

## Core Holdings H1 2005

- **Positive business and share-price** development
- **Increased dividend** income
- **Sale of shares** in ABB, AstraZeneca, SEB and Scania
- **Redemption** of Atlas Copco shares



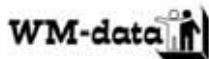
## Examples of initiatives for future growth



- More than doubled investments in R&D since 2000
- Launch of 370 new white goods products globally during 2005



- Leading in terms of R&D/sales.
- Active spin-out organization to commercialize advanced technologies



- Active acquisition strategy:
  - Geographic expansion
  - Sharpen services offering and broaden customer base

## New Investments 2005

- **High activity** in all three units:
  - 8 new investments
  - Several exits/partial sales by IGC and EQT
- Substantial **value increase** generated
- Increased share of **buyout** investments



## New Investments

<b>SEK m.</b>	<b>1998 – Q2 2005</b>
Change in value	8.2
Dividends	1.4
<b>Investment result</b>	<b>9.6</b>
Operating costs	-2.1
<b>Effect on earnings</b>	<b>7.5</b>



## BREDBANDS BOLAGET

- Investment based on belief in fixed broadband
- Active involvement:
  - recruitment of management and board members
  - refocus of operations
  - capital in several tranches
  - add-on acquisition
- From start-up to established company:
  - Sales 0 → >1 bn.
  - Market share 0 → 24%
  - Employees 20 → >270



- Ranked **best 3G operator** by Mobil magazine and Aftonbladet newspaper
- Launch of **additional services** (Video messaging, Music...)
- Shareholder **loans refinanced** with external bank loans
- Investor AB's estimated **equity investment unchanged** at SEK 4-5 bn.



## Conclusion

- Focused number of **Core Holdings** with solid market positions
- Established **New Investments** on the international private equity market
-  showing progress
- Strong **financial position**
- Professional and efficient **organization**

**Foundation for value creation**



Financials  
January - June 2005

## Financial highlights – January-June 2005

- **Net Asset Value** at three year high – **SEK 113.4 bn.**
- **Income SEK 22.2 bn.**
  - Core Holdings of SEK 17.6 bn.
  - New Investments of SEK 4.6 bn.
- **Strong cash flow SEK 9.0 bn.**
  - Core Holdings SEK 8.3 bn.
- **Leverage 4%**
- **Annualized costs<sup>1)</sup>** in line with last year  $\approx$  **SEK 450 m.**

1) Excluding cost of stock option program

## Net Asset Value

	June 30, 2005		December 31, 2004	
	SEK/share	SEK m.	SEK/share	SEK m.
Core Holdings	124	94 764	114	87 408
New Investments	24	18 384	18	13 896
Other Holdings	3	2 290	3	2 406
Other Operations	3	2 447	3	1 868
Other assets and liabilities	0	193	3	3 259
<b>Total assets</b>	<b>154</b>	<b>118 078</b>	<b>141</b>	<b>108 837</b>
Net debt	-6	-4 659	-20	-15 922
<b>Net asset value</b>	<b>148</b>	<b>113 419</b>	<b>121</b>	<b>92 915</b>

# Income Statement

2005 vs. 2004

**Business areas**

SEK m.	Jan.-June 2005	Jan.-June 2004
Core Holdings	17 589	12 411
New Investments	4 551	-41
Financial net and other	10	-573
<b>Net income</b>	<b>22 150</b>	<b>11 797</b>

**P/L**

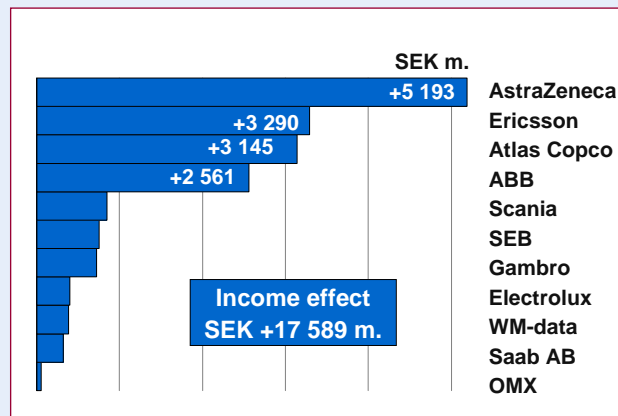
SEK m.	Jan.-June 2005	Jan.-June 2004
Dividends	2 159	1 530
Value change	20 268	11 173
Cost, financial net and other	-277	-906
<b>Net income</b>	<b>22 150</b>	<b>11 797</b>

# Core Holdings – Income effect

January – June 2005

**Share price performance 2005**

WM-data	+37%
ABB	+36%
AstraZeneca	+34%
Atlas Copco	+30%
Ericsson	+18%
Gambro	+10%
Saab AB	+10%
Scania	+9%
Electrolux	+9%
OMX	+5%
SEB	+1%



## Core Holdings – market value

June 30, 2005

Invested in 2005		MV ASSET	SEK/share	SEK m.	% of total assets
		Ericsson	27	20 392	17%
		AstraZeneca	22	16 714	14%
		SEB	21	15 994	14%
		Atlas Copco	15	11 654	10%
		ABB	11	8 441	7%
		Gambro	9	7 121	6%
		Scania	7	6 113	5%
		Electrolux	4	3 064	3%
		Saab AB	4	2 734	2%
		WM-data	2	1 384	1%
		OMX	2	1 153	1%
<b>Total</b>		<b>Total</b>	<b>124</b>	<b>94 764</b>	<b>80%</b>

Divested in 2005	
AstraZeneca	3 489
SEB	1 925
ABB	1 713
Atlas Copco <sup>1)</sup>	629
Scania	550
<b>Total</b>	<b>8 306</b>

1) Redemption program

## New Investments

Result 2005 vs. 2004

SEK m.	Jan.-June 2005	Jan.-June 2004	Jan. 1998- June 2005
Value change	4 567	131	8 173
Dividends	96	22	1 402
Operating costs	-112	-194 <sup>*)</sup>	-2 094
<b>Net income</b>	<b>4 551</b>	<b>-41</b>	<b>7 481</b>

**IRR  
> 20%**

\*) Includes one-time restructuring cost of SEK 75 m.

## New Investments – market value

June 30, 2005

Invested in 2005 <sup>1)</sup>		MV ASSET			SEK/share		SEK m.		% of total assets
<b>"New"</b>	<b>2 818</b>	EQT	12	9 598				8%	
<b>IGC</b>		Investor Growth Capital (IGC)	10	7 447				7%	
- Mindjet		Investor Capital Partners –							
- Innov. MicroTech		Asia Fund (ICP)	2	1 339				1%	
- Axiomed		<b>Total</b>	<b>24</b>	<b>18 384</b>				<b>16%</b>	
<b>EQT</b>									
- Sanitec									
- ISS A/S									
- Munksjö									
- Carl Zeiss Vision									
<b>"Add-ons"</b>	<b>449</b>								
<b>Total</b>	<b>3 267</b>								
<b>Divested in 2005<sup>2)</sup></b>									
- Entific									
- Tessera									
- Micronic									
- Dometic (EQT)									
- Flexlink (EQT)									
<b>Total</b>	<b>3 308</b>								

1) Agreement of investment in Brandtex (EQT) is not included  
2) Agreements of sales of B2, and EQT's Sirona and IHI are not included

## Other Holdings & 3 – market value

June 30, 2005

MV ASSET	SEK/share	SEK m.	% of total assets
3/Hi3G	2	1 621	1%
Funds	1	623	1%
Other	0	46	0%
<b>Total</b>	<b>3</b>	<b>2 290</b>	<b>2%</b>

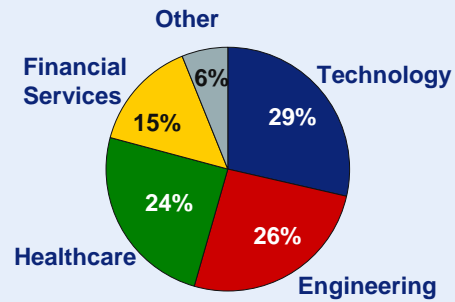
INVESTED	12/31 2004	Jan.-June 2005	6/30 2005
Equity	1 648	-	1 648
Shareholders loans *)	4 033	-3 401	632
<b>Total</b>	<b>5 681</b>	<b>-3 401</b>	<b>2 280</b>

\*) Loans are reported under "Other assets and liabilities". Investor AB guarantees SEK 4.2 bn.

## Total assets/sectors – market value

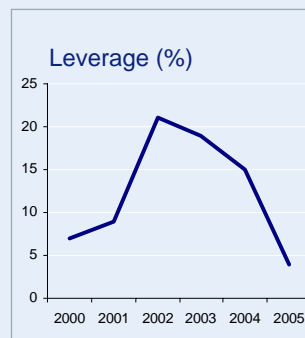
June 30, 2005

	SEK m.
Technology	33 815
Engineering	30 634
Healthcare	28 907
Financial Services	17 525
Other	7 197
<b>Total assets</b>	<b>118 078</b>



## Investor Group – leverage

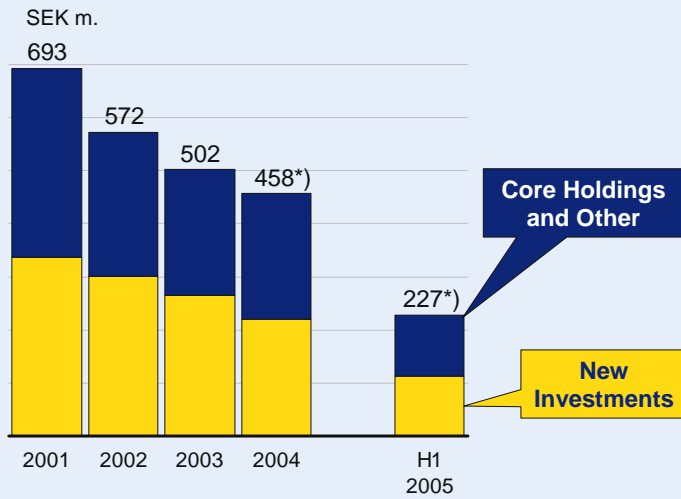
SEK bn.	June 2005	December 2004
Cash	20.9	12.1
Net debt	-4.7	-15.9
Market value assets	118.1	108.8
Leverage	4%	15%



### Current rating

Standard & Poor's	AA-
Moody's	A2

## Cost structure



\*) Excluding cost for stock option programs, for 2004 SEK 18 m. and for H1 2005 SEK 15 m.

## Net Asset Value

1985 – H1 2005

SEK bn.

