Solna.
- A building permission for the development of a new Aleris facility in Sundbyberg was received and the development in Botkyrka proceeded according to plan.
- Vectura continued to strengthen its organization with additional recruitments, and the project pipeline looks promising.

### Key figures, Vectura

Income statement items, SEK m.	2016		2015		Rolling 4 quarters
	Q2	H1	Q2	H1	
Sales	49	84	41	70	172
Sales growth, %	20	20	20	15	
EBITDA	31	50	27	42	100
EBITDA, %	62	60	66	61	58
EBITA adjusted <sup>1)</sup>	13	15	8	7	28
EBITA adjusted, %	26	18	19	9	16
EBITA	4	-1	1	-8	-3
EBITA, %	9	-1	2	-11	-2
<b>Balance sheet items, SEK m.</b>	<b>6/30 2016</b>		<b>12/31 2015</b>		
Net debt	1 197		1 105		
	<b>2016</b>		<b>2015</b>		
<b>Cash flow items, SEK m.</b>	<b>Q2</b>	<b>H1</b>	<b>Q2</b>	<b>H1</b>	
EBITDA	31	50	27	42	
Change in working capital	-29	-18	6	-21	
Capital expenditures	-69	-133	-36	-61	
<b>Operating cash flow</b>	<b>-68</b>	<b>-101</b>	<b>-3</b>	<b>-40</b>	
Acquisitions/divestments	-	-	-19	-19	
Shareholder contribution/distribution	-	-	-	-	
Other <sup>2)</sup>	6	9	-13	32	
<b>Increase (-)/decrease (+) in net debt</b>	<b>-63</b>	<b>-92</b>	<b>-35</b>	<b>-26</b>	
	<b>6/30 2016</b>		<b>6/30 2015</b>		
Number of employees	15		8		

1) EBITA adjusted for depreciation of surplus values related to properties.

2) Includes interest and tax.

The Grand Group offers Lodging, Food & Beverage as well as Conference & Banqueting, and consists of Scandinavia's leading five-star hotel Grand Hôtel and Lydmar Hotel

### Activities during the quarter

- Growth was 16 percent, driven by all segments, but primarily Lodging at the Grand Hôtel.
- The EBITA margin increased, following good performance in all business areas except Lodging at the Lydmar Hotel.

### Key figures, Grand Group

Income statement items, SEK m.	2016		2015		Rolling 4 quarters
	Q2	H1	Q2	H1	
Sales	179	284	155	258	623
Sales growth, %	16	10	6	8	
EBITDA	24	15	14	4	52
EBITDA, %	14	5	9	1	8
EBITA	18	2	8	-9	27
EBITA, %	10	1	5	-4	4
<b>Balance sheet items, SEK m.</b>	<b>6/30 2016</b>		<b>12/31 2015</b>		
Net debt	-102		-106		
	<b>2016</b>		<b>2015</b>		
<b>Cash flow items, SEK m.</b>	<b>Q2</b>	<b>H1</b>	<b>Q2</b>	<b>H1</b>	
EBITDA	24	15	14	4	
Change in working capital	9	4	4	-2	
Capital expenditures	-9	-21	-1	-7	
<b>Operating cash flow</b>	<b>24</b>	<b>-2</b>	<b>18</b>	<b>-6</b>	
Acquisitions/divestments	-	-	-	-	
Shareholder contribution/distribution	-	-	-	-	
Other <sup>1)</sup>	0	-2	-2	-4	
<b>Increase (-)/decrease (+) in net debt</b>	<b>24</b>	<b>-4</b>	<b>16</b>	<b>-9</b>	
	<b>6/30 2016</b>		<b>6/30 2015</b>		
Number of employees	350		340		
					<b>Rolling 4 quarters</b>
Working capital/sales, %					-9
Capital expenditures/sales, %					3

1) Includes interest and tax.



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

A provider of mobile voice and broadband services in Sweden and Denmark

## Activities during the quarter

- The number of subscribers increased by 53,000, of which 33,000 in Sweden. In total, the subscriber base grew by 7 percent.
- Service revenue grew by 4 percent, driven by subscriber base growth.
- EBITDA decreased by 5 percent, impacted by costs related to the settlement of a performance-based compensation program.
- Operating cash flow was strong, and SEK 468 m. was distributed to the owners, of which SEK 187 m. to Patricia Industries.

## Key figures, 3 Scandinavia

Income statement items, SEK m.	2016		2015		Rolling 4 quarters
	Q2	H1	Q2	H1	
Sales, SEK m.	2 701	5 833	2 645	5 308	11 356
Sweden, SEK m.	1 804	3 644	1 799	3 523	7 359
Denmark, DKK m.	713	1 757	682	1 428	3 197
Service revenue <sup>1)</sup> , SEK m.	1 626	3 235	1 563	3 095	6 453
Sweden, SEK m.	1 077	2 152	1 039	2 051	4 277
Denmark, DKK m.	436	865	423	835	1 733
EBITDA, SEK m.	680	1 432	715	1 410	2 938
Sweden, SEK m.	520	1 084	532	1 044	2 189
Denmark, DKK m.	126	277	147	293	597
EBITDA, %	25	25	27	27	26
Sweden	29	30	30	30	30
Denmark	18	16	22	21	19
<b>Balance sheet items, SEK m.</b>	<b>6/30 2016</b>		<b>12/31 2015</b>		
Net debt	1 556		1 579		
	<b>6/30 2016</b>		<b>6/30 2015</b>		
Number of employees	2 070		2 110		
<b>Key ratios</b>					
Capital expenditures/sales, %	10				
<b>Other key figures</b>	<b>6/30 2016</b>		<b>6/30 2015</b>		
Subscribers	3 301 000		3 097 000		
Sweden	2 081 000		1 949 000		
Denmark	1 220 000		1 148 000		
Postpaid/prepaid ratio	78/22		80/20		

1) Mobile service revenue excluding interconnect revenue.

## Financial Investments

Financial Investments consists of investments in which the investment horizon has not yet been defined. Our objective is to maximize the value and use realized proceeds for investments in existing and new subsidiaries. We are also evaluating if some holdings could become long-term investments.

## Activities during the quarter

- Investments amounted to SEK 137 m. Divestments and distributions amounted to SEK 566 m.
- SEK 98 m. was invested through a new share issue in the biotech company Affibody.
- Exits were made in Cayenne Medical, Galil Medical, CDG Holdings and Samsari. Parts of the holding in Tobii were divested.

## Change in net asset value, Financial Investments

SEK m.	Q2 2016	H1 2016	H1 2015
Net asset value, beginning of period	10 727	12 850	11 795
Investments	137	310	653
Divestments/distributions	-566	-1 375	-734
Changes in value	419	-1 069	3 161
<b>Net asset value, end of period</b>	<b>10 717</b>	<b>10 717</b>	<b>14 875</b>

As of June 30, 2016, European, U.S. and Asian holdings represented 21, 43, and 36 percent of the total value of the Financial Investments.

51 percent of the net asset value of the Financial Investments is represented by investments in publicly listed companies.

## Five largest Financial Investments, June 30, 2016

Company	Region	Business	Listed/ unlisted	Reported value. SEK m.
NS Focus	Asia	IT	Listed	3 676
Madrague	Europe	Financials	Unlisted	747
Tobii	Europe	IT	Listed	665
Mindjet	U.S.	IT	Unlisted	566
Retail Solutions	U.S.	IT	Unlisted	321
<b>Total</b>				<b>5 975</b>

The five largest investments represented 56 percent of the total value of the Financial Investments.

**Patricia Industries – key figures overview<sup>5)</sup>**

	Q2 2016	Q1 2016	FY 2015	Q4 2015	Q3 2015	Q2 2015	Q1 2015	FY 2014	Q4 2014	Q3 2014	Q2 2014
<b>Mölnlycke Health Care (EUR m.)</b>											
Sales	361	345	1 353	357	339	335	321	1 213	325	304	297
EBITDA	110	98	374	95	100	90	89	349	101	94	77
EBITDA (%)	30	28	28	27	29	27	28	29	31	31	26
EBITA <sup>2)</sup>	101	89	337	86	86 <sup>3)</sup>	83	82	322	94	87	70
EBITA, %	28	26	25	24	25	25	26	27	29	29	24
Net debt	807	871	855	855	527	606	628	643	643	730	646
Employees	7 560	7 555	7 500	7 500	7 360	7 540	7 515	7 425	7 425	7 435	7 515
<b>Permobil (SEK m.)</b>											
Sales	820	732	2 931	862	815	723	531	2 053	597	563	482
EBITDA	167	133	547	189	171	125	62	426	122	138	103
EBITDA (%)	20	18	19	22	21	17	12	21	20	25	21
EBITA <sup>2)</sup>	135	101	426	146	143	97	41	351	99	119	85
EBITA, %	16	14	15	17	18	13	8	17	17	21	18
Net debt	2 335	2 254	2 395	2 395	2 536	2 526	1 592	1 451	1 451	1 476	1 421
Employees	1 345	1 330	1 320	1 320	1 330	1 310	1 050	1 015	1 015	995	955
<b>Aleris (SEK m.)</b>											
Sales	2 503	2 376	8 540	2 311	1 991	2 172	2 066	7 527	1 999	1 793	1 894
EBITDA	162	116	492	93	122	140	137	355	60	117	77
EBITDA (%)	6	5	6	4	6	6	7	5	3	7	4
EBITA <sup>2)</sup>	117	71	323	48	82	95	98	199	20	78	40
EBITA, %	5	3	4	2	4	4	5	3	1	4	2
Net debt	1 402	1 508	1 415	1 415	900	902	986	969	969	1 003	970
Employees	8 430	8 205	7 805	7 805	7 300	7 305	6 960	6 645	6 645	6 605	6 485
<b>BraunAbility<sup>1)</sup> (USD m.)</b>											
Sales	114	100	399	101	107	113	77	391			
EBITDA	12	8	30	2	11	11	6	34			
EBITDA (%)	11	8	8	2	10	10	8	9			
EBITA <sup>2)</sup>	12	7	27	1	10	10	6	31			
EBITA, %	10	7	7	1	9	9	7	8			
Net debt	80	86	75	75	52	60	59	52			
Employees	1 040	1 030	1 025	1 025	990	990	950	950			
<b>Vectura (SEK m.)</b>											
Sales	49	34	158	43	45	41	28	130	34	35	35
EBITDA	31	20	92	20	30	27	15	73	15	23	22
EBITDA (%)	62	58	58	47	67	66	54	56	44	66	63
EBITA <sup>2)</sup>	4	-5	-10	-6	4	1	-8	-23	-26	5	4
EBITA, %	9	-15	-6	-14	9	2	-29	-18	-76	14	11
Net debt	1 197	1 135	1 105	1 105	1 388	1 389	1 354	1 363	1 363	1 209	1 167
Employees	15	13	13	13	9	8	7	7	7	5	5
<b>Grand Group (SEK m.)</b>											
Sales	179	105	597	160	179	155	103	541	155	148	146
EBITDA	24	-10	41	10	27	14	-11	30	13	16	14
EBITDA (%)	14	-9	7	6	15	9	-10	6	8	11	10
EBITA <sup>2)</sup>	18	-16	15	3	21	8	-17	5	6	9	9
EBITA, %	10	-15	3	2	12	5	-17	1	4	6	6
Net debt	-102	-78	-106	-106	-99	-76	-60	-85	-85	-87	-69
Employees	350	310	360	360	355	340	310	350	350	345	325
<b>3 Scandinavia<sup>4)</sup></b>											
Sales	2 701	3 133	10 831	2 948	2 575	2 645	2 663	10 387	2 994	2 677	2 392
Sweden, SEK m.	1 804	1 840	7 238	1 951	1 764	1 799	1 724	6 633	1 813	1 623	1 655
Denmark, DKK m.	713	1 043	2 868	802	638	682	746	3 063	940	858	606
EBITDA	680	752	2 916	754	752	715	696	2 662	691	675	678
Sweden, SEK m.	520	564	2 149	539	566	532	512	1 868	486	460	489
Denmark, DKK m.	126	151	612	173	146	147	146	649	163	175	155
EBITDA, %	25	24	27	26	29	27	26	26	23	25	28
Sweden	29	31	30	28	32	30	30	28	27	28	30
Denmark	18	14	21	22	23	22	20	21	17	20	26
Net debt, SEK m.	1 556	1 386	1 579	1 579	1 525	1 413	1 116	1 118	1 118	8 419	8 891
Employees	2 070	2 085	2 095	2 095	2 120	2 110	2 120	2 185	2 185	2 105	2 065
<b>Financial Investments (SEK m.)</b>											
Net asset value, beginning of period	10 727	12 850	11 714	11 897	14 843	14 606	11 714				
Investments	137	173	923	69	201	223	430				
Divestments/distribution	-566	-809	-2 908	-368	-1 841	-662	-39				
Changes in value	419	-1 488	3 121	1 252	-1 306	676	2 501				
Net asset value, end of period	10 717	10 727	12 850	12 850	11 897	14 843	14 606				

1) Consolidated as of October 30, 2015. Historical pro forma figures presented for information purposes.

2) EBITA is defined as operating profit before acquisition-related amortizations.

3) Including a EUR 5 m. write-down of capitalized R&D.

4) As of the fourth quarter 2014, 3 Scandinavia reports all financial information without the previously applied one-month delay. The key figures have been restated to enable comparability.

5) For information regarding Alternative Performance Measures in the table, see page 14. Definitions can be found on Investors website.

# Group

## Net debt

Net debt totaled SEK 17,430 m. on June 30, 2016 (15,892). Debt financing of the subsidiaries within Patricia Industries is arranged on an independent, ring-fenced basis and hence not included in Investor's net debt. Within Patricia Industries, Investor guarantees SEK 0.7 bn. of 3 Scandinavia's external debt, but this is not included in Investor's net debt.

### Net debt, 6/30 2016

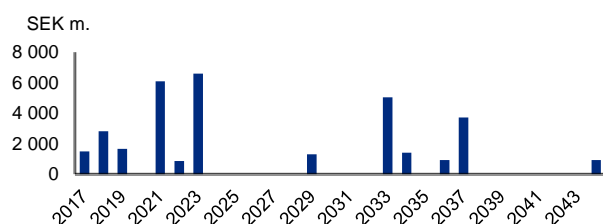
SEK m.	Consolidated balance sheet	Deductions related to Patricia subsidiaries	Investor's net debt
Other financial investments	2 603	-21	2 582 <sup>1)</sup>
Cash, bank and short-term investments	16 499	-3 273	13 226 <sup>1)</sup>
Receivables included in net debt	3 001	-	3 001
Loans	-52 267	16 113	-36 154
Provision for pensions	-790	705	-85
<b>Total</b>	<b>-30 954</b>	<b>13 525</b>	<b>-17 430</b>

1) Included in cash and readily available placements.

Investor's cash and readily available placements (gross cash\*) amounted to SEK 15,808 m. as of June 30, 2016 (19,062). The short-term investments are invested conservatively, taking into account the risk-adjusted return profile. Gross debt\*, excluding pensions for Investor, amounted to SEK 33,153 m. as of June 30, 2016 (34,859). The reduction in gross debt compared to year-end 2015 is due to the redemption of a EUR 2016 bond during the first quarter.

The average maturity of Investor AB's debt portfolio was 10.5 years on June 30, 2016 (10.3), excluding the debt of Mölnlycke Health Care, Aleris, Permobil, BraunAbility, Grand Group and Vectura.

### Debt maturity profile, 6/30 2016



### Net financial items, 6/30 2016

SEK m.	Group - Net financial items	Deductions related to Patricia subsidiaries	Investor's net financial items
Interest income	20	-7	13
Interest expenses	-692	172	-520
Realized result from loans and swaps	16	-	16
Unrealized result from revaluation of loans, swaps and short-term investments	-65	-2	-67
Foreign exchange result	-135	34	-101
Other	-18	24	6
<b>Total</b>	<b>-874</b>	<b>222</b>	<b>-652</b>

## The Investor share

The price of the A-share and B-share was SEK 277.70 and SEK 280.90 respectively on June 30, 2016, compared to SEK 306.60 and SEK 312.60 on December 31, 2015.

The total shareholder return amounted to -7 percent during the first half of the year (12), of which 1 percent during the second quarter (-8).

The total market capitalization of Investor, adjusted for repurchased shares, was SEK 213,560 m. as of June 30, 2016 (236,301).

## Parent Company

### Share capital

Investor's share capital amounted to SEK 4,795 m. on June 30, 2016 (4,795).

### Share structure

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

On June 30, 2016, Investor owned a total of 3,353,057 of its own shares (5,270,322). The net decrease in holdings of own shares is attributable to repurchase of own shares and transfer of shares and options within Investor's long-term variable remuneration program.

## Results and investments

The Parent Company's result after financial items was SEK -7,418 m. (19,824). The result is mainly related to Listed Core Investments which contributed to the result with dividends amounting to SEK 5,064 m. (5,725) and value changes of SEK -12,163 m. (10,179).

During the first half of 2016, the Parent Company invested SEK 798 m. in financial assets (13,066), of which SEK 606 m. in Group companies (9,565) and purchases in listed core investments of SEK 125 m. (3,499). The parent company divested SEK 10,065 m. in Group companies (10,288). By the end of the period, shareholder's equity totaled SEK 213,657 m. (228,433).

## Other

### Paid dividend

The Annual General Meeting 2016 approved the proposal of the Board of Directors of a dividend of SEK 10.00 per share for fiscal year 2015 (9.00). The dividend amounted to SEK 7,635 m. in total and was paid on May 17, 2016.

### Acquisitions (business combinations)

#### Mölnlycke's acquisition of Sundance Solutions

On February 12, 2016, Mölnlycke Health Care acquired Sundance Solutions, offering proprietary solutions for the safe positioning and turning of patients to help prevent pressure ulcers, based in the U.S. The company's products complement Mölnlycke's portfolio of advanced dressing

solutions – offering clinicians a more complete and unique range of tools to ensure better patient outcomes. The consideration amounted to SEK 724 m. whereof SEK 427 m. was paid in cash and SEK 297 m. relates to a potential earnout, of a maximum USD 60 m., depending on net revenue and gross contribution between closing date and June 30, 2018.

In the preliminary purchase price allocation, goodwill amounts to SEK 151 m. The goodwill recognized for the acquisition corresponds to the complementary strengths of the two companies in the field of pressure ulcer prevention. The goodwill recognized is not expected to be deductible for income tax purposes.

#### *Identifiable assets acquired and liabilities assumed*

<b>Sundance Solutions</b>	
<b>SEK m.</b>	<b>Preliminary Purchase Price Allocation</b>
Intangible assets	547
Property, plant and equipment	1
Inventory	9
Accounts receivables	27
Current liabilities	-10
<b>Net identifiable assets and liabilities</b>	<b>573</b>
Consolidated goodwill	151
<b>Consideration</b>	<b>724</b>

Transaction related costs amounted to SEK 6 m. and derive from external legal fees and due diligence expenses. The costs have been included in the item Administrative, research and development and other operating cost in the Group's consolidated income statement.

For the 4,5 month period from the acquisition date until June 30, 2016, Sundance contributed net sales of SEK 98 m. and profit of SEK 22 m. to the Group's result. If the acquisition had occurred on January 1, 2016, management estimates that consolidated net sales for the Investor Group would have increased by SEK 27 m. and consolidated profit for the period would have decreased by SEK 38 m.

## **Pledged assets and contingent liabilities**

Total pledged assets amounts to SEK 5 bn. of which SEK 2.9 bn. refers to pledged assets in the subsidiary BraunAbility, related to an outstanding loan corresponding to SEK 916 m.

No material changes in contingent liabilities during the period.

## **Risks and Risk management**

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

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

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

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

## **Accounting policies**

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

### **New and changed accounting policies in 2016**

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.

### **Esma Guidelines on Alternative Performance Measures**

From July 3, 2016 Investor applies the Esma Guidelines on Alternative Performance Measures (APM). An APM is understood as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework. In all regulated information disclosed to the market, used APMs should be defined and a reconciliation of the APM to the financial statements should be disclosed, separately identifying and explaining the material reconciling items.

Investor discloses the definitions of all APMs used on [www.investorab.com/investors-media/investor-in-figures/definitions](http://www.investorab.com/investors-media/investor-in-figures/definitions).

Reconciliations to the financial statements for the APMs that are not directly identifiable from the financial statements and considered significant to specify, are disclosed on page 24. Reconciliation of APMs for individual subsidiaries or business areas are not disclosed, since the purpose with these are to give deeper financial information without being directly linked to the financial information for the Group that is presented according to applicable financial reporting framework.

### **Roundings**

Due to rounding, numbers presented throughout this Interim Report may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

## Financial calendar

Oct. 19, 2016 Interim Management Statement  
January-September 2016

Jan. 31, 2017 Year-End Report 2016

April 25, 2017 Interim Management Statement  
January-March 2017

July 19, 2017 Interim Report January-June 2017

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www.investorab.com

### Ticker codes:

INVEB SS in Bloomberg  
INVEb.ST in Reuters  
INVE B in NASDAQ OMX

This information is information that Investor AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Market Act. The information was submitted for publication, through the agency of the contact person set out above, at 08:15 CET on July 19, 2016.

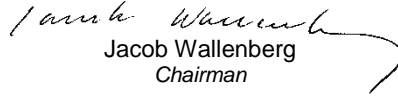
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This Interim Report and additional information is available on [www.investorab.com](http://www.investorab.com).

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

Stockholm, July 19, 2016


  
Jacob Wallenberg  
Chairman

  
Josef Ackermann  
Director

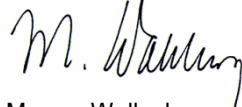
  
Gunnar Brock  
Director

  
Sara Öhrvall  
Director

  
Magdalena Gerger  
Director

  
Tom Johnstone, CBE  
Director

  
Grace Reksten Skaugen  
Director

  
Marcus Wallenberg  
Vice Chairman

  
Hans Stråberg  
Director

  
Lena Treschow Torell  
Director

  
Johan Forssell  
President and Chief Executive Officer  
Director



# Review Report

## Introduction

We have reviewed the interim report of Investor AB (publ), corporate identity number 556013-8298, for the period January 1 - June 30, 2016. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

## Scope of Review

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

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

## Conclusion

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

Stockholm, July 19, 2016

Deloitte AB



Thomas Strömberg

Authorized Public Accountant

## Consolidated Income Statement, in summary

SEK m.	1/1-6/30 2016	1/1-6/30 2015	4/1-6/30 2016	4/1-6/30 2015
Dividends	5 560	6 266	1 907	2 595
Other operating income	23	33	11	17
Changes in value	-12 857	18 843	778	-11 354
Net sales	15 124	11 911	7 829	6 183
Cost of goods and services sold	-9 628	-7 550	-4 908	-3 900
Sales and marketing cost	-1 780	-1 435	-904	-742
Administrative, research and development and other operating cost	-1 574	-1 303	-806	-685
Management cost	-236	-219	-121	-95
Share of results of associates	214	230	117	108
<b>Operating profit/loss</b>	<b>-5 154</b>	<b>26 776</b>	<b>3 903</b>	<b>-7 873</b>
Net financial items	-874	-677	-282	-352
<b>Profit/loss before tax</b>	<b>-6 028</b>	<b>26 099</b>	<b>3 622</b>	<b>-8 225</b>
Income taxes	-260	-557	-222	-246
<b>Profit/loss for the period</b>	<b>-6 288</b>	<b>25 542</b>	<b>3 400</b>	<b>-8 471</b>
Attributable to:				
Owners of the Parent Company	-6 291	25 543	3 396	-8 470
Non-controlling interest	3	-1	4	-1
<b>Profit/loss for the period</b>	<b>-6 288</b>	<b>25 542</b>	<b>3 400</b>	<b>-8 471</b>
Basic earnings per share, SEK	-8.25	33.54	4.45	-11.13
Diluted earnings per share, SEK	-8.25	33.45	4.44	-11.13

## Consolidated Statement of Comprehensive Income, in summary

SEK m.	1/1-6/30 2016	1/1-6/30 2015	4/1-6/30 2016	4/1-6/30 2015
Profit/loss for the period	-6 288	25 542	3 400	-8 471
Other comprehensive income for the period, including tax				
<i>Items that will not be recycled to profit/loss for the period</i>				
Revaluation of property, plant and equipment	33	24	-	11
Remeasurements of defined benefit plans	-15	76	-15	1
<i>Items that may be recycled to profit/loss for the period</i>				
Cash flow hedges	8	56	-7	62
Foreign currency translation adjustment	867	-230	887	-969
Share of other comprehensive income of associates	34	-66	66	-13
<b>Total other comprehensive income for the period</b>	<b>927</b>	<b>-140</b>	<b>931</b>	<b>-908</b>
<b>Total comprehensive income for the period</b>	<b>-5 361</b>	<b>25 402</b>	<b>4 331</b>	<b>-9 379</b>
Attributable to:				
Owners of the Parent Company	-5 367	25 403	4 320	-9 378
Non-controlling interest	6	-1	11	-1
<b>Total comprehensive income for the period</b>	<b>-5 361</b>	<b>25 402</b>	<b>4 331</b>	<b>-9 379</b>

## Consolidated Balance Sheet, in summary

SEK m.	6/30 2016	12/31 2015	6/30 2015
<b>ASSETS</b>			
Goodwill	29 999	29 062	27 425
Other intangible assets	13 050	12 386	11 139
Property, plant and equipment	6 873	6 483	5 975
Shares and participations	240 283	254 036	265 209
Other financial investments	2 603	6 665	4 046
Long-term receivables included in net debt	3 001	1 894	1 871
Other long-term receivables	3 464	3 657	4 078
<b>Total non-current assets</b>	<b>299 273</b>	<b>314 183</b>	<b>319 743</b>
Inventories	2 765	2 509	2 087
Shares and participations in trading operation	35	18	75
Short-term receivables included in net debt	-	16	55
Other current receivables	5 515	4 803	4 706
Cash, bank and short-term investments	16 499	15 061	15 815
<b>Total current assets</b>	<b>24 814</b>	<b>22 407</b>	<b>22 738</b>
<b>TOTAL ASSETS</b>	<b>324 087</b>	<b>336 590</b>	<b>342 481</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>259 300</b>	<b>271 977</b>	<b>279 598</b>
Long-term interest bearing liabilities	50 620	50 120	49 148
Provisions for pensions and similar obligations	790	743	715
Other long-term provisions and liabilities	5 683	5 365	5 325
<b>Total non-current liabilities</b>	<b>57 093</b>	<b>56 228</b>	<b>55 188</b>
Current interest bearing liabilities	1 647	2 413	2 506
Other short-term provisions and liabilities	6 047	5 972	5 189
<b>Total current liabilities</b>	<b>7 694</b>	<b>8 385</b>	<b>7 695</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>324 087</b>	<b>336 590</b>	<b>342 481</b>

## Consolidated Statement of Changes in Equity, in summary

SEK m.	1/1-6/30 2016	1/1-12/31 2015	1/1-6/30 2015
Opening balance	271 977	260 993	260 993
Profit for the period	-6 288	17 434	25 542
Other comprehensive income for the period	927	170	-140
<b>Total comprehensive income for the period</b>	<b>-5 361</b>	<b>17 604</b>	<b>25 402</b>
Dividends paid	-7 635	-6 856	-6 856
Changes in non-controlling interest	38	145	-8
Effect of long-term share-based remuneration	281	91	67
<b>Closing balance</b>	<b>259 300</b>	<b>271 977</b>	<b>279 598</b>
<b>Attributable to:</b>			
Owners of the Parent Company	259 083	271 801	279 574
Non-controlling interest	217	176	24
<b>Total equity</b>	<b>259 300</b>	<b>271 977</b>	<b>279 598</b>

## Consolidated Cash Flow, in summary

SEK m.	1/1-6/30 2016	1/1-6/30 2015
<b>Operating activities</b>		
Dividends received	5 566	6 399
Cash receipts	14 391	11 358
Cash payments	-12 477	-10 249
<b>Cash flows from operating activities before net interest and income tax</b>	<b>7 480</b>	<b>7 508</b>
Interest received/paid	-939	-754
Income tax paid	-201	-150
<b>Cash flows from operating activities</b>	<b>6 340</b>	<b>6 604</b>
<b>Investing activities</b>		
Acquisitions	-1 515	-5 345
Divestments	3 301	5 856
Increase in long-term receivables	-3	-
Decrease in long-term receivables	315	532
Acquisitions of subsidiaries, net effect on cash flow	-635	-1 105
Increase in other financial investments	-3 294	-3 312
Decrease in other financial investments	7 423	2 545
Net change, short-term investments	-4 969	-1 405
Acquisitions of property, plant and equipment	-661	-466
Proceeds from sale of property, plant and equipment	17	3
<b>Net cash used in investing activities</b>	<b>-21</b>	<b>-2 697</b>
<b>Financing activities</b>		
New issue Share capital	32	-
Borrowings	121	2 873
Repayment of borrowings	-2 460	-1 739
Dividends paid	-7 635	-6 856
<b>Net cash used in financing activities</b>	<b>-9 942</b>	<b>-5 722</b>
<b>Cash flows for the period</b>	<b>-3 623</b>	<b>-1 815</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>13 180</b>	<b>13 443</b>
Exchange difference in cash	185	52
<b>Cash and cash equivalents at the end of the period</b>	<b>9 742</b>	<b>11 680</b>

## Operating segment

### PERFORMANCE BY BUSINESS AREA 1/1-6/30 2016

SEK m.	Listed Core Investments	EQT	Patricia Industries	Investor Groupwide	Total
Dividends	5 529	31	-	1	5 560
Other operating income <sup>1)</sup>	-	-	23	-	23
Changes in value	-12 357	753	-1 253	-1	-12 857
Net sales	-	-	15 124	-	15 124
Cost of goods and services sold	-	-	-9 628	-	-9 628
Sales and marketing cost	-	-	-1 780	-	-1 780
Administrative, research and development and other operating cost	-	-2	-1 568	-4	-1 574
Management cost	-45	-4	-133	-54	-236
Share of results of associates	-	-	216	-3	214
<b>Operating profit/loss</b>	<b>-6 873</b>	<b>777</b>	<b>1 001</b>	<b>-60</b>	<b>-5 154</b>
Net financial items	-	-	-222	-652	-874
Income tax	-	-	-269	10	-260
<b>Profit/loss for the period</b>	<b>-6 873</b>	<b>777</b>	<b>510</b>	<b>-702</b>	<b>-6 288</b>
Non-controlling interest	-	-	-3	-	-3
<b>Net profit/loss for the period attributable to the Parent Company</b>	<b>-6 873</b>	<b>777</b>	<b>507</b>	<b>-702</b>	<b>-6 291</b>
Dividends paid	-	-	-	-7 635	-7 635
Other effects on equity	-	388	874	-54	1 208
<b>Contribution to net asset value</b>	<b>-6 873</b>	<b>1 166</b>	<b>1 380</b>	<b>-8 391</b>	<b>-12 718</b>
<b>Net asset value by business area 6/30 2016</b>					
Carrying amount	212 158	13 272	51 221	-139	276 513
Investors net debt/-cash	-	-	14 574	-32 004	-17 430
<b>Total net asset value including net debt/-cash</b>	<b>212 158</b>	<b>13 272</b>	<b>65 795</b>	<b>-32 143</b>	<b>259 083</b>

### PERFORMANCE BY BUSINESS AREA 1/1-6/30 2015

SEK m.	Listed Core Investments	EQT	Patricia Industries	Investor Groupwide	Total
Dividends	6 145	110	9	2	6 266
Other operating income <sup>1)</sup>	-	-	33	-	33
Changes in value	12 377	3 412	3 052	2	18 843
Net sales	-	-	11 911	-	11 911
Cost of goods and services sold	-	-	-7 550	-	-7 550
Sales and marketing cost	-	-	-1 435	-	-1 435
Administrative, research and development and other operating cost	-	-4	-1 294	-5	-1 303
Management cost	-46	-4	-133	-36	-219
Share of results of associates	-	-5	237	-2	230
<b>Operating profit/loss</b>	<b>18 476</b>	<b>3 509</b>	<b>4 830</b>	<b>-39</b>	<b>26 776</b>
Net financial items	-	-	-231	-446	-677
Income tax	-	-	-516	-41	-557
<b>Profit/loss for the period</b>	<b>18 476</b>	<b>3 509</b>	<b>4 083</b>	<b>-526</b>	<b>25 542</b>
Non-controlling interest	-	-	1	-	1
<b>Net profit/loss for the period attributable to the Parent Company</b>	<b>18 476</b>	<b>3 509</b>	<b>4 084</b>	<b>-526</b>	<b>25 543</b>
Dividends paid	-	-	-	-6 856	-6 856
Other effects on equity	-	-416	-503	843	-76
<b>Contribution to net asset value</b>	<b>18 476</b>	<b>3 093</b>	<b>3 581</b>	<b>-6 539</b>	<b>18 611</b>
<b>Net asset value by business area 6/30 2015</b>					
Carrying amount	233 031	13 599	52 957	-38	299 549
Investors net debt/-cash	-	-	11 062	-31 037	-19 975
<b>Total net asset value including net debt/-cash</b>	<b>233 031</b>	<b>13 599</b>	<b>64 019</b>	<b>-31 075</b>	<b>279 574</b>

1) Includes interest on loans

## Parent Company Income Statement, in summary

SEK m.	1/1-6/30 2016	1/1-6/30 2015	4/1-6/30 2016	4/1-6/30 2015
Dividends	5 064	5 725	1 830	2 441
Changes in value	-12 163	10 179	418	-12 141
Net sales	6	6	4	3
Operating cost	-168	-149	-90	-52
Result from participations in Group companies	-	4 083	-	4 083
<b>Operating profit/loss</b>	<b>-7 261</b>	<b>19 844</b>	<b>2 162</b>	<b>-5 666</b>
<b>Profit/loss from financial items</b>				
Net financial items	-157	-20	-57	-62
<b>Profit/loss after financial items</b>	<b>-7 418</b>	<b>19 824</b>	<b>2 104</b>	<b>-5 728</b>
Income tax	-	-	-	-
<b>Profit/loss for the period</b>	<b>-7 418</b>	<b>19 824</b>	<b>2 104</b>	<b>-5 728</b>

## Parent Company Balance Sheet, in summary

SEK m.	6/30 2016	12/31 2015	6/30 2015
<b>ASSETS</b>			
Intangible assets and Property, plant and equipment	15	15	18
Financial assets	270 697	290 291	301 601
<b>Total non-current assets</b>	<b>270 712</b>	<b>290 306</b>	<b>301 619</b>
Current receivables	905	2 918	3 249
Cash and cash equivalents	0	0	0
<b>Total current assets</b>	<b>905</b>	<b>2 918</b>	<b>3 249</b>
<b>TOTAL ASSETS</b>	<b>271 618</b>	<b>293 224</b>	<b>304 868</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	213 657	228 433	239 882
Provisions	321	356	265
Non-current liabilities	45 588	45 166	45 305
<b>Total non-current liabilities</b>	<b>45 909</b>	<b>45 522</b>	<b>45 570</b>
Current liabilities	12 052	19 269	19 416
<b>Total current liabilities</b>	<b>12 052</b>	<b>19 269</b>	<b>19 416</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>271 618</b>	<b>293 224</b>	<b>304 868</b>

## Financial instruments

The numbers below are based on the same accounting and valuation policies as used in the preparation of the company's most recent annual report. For information regarding financial instruments in level 2 and level 3, see Note 29 in Investor's Annual Report 2015.

### Valuation techniques, level 3

Group 6/30 2016	Fair value, SEK m.	Valuation technique	Input	Range
Shares and participations	18 684	Last round of financing	n.a.	n.a.
		Comparable companies	EBITDA multiples	3.7 – 10.1
		Comparable companies	Sales multiples	1.3 – 3.5
		Comparable transactions	Sales multiples	0.8 – 6.4
		NAV	n.a.	n.a.
Long-term receivables included in net debt	2 492	Discounted cash flow	Market interest rate	n.a.
Long-term interest bearing liabilities	56	Discounted cash flow	Market interest rate	n.a.
Other long-term provisions and liabilities	1 102	Discounted cash flow		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.

The unlisted part of Financial Investments portfolio companies, corresponds to 49 percent of the portfolio value. Part of the unlisted portfolio is valued based on comparable companies, and the value is dependent on the level of the multiples. The multiple ranges provided in the note show the minimum and maximum value of the actual multiples applied in these valuations. A 10 percent change of the multiples would have an effect on the Financial Investments portfolio value of approximately SEK 100 m. For the derivatives, a parallel shift of the interest rate curve by one percentage point would affect the value by approximately SEK 1,300 m.

### Financial assets and liabilities by level

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

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

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

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

#### Financial instruments - fair value

Group 6/30 2016, SEK m.	Level 1	Level 2	Level 3	Other <sup>1)</sup>	Total carrying amount
<i>Financial assets</i>					
Shares and participations	215 833	2 182	18 684	3 571	240 283
Other financial investments	2 582			21	2 603
Long-term receivables included in net debt		508	2 492		3 001
Shares and participations in trading operation	35				35
Other current receivables		147		5 368	5 515
Cash, bank and short-term investments	16 499				16 499
<b>Total</b>	<b>234 949</b>	<b>2 837</b>	<b>21 176</b>	<b>5 396</b>	<b>267 936</b>
<i>Financial liabilities</i>					
Long-term interest bearing liabilities		626	56	49 938 <sup>2)</sup>	50 620 <sup>3)</sup>
Other long-term provisions and liabilities			1 102	4 581	5 683
Short-term interest bearing liabilities		38		1 608	1 647
Other short-term provisions and liabilities		13		6 034	6 047
<b>Total</b>		<b>677</b>	<b>1 158</b>	<b>62 161</b>	<b>63 997</b>

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

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

3) Fair value on loans amounts to SEK 55,888 m.

### Changes in financial assets and liabilities in Level 3

Group 6/30 2016, SEK m.	Shares and participations	Long-term receivables included in net debt	Long-term interest bearing liabilities	Other long-term provisions and liabilities
Opening balance	19 406	1 640	38	1 194
Total gain or losses in profit or loss statement				
in line Changes in value	584			-12
in line Net financial items		853	18	7
Reported in other comprehensive income				
in line Revaluation of property, plant and equipment				
in line Foreign currency translation adjustment	490			22
Acquisitions	909			
Divestments	-2 668			-110
Transfers from Level 3	-37			
Transfers to Level 3				
<b>Carrying amount at end of period</b>	<b>18 684</b>	<b>2 492</b>	<b>56</b>	<b>1 102</b>
<i>Total gains/losses for the period included in profit/loss for instruments held at the end of the period (unrealized results)</i>				
<b>Changes in value</b>	<b>-81</b>			<b>12</b>
<b>Net financial items</b>		<b>853</b>	<b>-18</b>	<b>-7</b>

## Reconciliations of significant Alternative Performance Measures

In the financial statements issued by Investor, Alternative Performance Measures (APMs) are disclosed, which complete measures that are defined or specified in the applicable financial reporting framework, such as revenue, profit or loss or earnings per share.

APMs are disclosed when they in the context gives a more clear or deeper information than measures that are defined or specified in the applicable financial reporting framework. The basis for disclosed APMs are that they are used by management to evaluate the financial performance and in so believed to give analysts and other stakeholders valuable information.

Investor AB discloses the definitions of all APMs used on [www.investorab.com/investors-media/investor-in-figures/definitions](http://www.investorab.com/investors-media/investor-in-figures/definitions). Below reconciliations of significant APMs to the most directly reconcilable line item, subtotal or total presented in the financial statements of the corresponding period are disclosed.

### Gross cash

Gross cash or Investor's cash and readily available placements are defined as the sum of cash and cash equivalents, short-term investments and interest-bearing current and long-term receivables. Deductions are made for items related to subsidiaries within Patricia Industries.

Group 6/30 2016, SEK m.	Consolidated balance sheet	Deductions related to Patricia subsidiaries	Investor's gross cash	Group 12/31 2015, SEK m.	Consolidated balance sheet	Deductions related to Patricia subsidiaries	Investor's gross cash
Other financial investments	2 603	-21	2 582	Other financial investments	6 665	-18	6 648
Cash, bank and short-term investments	16 499	-3 273	13 226	Cash, bank and short-term investments	15 061	-2 646	12 414
<b>Gross cash</b>	<b>19 102</b>	<b>-3 294</b>	<b>15 808</b>	<b>Gross cash</b>	<b>21 726</b>	<b>-2 664</b>	<b>19 062</b>

### Gross debt

Gross debt are defined as interest-bearing current and long-term liabilities, including pension liabilities, less derivatives with positive value related to the loans. Deductions are made for items related to subsidiaries within Patricia Industries.

Group 6/30 2016, SEK m.	Consolidated balance sheet	Deductions related to Patricia subsidiaries	Investor's gross debt	Group 12/31 2015, SEK m.	Consolidated balance sheet	Deductions related to Patricia subsidiaries	Investor's gross debt
Receivables included in net debt	3 001	-	3 001	Receivables included in net debt	1 909	-	1 909
Loans	-52 267	16 110	-36 154	Loans	-52 532	15 764	-36 769
Provision for pensions	-790	705	-85	Provision for pensions	-743	648	-95
<b>Gross debt</b>	<b>-50 056</b>	<b>16 815</b>	<b>-33 238</b>	<b>Gross debt</b>	<b>-51 366</b>	<b>16 412</b>	<b>-34 954</b>

### Net debt

Gross debt less gross cash at Balance Sheet date.

Group 6/30 2016, SEK m.	Investor's gross cash	Investor's gross debt	Investor's net debt	Group 12/31 2015, SEK m.	Investor's gross cash	Investor's gross debt	Investor's net debt
	-15 808	33 238	17 430		-19 062	34 954	15 892
<b>Investor's net debt</b>			<b>17 430</b>	<b>Investor's net debt</b>			<b>15 892</b>

### Total assets

The net of all assets and liabilities not included in net debt.

Group 6/30 2016, SEK m.	Consolidated balance sheet	Deductions related to non controlling interest	Investor's net asset value	Group 12/31 2015, SEK m.	Consolidated balance sheet	Deductions related to non controlling interest	Investor's net asset value
Equity	259 300	-217	259 083	Equity	271 977	-176	271 801
Investor's net debt			17 430	Investor's net debt			15 892
<b>Total assets</b>			<b>276 513</b>	<b>Total assets</b>			<b>287 695</b>

### Net debt ratio (leverage)

Net debt ratio or leverage are defined as Net debt/Net cash as a percentage of total assets.

Group 6/30 2016, SEK m.	Investor's net asset value	Net debt ratio	Group 12/31 2015, SEK m.	Investor's net asset value	Net debt ratio
Investor's net debt	17 430	= 6.3%	Investor's net debt	15 892	= 5.5%
Total assets	276 513		Total assets	287 695	

### Net asset value/SEK per share

Equity attributable to shareholders of the Parent Company in relation to the number of shares outstanding at the Balance Sheet date.

Group 6/30 2016, SEK m.	Investor's net asset value	Net asset value/SEK per share	Group 12/31 2015, SEK m.	Investor's net asset value	Net asset value/SEK per share
Investor's net asset value	259 083	= 339	Investor's net asset value	271 801	= 357
Number of shares, excluding own shares (millions)	763.821973		Number of shares, excluding own shares (millions)	761.904708	