

MONDAY, APRIL 11, 2005

32 years with Investor

Claes Dahlbäck is leaving Investor after 32 years. Over the course of his long career with the company, he was Chief Executive Officer 21 years and Chairman of the Board during the past three years. In an interview with Annual General Meeting News, he reflected on some of his most memorable moments with Investor.



Claes – looking back at your 32 years with Investor, what was the most enjoyable part?

“Many fond memories come quickly to mind, but if I would have to choose one or two, it would probably be the formation of OM (OMX today) in 1984 and the establishment of EQT’s private equity funds in 1994. Helping to build these two important businesses from the ground up was an incredibly rewarding experience.”

If you had to rank all the business deals you have done over the years as “most successful” and “least successful”, how would you reply?

“The best deal, in my opinion, was when we bought Saab-Scania and delisted the company from the stock exchange in 1991 and then spun off the businesses. We sold the car operations to General Motors and listed Scania and the rest of Saab. As for ‘least successful’, I would use

the answer that the elder Jacob Wallenberg used to give: ‘I don’t talk about bad deals, but I’ll gladly tell you about a few that my brother Marcus did. “If I have to mention one, I guess it would be the Clementina banana plantation in Ecuador.”’

What do you perceive as Investor’s most important attribute?

“Something that comes to mind immediately is all the fascinating and talented people that I have met during my years with Investor – everyone from Marcus Wallenberg Sr. and his never-ending interest in technological innovations, to Peter Wallenberg and his love for business and unerring intuition for deals and people. The ability to find top professionals, and leverage Investor’s network of contacts all over the world, is probably the most important reason for Investor’s successful track record in business. In the

future, I think it will be important for Investor to keep its strong will to make deals.”

What will you miss the most after you leave Investor?

“Undoubtedly, all the people in and around Investor. Fortunately, I will be able to continue my assignments with EQT, Gambro and W Capital Management, to mention a few, which will give me the opportunity to work with many of my former colleagues.”

During Claes Dahlbäck’s time as CEO and Chairman, Investor’s net asset value has grown from approximately SEK 1 bn. to just under SEK 100 bn. today. During the same period the total annual return to Investor’s shareholders has averaged 20 percent.

Svensk kod för
bolagsstyrning

Investor and the Swedish Code of Corporate Governance

Investor’s corporate governance practices are based on Swedish law, primarily the Swedish Companies Act, the Listing Agreement of the Stockholm Stock Exchange and the rules and recommendations issued by relevant Swedish organizations. In December 2004, a Swedish Code of Corporate Governance was presented with the aim to put it into practice as of mid-2005. Investor has gradually started to adopt the new corporate governance code. In accordance with the code, for example, a corporate governance report will be appended to the annual report for fiscal year 2005. Any deviations from the regulations in the code will be clearly specified and motivated on the basis of the “comply or explain” principle.

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The trend of a rising net asset value continued for Investor during 2004.

A number of our holdings reported clear earnings improvement and their stock prices rose considerably. Ericsson, SEB and Gambro accounted for most of the increase in Investor's net asset value, while AstraZeneca impacted the value trend negatively. The New Investments business recorded its best year since 2000 and contributed positively to Investor's net asset value.

Holdings continued to perform strongly during the first quarter of 2005, which is reflected in Investor's result for the period. During the first quarter we made some divestments to further strengthen our financial position. Being disciplined, and ensuring that the balance sheet is strengthened during good times, is important for creating the flexibility for making the right investments.

Marcus Wallenberg
President and CEO

Highlights of 2004

- Investor's net asset value increased from SEK 83 bn. to SEK 90 bn.
- Investor increased its stake in Scania and the holding company Ainax. Shares in AstraZeneca were sold.
- For the second consecutive year, the New Investments business contributed to Investor's net asset value growth and generated a positive cash flow.
- The mobile operator 3 enjoyed a good year with strong subscriber growth. The company's network and range of services were expanded in Sweden and Denmark.
- Operating costs were reduced by another 9 percent.
- Net debt was reduced from 20 to 15 percent.
- The total return on Investor shares was 25 percent.
- The proposed ordinary dividend to shareholders is SEK 2.25 per share.

On the move with 3

Investor believes strongly in the steadily growing needs of people and enterprises to communicate. The need for mobile broadband, and access to it, are creating demand, driving technological developments and leading to higher efficiency in business and greater flexibility in the everyday life of people. As a result of its long ownership involvement in Ericsson, Investor has gradually identified the potential of broadband and has invested in business concepts in the broadband area. Against this background, the largest new venture has been Investor's investment in the 3G mobile operator 3 Scandinavia.

The growth opportunities and profitability potential of mobile broadband communications are substantial. With mobile broadband technology, moving pictures have taken the step into the mobile phone: we can see who we are talking to and we can see where they are. 3G is breaking ground in many areas. The hearing impaired, for example, can now communicate via video telephony. As mobile communications and the Internet converge more and more, as in 3G for example, new communication possibilities are opening up for consumers and companies. This trend, combined with higher transmission speeds in the 3G network and greater access to advanced mobile

handsets, is strengthening Investor's general belief in mobile broadband communications and in 3 in particular. During 2004, consumption of mobile services and video telephony, but also of voice telephony, rose considerably as an effect of competitive pricing, among other factors.

The cooperation with Hong Kong-based Hutchison Whampoa is a decisive success factor for Investor's investment in 3. Hutchison has extensive international experience from developing companies and especially mobile operators. Due to its collaboration with Hutchison's 3G companies in other parts of the world, 3 Scandinavia is benefiting from economies of scale, such as global purchasing agreements for mobile phones, cooperation to develop IT platforms, the exchange of experience and joint development and marketing of 3G mobile services.

Hutchison's global 3G network covers more than 180 million potential customers in ten countries.

Investor's belief in the data and telecommunications industry is also reflected in a number of other investments, of which the Swedish broadband provider Bredbandsbolaget is one of the largest. Investor has made additional investments in the industry in the United States, Europe and Asia.

Positive net asset value growth

Investor's net asset value rose from SEK 83,063 m. during 2004, corresponding to an increase of SEK 108 to SEK 117 per share. On the whole, the growth in net asset value was SEK 6,903 m., of which core holdings accounted for most of the increase. Investor's two main business areas, Core Holdings and New Investments, also increased the net asset value in 2004.

Change in net asset value over the past ten years (on December 31)

