INVESTOR AB

YEAR-END REPORT

1999

- Investor's net asset value on December 31, 1999, was SEK 153,259 m. (compared with SEK 93,502 m. in the previous year). This corresponds to SEK 191 (117) per share. During the year, the net asset value increased by SEK 59,757 m. (5,093) or 64 percent (6). On January 21, 2000, Investor's net asset value amounted to SEK 150,532 m.

- On December 31, 1999, the market value of Investor's core holdings was SEK 154,874 m. (88,923). The value of Investor's core holdings rose by 59 percent (1) during the year. The value of the core holdings on January 21, 2000, was SEK 152,594 m.

- Investor's total return in 1999 amounted to 35 percent (-1). The return for the new investments business was more than 50 percent (30) in 1999.

- The Group's net income for 1999 amounted to SEK 10,820 m. (3,465).

- During the year, Investor concluded an agreement with AB Volvo on the sale of the entire holding in Scania. At the same time, Volvo made a public offering to all other shareholders in the company to purchase the other shares in Scania.

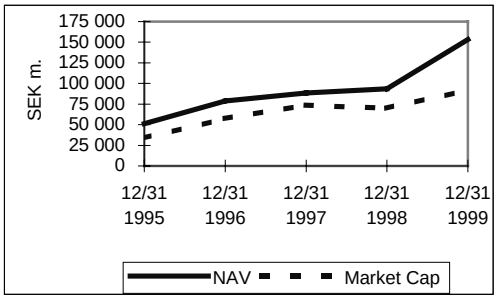
- During the year, Investor acquired shares in Volvo and increased its holdings in Ericsson, SEB, OM Gruppen and WM-data. Investor also participated in new issues in Atlas Copco and SEB. Activity in the new investments business remained high during the year and a number of new investments and sales were carried out.

- The proposed ordinary dividend to shareholders is SEK 3.00 (2.75) per share.

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

YEAR-END REPORT
1999

CHANGE IN VALUE



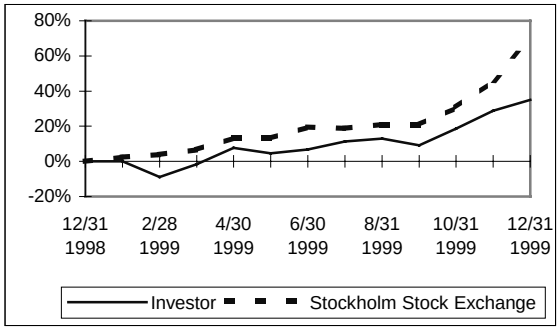
The diagram shows the development of Investor's net asset value and market capitalization respectively since year-end 1995. Estimated average annual growth for NAV is 25 percent and 22 percent for market cap.

On December 31, 1999, Investor's net asset value amounted to SEK 153,259 m. (93,502). This corresponds to SEK 191 (117) per share after full conversion. The increase in net asset value during the year was 64 percent (6) or SEK 59,757 m. (5,093). Most of this increase, SEK 55,174 m.[1)], was attributable to growth in the value of Investor's core holdings. In absolute numbers, the largest contribution came from Ericsson with SEK 23,274 m. In addition, SEK 8,281 m. came from Scania, SEK 7,163 m. from ABB and SEK 6,028 m. from Stora Enso. In terms of share price performance, Ericsson also provided the highest appreciation with 183 percent. This was followed by SKF with 119 percent, Stora Enso with 106 percent and Scania with 104 percent.

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

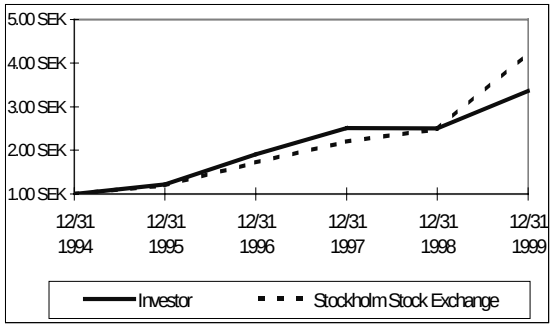
Net asset value		12/31 1999		12/31 1998
	SEK/share	SEK m.	SEK/share	SEK m.
Core holdings	193	154 874	111	88 923
New investments	10	7 618	7	5 509
Other holdings	13	10 179	12	9 836
Other assets and debts	-1	-499		-184
Total investments	**215**	**172 172**	**130**	**104 084**
Net debt	-24	-18 913	-20	-15 966
Shares in Scania corresponding to issued warrants			7	5 384
Total net asset value	**191**	**153 259**	**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 1994 in Investor and in an average company listed on the Stockholm Stock Exchange, respectively, including reinvested dividends.

Investor's total return during the year ended December 31, 1999, amounted to 35 percent (-1) compared with 70 percent (13) for the Stockholm Stock Exchange[1)]. Two explanations as to why Investor's total return did not develop in line with the market as a whole in 1999 were an increased discount to net asset value during the year and the fact that Ericsson comprises a larger proportion of the stock-exchange index than the proportion in Investor's portfolio. This means that the strong share price trend in Ericsson during the year had a greater impact on the stock exchange index than on Investor's share price. In the five-year period from year-end 1994 through 1999, the average annual total return was 27 percent for Investor compared with 33 percent for the Stockholm Stock Exchange. The discount to net asset value amounted to 37 percent at the end of the year, compared with 22 percent at year-end 1998. On January 21, 2000, the discount to net asset value was 31 percent.

[1)] Total return is the sum of share price appreciation and reinvested dividends.

INVESTOR'S CORE HOLDINGS

Company	Number of shares [1]	Market value SEK m. 12/31 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
Engineering				**34**			
Scania	55 570 073	16 905	+104	11	28	49	7 904
ABB	14 437 720	14 972	+92	10	5	5	7 809
Atlas Copco	31 454 971	7 911	+47	5	15	21	4 899
Volvo	21 910 800	4 814	+18	3	5	2	
SKF	14 955 052	2 931	+119	2	13	27	1 376
Electrolux	13 347 390	2 810	+53	2	4	21	1 912
Saab AB	21 611 925	1 772	-4	1	20	36	1 837
IT/Telecoms				**29**			
Ericsson	68 376 700	37 992	+183	25	3	22	12 964
WM-data	11 060 500	5 818	+52	4	14	6	3 481
Pharmaceuticals/ Health care				**25**			
AstraZeneca	91 545 310	32 956	+10 [4]	21	5	5	29 168
Gambro	68 638 225	5 251	-13	3	20	26	6 040
Forest products				**7**			
Stora Enso	77 892 748	11 558	+106	7	10	24	5 503
Financial services				**6**			
SEB	67 548 680	5 809	+13	4	10	10	4 146
OM Gruppen	12 840 507	2 375	+81	2	15	15	904
Service				**1**			
SAS Sverige	13 155 980	1 000	+2	1	19	19	980
Total		**154 874**		**100**			**88 923**

[1] Holding, adjusted where applicable, for 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.

During 1999, sales were purchased for a total of SEK 15,228 m. while shares were sold for a total of SEK 11,292 m., of which SEK 6,809 m. was attributable to the shares in ***Scania*** that were sold through exercise of warrants distributed earlier. The shares in Scania that Investor agreed to sell to Volvo are not included.

In the first half of the year, 8,557,180 Scania A were purchased for SEK 2,174 m. and 6,207,180 Scania B were sold for a total of SEK 1,486 m. 37,825,472 Scania B shares 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 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 assigns a value to Investor's holding in Scania corresponding to SEK 17,505 m.

At the same time, Volvo made a public offering to all the other Scania shareholders who can also choose between a similar cash or share alternative. The entire deal and the purchase of Investor's shares in Scania are subject to necessary approval being obtained from the EU competition authority. Pending the requisite official decisions, Volvo announced an extension of the application period for this deal until February 8, 2000.

Furthermore, in the period August to December 1999, a total of 1,283,600 A shares and a total of 20,627,200 B shares in ***Volvo*** were acquired for a total of SEK 4,977 m. At the end of 1999, Investor subsequently owned just below 5.0 percent of the share capital and 2.0 percent of the voting rights in Volvo. At the beginning of the current year, Investor then increased its stake in Volvo to 5.4 percent of the capital and 2.1 percent of the voting rights in the company. This is in line with Investor's declaration of intent made 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.

At the beginning of 1999, 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 at the end of 1999 amounted to 10.2 percent of the share capital and 24.0 percent of the voting rights in the company. Investor's holding at year-end 1998 amounted to 10.3 percent of the capital and 11.0 percent of the voting rights.

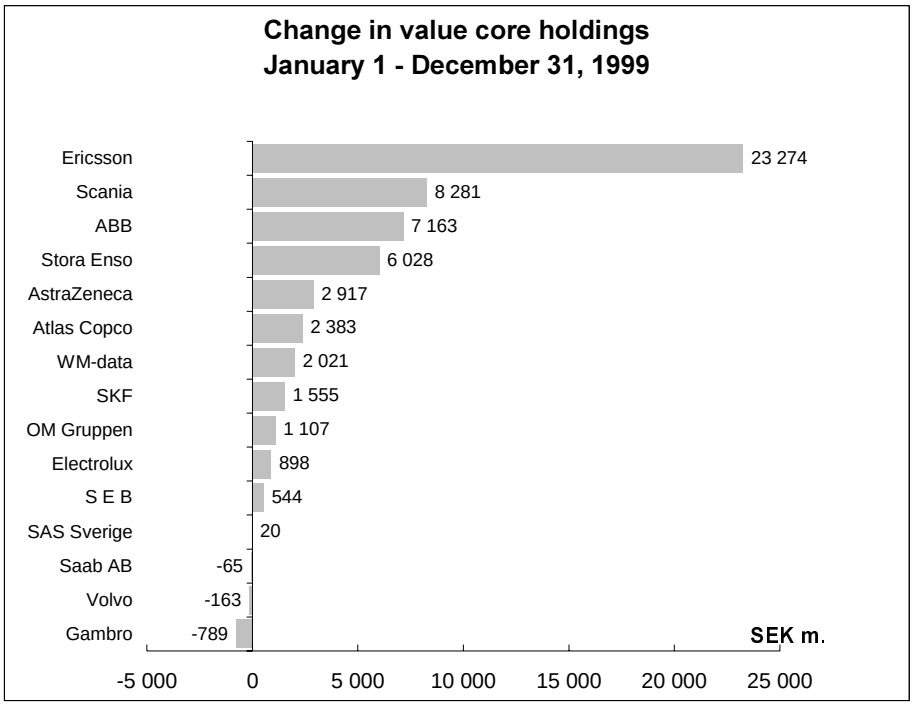
In addition, 3,973,200 shares in ***OM Gruppen*** were purchased for SEK 364 m. in the second half of the year, bringing Investor's holding in the company up to 15.1 percent of share capital and voting rights. The corresponding figure at year-end 1998 was 10.5 percent.

Investor also acquired 1,000,000 shares in ***WM-data*** for SEK 316 m. in the second half of 1999, whereupon Investor's holding in WM-data amounted to 14.4 percent of the share capital and 6.0 percent of the voting rights, after full dilution. The corresponding figures at year-end 1998 were 13.2 percent of the share capital and 5.5 percent of the voting rights.

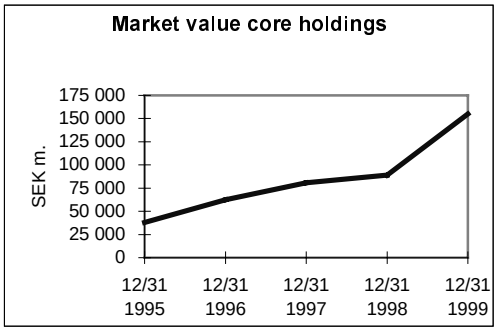
In the fourth quarter of 1999, 4,357,700 B shares in ***Ericsson*** were purchased for SEK 1,754 m., after which Investor's holding in the company amounted to 3.4 percent of the share capital and 22.2 percent of the voting rights. Corresponding figures at the end of the previous year were 3.2 percent of the capital and 22.2 percent of the voting rights.

Investor also subscribed through a new issue to 3,931,871 A shares in ***Atlas Copco*** for SEK 629 m. in the second half of 1999. Investor's stake in Atlas Copco was not affected by the new issue. Also through a new issue, Investor subscribed for 11,639,380 A shares in ***SEB*** for SEK 472 m. as well as acquiring a total of 7,423,000 A shares in the company for SEK 647 m. Following these transactions, Investor's holding in SEB amounted to 9.5 percent of the share capital and 9.9 percent of the voting rights at year-end 1999. Corresponding figures at the end of the previous year were 8.2 percent of the capital and 8.6 percent of the votes. At the beginning of the current year, Investor subsequently raised its holding in SEB to 9.6 percent of the share capital and 10.0 percent of the voting rights in the company.

The merger between Astra and Zeneca was also completed during the year. At the end of 1999, Investor owned 5.2 percent of the voting rights and share capital in ***AstraZeneca***.



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



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

In 1999, Investor received dividends from the core holdings totaling SEK 2,007 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. Investor's new investments are grouped in two main segments – growth investments primarily in IT and health care, and investments in private equity, mainly in unlisted companies. In total, the business area comprises four units for venture capital investments. These had a total committed capital of USD 1,700 m. at the end of 1999, which corresponds to approximately SEK 14,500 m.[1)] In January this year, Investor's board decided to increase this allocated capital, bringing the total to approximately USD 3,000 m. or around SEK 25,000 m. This capital allocation provides a framework for the investment volume over three years.

The total value of new investments at the end of 1999 amounted to SEK 7,618 m. compared with SEK 5,509 m. at year-end 1998. Shares were purchased for a total of SEK 2,988 m. and sold for a total of SEK 4,406 m. during the year. Sales within this area during the year generated total capital gains of SEK 2,142 m., of which approximately two-thirds were attributable to the sale of MedImmune. The return for the new investments business thus amounted to more than 50 percent in 1999.

[1)] SEK/USD 8.52

New investments, December 31, 1999

	Growth investments in IT and health care		Private Equity (mainly unlisted holdings)	
	Novare Kapital	**Investor International**	**EQT**	**Investor Capital Partners (Asia)**
Number of investments[1)]	33	37	15	15
Value (SEK m.)[2)]	571	4 731	1 355	963
Allocated capital (SEK m.)[3)]	852	9 798	2 130	1 704

[1)] Includes some short-term holdings, e.g. in Investor's operations in Asia, where a number of investments made before the change of direction will be sold.

[2)] Market value for listed holdings and value for unlisted holdings according to BVCA.

[3)] Capital allocations within most of Investor's new investments take the form of a board decision expressed in USD. The translation rate is SEK/USD 8.52.

The first unit for investments in growth within IT and health care is the wholly owned venture capital company ***Novare Kapital*** with a current capital base in 1999 of USD 100 m. The focus is on investments in Nordic companies in an early growth phase. In January 2000, Investor's board decided to allocate an additional USD 250 m. to Novare, corresponding to just over SEK 2,100 m.

For Novare, 1999 was characterized by a strong deal flow and good growth. The number of holdings was doubled during the year and amounted to 33 at year-end 1999. The corresponding figure at year-end 1998 was 16. This meant that at the end of 1999, prior to the board's decision to increase its capital allocation, Novare was in principle fully invested. Novare takes a positive view of future market development. Continued good access to attractive business opportunities is expected over the next few years.

Investments added in the fourth quarter of 1999 included **A^{+} Science Invest**, a company specialized in commercializing academic research mainly within the field of medicine in the Gothenburg region. An investment was also made in **Oculos**, a company focused on CRM (Customer Relationship Management), i.e. services and applications that help companies to streamline and strengthen their relations with customers. Another investment was in **Ponsus Pharma** in Stockholm. This company has developed a new type of ointment, Proderm, that allows quick and deep penetration of the skin. This means that the company's products can serve effectively as carriers of different drugs.

Investments reported earlier in the year included **InTenna**, a manufacturer of mobile telephone antennas, the web-based market-place **Comfirm.com**, the dental company **Stick Tech**, and **Aerocrine**, a company that develops asthma markers. In 1999, Novare sold its stake in the IT company **Parallel Consulting Group,** which offers consulting in IT security, to Icon Medialab.

By year-end 1999, Novare had realized three of the company's investments. These sales provided a total capital gain of just over SEK 110 m.

The second unit for growth investments in IT and health care is investment operations conducted within ***Investor International,*** with offices in New York, Silicon Valley and Amsterdam. Total allocated capital for this part of the new investment business amounted to USD 1,150 m. or just below SEK 9,800 m. at year-end 1999. In January this year, Investor's board decided to increase the allocated capital to USD 1,450 m. corresponding to nearly SEK 12,400 m. The focus for this part of new investments is on investments in listed and unlisted companies in Europe and the U.S. In addition, limited investments are made in venture capital funds with a focus on growth.

Within the framework of the international operations, a number of investments were made in the latter part of 1999. These included an investment in **IntraBiotics**. The

company has its head office in Mountain View, California, and mainly focuses on development and marketing of new antibiotic substances for the treatment of infectious diseases. IntraBiotics' specialty focus is on tackling the globally growing problem of the development of resistance among bacterial strains.

Another investment was in **CarParts.com**, the leading e-commerce site in the U.S. for spare parts and car accessories for both private and corporate customers. Via its website, the company offers a large range of products through an extensive network of dealers and manufacturers. The company has its head office in Santa Monica, California.

Also in the fourth quarter, an investment was made in **Kyphon**, a medical-technical company initially focused on orthopedic products for patients suffering from spinal osteoporosis.

Also reported earlier in the year, was an investment of up to SEK 500 m. in the Swedish-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 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 International 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.

Other investments in IT and health care included the web-based recruitment company **Stepstone**, which is one of Europe's leading companies in on-line recruitment. Investments were also made in the Thai supplier to the semiconductor industry, **Alphatec**, and the American company **Intuitive Surgical,** which manufacturers high-tech equipment for remote controlled keyhole surgery. Finally, investments were also made in **SynaPix** and **Curl Corporation**. The first company specializes in software for special effects in advertising and films and the second in infrastructural software for the Internet.

Additionally, three investments were made in venture capital funds. Two of these involved **Thomas Weisel Partners** and **Morgan Stanley Dean Witter Partners**, which focus primarily on expansion investments and investments in companies at a later growth phase.

The holding in **MedImmune** was sold during the year. This sale provided a substantial capital gain.

Investor has two units in the private equity sector. The first comprises the private equity funds within ***EQT*** focused on majority investments or joint ventures in unlisted companies in Northern Europe. Total commitment, in terms of available investment capital, currently amounts to just over SEK 11,000 m. Investor is one of the major investors in the EQT funds, with total commitments corresponding to more than SEK 2,100 m., and is also principal owner of EQT Partners which acts as investment adviser to the funds. In addition to its previous offices in Helsinki, Copenhagen and Stockholm, EQT set up an office in Munich at the end of 1999. This establishment was motivated by plans to launch a Northern Europe fund with capital amounting to USD 1,500 m. or close to SEK 12,800 m. Investor may invest up to nearly half of the capital in the new fund which would represent approximately USD 700 m., corresponding to nearly SEK 6,000 m. A decision regarding such an increase of allocated capital was made by Investor's board at the beginning of the current year.

Operations in EQT were characterized by a high level of activity during the year.

In addition to the establishment of a new fund in Finland, plans for a new fund for Northern Europe, and the setting up an additional office in Munich, a large number of deals were completed in 1999.

The recently established Finnish 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 latter half of 1999, EQT Scandinavia II completed the acquisition of the Swedish industrial company **Eldon**, the Finnish manufacturer of battery chargers for mobile telephones, **Salcomp**, and the Swedish blood analysis company, **Hemocue**. In addition, an agreement was signed on acquisition of the **Findus** brand – except in Switzerland and Italy – as well as parts of Nestlé's frozen food operations in Europe.

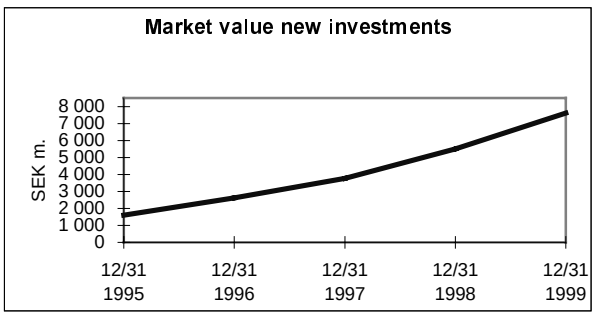
In the fourth quarter, EQT Danmark completed the acquisition of **Nederman**, a company specialized in products and solutions for improving the work environment, and the acquisition of **Købmandstanden**, one of Denmark's leading credit agencies. EQT Danmark acquired the credit-rating agency **RKI Kredit Information** earlier in the year.

In July, EQT Scandinavia I sold **StjärnTV** to UPC, United Pan-Europe Communications. This deal provided EQT with a particularly good return, largely due to the investment and development programs carried out in StjärnTV under EQT's ownership. **Sabroe Refrigeration** and most of the holding in **Perlos** were sold by EQT Scandinavia I earlier in the year with a very good return.

Finally, the acquisition of the packaging company **Stenqvist** through EQT Scandinavia I and the acquisition of the heating and sanitation wholesaler **Dahl** through EQT Scandinavia II in cooperation with the investment company Ratos were also carried out early in 1999.

The second private equity unit is ***Investor Capital Partners*** which focuses on investments in Asian companies with high growth potential. This led to a change of direction for Investor's operations in Hong Kong in 1999. A fund with an investment capital totaling USD 400 m., approximately SEK 3,400 m., is currently under formation. Investor intends to invest up to half of the fund's venture capital and the intention is to obtain the remaining capital from external partners. Investor's subsidiary, Investor Asia Limited, will act as adviser to the fund.

To facilitate recruitment and retention of qualified employees within the new investments business, companies within the Investor Group, as is usual for this type of business, have entered into agreements on long-term co-investments and profit and loss allocation, for which the necessary provisions have been made. Actual performance cannot be determined until the end of the investment period.



The diagram shows the change in value of Investor's new investments since year-end 1995. The holdings have been valued acording to principles adopted by the British Venture Capital Association, BVCA.

OTHER HOLDINGS

This business area consists of holdings acquired by 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.

1999 was the year when **Grand Hôtel Holdings** laid the foundation for its future focus based on the guidelines drawn up in 1998. In line with this, the sale of Grand Hôtel Saltsjöbaden, whose product was mainly aimed at customer groups other than those targeted by Grand Hôtel Stockholm and Berns, was carried out in June. The China Theater property was sold in September, but a tenancy agreement was retained for the theater and conference premises, since conferences are a key part of Berns' product. Finally, the renovation of the Berns restaurant was completed in partnership with Sir Terence Conran.

The Grand Hôtel Holdings Group's net revenue decreased by 11 percent during the year to SEK 351 m. (394). The sale of Grand Hôtel Saltsjöbaden led to a decrease of SEK 39 m. and the renovation of Berns to a further decrease of SEK 22 m. compared with 1998. Grand Hôtel Stockholm had yet another record year. Sales rose by 7 percent to SEK 270 m. Consolidated income after financial items decreased to SEK 16 m. (62). The main reasons for the less favorable result were the Berns project and a total capital loss of SEK 37 m. pertaining to the two divestitures.

Saab Automobile AB

Saab Automobile AB, which was owned to 50 percent by Investor and 50 percent by General Motors in 1999, reported a sales increase of 5 percent for the year. Invoicing for the full year 1999 amounted to SEK 29,758 m. (28,418). Volume increased by 11 percent during the year to 131,240 (118,581) cars.

After the end of the year, General Motors called for acquisition of Investor's stake in Saab Automobile in accordance with the option agreement signed in 1996.

Other holdings

		12/31 1999		12/31 1998
	SEK/share	Market value SEK m.	SEK/share	Market value SEK m.
Other holdings and securities trading	2	1 963	3	2 460
Saab Automobile 50%[1)]	4	2 890	4	2 890
GHH Grand Hôtel Holdings	1	1 075	1	1 180
Investor's own convertibles	5	3 901	4	3 006
Land and real estate		350		300
Total other holdings	**13**	**10 179**	**12**	**9 836**

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

The total value of other holdings amounted to SEK 10,179 m. at the end of the period, compared with SEK 9,836 m. at year-end 1998.

CONSOLIDATED RESULTS

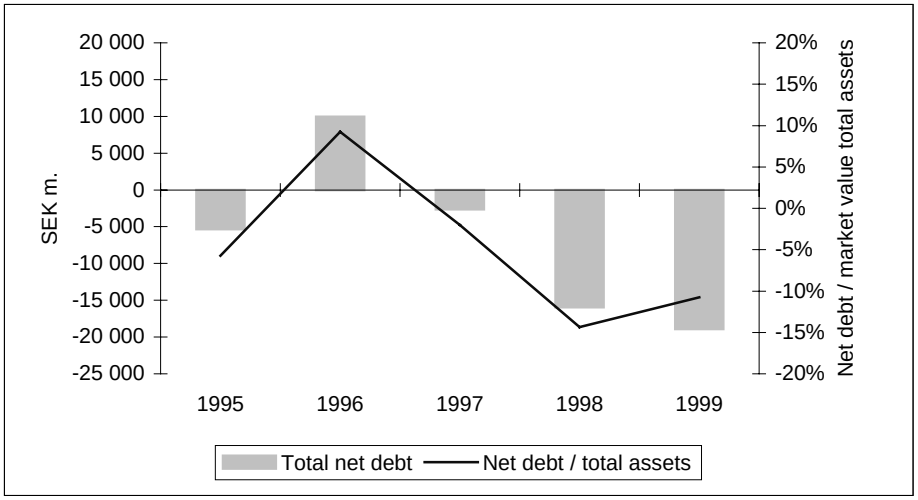
	Core holdings	New investments	Other holdings	Investor group-wide	31/12 1999	31/12 1998
Dividends received	2 007	415	176	177 [3]	2 775	1 945
Realized profit/loss	2 914	2 142	150	4 409 [3]	9 615	3 995
Write-downs		14		70	84	-404
Administrative expenses				-593	-593	-787
Other revenues and expenses [1]		-146	79	37	-30	-99
Net financial income/expenses			55	-831	-776	-939
Tax and minority				-255	-255	-246
Income for the period	**4 921**	**2 425**	**460**	**3 014**	**10 820**	**3 465**
Change in surplus value	52 260	847	1 285	-3 357 [3]	51 035	3 535
Dividends paid				-2 098	-2 098	-1 907
Contribution to NAV growth [2]	**57 181**	**3 272**	**1 745**	**-2 441**	**59 757**	**5 093**
ASSETS PER SEGMENT						
Book value	46 920	4 831	7 688	-1 311	58 128	46 624
Accumulated surplus value	107 954	2 787	2 491	812	114 044	62 844
Market value	**154 874**	**7 618**	**10 179**	**-499**	**172 172**	**109 468**

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

Investor's income before tax, excluding unrealized increases in value, amounted to SEK 11,075 m. (3,711). Net income amounted to SEK 10,820 m. (3,465). 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 of 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 1999 has proceeded as planned over the last six months. An extensive review of Investor's cost structure has been carried out and at year-end 1999 administrative net costs amounted to just below 0.4 percent of Investor's net asset value.

CONSOLIDATED NET DEBT



The Group's net debt at the end of the period was SEK 18,913 m. (15,966). Investor's net debt at the end of the period thus amounted to 11 percent (14) of the market value of total assets. The change in net debt is mainly attributable to investments in shares combined with the proceeds from the sale of shares by the exercise of warrants in Scania.

In 1999, Investor's board also made a decision to cease hedging investments in foreign currency, as has been done previously. 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.

PARENT COMPANY INVESTOR AB

Income after financial items amounted to SEK 7,392 m. (1,237). Net profit amounted to SEK 7,303 m. (3,392). During the year net share purchases were made for SEK 1,941 m.

PROPOSED DIVIDEND

The Board of Directors and the President propose a dividend to shareholders of SEK 3.00 (2.75) per share for the 1999 fiscal year.

POSSIBLE REPURCHASE OF OWN SHARES

The Board has decided to propose that the Annual General Meeting should authorize the Board to decide on repurchase of the company's shares. Under such mandate, the Board will be given the opportunity until the next Annual General Meeting, provided they deem this appropriate, to decide on a repurchase of the company's shares. This is provided that proposed legislation on repurchase of own shares comes into force as announced. A potential repurchase of the company's shares may be effected both over the stock market and through offerings to shareholders. The Board's mandate is also proposed to include the possibility to divest shares that have been repurchased within the limits permitted by the new legislation.

STRUCTURE OF SHARE CAPITAL AND CONVERTIBLES

On December 31, 1999, Investor's share capital amounted to SEK 4,775 m., represented by 764 million shares. On the same date, the nominal amount of Investor's convertible debenture loans totaled SEK 1,307 m. Of this amount, SEK 1,014 m. pertained to the loan denominated in Swedish kronor and SEK 293 m. to the loan denominated in ECU. On December 31, Investor's own holding in the loan

denominated in Swedish kronor was a nominal amount of SEK 899 m. and SEK 293 m. of the loan denominated in ECU. In total, this corresponds to 91 percent of the volume of the convertible loan outstanding.

Structure of Investor's 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	452 242 024	45 224 202	59.2	12.7
Total	763 932 868	356 915 046	100.0	100.0
Convertible debenture loans [1)]				
B 1/10 vote	36 824 020	3 682 402		
After conversion				
A 1 vote	311 690 844	311 690 844	38.9	86.4
B 1/10 vote	489 066 044	48 906 604	61.1	13.6
Total	800 756 888	360 597 448	100.0	100.0

[1)] The nominal value of the loans is SEK 1,307 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 36,824,020 shares. Investor's own holding corresponds to 33,578,895 shares.

ANNUAL GENERAL MEETING

The Annual General Meeting will be held at 3 p.m. on Tuesday, March 28, 2000, in Victoriahallen, Stockholmsmässan (Stockholm International Fairs), Älvsjö. Investor's audited Annual Report will be made available at the company's head office at Arsenalsgatan 8c in Stockholm.

ACCOUNTING PRINCIPLES

Under Sweden's Annual Accounts Act, Investor's holdings which meet the criteria for associated companies must be reported according to the equity method. These revised consolidated accounts will be prepared and included in Investor's annual report for 1999, which will be available at the beginning of March 2000.

REPORTING DATES

Annual General Meeting	March 28, 2000
3-month interim report	April 12, 2000
6-month interim report	July 12, 2000
9-month interim report	October 12, 2000

Stockholm, January 26, 2000

Marcus Wallenberg
President and Chief Executive Officer

For information:

Nils Ingvar Lundin, Managing Director, Corporate Relations: +46 8 614 20 49, +46 70514 20 49
Per Spångberg, Vice President, Investor Relations: +46 8 614 20 31, +46 70 624 20 31

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

INVESTOR AB

CONSOLIDATED INCOME STATEMENT

Purchase method

SEK m.	1999 1/1-12/31	1998 1/1-12/31
Net revenue		
Dividends received, core holdings	2 184 [1)]	1 841
Sale of other securities, etc.	35 303	20 396
Cost of sold other securities, etc.	-32 575	-19 543
Capital gains, core holdings	7 532 [2)]	2 743
Administrative expenses, investment operations	-593	-787 [3)]
Operating income	**11 851**	**4 650**
Net financial expenses	-776	-939
Income after financial items	**11 075**	**3 711**
Tax	-253	-246
Minority interest	-2	-
Income for the year	**10 820**	**3 465**

1) Of which SEK 177 m. pertains to dividends on shares corresponding to issued warrants.

2) Of which SEK 4,618 m. pertains to the sale of Scania shares through warrants exercised.

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

INVESTOR AB

CONSOLIDATED BALANCE SHEET

Purchase method

SEK m.	1999 12/31	1998 12/31
ASSETS		
Equipment and real estate, etc.	1 481	1 684
Shares and participations	55 125	42 908
Receivables	4 206	3 821
Cash and short-term investments, etc.	1 020	138
Total assets	**61 832**	**48 551**
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity [1)]	37 868	29 269
Convertible debenture loans	1 347	1 389
Provision for pensions	188	325
Loans	19 745	15 779
Other liabilities	2 684	1 789
Total shareholders' equity and liabilities	**61 832**	**48 551**

NET DEBT		
Cash and short-term investments, etc.	1 020	138
Loans	-19 745	-15 779
Provision for pensions	-188	-325
Total net debt	**-18 913**	**-15 966**

1) Shareholders' equity changed during the year:		
Opening balance	29 269	26 878
Dividend to shareholders	-2 098	-1 907
Effect on shareholders' equity of distribution of Saab AB purchase rights to Investor's shareholders		758
Income for the year	10 820	3 465
Other changes	-123	75
Closing balance	37 868	29 269

INVESTOR AB

CONSOLIDATED STATEMENT OF CASH FLOWS

SEK m.	1999 1/1-12/31	1998 1/1-12/31
CASH FLOW FROM OPERATING ACTIVITIES		
Core holdings		
Dividends received	2 184	1 841
New investments and other holdings[1)]		
Dividends received	553	239
Other operations, securities trading and administrative expenses		
Payments received	28 180	17 467
Payments made	-29 068	-19 426
Cash flow from operating activities before interest expenses and income taxes	**1 849**	**121**
Interest received/paid	-681	-596
Income tax paid	-99	-25
Cash flow from operating activities	**1 069**	**-500**
CASH FLOW FROM INVESTING ACTIVITIES		
Core holdings		
Purchases	-15 228	-5 582
Payment ABB shares [2)]		-6 368
Sales	11 292 [2)]	570
Broadening of ownership in Saab AB		5 637
New investments and other holdings [3)]		
Purchases, etc.	-4 385	-3 688
Sales	6 077	4 009
Investments in tangible and intangible fixed assets	-104	-370
Sold tangible fixed assets	295	257
Cash flow from investing activities	**-2 053**	**-5 535**
CASH FLOW FROM FINANCING ACTIVITIES		
Long-term loans raised	3 620	6 932
Increase/decrease in short-term financial liabilities	346	-3 834
Dividends paid	-2 098	-1 907
Cash flow from financing activities	**1 868**	**1 191**
Cash flow for the period	**884**	**-4 844**
Liquid assets, opening balance	**138**	**4 983**
Translation difference in liquid assets	**-2**	**-1**
Liquid assets, closing balance	**1 020**	**138**

1) Excluding securities trading
2) Debt according to agreement with Incentive, since July 1, 1998, Gambro, repaid in January 1998.
3) Whereof SEK 6,809 m. pertains to the sale of Scania shares through warrants exercised.

.