INVESTOR AB

INTERIM REPORT

JANUARY – MARCH 1999

- Investor's total return during the 12-month period ended March 31, 1999, amounted to –12 percent.

- Investor's net asset value on March 31, 1999, was SEK 107,832 m. or SEK 539 per share. In the past twelve-month period, Investor's net asset value rose by SEK 3,757 m. or 4 percent. In the first three months of the year, the net asset value increased by SEK 14,330 m. or 15 percent.

- On March 31, 1999, the value of Investor's core holdings was SEK 100,798 m. In the first three months of the year, the value of the core holdings increased by 13 percent.

- In Investor's largest holding, Astra, the merger was formally completed with the British pharmaceutical company Zeneca.

- During the period an exchange of shares was carried out in Stora Enso through the purchase of Stora Enso A and the sale of a corresponding number of Stora Enso R. As a result, Investor's share of the voting rights in Stora Enso rose from 11.0 percent to 15.8 percent.

This interim report can also be accessed on the Internet at www.investor.se

INTERIM REPORT

JANUARY – MARCH 1999

NEW REPORT STRUCTURE

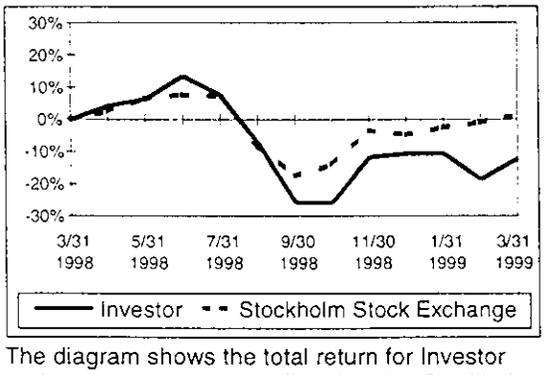
This interim report has been prepared using new guidelines which differ from those used for previous reports from Investor. The intention is to provide a clearer focus on Investor's investment activities and their different areas – *core holdings, new investments and other holdings*. The aim is to illustrate the development of each of these three areas.

The change involves extending the descriptive section of the report while the formal section will meet current recommendations and requirements. This is motivated by the fact that traditional income statements and balance sheets provide an incomplete picture of the operations of an industrial holding company.

The most obvious example of the change is the new table on page 6 which describes the development of the different areas from an investment perspective while allowing this information to be related to the traditional income statement.

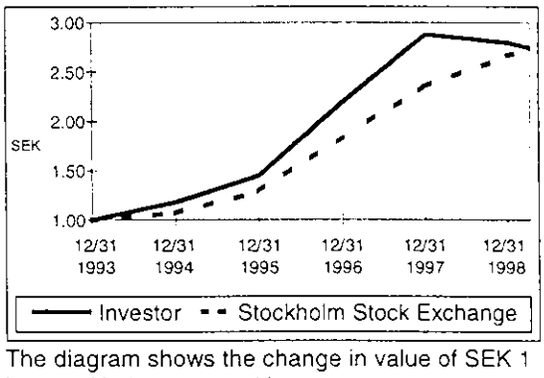
In the formal section, the earlier statement of changes in financial position has been replaced by a statement of cash flows in accordance with new recommendations from the Swedish Financial Accounting Standards Council.

TOTAL RETURN



The diagram shows the total return for Investor and an average company listed on the Stockholm Stock Exchange respectively over the past 12 months.

Source: SIX AB

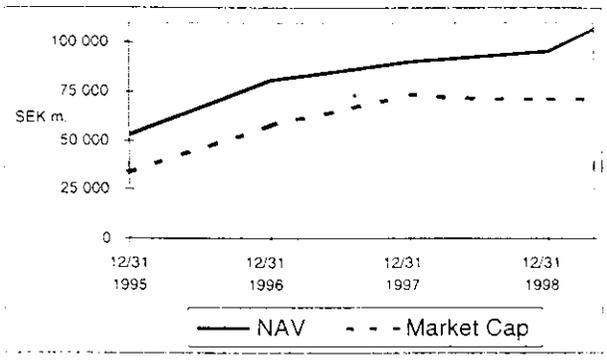


The diagram shows the change in value of SEK 1 invested in Investor and in an average company listed on the Stockholm Stock Exchange respectively at year-end 1993, including reinvested dividends.

Investor's total return during the 12-month period ended March 31, 1999, amounted to –12.2 percent, compared with +1.4 percent for the Stockholm Stock Exchange[1]. In the five-year period 1994 through 1998, the average annual total return was 22.9 percent for Investor compared with 21.6 percent for the Stockholm Stock Exchange.

[1] Total return refers to the sum of share price change and dividends.

CHANGE IN VALUE



The diagram shows the development of Investor's net asset value and market capitalization respectively over the past three years. Estimated average annual growth for net asset value is 25 percent and 24 percent for market capitalization.

On March 31, 1999, Investor's net asset value amounted to SEK 107,832 m. This corresponds to SEK 539 per share after full conversion. The increase in net asset value in the first three months of the year was 15 percent or SEK 14,330 m., of which SEK 11,865 m[1)] comprises an increase in the value of Investor's core holdings. The largest contributions came from the holdings in AstraZeneca with SEK 4,049 m. and Scania with SEK 3,978 m., excluding Scania shares restricted by distributed covered warrants. If these shares are included, the total contribution from Scania is SEK 5,462 m. The remaining change in net asset value is mainly due to appreciation in the new investments portfolio.

1) This figure comprises realized gains and changes in surplus values taking purchase and sales settlements into account.

Net Asset Value	3/31 1999		12/31 1998	
	SEK/share	SEK m.	SEK/share	SEK m.
Core Holdings	503	100 798	444	88 923
New Investments	32	6 386	28	5 509
Other Holdings	50	10 053	49	9 836
Other assets and debts	2	444	-1	-184
Total Investments	**588**	**117 681**	**520**	**104 084**
Net debt/ cash	-83	-16 691	-80	-15 966
Scania shares restr by warr	34	6 842	27	5 384
Total Net Asset Value	**539**	**107 832**	**467**	**93 502**

INVESTOR'S CORE HOLDINGS

Investor's core holdings (at March 31, 1999)

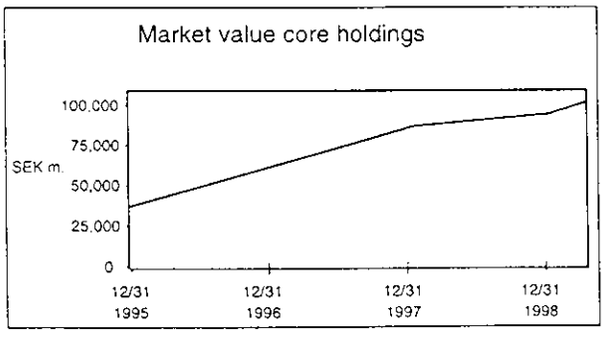
Company	Number of shares[3]	Market value SEK m. 3/31 1999	Share price performance 1999 (%) [1]	Share of portfolio (%)	Share of capital (%)	Share of voting rights (%)	Market value SEK m. 12/31 1998
Pharmaceuticals/ Health care				**38**			
Astra	176 254 905	33 217	+14	33	11	13	29 168
Gambro	68 638 225	5 422	-9	5	20	26	6 040
Engineering				**33**			
Scania [2]	52 994 181	11 882	+50	12	26	42	7 904
ABB	90 274 796	9 208	+18	9	10	13	7 809
Atlas Copco	27 523 100	6 138	+25	6	15	21	4 899
Electrolux	13 347 390	2 176	+17	2	4	21	1 912
Saab AB	21 611 925	1 416		2	20	36	1 837
SKF	14 955 052	1 727	+24	2	13	30	1 376
IT/Telecoms				**16**			
Ericsson	64 019 000	13 283	+4	13	3	22	12 964
WM-data	10 060 500	3 229	-7	3	13	6	3 481
Financial services				**6**			
SEB	48 486 300	4 873	+18	5	8	9	4 146
OM Gruppen	8 867 307	913	+1	1	11	11	904
Forest products				**6**			
Stora Enso	77 892 748	6 340	+16	6	10	16	5 503
Service				**1**			
SAS Sweden	13 155 980	974	-1	1	19	19	980
Total		**100 798**		**100**			**88 923**

1) Most heavily traded class of share.
2) Relates to the 52,994,181 shares not restricted by distributed covered warrants.
3) Gross holding, including any shares on loan.

In the first three months of the year, shares were purchased for SEK 1,293 m. and shares were sold for SEK 1,283 m.

This entire change corresponds to an exchange of shares that was carried out in Stora Enso through the purchase of Stora Enso A and the sale of a corresponding number of Stora Enso R. After this transaction, Investor owns 10.3 percent of the capital and 15.8 percent of the voting rights in the company. Investor's previous holding corresponded to 10.3 percent of the capital and 11.0 percent of the voting rights.

At March 30, 1999, shareholders representing 96.2 percent of the capital and 96.4 percent of the voting rights in Astra had approved the proposed merger. Investor's ownership in the merged company is expected to amount initially to 5.0 percent of voting rights and share capital.



The diagram shows the total market value of Investor's core holdings over the past three years. Estimated average annual growth, including purchases and sales, amounts to 35 percent.

The value of the core holdings, adjusted for net changes, rose by SEK 11,865 m. corresponding to 13 percent during the period. Both the AFGX index and the OMX index rose by 6 percent in the same period.

Based on Investor's holdings at the end of the period, dividends from Investor's core holdings are expected to increase by some 14 percent to approximately SEK 2,100 m.

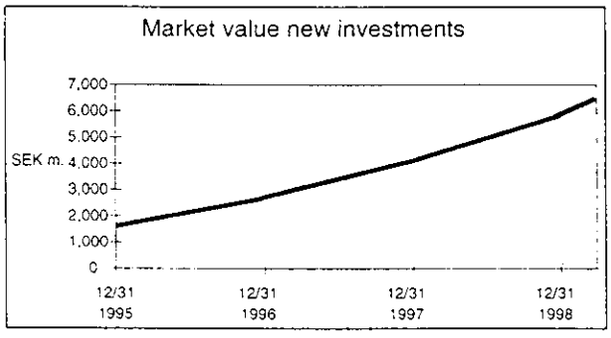
NEW INVESTMENTS

Investor actively seeks new investments in future-oriented investments which can generate a high return and thus provide our shareholders with good growth in value. The aim is that new investments should amount to 15 percent of Investor's assets over time.

Investor's largest holding within new investments, MedImmune, continued to develop favorably in the first three months of the year.

Novare Kapital's operations continued to expand and the number of investments at the end of the period was more than 20.

EQT*, through EQT Scandinavia I, acquired all the shares in the packaging company Stenqvist from Duni. In addition, EQT Scandinavia II, together with the investment company Ratos, made a public offer for Dahl. During the period, EQT Scandinavia I and J. Lauritzen Holding A/S concluded an agreement on the sale of 100 percent of Sabroe Refrigeration A/S to the U.S. company York International Corporation.



The diagram shows the total estimated market value of Investor's new investments. Estimated average annual growth, including purchases and sales, amounts to 53 percent.

At the end of the period, the total value of new investments amounted to SEK 6,386 m. compared with SEK 5,509 m. at year-end 1998. In the first three months of the year, shares were purchased for SEK 387 m. and shares were sold for SEK 214 m.

OTHER HOLDINGS

This area consists of holdings added to Investor due to factors such as dividends or acquisitions. The area also includes Investor's securities trading, Investor's holding of own convertibles, and the holdings in Grand Hôtel Holdings and Saab Automobile.

The operations within Grand Hôtel Holdings developed well during the first three months of the year and income for the period after net financial items amounted to SEK 3 m. The hotel business area achieved a higher volume during the period which compensated for some decline in the food & beverage business area. The work of integrating and developing Berns, which was acquired in 1998, is continuing according to plan together with the international partner Conran Restaurants.

Saab Automobile continued to increase sales in the first three months of the year compared with the previous year. As expected, the launch of the Saab 9-5 Wagon at the beginning of the year was successful and demand for the model is high.

* Joint name for the funds EQT Scandinavia I (formerly Scandinavian Equity Partners), EQT Scandinavia II and EQT Danmark.

Other holdings	SEK/share	3/31 1999 Market value SEK m.	SEK/share	12/31 1998 Market value SEK m.
Other Holdings and securities trading	14	2 815	13	2 460
Saab Automobile 50%[1]	14	2 890	14	2 890
GHH Grand Hôtel Holdings	6	1 180	6	1 180
Investor's own convertibles	15	2 868	15	3 006
Land and real estate	1	300	1	300
Total	**50**	**10 053**	**49**	**9 836**

[1] Saab Automobile is reported at book value of the subordinated loan.

The total value of other holdings amounted to SEK 10,497 m. at the end of the period compared with SEK 9,652 m. at year-end 1998. In the first three months of the year, shares were purchased for SEK 6,640 m. while shares were sold for SEK 6,596 m.

CONSOLIDATED RESULTS

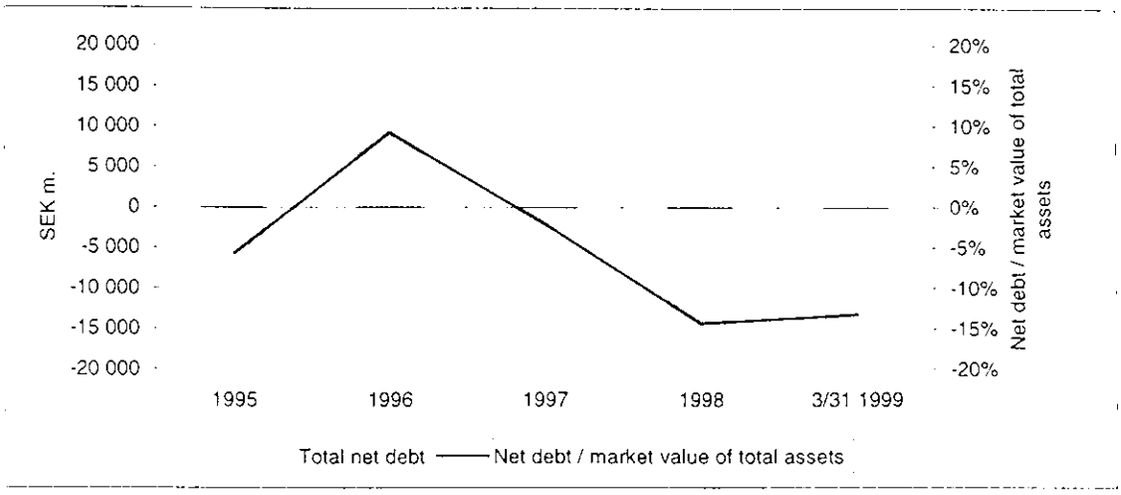
Development by segment

	Core Holdings	New Investments	Other Holdings	Investor misc	Total 3/31 1999	Total 12/31 1998
Dividends	678	35			713	1 945
Realized profit/loss	772	75	21	18 [3]	886	3 995
Write-downs		-38		70	32	-404
Adm expenses				-174	-174	-787
Other revenues and expenses[1]		-78	3	16	-59	-99
Net financial income/expenses			101	-231	-130	-939
Tax				-100	-100	-246
Income for the period	**1 450**	**-6**	**125**	**-401**	**1 168**	**3 465**
Change in surplus value	11 093	783	-110	1 396 [3]	13 162	3 535
Dividend paid					0	-1 907
Total contribution to NAV growth[2]	**12 543**	**777**	**15**	**995**	**14 330**	**5 093**
Assets per segment						
Book value	34 030	4 375	8 318	1 858	48 581	46 624
Accumulated surplus value	66 768	2 011	1 735	5 428	75 942	62 844
Market Value	**100 798**	**6 386**	**10 053**	**7 286** [3]	**124 523**	**109 468**

1) Pertains to income from Grand Hôtel Holdings, hedging and other operations.
2) Excluding purchases and sales
3) Includes Scania shares restricted by distributed covered warrants.

Investor's pretax income, excluding unrealized increases in value, amounted to SEK 1,268 m. (262). Net income amounted to SEK 1,168 m. (262). The change in earnings compared with the previous year was mainly due to the capital gain from the exchange of shares in Stora Enso, earlier approval of dividends and improved net financial items due to interest income received from Saab Automobile.

CONSOLIDATED NET DEBT



At the end of the period, the Group had a net debt of SEK 16,691 m. compared with a net debt of SEK 15,966 m. at year-end 1998. Investor's net debt thus amounted to 13 percent of the market value of total assets at the end of the period. During the period, the rating agency Moody's upgraded Investor's long-term rating from A3 to A2.

STRUCTURE OF SHARE CAPITAL AND CONVERTIBLES

On March 31, 1999, Investor's share capital amounted to SEK 4,773 m., represented by 191 million shares. On the same date, the nominal amount of Investor's convertible debenture loans totaled SEK 1,315 m. Of this amount, SEK 1,022 m. pertained to the loan denominated in Swedish kronor and SEK 293 m. to the loan denominated in ECU. On March 31, 1999, the nominal amount of Investor's own holding in the loan denominated in Swedish kronor was SEK 899 m. and SEK 293 m. in the loan denominated in ECU. In total, this corresponds to 91 percent of the volume of convertible loans outstanding.

Structure of share capital and convertibles

Before conversion Class of share	Number of shares	Number of voting rights	Percentage of capital	Percentage of voting rights
A 1 vote	77 922 711	77 922 711	40.8	87.3
B 1/10 vote	113 005 372	11 300 537	59.2	12.7
Total	190 928 083	89 223 984	100.0	100.0
Convertible debenture loans [1]				
B 1/10 vote	9 267 667	926 767		
After conversion				
A 1 vote	77 922 711	77 922 711	38.9	86.4
B 1/10 vote	122 273 039	12 227 304	61.1	13.6
Total	200 195 750	90 150 015	100.0	100.0

[1] The nominal value of the loans is SEK 1,315 m. and they carry 8.00% interest until June 21, 2001. The conversion price is SEK 141.90. Of the convertible debenture loans corresponding to 9,267,667 shares, Investor's holding corresponds to 8,400,639 shares.

ACCOUNTING PRINCIPLES

This interim report has been prepared in accordance with the Swedish Annual Accounts Act. The accounting principles applied are unchanged. Consolidated accounts according to the equity method will be prepared in conjunction with the interim report for the first six months of the year and will be available in August 1999.

Stockholm, April 14, 1999

Claes Dahlbäck
President and Chief Executive Officer

For information: Nils Ingvar Lundin, Managing Director, Corporate Relations,
phone +46 8 614 20 49, +46 70 514 20 49
Per Spångberg, Vice President, Investor Relations,
phone +46 8 614 20 31, +46 70 624 20 31

This interim report has not been subject to specific review by the Company's auditors.

INVESTOR GROUP
INCOME STATEMENT
Purchase method

SEK m.	1999 1/1-3/31	1998 [1] 1/1-3/31	1998 1/1-12/31
Net revenue			
Dividend income, core holdings	678	353	1 841
Sale of other securities, etc.	6 971	4 374	20 396
Cost of sold other securities, etc.	-6 867	-4 295	-19 543
Capital gains, core holdings	790	263	2 743
Administrative expenses, investment operations	-174	-158	-787 [2]
Operating income	**1 398**	**537**	**4 650**
Net financial expenses	-130	-275	-939
Income after financial items	**1 268**	**262**	**3 711**
Tax	-97	-	-246
Minority interest	-3	-	-
Income for the period	**1 168**	**262**	**3 465**

1) Saab AB is not consolidated in the comparative figures.

2) The administrative expenses disclosed in the 1998 annual report of SEK 814 m. refer to the entire Investor Group.

INVESTOR GROUP
BALANCE SHEET
Purchase method

SEK m.	1999 3/31	1998 [1] 3/31	1998 12/31
Assets			
Equipment and real estate, etc.	1 681	1 908	1 684
Shares and participations	44 544	38 408	42 908
Receivables	4 512	3 672	3 821
Cash and short-term investments	146	2 755	138
Total assets	**50 883**	**46 743**	**48 551**
Shareholders' equity and liabilities			
Shareholders' equity [2]	30 525	27 144	29 269
Convertible debenture loans	1 365	1 355	1 389
Provision for pensions	325	313	325
Loan Saab AB	-	8 825	-
Other loan liabilities	16 512	8 516	15 779
Other liabilities	2 156	590	1 789
Total shareholders' equity and liabilities	**50 883**	**46 743**	**48 551**

Net debt			
Cash and short-term investments	146	2 755	138
Loan Saab AB	-	-8 825	-
Other loan liabilities	-16 512	-8 516	-15 779
Provision for pensions	-325	-313	-325
Total net debt	**-16 691**	**-14 899**	**-15 966**

1) Saab AB is not consolidated in the comparative figures.
The value of Saab AB is included in Shares and participations with SEK 3,091 m. corresponding to 100% of shareholders' equity as of December 31, 1997.

2) Shareholders' equity changed during the period:

Opening balance	29 269	26 878	26 878
Dividend to shareholders			-1 907
Effect on shareholders' equity of distribution of Saab AB purchase rights to Investor's shareholders			758
Income for the period	1 168	262	3 465
Other changes	88	4	75
Closing balance	30 525	27 144	29 269

INVESTOR GROUP
STATEMENT OF CASH FLOWS

SEK m.	1999 1/1-3/31	1998 1/1-3/31	1998 1/1-12/31
CASH FLOW FROM OPERATING ACTIVITIES			
Core holdings			
Dividend income	40	249	1 841
New investments and other holdings			
Dividend income	35	51	239
Other operations, trading and administrative expenses			
Payments received	6 676	3 673	17 467
Payments made	-7 150	-4 342	-19 426
Cash flow from operating activities before interest expenses and income taxes	**-399**	**-369**	**121**
Interests received/paid	-66	-204	-596
Income tax paid	-83	-15	-25
Cash flow from operating activities	**-548**	**-588**	**-500**
INVESTMENT			
Core holdings			
Purchases	-1 293	-	-5 582
Payment ABB shares [1]	-	-6 368	-6 368
Sales	1 309	166	570
Broadening of ownership in Saab AB			5 637
New investments and other holdings [2]			
Purchases etc.	-397	-440	-3 688
Sales	214	666	4 009
Investments in tangible and intangible fixed assets	-10	-324	-370
Sold tangible fixed assets	-	-	257
Cash flow from investment	**-177**	**-6 300**	**-5 535**
FINANCING			
Long-term loans raised	103	2 350	6 932
Increase/decrease in short-term financial debts	630	2 311	-3 834
Dividend paid	-	-	-1 907
Cash flow from financing	**733**	**4 661**	**1 191**
Cash flow for the period	**8**	**-2 227**	**-4 844**
Liquid assets, opening balance	**138**	**4 983**	**4 983**
Translation difference in liquid assets	**-**	**-1**	**-1**
Liquid assets, closing balance	**146**	**2 755**	**138**

1) Debt according to agreement with Incentive (since July 1, 1998, Gambro), repaid in January 1998.

2) Excluding trading.

PRESIDENT'S COMMENTS

Compared with 1998, the development of the global economy was less dramatic in the first quarter of this year. Economic development was characterized by the continued strength of the U.S. economy and stabilization of the economic situation in the developing countries. The economic problems in Japan appear to have culminated.

Possibilities for a recovery of the weak trend in Western Europe have improved. The introduction of the euro as a common currency throughout most of the EU and a credible start for the European Central Bank are strengthening this scenario. Taken as a whole, this means that the risk of a global recession has now further decreased.

The stock markets worldwide developed more strongly in the first quarter than many people had dared to expect. A reversal of the economic trend in Europe is anticipated which can be seen through rising interest in cyclical shares.

What is the significance of this development for Investor's activities? In our most recent annual report we tried to explain how operations are conducted within Investor – that the active ownership we seek to uphold is ultimately exercised through representation on the boards of the various companies, and that through this representation we endeavor to achieve better corporate governance that will lead to greater value for our shareholders.

One example of this is the merger between Astra and Zeneca which has now been accepted by more than 96 percent of Astra's shareholders and by a unanimous Zeneca annual general meeting. The merger has led to a sharp upswing in Astra shares which in turn contributed to a considerable increase in Investor's net asset value in the first quarter.

In the spring, the spotlight was on Scania, one of our largest holdings. The background to this was the surprising purchase by Volvo, one of Scania's major competitors, of 13 percent of the shares in Scania. Volvo's declared intention with this acquisition was to "ensure inclusion in discussions about Scania's future ownership."

At Investor we expressed our opinion that Scania is a strong company with excellent opportunities for continued positive development through its own efforts. At the same time, Investor explained the importance of detailed examination of all possible future alternatives for Scania, from remaining as an independent company to various forms of cooperation or merger.

Scania's preliminary report for the first quarter strengthens Investor's opinion. The rise in Scania's share price in the spring, just like Astra's, made a substantial contribution to the increase in Investor's net asset value.

Investor's management believes that growth in net asset value is the most important way in which we create shareholder value. Another is to try to reduce the discount to net asset value.

Unfortunately, the discount rose further in the spring which meant that Investor's shares developed considerably less favorably than we had hoped.

During my 21 years as president of Investor, I have seen a wide variation in the size of the discount to net asset value, from close to 40 percent to below 10 percent.

Naturally, I have devoted a lot of thought to the reasons for the discount and its development over the years and many different theories have been set forth.

To some extent the discount is probably related to purely technical matters in the stock market but naturally it also reflects the market's confidence in our ability to generate shareholder value.

For my part, I am entirely convinced that Investor will continue to provide a highly attractive investment alternative led by an exceptionally wise new CEO and a very competent new management group.

Claes Dahlbäck