



**Rating Action: Investor AB**

**MOODY'S CHANGES TO POSITIVE THE OUTLOOK ON INVESTOR AB'S A2 RATINGS**

**Approximately EUR2.9 Billion of Senior Debt Affected**

Frankfurt, December 12, 2005 -- Moody's Investors Service has today revised the rating outlook for A2 senior unsecured debt rating of Investor AB (Investor) to positive from stable.

The change in outlook reflects Investor's conservative investment and leverage strategy, the improved quality, liquidity and stock prices of the company's core holdings, and our expectation that the volatility of Investor's asset values will continue to reduce from its historic peak levels as observed over the period from 2001 -- 2003.

During the past two years Investor has experienced a strong run-up in the stock prices of its core holdings, particularly in Ericsson and ABB, companies that Investor had supported through equity injections in a problematic phase and which have raised their share prices more than three-fold from the days of their equity increases. Rising market valuations of their equity investment have allowed management to realize holding gains and reduce net leverage of the company. While management is not changing its strategic capital structure comfort zone of a 20-25% maximum net leverage, which it had actively protected by assets sales in the downcycle, the current asset composition and liquidity of its portfolio holdings still provide substantially increased asset coverage for debt and new financial flexibility. In addition, OMX-index stock prices (used as a proxy for Investor's portfolios) over the past two years have shown a trend of declining volatility, which provides additional comfort.

Moody's would consider a rating upgrade, if (i) Investor sustains its long-term oriented and conservative investment and funding strategy, if (ii) Investor's portfolio of core holdings shows an improved balance of company credit profiles, and if (iii) asset values continue on a high and less volatile level relative to the company's debt service obligations.

Moody's noted favourably that, by refinancing its SEK 10 billion revolving credit facility without financial covenants and repeating material adverse change clauses to an October 2012 maturity, Investor had increased its financial flexibility to cover cash requirements during short term reductions in portfolio value and spikes in financial leverage. The refinancing has addressed the short remaining life and currency mismatch of the previous facility.

Investor AB is Sweden's largest industrial holding company and has its head office in Stockholm, Sweden. The company's portfolio had a net asset value of approximately SEK124 billion (EUR13.8 billion) at 30 September 2005.

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