INVESTOR AB

INTERIM REPORT

JANUARY - SEPTEMBER 1999

- Investor's net asset value on September 30, 1999, was SEK 119,353 m. or SEK 149 per share. In the first nine months of the year, the net asset value increased by SEK 25.851 m. or 28 percent. Over the past 12-month period Investor's net asset value rose by SEK 41,338 m. or 53 percent.

- On September 30, 1999, the value of Investor's core holdings was SEK 116,457 m. In the first nine months of the year, the value of Investor's core holdings rose by 25 percent.

- Investor's total return in the first nine months of 1999 was 9 percent. In the 12-month period ended September 30, 1999, the total return amounted to 31 percent.

- Investor concluded an agreement with AB Volvo on the sale of the entire holding in Scania amounting to 54.1 million A shares and 1.5 million B shares. At the same time, Volvo made a public offer to all other shareholders in Scania to purchase the remaining shares in Scania.

- Investor acquired shares in Volvo during the period and increased its stakes in OM Gruppen and WM-data.

- The deal flow in the new investments business area was considerable. Among other things, Investor reached agreement regarding an investment in the unlisted Internet company Spray.

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

INTERIM REPORT

JANUARY - SEPTEMBER 1999

REVISED REPORT STRUCTURE

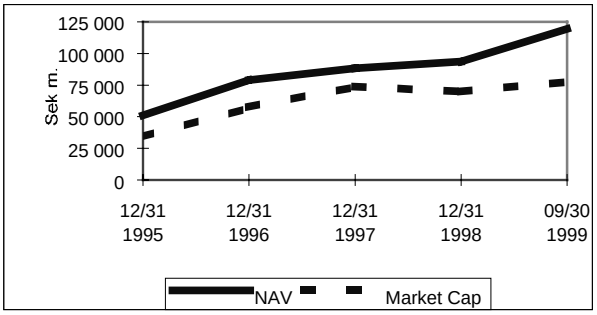
This interim report, like the previous interim reports in 1999, has been prepared using revised guidelines which differ from those used in Investor's reports in previous years. The intention is to provide a clearer focus on Investor's investment activities and their different components – *core holdings, 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 meets current recommendations and requirements. This is motivated by the fact that, in Investor's opinion, traditional income statements and balance sheets provide an incomplete picture of the operations of an industrial holding company.

One obvious example of the change is the table on page 9 which describes the development of the different business areas from an investment perspective while allowing this information to be related to the traditional income statement.

In the formal section, the previous 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.

CHANGE IN VALUE



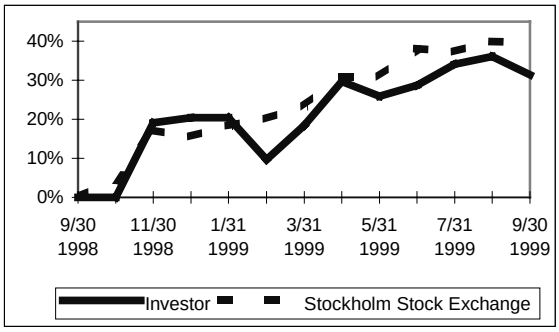
The diagram shows the development of Investor's net asset value and market capitalization respectively since year-end 1995. Estimated average annual growth for net asset value and market capitalization is 25 percent.

On September 30, 1999, Investor's net asset value amounted to SEK 119,353 m. This corresponds to SEK 149 per share after full conversion. The increase in net asset value in the first nine months of the year was 28 percent or SEK 25,851 m. Most of this increase, SEK 23,021 m.[1)], is attributable to growth in the value of Investor's core holdings. In absolute numbers, the largest contribution came from Scania which appreciated by SEK 8,610 m. In addition, growth in value was SEK 4,333 m. in ABB, SEK 3,961 m. in Ericsson and SEK 2,929 m. in Stora Enso. In terms of share price performance as well, Scania provided the highest appreciation with 107 percent, which was partly due to Volvo's bid for the company, followed by SKF with 95 percent, ABB with 55 percent and Stora Enso with 54 percent.

1) The amount comprises realized gains and changes in surplus values taking purchase and sales proceeds into account, excluding dividends.

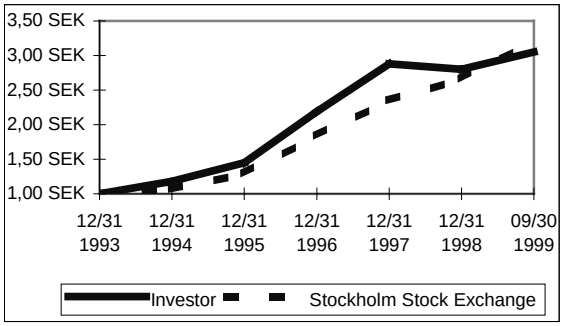
Net asset value		9/30 1999		12/31 1998
	SEK/share	SEK m.	SEK/share	SEK m.
Core holdings	145	116 457	111	88 923
New investments	7	5 881	7	5 509
Other holdings	13	9 981	12	9 836
Other assets and debts	0	387	0	-184
Total Investments	**166**	**132 706**	**130**	**104 084**
Net debt	-17	-13 353	-20	-15 966
Scania shares corresponding to issued warrants	0	**0**	7	5 384
Total net asset value	**149**	**119 353**	**117**	**93 502**

TOTAL RETURN



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

Source: SIX AB.



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

Investor's total return during the 12-month period ended September 30, 1999, amounted to 31.4 percent compared with 39.7 percent for the Stockholm Stock Exchange[1)]. In the first nine months of the year the corresponding figures were 9.1 percent for Investor and 20.9 percent for the Stockholm Stock Exchange. The main reason Investor has not developed in line with the market as a whole is an increased discount to net asset value which amounted to 35 percent at the end of the period compared with 22 percent at year-end 1998. 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 is the sum of share price appreciation and dividends.

INVESTOR'S CORE HOLDINGS

Investor's core holdings, September 30, 1999

Company	Number of shares [1]	Market value SEK m. 9/30 1999	Share price performance 1999 (%) [2]	Share of portfolio (%)	Share of capital [3] (%)	Share of voting rights [3] (%)	Market value SEK m. 12/31 1998
Pharmaceuticals/ Health care				**31**			
AstraZeneca	88 920 598	30 366	+4 [4]	26	5	5	29 168
Gambro	68 638 225	5 422	-11	5	20	26	6 040
Engineering				**39**			
Scania	55 570 073	17 234	+107	15	28	49	7 904
ABB	14 437 720	12 142	+55	10	5	5	7 809
Atlas Copco	27 523 100	6 603	+34	6	15	21	4 899
Volvo	13 250 000	3 067	-	3	3	1	-
SKF	14 955 052	2 602	+95	2	13	27	1 376
Electrolux	13 347 390	2 042	+10	2	4	21	1 912
Saab AB	21 611 925	1 426	-22	1	20	36	1 837
IT/Telecoms				**18**			
Ericsson	64 019 000	16 925	+32	15	3	22	12 964
WM-data	11 060 500	3 926	+3	3	14	6	3 481
Financial services				**4**			
S E B	48 486 300	4 049	-2	3	8	9	4 146
OM Gruppen	12 840 507	1 181	-10	1	15	15	904
Forest products				**7**			
Stora Enso	77 892 748	8 459	+54	7	10	24	5 503
Service				**1**			
SAS Sweden	13 155 980	1 013	+3	1	19	19	980
Total		**116 457**		**100**			**88 923**

[1] Holding, adjusted for any shares on loan.
[2] Most heavily traded class of share.
[3] After full dilution.
[4] Share price performance pertains to Astra until April and AstraZeneca thereafter.

In the first nine months of the year, shares were purchased for SEK 8,964 m. while shares were sold for a total of SEK 11,292 m., of which SEK 6,809 m. is attributable to the shares in Scania that were sold through exercise of warrants distributed earlier. The shares in Scania that Investor has agreed to sell to Volvo are not included.

At the beginning of the year, an exchange of shares was carried out in Stora Enso through the purchase of 34,583,640 Stora Enso A for a total of SEK 3,024 m. and the sale of 34,583,640 Stora Enso R for a total of SEK 2,997 m. After these transactions, and voluntary conversion of A shares to R shares by other shareholders, Investor's holding amounted, after full dilution, to 10.2 percent of the share capital and 23.9 percent of the voting rights in the company. Investor's holding at year-end 1998 corresponded to 10.3 percent of the capital and 11.0 percent of the voting rights.

In the first half, 8,557,180 Scania A shares were purchased for SEK 2,174 m. and 6,207,180 Scania B shares were sold for a total of SEK 1,486 m. 37,825,472 B shares in Scania were also sold through exercise of the warrants issued in 1996, which provided a total of SEK 6,809 m.

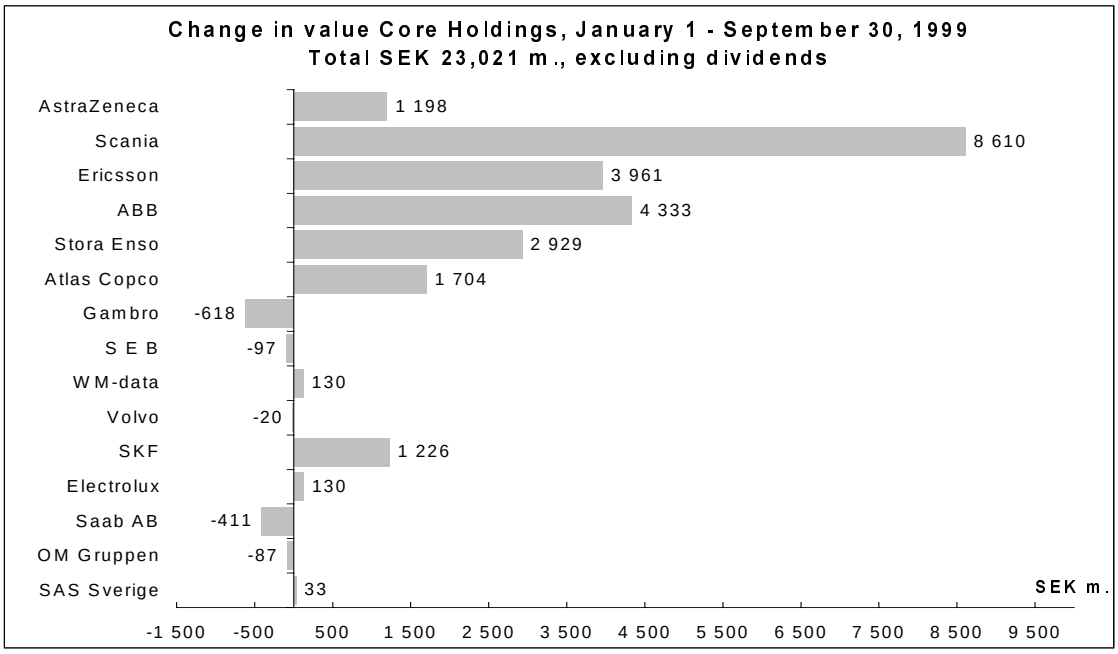
In August, an agreement was concluded with AB Volvo regarding the sale of Investor's remaining holding in Scania amounting to 54,061,380 A shares and 1,508,693 B shares. Under the agreement terms, Investor receives a cash payment of SEK 315 per share for 60 percent of these shares. For the remaining 40 percent, Investor can choose to receive either a cash payment of SEK 315 per share or newly issued shares in Volvo in the proportion six shares in Volvo for every five shares in Scania. In the cash alternative, the agreement gives Investor's holding in Scania a value corresponding to SEK 17,505 m.

At the same time, Volvo has made a public offering to all other Scania shareholders who can also choose between a similar cash or share alternative. In conjunction with the offering, Volvo announced that it expects that the acquisition of Scania will be completed in mid-November this year, provided the offering can be completed when the regular application period expires on November 4. The entire deal and the purchase of Investor's shares in Scania are subject to necessary approval being obtained from the competition authority within the EU.

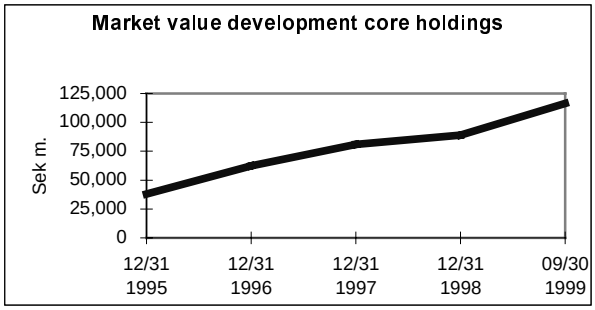
Furthermore, a total of 592,600 A shares and 12,657,400 B shares were acquired in Volvo for a total of SEK 3,086 m. This is in line with Investor's declaration of intent in conjunction with the agreement to sell shares in Scania. This means that, if Investor chooses a cash payment as remuneration for the shares in Scania, Investor intends to acquire shares in Volvo for an amount corresponding to 40 percent of the payment received.

In addition, 3,973,200 shares in OM Gruppen were purchased for SEK 364 m. during the period, bringing Investor's holding in the company up to 15.1 percent of share capital and voting rights. The corresponding figure at year-end 1998 was 10.5 percent. Investor also acquired 1,000,000 shares in WM-data for SEK 316 m., whereupon Investor's holding in WM-data amounts to 14.3 percent of the share capital and 5.9 percent of the voting rights, after full dilution. The corresponding figures at year-end 1998 were 13.2 percent of the capital and 5.5 percent of the voting rights.

The merger between Astra and Zeneca was also completed during the period. Following the merger, Investor owns 5.1 percent of the voting rights and share capital in the new company AstraZeneca.



The diagram shows each holding's contribution to the change in Investor's NAV.



The diagram shows the development of the market value of Investor's'core holdings since year-end 1995.

In the first nine months of 1999, the value of the core holdings, excluding dividends and adjusted for net changes, rose by SEK 23,021 m. or 25 percent. In the same period, the AFGX index rose by 18 percent and the OMX by 19 percent.

In the first nine months of 1999, Investor has received dividends from the core holdings totaling SEK 2,015 m.

NEW INVESTMENTS

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

The first segment is the wholly owned venture capital company Novare with a current capital base of SEK 500 m. and investments in Nordic companies which are in an early development phase and have good potential for future growth. The second segment is the operations at Investor's offices in New York and Hong Kong which focus on medium-term investments in international and Swedish growth companies. The third segment is the private equity funds within EQT, which currently have total commitments, in terms of available investment capital, amounting to approximately SEK 11 billion. Investor is one of the major investors in the EQT funds and is also principal owner of EQT Partners which acts as financial adviser to the funds.

The level of activity in Novare was high in the period covered by this report. Today Novare has the capacity to make 15-20 new investments per year. The number of holdings increased by 15 during the period, of which four were acquired in the third quarter. The total number of holdings at the end of the period was 29.

The most recent holdings are InTenna, a manufacturer of mobile telephone antennas, the Web-based marketplace Comfirm, the dental company Stick Tech, and Aerocrine, a company that develops asthma markers. During the period Novare reached agreement with Icon Medialab on a sale of the IT company Parallel Consulting Group which conducts consulting activities within IT security. This sale is expected to provide a good return for Novare.

Within the framework of Investor's operations in New York and Hong Kong, additional transactions were carried out in the third quarter. Among other things, Investor has agreed to invest up to SEK 500 m. in the Sweden-based unlisted Internet company Spray which is on the threshold of an international expansion with the aim of becoming one of the leading Internet portals in Europe. Another investment made in the Swedish IT sector was in unlisted B2 Bredbandsbolaget, a company whose mission is to supply Swedish households with broadband capacity.

Furthermore, an investment was made in the American pharmaceutical company Jones Pharma which manufactures, markets and sells acquired preparations within various specialty areas of the pharmaceutical market. In addition, Investor has invested in the American education company Apollo International. The company is unlisted and

specialized in adult education outside the U.S. using a concept that the parent company, Apollo Group, applies in the American market.

Earlier this year, a number of new investments were reported within the IT and health care sectors. These included the Web-based recruitment company Jobshop A/S, the Thai supplier to the semiconductor industry, Alphatec, and the American company Intuitive Surgery, which manufactures high-tech equipment for remote controlled keyhole surgery.

A large portion of the holding in MedImmune was sold during the period. This divestment provides a significant capital gain and at the end of the period Investor only owned a small block of shares in the company.

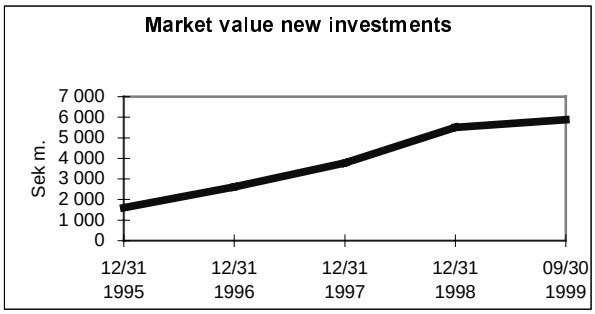
The venture capital operations in EQT were characterized by a high level of activity during the period.

In addition to the establishment of a new fund in Finland, preparations have been made to set up an office in Munich. Both investment and divestment activities within the funds were considerable. Sales made during the period have provided excellent returns.

The recently started Finnish fund was established according to the same principles as earlier EQT funds and has received total commitments for an investment capital of FIM 830 m. which will be complemented with debt. Investor will provide approximately 25 percent of the investment capital in the new fund.

In August, the new fund acquired 70 percent of the Finnish company ADR-Haanpää, which is the leading transport company for liquid chemicals in the Nordic region. In the same month, the board of EQT Scandinavia II decided to make a public offer of SEK 180 per share for all the shares in Eldon AB. In connection with this offer, EQT also reached agreement with Eldon's principal owners to acquire their shares in the company. This offer was completed in September. In July, EQT Danmark acquired the Danish credit-rating agency RKI Kredit Information A/S.

Also in July, EQT Scandinavia I sold StjärnTV to UPC, United Pan-Europe Communications. This deal provided EQT with an excellent return. This was largely due to the investment and development programs that were carried out at StjärnTV during EQT's ownership.



The diagram shows the change in value of Investor's new investments since year-end 1995. On September 30, 1999, 50 percent of the investments were listed and 50 percent unlisted. The unlisted holdings have been valued according to principles adopted by the British Venture Capital Association, BVCA.

In addition to the deals described above, transactions reported earlier in the year included the acquisition of the packaging company Stenqvist through EQT Scandinavia I, the acquisition of the heating and sanitation wholesaler Dahl through EQT Scandinavia II in cooperation with the investment company Ratos, and the divestment of Sabroe Refrigeration A/S and Perlos Oyi by EQT Scandinavia I.

After the end of the period, EQT Scandinavia II reached agreement with Nokia for acquisition of Salcomp Oy. The initial purchase price is EUR 140 m. with a possible additional payment of approximately EUR 13 m., depending on the company's future development. Salcomp is one of the world's largest manufacturers of battery chargers for mobile telephones with net sales of EUR 140 m. in 1998.

Taken as a whole, Investor has been able to assimilate a considerable increase in value through its involvement in EQT.

The total value of new investments at the end of the period amounted to SEK 5,881 m. compared with SEK 5,509 m. at year-end 1998. In the first nine months of the year, shares were purchased for a total of SEK 1,723 m. and sold for SEK 3,480 m. Sales within this area during the period generated total capital gains of SEK 2,135 m., of which approximately two-thirds were attributable to the divestment in MedImmune.

OTHER HOLDINGS

This business area consists of holdings added to Investor as a result of dividends or acquisitions. It also includes Investor's securities trading, Investor's holding of own convertibles, and the holdings in Grand Hôtel Holdings and Saab Automobile.

Grand Hôtel Holdings continued its focus on its core business with the sale of the property that houses the China Theater to Humlegården as of November 1, 1999. The rebuilding of Berns in partnership with Terence Conran will be completed at the end of the year. Grand Hôtel Saltsjöbaden's hotel operations and the property belonging to it have been sold.

Saab Automobile increased its sales by 11 percent during the period compared with the corresponding period a year ago. The new Aero models of the Saab 9-3 and 9-5, which were launched in the summer, have attracted considerable attention from both customers and the trade press.

Other holdings

		9/30 1999		12/31 1998
	SEK/share	Market value, SEK m.	SEK/share	Market value, SEK m.
Other holdings and securities trading	3	2 455	3	2 460
Saab Automobile 50%[1)]	4	2 890	4	2 890
GHH Grand Hôtel Holdings	1	1 180	1	1 180
Investor's own convertibles	4	3 156	4	3006
Land and real estate	0	300	0	300
Total other holdings	**13**	**9 981**	**12**	**9 836**

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

The total value of other holdings amounted to SEK 9,981 m. at the end of the period compared with SEK 9,836 m. at year-end 1998.

CONSOLIDATED RESULTS

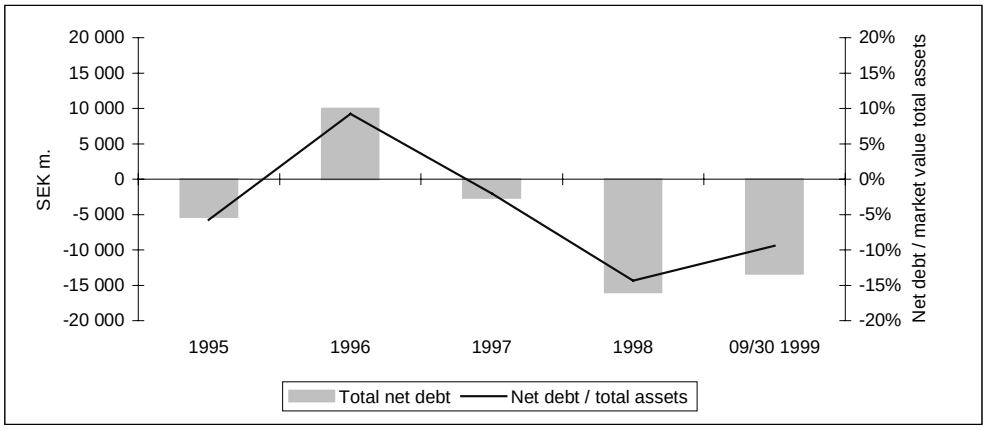
	Core holdings	New investments	Other holdings	Investor group-wide.	9/30 1999	12/31 1998
Dividends received	1 838	299	136	177	2 450	1 945
Realized profit/loss	2 914	2 135	154	4 618 [3]	9 821	3 995
Write-downs		6		70	76	-404
Administrative expenses				-452	-452	-787
Other revenues and expenses [1]		-138	11	4	-123	-99
Net financial items			134	-514	-380	-939
Tax and minority				-221	-221	-246
Income for the period	**4 752**	**2 302**	**435**	**3 682**	**11 171**	**3 465**
Change in surplus value	20 107	218	297	-3 844 [3]	16 778	3 535
Dividends paid				-2 098	-2 098	-1 907
Contribution to NAV growth [2]	**24 859**	**2 520**	**732**	**-2 260**	**25 851**	**5 093**
ASSETS PER SEGMENT						
Book value	40 657	4 186	8 483	-531	52 795	46 624
Accumulated surplus value	75 800	1 695	1 498	918	79 911	62 844
Market value	**116 457**	**5 881**	**9 981**	**387**	**132 706**[4]	**109 468**[3]

[1] Pertains to earnings from hedging through June 30, 1999, Grand Hôtel Holdings, and other operations.
[2] Excluding purchases and sales.
[3] Includes Scania shares restricted by distributed covered warrants.
[4] Total market value before deduction for net debt.

Investor's reported income before tax and minority interests, excluding unrealized increases in value which can be seen in the consolidated income statement on page 11, amounted to SEK 11,392 m. (3,900). Net income amounted to SEK 11,171 m. (3,671). The change in earnings compared with the previous year was mainly attributable to capital gains from the sale of shares, of which sales of shares in Scania through exercise of warrants provided a capital gain SEK 4,618 m. The agreed transaction regarding the sale of remaining shares in Scania to Volvo is not included in the result for the period.

Work with the restructuring and cost saving program launched in April this year has proceeded as planned.

CONSOLIDATED NET DEBT



The Group's net debt at the end of the period was SEK 13,353 m. compared with a net debt of SEK 15,966 m. at year-end 1998. Investor's net debt at the end of the period thus amounted to 9 percent of the market value of total assets, compared with 14 percent at year-end 1998. The change in net debt is mainly attributable to the liquid assets received from the sale of shares by the exercise of warrants in Scania.

At the beginning of 1999, the rating agency Moody's upgraded Investor's long-term rating from A3 to A2. Following this, Investor has issued a Eurobond loan amounting to EUR 400 m. with a maturity of seven years. In addition, it was decided to extend existing credit facilities by up to USD 1.5 billion by arranging a commercial paper program.

During the period, Investor's board made the decision that from the second half of 1999 it would cease hedging investments in foreign currency, which has previously been the case. This decision is mainly based on the long-term approach Investor has to its investment activities, which means that currency hedging cannot be justified from a risk or cost perspective.

STRUCTURE OF SHARE CAPITAL AND CONVERTIBLES

On September 30, 1999, Investor's share capital amounted to SEK 4,774 m., represented by 764 million shares after the 4:1 split decided by Investor's Annual General Meeting on April 14, 1999. The split was subsequently carried out on May 7.

On September 30, the nominal amount of Investor's convertible debenture loans totaled SEK 1,310 m. Of this amount, SEK 1,017 m. pertained to the loan denominated in Swedish kronor and SEK 293 m. to the loan denominated in euros. On the same date, Investor's own holding in the loan denominated in Swedish kronor was a nominal amount of SEK 899 m. and SEK 293 m. in the loan denominated in euros. 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	% of capital	% of voting rights
A 1 vote	311 690 844	311 690 844	40.8	87.3
B 1/10 vote	452 170 563	45 217 056	59.2	12.7
Total	763 861 407	356 907 900	100.0	100.0
Convertible debenture loans [1)]				
B 1/10 vote	36 895 485	3 689 548		
After conversion				
A 1 vote	311 690 844	311 690 844	38.9	86.4
B 1/10 vote	489 066 048	48 906 605	61.1	13.6
Total	800 756 892	360 597 449	100,0	100,0

1) The nominal value of the loans is SEK 1,310 m. and they carry 8.00% interest until June 21, 2001. The conversion price is SEK 35.50. Of the convertible debenture loans, corresponding to a total of 36,895,485 shares. Investor's own holding corresponds to 33,578,895 shares.

Stockholm, October 7, 1999

Marcus Wallenberg
President and Chief Executive Officer

For information: Nils Ingvar Lundin, Managing Director, Corporate Relations,
tel. +46 8 614 20 49, +46 70-514 20 49
Per Spångberg, Vice President, Investor Relations,
tel. +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 AB

CONSOLIDATED INCOME STATEMENT

Purchase method

SEK m.	1999 1/1-9/30	1998 1/1-9/30	1998 1/1-12/31
Net revenue			
Dividends received, core holdings	2 015	1 841	1 841
Sale of other securities, etc.	28 606	15 383	20 396
Cost of sold other securities, etc.	-25 929	-14 532	-19 543
Capital gains, core holdings	7 532 [1)]	2 381	2 743
Administrative expenses, investment operations	-452	-474	-787 [2)]
Operating income	**11 772**	**4 599**	**4 650**
Net financial expenses	-380	-699	-939
Income after financial items	**11 392**	**3 900**	**3 711**
Tax	-214	-229	-246
Minority interest	-7	-	-
Income for the period	**11 171**	**3 671**	**3 465**

1) Whereof SEK 4.618 m. pertains to the sale of Scania shares through warrants exercised.

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

INVESTOR AB

CONSOLIDATED BALANCE SHEET

Purchase method

SEK m.	1999 9/30	1998 9/30	1998 12/31
ASSETS			
Equipment and real estate, etc.	1 536	1 870	1 684
Shares and participations	48 962	40 389	42 908
Receivables	7 743	3 532	3 821
Cash and short-term investments, etc.	4 057	460	138
Total assets	**62 298**	**46 251**	**48 551**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity [1)]	38 088	29 387	29 269
Convertible debenture loans	1 354	1 380	1 389
Provision for pensions	222	314	325
Loans	17 188	13 948	15 779
Other liabilities	5 446	1 222	1 789
Total shareholders' equity and liabilities	**62 298**	**46 251**	**48 551**

NET DEBT			
Cash and short-term investments, etc.	4 057	460	138
Loans	-17 188	-13 948	-15 779
Provision for pensions	-222	-314	-325
Total net debt	**-13 353**	**-13 802**	**-15 966**

1) Shareholders' equity changed during the period:			
Opening balance	29 269	26 878	26 878
Dividend to shareholders	-2 098	-1 907	-1 907
Effect on shareholders' equity of distribution of Saab AB purchase rights to Investor's shareholders		758	758
Income for the period	11 171	3 671	3 465
Other changes	-254	-13	75
Closing balance	38 088	29 387	29 269

INVESTOR AB

CONSOLIDATED STATEMENT OF CASH FLOWS

SEK m.	1999 1/1-9/30	1998 1/1-9/30	1998 1/1-12/31
CASH FLOW FROM OPERATING ACTIVITIES			
Core holdings			
Dividends received	1 979	1 841	1 841
New investments and other holdings			
Dividends received	401	227	239
Other operations, securities trading and administrative expenses			
Payments received	25 262	12 214	17 467
Payments made	-26 616	-13 213	-19 426
Cash flow from operating activities before interest expenses and income taxes	**1 026**	**1 069**	**121**
Interest received/paid	-498	-482	-596
Income tax paid	-96	-19	-25
Cash flow from operating activities	**432**	**568**	**-500**
CASH FLOW FROM INVESTING ACTIVITIES			
Core holdings			
Purchases	-8 965	-3 243	-5 582
Payment ABB shares [1]		-6 368	-6 368
Sales	11 292 [2]	107	570
Broadening of ownership in Saab AB		5 637	5 637
New investments and other holdings [3]			
Purchases, etc.	-2 747	-3 497	-3 688
Sales	4 510	3 224	4 009
Investments in tangible and intangible fixed assets	-103	-312	-370
Sold tangible fixed assets	189	-	257
Cash flow from investing activities	**4 176**	**-4 452**	**-5 535**
CASH FLOW FROM FINANCING ACTIVITIES			
Long-term loans raised	4 889	4 539	6 932
Increase/decrease in short-term financial liabilities	-3 480	-3 272	-3 834
Dividends paid	-2 098	-1 907	-1 907
Cash flow from financing activities	**-689**	**-640**	**1 191**
Cash flow for the period	**3 919**	**-4 524**	**-4 844**
Liquid assets, opening balance	**138**	**4 983**	**4 983**
Translation difference in liquid assets	**-**	**1**	**-1**
Liquid assets, closing balance	**4 057**	**460**	**138**

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

2) Whereof SEK 6.809 m. pertains to the sale of Scania shares through warrants exercised.

3) Excluding securities trading.

PRESIDENT'S COMMENTS

Dear Shareholders,

When I now have the opportunity to communicate with you, our shareholders, as we report on our status after nine months, it is natural for me to begin by saying a few words about the Scania transaction. As I am sure you are aware, Investor reached an agreement with Volvo in early August for the transfer of Investor's shares in Scania. At the same time, Volvo made a bid for the other outstanding shares in Scania, paving the way for the creation of one of the world's leading groups in the commercial vehicle sector.

At Investor we are very happy with this deal and naturally hope that we will receive the necessary approval from the authorities as soon as possible so that the transaction can be completed. For us, one of the objectives to reach an industrial solution that we really believe in. Scania will be a separate unit in Volvo, with its own brand and dealership network. The fact that the merged company will be Europe's largest and the world's second largest manufacturer of heavy trucks and buses, will provide considerable scope for economies of scale both on the components side and in future product development.

It is understandable that employees and shareholders were concerned and impatient while awaiting definite information about the future, but it was important to obtain a valuation of Scania that reflected the company's earning capacity and strong market position. In its reports for the first quarter and first half of 1999, Scania has been able convincing improvements in earnings, which were partly attributable to the product launches.

As we see it, shareholders in Investor and Scania should be pleased with this transaction, and the same applies to Volvo's shareholders. Our belief in the merger is demonstrated by our intention to use 40 percent of the proceeds we receive to buy shares in the merged company. We are also confident that the holding in Volvo will increase Investor's net asset value. The new group has excellent potential to fulfill the criteria we have set for our future core holdings, namely industry leadership, growth, good returns and opportunities for Investor to participate as an active owner.

The merger between Astra and Zeneca has also now been completed. Integration has been carried out efficiently, largely due to the positive attitude shown by the employees of both companies towards the merger into a new, joint organization. Since the merger was announced in December last year, the company's stock market performance has surpassed international indexes for the pharmaceutical industry. The development is gratifying and we remain optimistic about the new company's ability to be a first-class and world-leading research-based pharmaceutical company.

In the first nine months of the year Investor's net asset value increased by 28 percent. At the same time, the general index for the Stockholm Stock Exchange rose by 18 percent. When the merger of Volvo and Scania is completed, Investor will receive capital of more than ten billion kronor, which is good in view of our ambitions for new investments. Our aim is unchanged, to gradually raise the proportion of new investments to 15 percent of our assets.

Internet business is one of the areas we are examining with great interest. I, as well as many others, see this sector as having major development potential. At the same time, we must also be aware that investments in this industry entail risks. Thorough analysis is therefore required before each investment and we must also have the capacity to actively monitor the operations in which we invest.

Investor has invested in companies such as Jobshop, Bredbandsbolaget and, most recently, Spray, which has an innovative concept for internet portals. This company is well poised for rapid European expansion in this segment. After closely monitoring the company for two and a half years, we signed an agreement in mid-August to go in as a financial partner, prepared to invest up to 500 million kronor based on an agreed model as the company's operations expand.

With regard to new investments we have invested in some 70 companies thus far, including investments made by Investor as well as Novare and EQT. This does not include the short-term investments which are part of our trading activities. Novare currently has investments in some 30 companies. More than half of these investments were made in the current year in companies such as BeeDoo, K-World, Comfirm and Celo. EQT, which set up a new fund focused on Finland during the year, now has investments in 13 companies after acquisitions and sales. I would also like to mention that Novare and Investor in Hong Kong are preparing to set up funds with external capital.

Investor's new investment operations based in New York and Hong Kong have investments in 23 companies, five of which are new for this year. According to our established criteria for new holdings, divestments have also been made during the year, including a large portion of the holding in MedImmune.

Divestments in the area of new investments have provided a total of more than two billion kronor in capital gains. But new investments not only offer great opportunities, they are also associated with risks. One company currently going through a difficult period is Tessera. Despite this we will retain our holding to see if a recovery, perhaps with the help of new capital, is possible. We must constantly be aware that investments do not always turn out as planned, but if we are not prepared to take risks, we will succeed neither in making profitable investments nor in renewing our holdings.

A third topic that I would like to touch on is the cost cuts within Investor that were announced at the annual general meeting and are in the process of being implemented. During the period we have identified a number of areas where there are potential savings of more than 100 million kronor. Our aim is to contain annual administrative net expenses at less than 0.5 percent of the company's net asset value from the year 2001, but first we must be prepared to accept some short-term restructuring costs.

We must succeed in implementing the cost cutting programs without losing momentum in our work. Our ability and capacity to conduct effective investment operations are pivotal for the growth in net asset value that is our ultimate goal.

Stockholm, October 7, 1999

Marcus Wallenberg