ADDRESS AT INVESTOR AB'S ANNUAL MEETING, MAY 14, 1996

Claes Dahlbäck, President

Mr. Chairman, My fellow shareholders, All of you here today,

It is very gratifying to see that interest in our annual meeting is increasing from year to year. Today, there are more than 2,000 of us here at the Royal Tennis Hall, a new record.

As I am sure you have already noticed, this year we have also arranged an exhibit, where the largest companies in our stock portfolio present themselves and their businesses. Most of these companies have gained world-leading positions in their fields, which is something we can all feel proud of.

Investor is an active and extremely committed owner that is prepared to assume strong ownership responsibility. This means placing demands on our companies to ensure that they develop positively and generate a high return to their shareholders, including ourselves. A good owner is not only active and involved, but also demanding.

In the exhibit we also showcase our increasing commitment to information in the form of Investor Dialogen. This is a new means of staying in touch with you, our shareholders, via CD-ROM and the Internet. We have our own home pages, with news updated daily about Investor and the companies in which we have our largest holdings. Utilizing modern information technology is something we can also take advantage of in our investment operations. If we are to invest correctly in the industries of the future, we have to stay on top of developments.

Our holdings in these industries should be seen as a complement to our established companies. These we have held for decades, in some cases back to when Investor was founded 80 years ago. Our first stock portfolio in 1916 included such companies as SKF,

Atlas Diesel, Stora Kopparberg and Scania Vabis. Back then, they were the companies of the future. But they still have a lot left in them. We saw proof of that with the initial public offering and global listing of Scania just over a month ago.

In retrospect, we can safely say that the offering was a great success. Our aim naturally was to obtain the best possible price for the sake of our shareholders. One of the preconditions was a fair balance in the allotment of shares between Sweden and abroad and between the general public and institutional investors. This was difficult because of the enormous size of the offering - nearing SEK 20 billion - the largest private offering of shares ever made in the world. It was important to find a subscription price that was attractive to new investors but at the same time generated value for our shareholders. Each krona of the subscription price meant SEK 100 million for us. It was very difficult to strike a balance.

With the help of fantastic efforts from Investor's own organization, led by Ulla Litzén, the expert advice of our investment bankers and, not least of all, the executive management of Scania, we succeeded in getting exactly the right price.

Internationally, we have received attention and recognition for a very professionally implemented offering - for the good of our shareholders. This is something we are naturally very happy about and proud of, because Investor's most important goal is to provide our shareholders a stable, long-term total return with limited risk exposure.

The Investor share should be a competitive investment alternative relative to mutual funds, among other things. In our recently published annual report, we noted that the total annual return for the period 1970-1995 exceeded an average of 20 percent. Not many companies can top that!

I would like to briefly discuss operations in 1995, which is now behind us. It was a good year for Investor in terms of both the appreciation in the value of our stock portfolio and our income trend.

The portfolio rose by 20 percent, due in large part to our holdings in market leaders Astra and Ericsson. The positive income trend was attributable mainly to the strong increase in earnings by Scania, which was a wholly owned subsidiary of Investor during the year. With regards to Saab's aircraft operations, the military business succeeded somewhat better than before. On the commercial side, however, results remained unsatisfactory. The operations of Saab Automobile, in which we hold a 50-percent interest, did not develop as well as we had hoped, either. Here, we are continuing to hold discussions with our partner, General Motors, how we can work together to make improvements.

In 1995, we also made a number of investments in new companies as complements to our previous main holdings. Companies like WM-data of Sweden, TT Tieto of Finland, Neuromedical of the U.S. and PT Telkom of Indonesia were added to the portfolio.

Information technology, telecommunications and medical technology are interesting new investment areas for Investor. With our new, more international organization, we have improved our opportunities to make new investments. I will return to this in a moment.

But first a few words on the first quarter of 1996. We again see that operations developed positively, mainly due to the sale of the Scania shares. With most of the facts in hand, we can now safely say that that acquisition of Saab-Scania in 1991 was by far the best deal Investor has ever made. Based on the value of Scania after its introduction, the deal generated an average return of between 25 and 30 percent a year over 5 years. Altogether, that is a return of over SEK 30 billion on an investment of approximately SEK 20 billion.

The acquisition of Saab-Scania in 1991 was made possible thanks to our shareholders, who provided Investor with capital in the form of a convertible debenture loan. For that

reason, we feel the shareholders now certainly deserve the opportunity to benefit from the initial public offering of Scania through a combination of warrants and a special cash dividend.

Including the Scania deal, the market value of Investor's main holdings amounted to approximately SEK 60 billion as of March 31, 1996 and its net worth was nearly SEK 80 billion.

Last Friday, May 10, the value of the main holdings was SEK 61 billion and Investor's net worth SEK 82 billion, or SEK 409 per share. The share price last Friday was SEK 281.

Otherwise, the first quarter did not involve any major sales of shares from the portfolio. However, we did purchase additional shares of WM-data for more than SEK 250 million, and WM-data is now one of our main holdings. At the end of the period, we had cash reserves of nearly SEK 17 billion. With regard to our dividend income, we expect it will almost triple this year to nearly SEK 1.8 billion, compared with SEK 656 million in 1995.

Investor's main holdings have traditionally been in a number of large Swedish companies with international operations. Our role as a dominant, active owner of these companies will not change, although we will seek out companies in new industries that complement our existing portfolio - not least of all internationally. We have the financial resources that are necessary, but we are also aware that this requires qualified human resources.

The investment industry is a tough one, and the competition is extremely tight. In making investments, we have to compete with the best investors in the world, with the sharpest minds on Wall Street, in London, Hong Kong and Tokyo. Organizations with tens of billions of dollars of assets under management and unlimited resources for analysis and information gathering.

If we are to handle this competition and to continue to provide our shareholders with a competitive, high return, it is decisive that we continue to maintain the highest level possible in our investment capabilities and analysis. We are therefore continuing to expand our investment organization - not least of all internationally.

Being on location not only in Stockholm but also Hong Kong, London and New York is becoming increasingly important for us in order to effectively follow the companies and industries in which we have our interests.

I would now like to present our investment organization, beginning with Investor Scandinavia. The office is located in Stockholm and is managed by Ulla Litzén.

Ulla Litzén

During the past year and until now, Scania has naturally taken up most of our time. We have actually been working on this deal for more than a year, and responsibility has rested with the Stockholm office. It has taken intensive cooperation between various units within Investor. We prepared the prospectus. We established a structure for the deal. And we continuously followed up the valuation of the company.

As Claes already mentioned, this deal was done above all for Investor's shareholders. For that reason, we couldn't compromise on price. The decision to sell was made on February 15. We are happy that international economic conditions subsequently worked in our favor. But the fundamental reason it was successful was that we were well prepared. Because of this, we were able to implement the offering in record time and market exposure was limited to six short weeks.

From the Stockholm office we follow the engineering and forest product industries, consumer goods and environmental businesses. Together, these industries currently account for approximately 50 percent of Investor's net worth. Our major companies in these sectors, aside from Scania, include the wholly owned subsidiary Saab, a maker of

military and commercial aircraft, and Saab Automobile, in which Investor's interest is 50 percent. Also among them are the forest products company Stora, Atlas Copco, SKF, Electrolux and - via Incentive - ABB.

Investor's entire mission is to work to create value. That is why we have to actively monitor the companies in which we already have significant holdings. We have to create the right conditions to carry on a dialogue with the companies we are major owners of - a dialogue on how their share price is affected by the business decisions they make. But we also have to find new investments. One exciting new area is the environment, where we are gradually building up a portfolio.

To manage our role as long-term investors, we also carry on active - though limited - trading operations at all our offices. This isn't our main business, but it is a good way for us to follow and keep track of what is really going on in the stock market.

Incidentally, I should also add in closing that our close contact with the market is what made it possible for us to find the right price level for Scania.

Claes Dahlbäck

Thank you, Ulla. I would also like to stress the importance of keeping close contact with the market, and I don't mean just Stockholm, but also internationally, since all the companies in which we have our main holdings are very international.

The reason why we have specifically selected New York, London and Hong Kong for our offices is because these cities are among the world's most important financial centers. It is where you will find a market for risk capital, and as a result, where you will also find the world's leading analysts, consultants, and so on, who support the market with their expertise.

At our office in London, Thomas Nilsson is responsible for managing the operations.

Thomas Nilsson

When we divided our operations between our international offices, we essentially applied a principle of industry specialization. As it happened, the London office was assigned responsibility for following telecommunications, information technology, the media and service businesses in the broadest sense.

Our most important task is naturally to follow and monitor our existing holdings. They are the core of our portfolio. In the case of London, this means Ericsson, TV4, WM-data and SILA, among others.

With Ericsson, it might seem more natural to follow the company from Sweden. Ericsson, like a number of our large companies, is active on an international basis, with 90 percent of its sales outside Sweden and more than half its stock is held outside Sweden. The price of its share therefore is largely set abroad. For us, it is important to be active where international shareholders live and work.

The job of identifying new investments that eventually can become important complements to our current portfolio is done by building up limited portfolios within our respective areas of specialization at each office. To fulfill this task we naturally seek the help of all the expertise that is available in London in terms of analysis, technological know-how, and so on. Perhaps the most important ingredient in our work in evaluating new investment alternatives is the contact with the managements and owners of the companies we study.

London is constantly visited by a very large number of companies looking for capital and new owners, and which therefore make presentations of their businesses. I can also mention that our search for new investments is not limited geographically. This means we in London look for investments in Sweden and North America or anywhere we can find

companies that meet the criteria that we feel are important for us to commit to a long-term investment.

In London, we are in a recruitment phase right now, which was one of the purposes for establishing our foreign offices. We have a firmly rooted corporate culture in the Investor Group that we are now effectively complementing through the recruitment of talented analysts and investors in the world's leading financial centers.

Claes Dahlbäck
Thank you, Thomas. You brought up a very important issue for Investor - namely, the ability to recruit new, young employees and give them the opportunity to develop in our culture.

As I said before, this is decisive to our future. Competition for the best talent is extremely tight. We have to have a competitive compensation system and a management structure that allows for personal initiative and influence. This is something we are working very actively with.

To continue to generate a return that you, our shareholders, have the right to demand, we must be able to attract, develop and keep the best employees we can find.

Recruitment programs are under way in and outside Sweden - and in particular in New York, where our office is managed by Sven Nyman.

Sven Nyman (on video)
We are now in Manhattan, in New York City. My name is Sven Nyman and I am in charge of Investor's operations here in the United States. Behind me is Investor's office, where we have five employees and focus primarily on investments in the health care field, in other words, pharmaceuticals and medical technology. We also have responsibility within the Group for investments in financial services, by which we mean banking, insurance and

OM, the private options market. Here from New York, we mainly try to follow our investments in health care - Astra and indirectly Gambro. This is because we feel America is very important both for research and development and as a marketplace.

Our team here is actively looking for new investments. We do this through numerous visits to companies and contacts in the industry. We believe that the best way of being regarded as a serious partner is by having a local presence rather than merely communicating by telephone or mail.

We have already noticed a very positive reception from companies we have looked at as potential investments, companies that often specifically seek out long-term, serious capital.

Claes Dahlbäck
We thank Sven Nyman for the report he taped from New York.

Today, Investor is active in a number of locations around the world, and it is important therefore that we have a strong common corporate culture.

We also have to cooperate closely in our investment operations. But thanks to modern telecommunications, phone and video conferences between the offices aren't difficult, despite the distances between us.

Our office farthest from Stockholm is in Hong Kong, where Claes von Post is responsible for Investor's operations.

Claes von Post (on video)
Why is Investor in Asia? There are primarily two reasons. First and foremost, this is a region of substantial economic growth, which means that there are many companies that are experiencing rapid, profit-driven growth. The other reason is that we have to be here in person to really see the opportunities and of course the risks.

Like the other offices in the Group, we work primarily by doing detailed analyses and then continually monitoring our investments. But this isn't enough. We have to travel, get to know specific companies, their environments, the conditions they face, their strategies and owners, and establish a dialogue that gradually gives us a clearer picture, so that we can eventually decide whether or not to make an investment.

Our responsibilities aren't limited to certain industries. It's entirely geographic. The reason for this is that at present there are no global industries whose development is driven from Asia, although I expect this will change in time.

We look at both publicly listed and privately held companies to invest in, though naturally it takes less time to build up listed investments than non-listed.

We have already made several investments that are performing well, but because we are relatively new in the region, as I mentioned before, we have to build up our capacity gradually, so that as yet we have invested fairly small amounts.

This region of course attracts a huge amount of investment capital, and in this competitive situation we have three factors working in our favor:

The first is that Investor is a strong group financially.

The second is that we have a close association with industry. This gives the parties we speak to a sense of confidence and assurance when it comes to perhaps investing in their companies. It is important that these businesses feel that our expertise extends beyond financial areas. We understand the conditions they face.

The third factor that I would mention is that Investor has ties to a single family dating back five generations. Here in Asia, where all business is based on family ties, this is extremely important for us.

On the whole, I would say that I am very confident in our opportunities in Asia to provide a positive contribution for our shareholders.

Claes Dahlbäck

Claes mentioned the great importance that Investor has with its strong family ties extending back for generations.

Ladies and gentlemen, allow me now to digress for a moment for a personal note, which I normally don't do at our annual meetings. As it happens, our chairman will be turning 70 in a couple of weeks. I would like to take the opportunity to call attention to Peter's importance to Investor.

Peter has been chairman for nearly 14 years, since September 1982. An incredible amount has changed during this time both here at Investor and in the environment in which we operate.

Peter, when you were appointed, there weren't many people who had faith in us, and the first years were tough ones. Our ownership positions were threatened, there were struggles over power and stock prices declined dramatically. But we succeeded despite great turbulence in the market, a severe recession and political upheavals that even we could never have expected. We have had some luck, but we would not have succeeded without your enthusiasm, your commitment and your intuition.

When you came to Investor as chairman, we were a small organization with limited resources, particularly in terms of personnel. You had us build a professional corporate finance unit, as a result of which we quickly became the hub of a wheel that continued to

grow and began to roll faster and faster. But more than anything else, you inspired us to a level of professionalism that had been lying dormant.

You made demands: "I want you to earn at least a half-million kronor a day on trading," you said. And when we met that goal, you raised the bar to a million kronor. And we managed that, too.

When you took over, Investor's market capitalization was one and a half billion kronor. Today it's over 50 billion, if we include the convertibles. Our net worth has risen from just over two billion kronor to over 80. Those who invested a hundred kronor in Investor back when you were appointed have since seen their investment grow to two thousand, an annual rate of over 20 percent since 1982.

Furthermore, during your chairmanship, a number of major deals were made by the companies in our portfolio. Here's a sampling.

The immense restructuring of the forest products industry through STORA's acquisitions primarily of Papyrus, Billerud and Feldmühle.

Electrolux's international expansion through acquisitions of more than 200 companies, most notably Zanussi, White and AEG.

The creation of the gigantic ABB through the merger of Asea and Brown Boveri.

The expansion in China by Ericsson, ABB and Atlas Copco, where your personal contacts with Chinese leaders were a decisive factor.

And naturally the change in our own structure. The mergers with Export-Invest and Providentia and the acquisition of Saab-Scania.

It is important to remember that behind the headlines and the big figures were endless workdays spent fussing over details, analyzing, calculating, negotiating and seeking out new contacts. Nothing was left to chance. You have been invaluable. Constantly involved, well-informed, inquisitive and inspiring.

The funny thing about you, Peter, is that the only time you are really worried is when the sky is blue and the sun is shining. You like it best when storm winds are blowing the sails and the ship is tacking. Then you are as calm as an old skipper in the days of the great sailing ships.

Thank you, Peter, for these fantastic fourteen years and for willing to continue to man the helm.

And congratulations on your upcoming birthday.