INVESTOR AB

YEAR-END REPORT

1996

- The 1996 total return for Investor shareholders amounted to 60 percent, compared with an average of 43 percent for the Stockholm Stock Exchange.

- Investor sold 55 percent of its holding in Scania in an international initial public offering. At the same time Scania was listed on the Stockholm and New York stock exchanges. Investor received a total of SEK 18,800 m., net, for the Scania shares sold.

- In June, Investor and GM/Opel reached agreement regarding a series of measures designed to ensure expansion plans for Saab Automobile, in which Investor holds a 50-percent interest.

- On December 31, 1996, the value of Investor's main holdings was SEK 61,325 m. The value on February 17 was SEK 68,185 m. As of April 1, 1996 Scania is also included among Investor's main holdings. Excluding Scania, the value of the main holdings appreciated by 38 percent during the year.

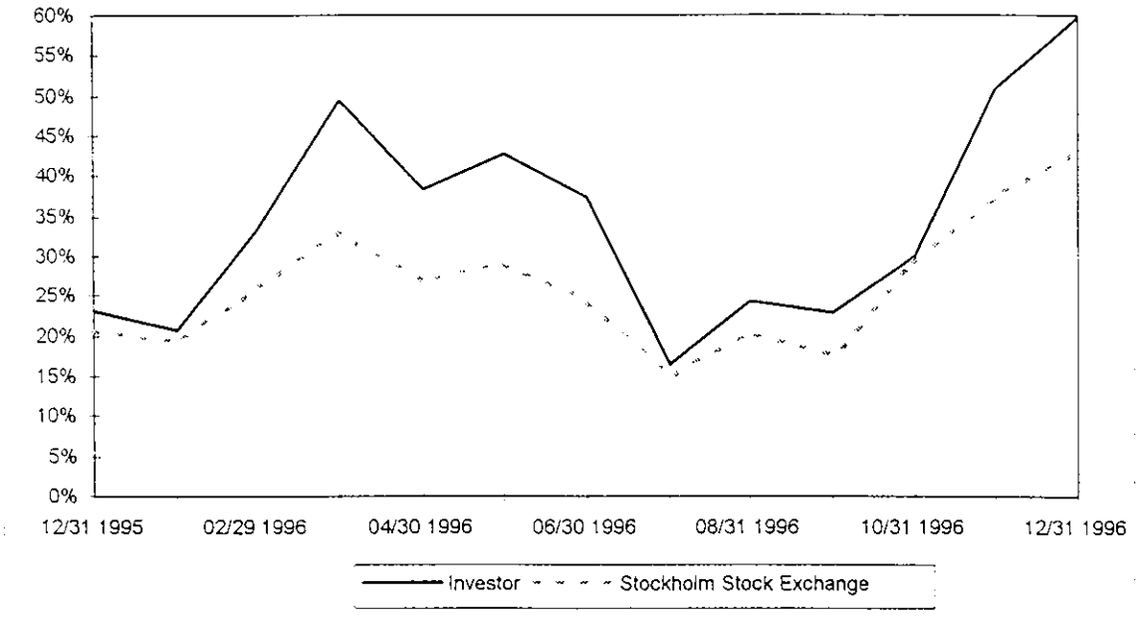
- Investor's net worth increased during 1996 by SEK 28,806 m. to SEK 78,880 m., equal to SEK 394 per share. The net worth on February 17 was SEK 85,168 m., equal to SEK 426 per share.

- The proposed ordinary dividend to shareholders is SEK 10.00 (9.00) per share.

The year-end report can also be accessed on the Internet (www.investor.se).

YEAR-END REPORT 1996

TOTAL ANNUAL RETURN (12 month basis)



Investor's total return in 1996 was 59.8 percent, compared with 43.3 percent for the Stockholm Stock Exchange as a whole[1]. Investor's net worth on December 31, 1996 amounted to SEK 78,880 m., equal to SEK 394 per share after full conversion. The net worth on February 17 was SEK 85,168 m., equal to SEK 426 per share.

The Investor Group's income before taxes, which does not take unrealized value appreciation into account, amounted to SEK 9,598 m. This includes a capital gain of SEK 12,400 m. from the sale of Scania shares. Net income amounted to SEK 9,479 m.

Interest-bearing liabilities decreased by a total of SEK 8,949 m. during the year. The Group's net cash at year-end 1996 amounted to SEK 9,949 m., compared with a net debt of SEK 9,062 m. on December 31, 1995.

INDUSTRIAL INVESTMENTS

Investor's industrial investments performed favorably in 1996, bolstered by strong conditions on the Stockholm Stock Exchange. The favorable climate for share investments was mainly attributable to a sharp fall in interest rates and large flows of capital to the stock market.

In April, Investor carried through the sale of shares in Scania corresponding to 55 percent of the voting rights and capital in the company. Investor's total proceeds from the sale amounted to SEK 18,800 m., net. At the same time, Scania's shares were introduced on the Stockholm Stock Exchange and on the New York Stock Exchange, where Scania became the first Swedish company to be listed. After the sale, Investor's holding in Scania amounts to 45 percent of both the capital and voting rights. Assuming full exercise of the 3-year covered warrants in Scania that were distributed to Investor's shareholders, Investor's holding in Scania will amount to approximately 25 percent of the share capital and 40 percent of the voting rights.

[1] Source: SIX AB. Total annual return is defined as appreciation in the value of Investor shares, plus dividend paid.

In June, Investor and GM/Opel concluded an agreement on a series of measures designed to secure expansion plans for Saab Automobile, in which Investor holds a 50-percent interest. Saab Automobile is being provided with a total of SEK 3,480 m. in new capital in the form of subordinated loans, of which Investor is contributing SEK 1,740 m. A total of SEK 1,050 m. was paid out during 1996 and the remaining SEK 690 m. will be paid in June 1997.

Under the terms of the agreement, GM/Opel also has an option to acquire all or parts of Investor's holding in Saab Automobile during the period July 1999 through January 2000. At the same time, Investor has an option to sell up to half of its holding in Saab Automobile to GM/Opel during the period February 2000 through July 2000. The option agreement includes conditions that are linked to Saab Automobile's performance. The agreement represents a positive value for Investor irrespective of whether GM/Opel or Investor elect to exercise their options. As a result of the overall agreement, Investor paid GM/Opel an amount of SEK 846 m., which has been charged against income for 1996.

Dividends received by Investor during the year rose sharply by 175 percent to SEK 1,804 m. (656). In addition to cash dividends amounting to SEK 1,701 m., this amount includes the value of the 1.3 million Diligentia shares that Investor received through its holding in S-E-Banken. During the year, Astra shares were purchased for SEK 136 m. and WM-data shares for SEK 254 m. After the period S-E-Banken shares were purchased for SEK 1,300 m. and Scania shares for SEK 200 m.

Market value of main holdings

SEK m.	Feb. 17 1997	Dec. 31 1996	Dec. 31 1995
Market value of main holdings[1)]	68,185	61,325	49,275

1) As of December 31, 1996, and February 17, 1997, 51,897,281 Scania shares (26%) stated at market value. As of December 31, 1995, 200,000,000 Scania shares (100%) stated at book value including goodwill.

The value of the main holdings, excluding Scania and adjusted for net changes, increased by 38 percent during the year. During the same period, the OMX index rose by 39 percent.

Investor´s main holdings, December 31, 1996

Company	Number of shares (000)	Of which, no. on loan (000)	Market value SEK m.	Share ** price trend, 1996, %	Share of portfolio %	Share of*** voting rights %	Share of *** capital %
Astra	61,985		20,881	+27	34	12	10
Incentive	18,518	39	9,166	+71	15	36	27
Scania*	51,897	1,046	8,826	-7	14	45	45
Ericsson	26,538	674	5,682	+62	9	22	3
STORA	52,729	763	4,957	+20	8	20	16
Atlas Copco	25,950	12	4,282	+62	7	20	14
SKF	14,955		2,341	+27	4	30	12
WM-data	2,012		1,187	+97	2	6	14
SAS	13,156	151	1,131	-24	2	19	19
OM Gruppen	4,795	16	983	+105	2	20	20
S-E-Banken	13,085	458	916	+27	1	3	2
TV4	4,302	5	602	+22	1	25	22
Electrolux	936		371	+45	1	45	1
Total			**61,325**		**100.0**		

* Market value relates to the 51,897,281 shares that are not encumbered by the distributed covered warrants. The figures for voting rights and share capital relate to Investor´s total holding.

** Most heavily traded share class. *** After full dilution.

Investor's medium-term investment operations made new investments among others in MedImmune, a company in the biotech sector, and Tessera, in the IT sector, while shares in Securitas and Lindex were sold.

Investor's jointly owned operations in Novare Kapital and Scandinavian Equity Partners implemented several investments during 1996.

The operations of GHH Grand Hôtel Holdings, Newsec and the real estate management operations conducted by Stockholm-Saltsjön, Näckström and Sickla Udde developed favorably during the year.

As of 1996, customer financing activities relating to civil aircraft operations within Saab are included in Investor's industrial investments.The purpose of the measure, which consists of an intra-Group transfer, is to concentrate financing matters and strengthen the focus on the financial opportunities and risks that this operation entails. Customer financing activities will be undertaken under the collective name of Saab Aircraft Finance Group. This measure also provides Saab AB with a more streamlined industrial structure. In addition, Investor is adapting its accounting of the leasing-related sections of finance operations to the new accounting regulations for leasing contracts that become effective in 1997. A pro forma adjustment has been made in the closing balance for 1995. An operating loss of SEK 698 m. was reported for 1996. In addition to the consequences of the adjustment to the new accounting regulations, results were charged with provisions related to continuing leasing agreements, mainly those pertaining to the US airline company, Business Express.

SAAB AB

Investor's wholly owned subsidiary Saab AB is the parent company of the Saab Group, whose operations comprise advanced high-technology products used in aviation and defense, as well as commercial applications.

The Saab Group's sales during the year rose by 4 percent to SEK 8,249 m (7,925). Invoicing in markets outside Sweden amounted to SEK 4,498 m. (4,777), or 55 percent (60) of total sales. The increase in sales during the year was mainly attributable to a rise in the number of delivered military aircraft. Saab Military Aircraft invoiced 17 (9) JAS 39 Gripen during 1996. A total of 31 aircraft have been delivered to the Swedish Air Force, which means all the aircraft units covered by subseries 1 have been delivered. Saab Dynamic's sales rose compared with the preceding year, mainly as a result of higher invoicing by Marine Systems and Army Products. Saab Training System's invoiced sales decreased due to lower deliveries of laser simulators. Saab Aircraft delivered 26 (15) Saab 340 and 11 (20) Saab 2000, which resulted in a decrease in invoiced sales compared with 1995. Saab Combitech's sales increased, due mainly to increased deliveries by Saab Ericsson Space and Saab Marine and to the acquisitions within the information systems area during the last quarter of 1995.

The operating loss, after depreciation, deteriorated substantially to SEK 1,402 m. (loss: 354). Profitability in the civil sector is very depressed, particularly the segment for 40-59 seat passenger aircraft in which the Saab 2000 program is marketed. The conditions in this market necessitate a revaluation of the Saab 2000 program. The revised value includes a write-down of capitalized development costs by SEK 584 m. and a write-down of plant and type-specific tools by SEK 243 m. The value of commitments and guarantees related to the Saab 2000 program have also been revised, resulting in a charge of SEK 392 m. against income. On the whole, the results of civil operations remained negative, while military aircraft operations reported an improvement.

Net financial income declined to SEK 494 m. (670)., due mainly to lower interest rates. The average return on liquid assets amounted 7.9 percent (9.0). Income after financial items decreased to a loss of SEK 908 m. compared to earnings of SEK 316 m. in 1995, as a result of the revaluation of the Saab 2000 program of SEK 1,219 m.

Order bookings for the Saab Group totaled SEK 7,736 m. (6.053). In December 1996, the Swedish Parliament reached an agreement in principle whereby the Swedish Air Force will purchase JAS 39 Gripen aircraft for an additional four divisions within the framework of the so-called subseries 3 of JAS 39 Gripen. The number of aircraft to be included within subseries 3 will be determined by negotiations during the first half of 1997. During 1996, orders were received for 32 (31) Saab 340, including an order for 30 aircraft units from Mesaba Aviation, in the USA, and two from Japan Maritime Safety Agency, as well as orders for 7 (5) Saab 2000, including four from SAS, and three from REGIONAL Airlines, France. All of the divisions within the Saab Group reported increased order bookings compared with the preceding year.

(Saab's year-end report for 1996 is published on February 20, 1997 and can be ordered by telephoning +46-13-18 71 61, or by faxing +46-13-18 71 70.)

Saab Automobile AB

Saab Automobile AB, in which Investor and GM/Opel each hold a 50-percent interest, reported a pretax loss of SEK 1,240 m. for 1996, compared with earnings of SEK 148 m. in 1995. Sales during the year amounted to SEK 19,681 m. (19,965). The deterioration in earnings was mainly attributable to increased investments in measures to strengthen the Saab trademark and the company's dealer network, the negative impact of the appreciation of the Swedish krona and increased product development costs. A total of 98,000 cars were sold during the year, corresponding to a 0.7 percent decrease compared with 1995, when Saab sold 98,700 cars.

Saab Automobile is treated as a main holding in Investor's accounts.

(Saab Automobile's year-end report for 1996 was published on February 14, 1997 and can be ordered by telephoning +46-520-841 90, or by faxing +46-520-815 38.)

Structure of share capital and convertible debentures

On December 31, 1996, Investor's share capital amounted to SEK 4,769 m., represented by 191 million shares. On the same date, the total nominal amount of Investor's convertible debenture loans was SEK 1,337 m. Of this amount, SEK 1,042 m. pertained to the loan denominated in Swedish kronor and SEK 295 m. to the loan denominated in ECU. On December 31, 1996, Investor's own holding in the loan denominated in Swedish kronor amounted to SEK 898 m., and its holding in the loan denominated in ECU was SEK 182 m. In total, this corresponds to 81 percent of the volume of the convertible loans outstanding.

Before conversion	No. of	No. of	Percentage of	
Class of share	shares	voting rights	apital	voting rights
A 1 vote	77 922 711	77 922 711	40,8	87,3
B 1/10 vote	112 851 912	11 285 191	59,2	12,7
	190 774 623	89 207 902	100,0	100,0
Convertible debenture loans*				
B 1/10 vote	9 203 078	920 308		
After conversion				
A 1 vote	77 922 711	77 922 711	39,0	86,5
B 1/10 vote	122 054 990	12 205 499	61,0	13,5
	199 977 701	90 128 210	100,0	100,0

* The nominal amount of the loans is SEK 1,337 m. The loans carry interest of 8.00 percent up to and including June 21, 2001. The conversion price is SEK 145.30.

PARENT COMPANY, INVESTOR AB

Income after financial items amounted to SEK 10,027 m. (374), including the capital gain of SEK 8,430 m. from the sale of the Scania shares. Net profit for the year amounted to SEK 9,153 m. (7,698).

The proceeds from the sale of Scania shares amounted to SEK 18,800 m., while other sales amounted to SEK 96 m., net. Purchases of shares during the year amounted to SEK 143 m.

Cash, short-term investments and current receivables amounted to SEK 2 m. (89). Current liabilities amounted to SEK 744 m. (2,081).

In view of the special extra dividend paid by Investor in connection with the sale of 55% of Scania, the conversion price for Investor's convertible debenture loans was recalculated in July 1996, from SEK 154 to SEK 145.30. Of the company's debenture loans, a nominal amount of SEK 5,510 m. was converted into 35.8 million shares during the year.

PROPOSED DIVIDEND

The Board of Directors and the President propose that a dividend of SEK10.00 (9.00) be paid per share, corresponding to a total of not more than SEK 1,908 m. (1,713).

ANNUAL GENERAL MEETING

The Annual General Meeting will be held at 6 p.m. on April 14, 1997, in Kungliga Tennishallen (the Royal Tennis Hall), Stockholm. Investor's audited Annual Report will be held available at the Company's head office: Arsenalsgatan 8C in Stockholm.

Stockholm, February 20, 1997

Claes Dahlbäck
President

For additional information, please call:
Nils Ingvar Lundin, Senior Vice President
- Corporate Communications and Marketing 08-614 20 00 / 070-514 20 49
Per Spångberg, Investor Relations Manager 08-614 20 00 / 070-624 20 31

The year-end report has not been subject to specific review by the Company's auditors.

INVESTOR GROUP
NET WORTH

	12/31 1996		12/31 1995 [1]	
	SEK/share	SEK m.	SEK/share	SEK m.
Astra	104	20 881	82	16 299
Incentive	46	9 166	27	5 370
Scania [2]	44	8 826	58	11 531
Ericsson	28	5 682	18	3 597
STORA	25	4 957	21	4 113
Atlas Copco	21	4 282	13	2 647
SKF	12	2 341	9	1 877
WM-data	6	1 187	2	355
SAS	6	1 131	8	1 540
Other main holdings	14	2 872	9	1 946
Other holdings and equity trading [3]	34	6 756	23	4 495
Total	**340**	**68 081**	**270**	**53 770**
Saab AB [4]	26	5 110	30	5 832
Saab Automobile 50% [5]	14	2 890	15	2 996
Saab Aircraft Finance operations [6]	1	129		
GHH Grand Hôtel Holdings	4	850	4	850
Land and real estate	4	700	4	713
Other assets and liabilities	-2	-319	-3	-530
Total investments	**387**	**77 441**	**320**	**63 631**
Net cash excluding Saab AB	28	5 528	-50	-9 934
Scania shares restricted by warrants [7]	27	5 333	-	-
Liabilities, Saab Automobile [8]	-4	-690	-	-
Internal debts etc. [9]	-44	-8 732	-52	-10 456
Receivable from Scania	-	-	34	6 833
Total net worth	**394**	**78 880**	**252**	**50 074**

1) Comparative figures for 1995 have been recalculated, where applicable, to reflect change in accounting principles regarding lease contracts and provision for pensions.

2) As of December 31, 1996, 51,897,281 shares (26%) valued at market price. As of December 31, 1995, 200,000,000 shares (100%) valued at book value (including goodwill).

3) Including Investor's holding of its own convertibles, market value SEK 2,093 m. (nom. value SEK 1,080 m.) as of December 31, 1996.

4) Shareholders' equity. 1995 including Saab Aircraft Finance operations.

5) Subordinated loan.

6) Excluding liquid assets, including internal capital contribution.

7) As of December 31, 1996, 38,096,090 shares valued at market price less market value of warrants

8) Consists of agreed payment, SEK 690 m., which will be paid in June 1997.

9) Including internal eliminations.

INVESTOR GROUP
CONSOLIDATED INCOME STATEMENT

SEK m.	1996 1/1-12/31	Pro forma [1] 1995 1/1-12/31
Dividend income, main holdings	1 804	656
Capital gain, Scania	12 400	-
Capital contribution to Saab Automobile [2]	-2 481	-
Other operating income	13 963	14 121
Other operating expenses	-13 846	-13 110
Group administrative expenses	-444	-322
Depreciation according to plan [3]	-1 830	-1 127
Operating income	**9 566**	**218**
Net financial income/expenses	32	-450
Consolidated net income, Scania 1995	-	3 280
Income after financial items	**9 598**	**3 048**
Taxes	-105	-64
Minority interest	-14	-8
Consolidated net income	**9 479**	**2 976**

1) Comparative figures for 1995 have been recalculated, where applicable, to reflect the sale of shares in Scania and also to reflect the changes in accounting principles regarding lease contracts and provision for pensions.

2) Including payment to GM/Opel

3) Including write-down of SEK 827 m. for activated development costs and for plant and type-specific tools.

INVESTOR GROUP
CONSOLIDATED INCOME STATEMENT
PER COMPANY

SEK m.	Industrial investments and other operations	Saab	Investor consolidated 1996 1/1-12/31
Dividend income, main holdings	1 804		1 804
Capital gain, Scania	12 400		12 400
Capital contribution to Saab Automobile	-2 481		-2 481
Other operating income	5 589	8 374	13 963
Other operating expenses	-5 534	-8 312	-13 846
Group administrative expenses	-444		-444
Depreciation according to plan	-366	-1 464	-1 830
Operating income	**10 968**	**-1 402**	**9 566**
Net financial income/expenses	-462	494	32
Income after financial items	**10 506**	**-908**	**9 598**
Taxes	-324	219	-105
Minority interest	-1	-13	-14
Consolidated net income	**10 181**	**-702**	**9 479**

INVESTOR GROUP
BALANCE SHEET AT MARKET VALUE

SEK m.	1996 12/31	Pro forma [1] 1995 12/31
Assets		
Cash and short-term investments	15 017	4 816
Receivable from Scania		6 833
Receivables	5 173	4 495
Inventories	4 838	3 897
Shares and participations	73 469	54 141
Machinery, equipment and real estate, etc.	8 603	9 685
Total assets	**107 100**	**83 867**
Liabilities and shareholders' equity		
Loan liabilities	2 532	11 481
Provision for pensions	2 536	2 397
Advance payments from customers	8 027	6 864
Other liabilities	15 125	13 051
Convertible debenture loans	1 363	6 768
Surplus values arising from market valuation	49 662	24 704
Shareholders' equity	27 855	18 602
Total liabilities and shareholders' equity	**107 100**	**83 867**
Equity/assets ratio [2]	**74%**	**60%**
Net cash/net debt		
Cash and short-term investments	15 017	4 816
Short- and long-term loans	-2 532	-11 481
Provision for pensions	-2 536	-2 397
Total net cash/net debt	**9 949**	**-9 062**

1) Comparative figures for 1995 have been recalculated, where applicable, to reflect the sale of shares in Scania and also to reflect the changes in accounting principles regarding lease contracts and provision for pensions.

2) Equity including convertible debenture loans in relation to total assets.

INVESTOR GROUP
BALANCE SHEET AT MARKET VALUE
PER COMPANY

SEK m.	Industrial investments and other operations	Saab	Elimi-nations	Investor consolidated 12/31 1996
Assets				
Cash and short-term investments	8 095	6 922		15 017
Internal receivables		6 699	-6 699	
Receivables	3 709	1 464		5 173
Inventories	5	4 833		4 838
Other shares and participations	73 451	18		73 469
Shareholders' equity, Saab AB	5 110		-5 110	
Machinery, equipment and real estate, etc.	6 667	1 936		8 603
Total assets	**97 037**	**21 872**	**-11 809**	**107 100**
Liabilities and shareholders' equity				
Loan liabilities	2 192	340		2 532
Internal loan	6 699		-6 699	
Provision for pensions	375	2 161		2 536
Advance payments from customers	10	8 017		8 027
Other liabilities	8 881	6 244		15 125
Convertible debenture loans	1 363			1 363
Surplus values arising from market valuation	49 662			49 662
Shareholders' equity	27 855	5 110	-5 110	27 855
Total liabilities and shareholders' equity	**97 037**	**21 872**	**-11 809**	**107 100**

INVESTOR GROUP
STATEMENT OF CHANGES IN FINANCIAL POSITION

SEK m.	1996 1/1-12/31	Pro forma [1] 1995 1/1-12/31
Dividend income [2]	1 701	656
Dividends from subsidiaries [3]		800
Sales, Scania shares	18 800	-
Sales, other main holdings		389
Payment of contribution to Saab Automobile [4]	-1 895	
Operating income before depreciation [5]	-995	-1
Financial income/expense	232	-508
Tax paid	-446	10
Total funds provided	**17 397**	**1 346**
Ordinary dividends paid	-1 713	-1 239
Extraordinary dividends paid	-3 808	-
Purchases of shares, main holdings	-397	-1 429
Net change in other holdings	-472	-759
Decrease in working capital	1 568	316
Other investments, net	-561	-366
Receivable from Scania	6 833	3 466
Other long-term receivables etc.	164	-65
Total funds applied	**1 614**	**-76**
Financial surplus [5]	**19 011**	**1 270**
Financing		
Increase/decrease in liquid assets (-/+)	-10 201	-1 939
Increase/decrease in short-term loans (+/-)	-5 372	2 330
Increase/decrease in long-term loans (+/-)	-3 577	-1 708
Increase/decrease in provisions for pensions (+/-)	139	47
Total financing	**-19 011**	**-1 270**

1) The statement of changes in financial position has been recalculated, where applicable, to reflect the sale of shares in Scania.
2) Refers to cash dividends received. Diligentia shares received are accounted for net in accordance with cost principles.
3) Refers to dividend paid by Scania.
4) Payment during 1996 of transactions related to the agreement with GM/Opel regarding Saab Automobile . Remaining payment, SEK 690 m., will be effected in June 1997.
5) Excluding dividends, capital gains and equity/trading.
6) Change in accounting principles related to lease contracts do not affect the cash flow and are accounted for net in the financial statement above.

PRESIDENT'S COMMENTS

One of the best years ever in Investor's 80-year history

For Investor, 1996 was a very good year, one of the best in our 80-year history. We succeeded in providing our shareholders with a total return of a full 60 percent, in the form of increased share price and dividends. During the past ten years, the Investor share has yielded an average total return of 20 percent annually, compared with slightly more than 15 percent for the Stockholm Stock Exchange.

On the stock market, the year closed strongly and judging from the situation at the beginning of 1997 the prospects for the rest of the year are relatively favorable. As a result of a delayed economic upswing in Europe and continuingly low interest rates, investments in shares are more attractive than fixed-income investments.

During recent years, new forms of saving have emerged, and it is obvious that interest in mutual funds and shares is increasing, primarily at the expense of bank savings. To a large extent, companies are also financing their growth through funds provided directly through initial public offerings and new share issues, at the same time as corporate debt is decreasing.

In the U.S., the switch from bank savings to investments in mutual funds has been a strong trend, and we are now also witnessing the spread of this trend in Europe.

This also applies to investments in industrial holding companies, which offer favorable growth at a limited risk. Within Investor in particular, we have noted a steadily growing interest in ownership of our shares. During the past two years, the number of Investor shareholders has risen by more than 30 percent to a total of nearly 70,000.

The entire financial sector is undergoing a comprehensive restructuring, which resembles the transformation experienced by industry in recent years. By means of acquisitions and mergers larger units are being formed, which are able to compete on a global basis thanks to their increased capital strength.

The players in the financial markets are competing for increasing savings, mainly generated by the changes made in pension systems in large parts of Europe and also other parts of the world. Saving for retirement is increasingly assuming more individual forms. A large proportion of savings will be managed by pension funds, which means more capital must be invested efficiently and with a long-term perspective in the capital markets.

Investor has a solid tradition and in-depth expertise in asset management, and we are monitoring developments in this area with great interest.

From Investor's viewpoint, the most important single event during 1996 was naturally the sale and flotation of Scania on the Stockholm and New York stock exchanges. We sold slightly more than half of our holding, for which Investor received nearly SEK 19 billion, net. Shareholders also benefited from this, in the form of a special cash dividend and covered warrants in Scania.

Investor's business concept entails being an active owner. This includes the efficient management of current holdings, finding new holdings and implementing restructuring measures. The Scania transaction is an excellent illustration of how a structural transaction can be effected in an optimal manner for our shareholders.

Financially, Investor is now a very strong company, with the resources required for new investments in areas we find attractive, such as health care, information technology, media, service and the financial sector. During the year, our international investment organization analyzed a number of new potential investment candidates, and we also acquired interests in a few new companies within the framework of our medium-term investment operations. The American companies MedImmune, a company in the biotech sector, and Tessera, in the IT sector, are examples of new investments.

Active management of our main industrial holdings is Investor's core business. Since Astra is the largest holding in terms of value, continued success for Astra is of considerable importance to Investor's future performance. Scania is the second largest holding. We intend to continue to be major shareholders in these companies, and in a number of other multinational companies based in Sweden. The new investments should be viewed as complements to the main holdings, and we do not expect them to account for more than 10 percent of our total holdings in the next few years.

In many ways, 1996 was a very active year for Investor. Since interest in our shares has increased considerably, we have found it essential to continuously improve our communications with shareholders. Our investments in new electronic channels of communication, including daily news on the Internet, have enjoyed a very favorable reception, and we will continue to improve and refine them.

Investor's base is in Sweden, where we are one of the country's five largest listed companies. In the interest of the company and our shareholders, we consider it important to participate in debates about current social issues. One of the most important issues for the future involves education policy. If Swedish companies are to continue to successfully assert themselves in the face of international competition, access to the best conceivable expertise is essential, which requires continuous improvements in our educational resources.

At the same time as efforts must be made to ensure a high general level of education, there must also be opportunities for focusing on the development of exceptionally skillful pupils on an individual basis. Our competitiveness depends on the added value we can create with the help of intellectual resources and capacity. Possessing leading-edge expertise is one of the principal assets for the future.

In a knowledge-based society, added value is not generated primarily by means of production; instead it is increasingly created through development activities, software applications, planning and marketing. In this context, I would like to show my support for one way of efficiently marketing Sweden.

During 1996, Investor became a founding associate of the Stockholm 2004 project, whose function is to support Stockholm's candidacy for the Summer Olympic Games in the year 2004. Holding the Olympic Games in Stockholm would help to market Sweden internationally and would stimulate our country's sports, environmental care efforts, cultural activities and national economy. In turn, this would also improve the business climate.

To ensure the continued success of our operations, we must adopt a positive approach to the future and capitalize on our inherent strengths. Investor is a strong company and the ultimate aim of our business concept is to create the best possible value for our shareholders. I hope that 1997 will be another successful year for Investor.

Claes Dahlbäck
President