# Year-End Report 2008

## Highlights during the fourth quarter

- The ownership position in Atlas Copco was strengthened through investments totaling SEK 505 m.
- On December 31, 2008 the net cash position amounted to SEK 9.4 bn. and the average maturity of the debt portfolio was 12.6 years.
- The Board of Directors propose a dividend to shareholders of SEK 4.00 per share (4.75).

## Financial information

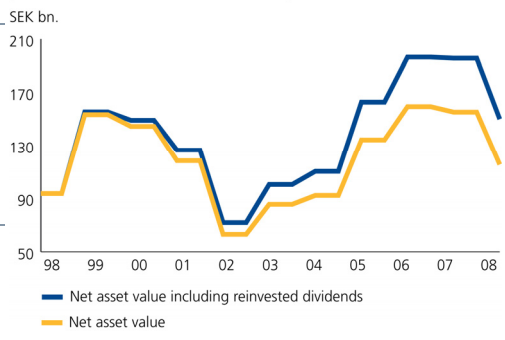
- The net asset value amounted to SEK 115,340 m. (SEK 150 per share) on December 31, 2008, compared to SEK 155,204 m. (SEK 203 per share) at year-end 2007, corresponding to a change, including dividends paid, of -23 percent for the year. Total return for the Stockholm Stock Exchange (SIXRX) was -39 percent in 2008.
- The consolidated net result for 2008, including change in value, was SEK -36,736 m. (SEK -47.99 per share), compared with SEK -367 m. (SEK -0.48 per share) for 2007.
- Core Investments had an impact of SEK -31,546 m. on income in 2008 (-4,535). Scania had the most positive impact, SEK 3,311 m. and SEB had the largest negative impact, SEK -13,863 m.
- Operating Investments had an impact of SEK -710 m. on income in 2008 (-879).
- Private Equity Investments had an impact of SEK -3,463 m. on income in 2008 (5,953).
- The total return on the Investor share was -18 percent in 2008 (-10), of which -8 was in the fourth quarter (-11). The annual total return has averaged 12 percent over the past 20-year period.

INVESTOR'S KEY FIGURES

| | 12/31 2008 | 12/31 2007 |
|---|---|---|
| Assets, SEK m. | 105 925 | 158 787 |
| Net cash(+)/debt(-), SEK m. | 9 415 | -3 583 |
| Net asset value (equity), SEK m. | 115 340 | 155 204 |
| Net asset value (equity), SEK/share | 150 | 203 |

| Development during the period/quarter | 1/1-12/31 2008 | 1/1-12/31 2007 | 10/1-12/31 2008 | 10/1-12/31 2007 |
|---|---|---|---|---|
| Net income, SEK m. | -36 736 | -367 | -15 570 | -19 231 |
| Net income, SEK/share (before dilution) | -47.99 | -0.48 | -20.67 | -25.12 |

Trend of net asset value



# Downturn confirmed



Regrettably, I must open my comments to you about our 2008 performance in the same way I did a year ago; 2008 was an unsatisfactory year to be a shareholder of Investor AB. We are not satisfied with a total return of minus 18 percent for 2008. While this was significant outperformance relative to the Swedish market, which was down 39 percent (SIXRX), relative performance can never pay for breakfast. Only absolute value creation matters. Our objective is to generate a total return to shareholders exceeding the cost of capital over a business cycle. Going forward, our financial strength positions us well for delivering on this.

2008 was an exceptional year which cannot be easily summarized. We experienced stock market declines of a magnitude not seen since the 1930s. Governments have launched unprecedented stimulus packages, guaranteed and injected equity in banks and in some cases even nationalized financial institutions. I am convinced our grandchildren's textbooks will cover these times in great detail.

The financial turmoil started in mid-2007 and accelerated during 2008 in a way few could have imagined. Although we had previously expressed concerns about risks in the financial system and its effect on the real economy, we failed to see the force and speed of the correction. Demand seems to have ground to a halt towards the end of the year.

### Necessary to plan for severe downturn

We do not think the current slowdown can compare in length and magnitude to what we have seen during the last few decades. Instead we believe it is necessary to plan for a more severe downturn. Anything else ought to be a pleasant surprise. The consumer has over-spent for a number of years, resulting in a long period of low savings. While more extreme in the US, it is also true in much of Europe. Historically, the US savings rate has averaged some ten percent of disposable income, but over the last 20 years it has gradually fallen to close to zero. The savings ratio needs to be restored, which means reduced consumption. Negative wealth effects from equity and housing markets, mounting job losses and tighter credit markets will likely make the consumer even more careful. Therefore, consumer spending cannot be expected to pull the economy out of the recession. This will have significant consequences as the US consumer represents some 20 percent of world GDP.

Companies directly exposed to consumer discretionary spending are already hurting. The Grinch not only succeeded in stealing Christmas this past year but also took a big bite out of the whole new season. Anecdotal evidence from one of my colleagues: more than 25 shops have closed along 20 blocks on New York's Madison Avenue since Christmas. We are not seeing similar developments in Europe yet. Past experience suggests that downturns induced by bank crises typically are more severe and last longer than other slowdowns. This underlines the need to quickly restore the health of the financial system. As we have noted before, the global banking system suffers from a lack of loss-absorbing capital. If not restored, the banks will have to continue to de-lever, further hurting real economies.

### Unchartered territory

Governments are intervening in an unprecedented way to contain the current economic downturn. It is difficult to predict the outcome of all efforts as we are in unchartered territory. While large stimulus packages may seem a good cure for deflation worries, the risk of inflation in a few years should not be underestimated. Delaying a normalization of the savings ratio may just make the pain even greater in the future. Public spending may help in the short term, but the US and many European countries also suffer, or will suffer, from a dangerously high budget deficit. The need to contain those deficits will further dampen growth in the medium term. Basically, there is a significant risk that the developed world will be challenged to grow in the medium term.

The ripple effects of slowing consumer demand will be felt around the world. Slowing sales in the US idles factories in China, slowing down the local Chinese economy. Clearly the world is closely coupled economically. At the same time, I remain convinced that the emerging countries will play a vital role in the recovery of the world's economies.

Adding to the general concerns about the financial industry is the unethical behavior by certain investors, e.g. the alleged Ponzi scheme by Bernard Madoff. The longer-term impact on financial institutions is still unknown but could be major since credibility and trust are vital for the capital markets. We should expect increased regulation of the financial markets, but let us not put all our faith in this; the current US bubble was not avoided by the Sarbanes Oxley Act.

Although the global economic outlook may not seem bright at the moment, we should not lose sight of its' eventual recovery. It is often said that it is the darkest before dawn.

### Actions taken to meet tougher times

A few years ago, we began to prepare for tougher times. With the benefit of hindsight we could have done more. Our actions included net divesting and extending the maturity of our debt. But possibly, the best decisions are those least noticed – the potential investments we worked on but walked away from due to concerns about the business model and/or valuation. Fortunately, today, we are in this downturn with a net cash position of SEK 9 bn. Our gross cash amounts to SEK 28 bn. and only SEK 6 bn. of our outstanding debt matures over the coming five years.

In the first quarter, the sale of OMX to Nasdaq and Borse Dubai was finalized and we announced the agreement to sell our Scania shares to Volkswagen. Both transactions were based on our core principle to do what is right for each company while maximizing the value for our shareholders. In the process we received proceeds of SEK 21 bn. During the year we invested 2 bn. in Atlas Copco, Electrolux, Husqvarna and SEB. We are convinced these investments will offer good longer term value, although we could have timed them better in the short term. In 2009 we will continue to selectively make add-on investments in our Core Investments if their shares trade below what we believe is their long-term fundamental value. We remain focused on long-term value creation and like to own our investments for a long time, preferably forever.

### Outperformance by Core Investments

Our Core Investment portfolio outperformed the general stock markets during the year. In general, the companies have strong market positions and have reacted early to the weakening economy by adjusting their cost structures. In the current economic environment, need for new equity may arise, not only to strengthen balance sheets but also to capture attractive business opportunities. Each company is responsible for taking all necessary actions to secure an appropriate capital base. However, we are prepared to support our holdings by injecting additional capital if we believe it is industrially sound and value-creating for our shareholders.

### Prudent to review dividend levels

With the sharp deterioration in the economic environment during the fourth quarter, I believe it is wise to review the dividend levels extra carefully this year. Boards need to ensure that a company can sustain its business through a potentially severe and long lasting downturn. Additionally, financing may not be readily available since the credit markets may continue to function poorly. Today, in contrast to a few months ago, the market realizes that a strong financial position is a strategic advantage. Lowering, or even cancelling, the dividend is a cheap way to shore up the balance sheet. Furthermore, it is more appropriate to base the dividend on the outlook for the coming years than the 2008 results. Given the high degree of uncertainty, boards may delay recommending the dividend for 2008 as late as possible before the AGM. Alternatively, boards may use the opportunity to call for an extra shareholders meeting later in the year to pay a dividend at that time if the outlook has become more positive. In this context, I also want to re-iterate the advantage of giving boards the mandate to make directed rights issues to rapidly raise capital, which can be crucial in today's environment. In our view, decisions about dividend levels should always be driven by what is best for the long-term value creation in the company – not by short-term needs of the owners. To be prudent, and in light of expected investments opportunities, the Investor Board suggests a lowering of the dividend by SEK 0.75, to SEK 4.00.

### Milestones reached within Operating Investments

Within Operating Investments several important developments were made during 2008. Mölnlycke has regained its growth momentum and shows healthy profitability within both its divisions. The growth plan calls for increasing the sales force – "more feet in the street" – in established markets as well as new markets, such as China and Japan, in addition to increased spending in R&D. Gambro is continuing its restructuring to find a more efficient operational structure while dedicating significant resources to R&D and building a stronger product portfolio. During the year the company successfully launched new products for the first time in several years. CaridianBCT has quarter-by-quarter shown promising development for existing as well as its new products, Atreus and Mirasol. 3 Scandinavia achieved its stated objective of reaching EBITDA positive on a monthly basis during the summer and ended the year with positive momentum.

During the year we invested in the credit services company Lindorff. A slowing general economy means increasing demand for Lindorff's services, although in the near term the company's profit is likely to be negatively affected by lower collection rates.

Our Operating Investments use leverage to enhance returns. Debt levels in the individual companies are based on the stability of demand, operating flexibility and cash-conversion. The financings in place typically have a long average maturity. Except for 3 Scandinavia, debt is also ring-fenced with no recourse to Investor. All of the companies meet debt covenants today but we will consider injecting more equity if it is value-creating to de-lever them.

### Mark-downs within Private Equity

Valuations within Private Equity were marked down significantly during the year. However, this was partly offset by positive currency effects of more than SEK 2 bn., in principal equally split between Investor Growth Capital and EQT. Investor Growth Capital has been hit less by the credit turmoil so far since its venture stage holdings do not use much leverage financing. They are targeting secular growth trends, and are therefore less cyclically vulnerable. However, the current downturn will affect these holdings. Increased focus has been placed on reducing cash-burn and accelerating the path towards break-even. Raising new capital is a daunting task currently and companies need to focus on the cheapest source of financing – internally generated cash flow.

The value of our investments in the EQT funds decreased substantially during the year as a result of contracting multiples and weaker operating results. Following a number of years of smooth sailing, the buy-out industry clearly faces a challenging market environment. EQT has an exceptional track-record in weak as well as strong markets. Based on this we expect EQT to make good decisions going forward.

### Solid financial position creates opportunities

As discussed earlier, we have a solid financial position allowing us to implement our strategy of increasing the Operating Investments, strengthening our ownership in selected Core Investments and continuing to develop our Private Equity activities. We will not time all new investments perfectly and we do not know if the market will be higher or lower by the end of the year. However, we do believe that current valuation levels offer potential for attractive investments measured over a 5-10 year period, assuming you can sustain some pain until the markets recover. We will continue to be patient and disciplined in our approach, but we must be prepared to take risk in order to generate high returns. Surely this will mean making some wrong calls – only the person making no decisions will fully avoid mistakes. To quote the legendary hockey player Wayne Gretzky: "You miss 100% of the shots you don't take". The best way is to acknowledge the mistakes early and move on.

Dear fellow shareholders, we regret the unsatisfactory results in 2008. While we expected 2008 to be a difficult year, we underestimated the force of the downturn. I believe we have been successful in our ambition to ensure that our financial strength is maintained in order to emerge strongly from the current downturn. Going forward, we remain fully dedicated to building the wealth of our shareholders. We cannot guarantee success but we will try to do as Mr. Gretzky: "I skate to where the puck is going to be, not where it has been".



Börje Ekholm

# Development of the Group

The net asset value declined from SEK 155.2 to SEK 115.3 bn. during 2008. The net result for 2008, including change in value, was SEK -36.7 bn. (-0.4). The corresponding figure for the fourth quarter was SEK -15.6 bn. (-19.2). Investor's net asset value outperformed the general market during 2008, as well as during the fourth quarter. Investor's net cash position was SEK 9.4 bn. at year-end.

Read more on investorab.com under "Investor in Figures" >>

## Net asset value

The net asset value amounted to SEK 115,340 m. on December 31, 2008, (compared to SEK 155,204[1)] m.) corresponding to SEK 150 per share (203). The net asset value changed by SEK -39,864 m. during 2008 (-4,116), and by SEK -14,888 m. in the fourth quarter (-19,429).

The change in net asset value, including dividend, was -23 percent during the year (0) and -11 percent during the fourth quarter (-11). During the same periods, the total return index of the Stockholm Stock Exchange (SIXRX) changed by -39 percent and -17 percent, respectively.

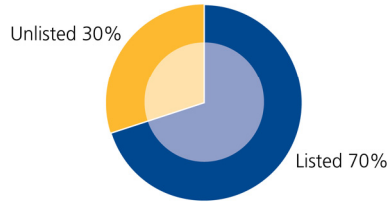
Strengthening of the EUR and USD against the SEK resulted in a positive impact in Private Equity during the fourth quarter.

1) For balance sheet items, figures in parentheses refer to year-end 2007 figures. For income items, the figures in parentheses refer to the same period last year.

INVESTOR'S NET ASSET VALUE

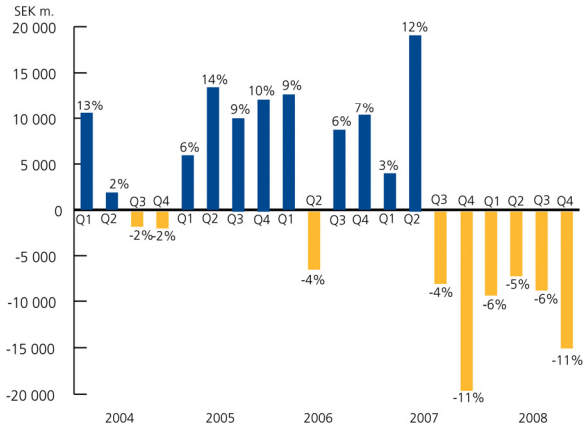
| | 12/31 2008 | | 12/31 2007 | |
|---|---|---|---|---|
| | SEK/share | SEK m. | SEK/share | SEK m. |
| Core Investments | 96 | 73 272 | 166 | 127 293 |
| Operating Investments | 22 | 16 378 | 15 | 11 806 |
| Private Equity Investments | 20 | 15 295 | 23 | 17 718 |
| Financial Investments | 1 | 1 246 | 4 | 2 583 |
| Other assets and liabilities | 0 | -266 | -1 | -613 |
| **Total assets** | 139 | 105 925 | 207 | 158 787 |
| Net cash (+)/debt(-) | 11 | 9 415 | -4 | -3 583 |
| **Net asset value** | 150 | 115 340 | 203 | 155 204 |

Percentage of listed and unlisted investments, 12/31 2008




Unlisted assets as a share of total investments were 30 percent at the end of the quarter (19).

Net asset value, quarterly change




INVESTOR'S BUSINESS AREA STRUCTURE

| | Type of company/operation | Type of ownership | Valuation principle |
|---|---|---|---|
| Core Investments | Well established, global companies that are listed. Long ownership horizon. | Leading minority ownership. | Stock price (bid). |
| Operating Investments | Medium-size to large companies with a medium-long ownership horizon, listed and unlisted holdings. | Majority ownership or significant minority position. | Share of shareholders' equity. |
| Private Equity Investments | Growth companies and buyouts, primarily unlisted companies. Ownership horizon: ~3-7 years. | Leading minority ownership in Investor Growth Capital and majority owned in EQT. | Stock price (bid), multiple or third-party valuation. |
| Financial Investments | Financial holdings/operations with a shorter ownership horizon. | Minority ownership. | Stock price (bid) or third-party valuation. |

## Trend of earnings

The consolidated net result, including change in value, was SEK -36,736 m. in 2008 (-367), of which SEK -15,570 m. was in the fourth quarter (-19,231).

Core Investments impacted income in 2008 by SEK -31,546 m. (-4,535), Operating Investments by SEK -710 m. (-879), Private Equity Investments by SEK -3,463 m. (5,953) and Financial Investments by SEK -639 m. (-173).

In the fourth quarter, Core Investments impacted Investor's income by SEK -13,521 m. (-18,595), Operating Investments by SEK -537 m. (-447), Private Equity Investments by SEK -1,047 m. (393) and Financial Investments by SEK -382 m. (-202).

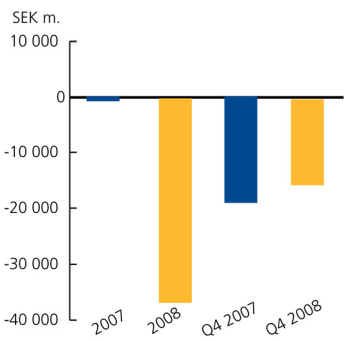
EARNINGS, INVESTOR GROUP

| SEK m. | 10/1-12/31 2008 | 1/1-12/31 2008 | 1/1-12/31 2007 |
|---|---|---|---|
| Change in value | -14 879 | -39 492 | -1 534 |
| Dividends | 286 | 4 903 | 3 884 |
| Operating costs[1)] | -157 | -576 | -552 |
| Other income items[2)] | -820 | -1 571 | -2 165 |
| **Net income** | **-15 570** | **-36 736** | **-367** |
| Dividend | - | -3 637 | -3 449 |
| Other | 682 | 509 | -300 |
| **Change in net asset value** | **-14 888** | **-39 864** | **-4 116** |

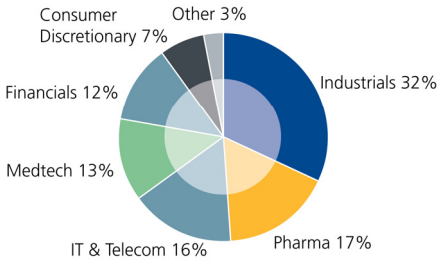
1) Includes costs for long-term share-based remuneration programs. For the period 1/1-12/31 2008 the total cost were SEK 21 m.
2) Other income items include shares of results of associated companies.

See Segment Reporting, page 26, for a detailed presentation of each business area's development.

Trend of earnings, Group




Total assets by sector, 12/31 2008




TOTAL ASSETS BY SECTOR AND BUSINESS AREA ON DECEMBER 31, 2008

| SEK m. | Industrials | Pharma | IT & Telecom | Medtech | Financials | Consumer discretionary | Other | Total |
|---|---|---|---|---|---|---|---|---|
| Core Investments | 34 272 | 15 837 | 9 611 | - | 8 608 | 4 944 | - | **73 272** |
| Operating Investments | - | - | 1 301 | 9 552 | 3 541 | 1 338 | 646 | **16 378** |
| Private Equity Investments | 558 | 2 011 | 5 862 | 3 647 | - | 1 678 | 1 539 | **15 295** |
| Financial Investments and Other | - | - | - | - | - | - | 980 | **980** |
| **Total** | **34 830** | **17 848** | **16 774** | **13 199** | **12 149** | **7 960** | **3 165** | **105 925** |

OVERVIEW OF NET ASSET VALUE

| | Number of shares 12/31 2008[1] | Ownership, 12/31 2008 (%) Capital[2] | Votes[2] | Share of total assets, 12/31 2008 (%) | Value, SEK/share, 12/31 2008 | Value, SEK m. 12/31 2008 | Value, SEK m. 12/31 2007 |
|---|---|---|---|---|---|---|---|
| *Core Investments*[3] | | | | | | | |
| ABB | 166 330 142 | 7.3[4] | 7.3[4] | 18 | 25 | 19 170 | 30 771 |
| AstraZeneca | 51 587 810 | 3.6[5] | 3.6[5] | 15 | 21 | 15 837 | 14 290 |
| Atlas Copco | 204 244 326 | 16.6 | 22.3 | 13 | 18 | 13 557 | 18 227 |
| Ericsson | 164 078 702 | 5.1 | 19.4 | 9 | 13 | 9 611 | 12 417 |
| SEB | 142 527 895 | 20.7 | 21.1 | 8 | 11 | 8 608 | 22 662 |
| Electrolux | 39 165 071 | 12.7 | 28.8 | 3 | 3 | 2 614 | 3 969 |
| Husqvarna | 59 201 258 | 15.4 | 28.7 | 2 | 3 | 2 330 | 4 134 |
| Saab AB | 21 611 925 | 19.8 | 38.0 | 1 | 2 | 1 545 | 2 799 |
| Scania | - | - | - | - | - | - | 14 612 |
| OMX | - | - | - | - | - | - | 3 412 |
| | | | | 69 | 96 | 73 272 | 127 293 |
| *Operating Investments* | | | | | | | |
| Mölnlycke Health Care | 62 | 46 | | 6 | 9 | 6 166 | 5 729 |
| Lindorff | 57 | 50 | | 3 | 4 | 3 541 | - |
| Gambro Holding (Gambro & CaridianBCT) | 49 | 49 | | 3 | 4 | 3 386 | 3 217 |
| The Grand Group | 100 | 100 | | 1 | 2 | 1 338 | 1 337 |
| 3 Scandinavia | 40 | 40 | | 1 | 2 | 1 301 | 920 |
| Other | - | - | | 1 | 1 | 646 | 603 |
| | | | | 15 | 22 | 16 378 | 11 806 |
| *Private Equity Investments* | | | | | | | |
| Investor Growth Capital | 100 | 100 | | 8 | 10 | 7 968 | 7 518 |
| EQT | n/a[6] | n/a[6] | | 7 | 10 | 7 327 | 10 200 |
| | | | | 15 | 20 | 15 295 | 17 718 |
| *Financial Investments* | - | - | | 1 | 1 | 1 246 | 2 583 |
| *Other Assets and Liabilities* | - | - | | 0 | - | -266 | -613 |
| Total Assets | - | - | | 100 | 139 | 105 925 | 158 787 |
| Net cash(+) net debt(-) | - | - | | | 11 | 9 415 | -3 583 |
| Net Asset Value | - | - | | | 150 | 115 340 | 155 204 |

1) Holdings, including any shares on loan.
2) Calculated in accordance with the disclosure regulations of Sweden's Financial Instruments Trading Act (LHF), unless specified otherwise.
3) Valued according to the class of share held by Investor, with the exception of Saab and Electrolux, for which the most actively traded class of share is used.
4) Calculated in accordance with Swiss disclosure regulations.
5) Calculated in accordance with British disclosure regulations.
6) Investor's share of capital in the 13 EQT funds varies from 10 to 62 percent.

# Core Investments

Core Investments had an impact of SEK -31.5 bn. on income (-4.5) during the year, of which SEK -13.5 bn. in the fourth quarter (-18.6). In the fourth quarter SEK 0.5 bn. was invested in Atlas Copco. In total, net divestments within the business area amounted to SEK 18.8 bn. during 2008.The business area's total return was -25 percent in 2008, of which -16 percent in the fourth quarter. The business area outperformed the total return index of the Stockholm Stock Exchange (SIXRX) which recorded -39 and -17 percent, respectively.

Read more on investorab.com under "Our Investments" >>

During the fourth quarter we have seen a material and broad decline in world demand in virtually all sectors and geographies. This decline has impacted Core Investments. As a consequence, many of our investments proactively made adjustments to their cost structure. There is still great uncertainty as to how long and deep this economic downturn will be and, consequently, the total effects on Core Investments.

## Purchases and sales

In Atlas Copco, 6,720,500 A-shares and 3,243,000 B-shares were purchased for a total of SEK 505 m. during the fourth quarter.

### Events occurring earlier during the year

Shares in SEB were purchased for SEK 723 m., in Atlas Copco for SEK 379 m., in Husqvarna for SEK 318 m. and in Electrolux for SEK 225 m. Scania was divested for SEK 16,823 m. and OMX was divested for SEK 3,419 m.

## Redemption programs

Earlier in 2008, Investor sold Scania redemption rights for SEK 660 m.

## Dividends

Dividends from Core Investments totaled SEK 3,803 m. in 2008 (3,161).

## Earnings for the period

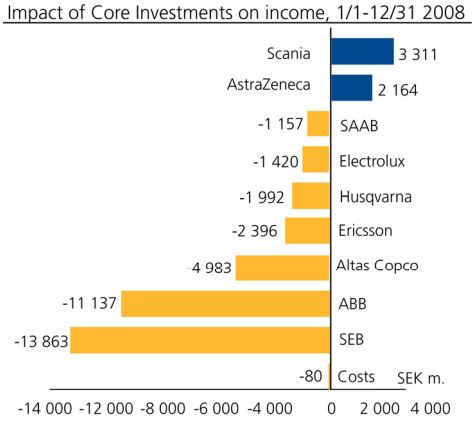
Core Investments had an impact of SEK -31,546 m. on income in 2008 (-4,535), of which SEK -13,521 m. was in the fourth quarter (-18,595). Scania and AstraZeneca had positive impacts of SEK 3,311 m. and SEK 2,164 m. respectively, for the year. ABB and SEB had negative impacts of SEK -11,137 m. and SEK -13,863 m., respectively.

OVERVIEW OF CORE INVESTMENTS

| | Net purchases (+)/sales(-) SEK m. 2008 | Total return[1] 2008 (%) | Average total return[1] 5 years (%) |
|---|---|---|---|
| ABB | - | -36 | +27 |
| AstraZeneca | - | +16 | +0.3 |
| Atlas Copco | +884 | -29 | +17 |
| Electrolux | +225 | -36 | +4[2] |
| Ericsson | - | -19 | -0.1 |
| Husqvarna | +318 | -44 | -12[3] |
| OMX[4] | -3 419 | - | - |
| Saab AB | - | -43 | -6 |
| Scania[5] | -17 483 | - | - |
| SEB | +723 | -62 | -8 |
| | -18 752 | | |

1) Calculated as the sum of share price changes and reinvested dividends.
2) Figure includes Husqvarna up until spin out of the company June 13, 2006.
3) Average total return since the IPO on June 13, 2006.
4) Exited during the first quarter 2008.
5) Exited during the third quarter 2008. The figure also includes the earlier sales of redemption rights.

Impact of Core Investments on income, 1/1-12/31 2008

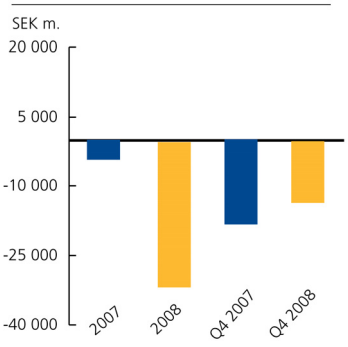



EARNINGS, CORE INVESTMENTS

| SEK m. | 10/1-12/31 2008 | 1/1-12/31 2008 | 1/1-12/31 2007 |
|---|---|---|---|
| Change in value | -13 506 | -35 269 | -7 537 |
| Dividends | - | 3 803 | 3 161 |
| Operating costs[1] | -15 | -80 | -159 |
| Effect on income | -13 521 | -31 546 | -4 535 |

1) Decrease in operating costs compared to 2007 is mainly due to changes in the cost-allocation model.

Trend of earnings, Core Investments



# Operating Investments

Operating Investments had an effect of SEK -710 m. on income during 2008 (-879), of which SEK -537 m. was in the fourth quarter (-447). Operating Investments are reported with one month's delay.

Read more on investorab.com under "Our Investments" >>

## Earnings for the period

Operating Investments had an effect on Investor's income for 2008 of SEK -710 m. (-879), of which SEK -610 m. was attributable to 3 Scandinavia (-798), SEK 145 m. to Mölnlycke Health Care (-32), SEK -49 m. to Lindorff (-) (from the acquisition date), and SEK -156 m. to Gambro Holding (-326).

In the fourth quarter, Operating Investments had an effect of SEK -537 m. on income (-447), of which SEK -154 m. was attributable to 3 Scandinavia (-134), SEK -162 m. to Mölnlycke Health Care (68), SEK -125 m. to Gambro Holding (-354) and SEK -73 m. to Lindorff (-).

The negative effect on Mölnlycke Health Care during the fourth quarter is mainly currency related. Lindorff's negative impact stems from the holding company level, and is mainly currency effects, interest costs and amortization of surplus values made in connection with acquisitions.

## Debt financing

The debt financing for Lindorff, Mölnlycke Health Care and Gambro are ring-fenced and without guarantees from Investor. The next main loan maturities for these companies fall due in 2012. At the time of investment, debt financing for each company was structured to take into account the projected growth and stability of earnings and level of cash conversion. Consequently, the level of debt financing of holdings within Operating Investments varies.

## Net asset value

The business area's effect on net asset value was SEK -129 m. in 2008 (-803), of which SEK 65 m. was in the fourth quarter (-504).

OPERATING INVESTMENTS

| | 12/31 2008 | | 12/31 2007 | |
|---|---|---|---|---|
| | SEK/share | SEK m. | SEK/share | SEK m. |
| Mölnlycke Health Care | 9 | 6 166[1)] | 7 | 5 729 |
| Lindorff | 4 | 3 541[1)] | - | - |
| Gambro Holding | 4 | 3 386[2)] | 4 | 3 217 |
| The Grand Group | 2 | 1 338 | 2 | 1 337 |
| 3 Scandinavia | 2 | 1 301[1)] | 1 | 920 |
| Other[3)] | 1 | 646 | 1 | 603 |
| **Total** | **22** | **16 378** | **15** | **11 806** |

1) Refers to Investor's share of equity on November 30, 2008 and shareholders' loans. Hedge accounting has been applied for Lindorff and Mölnlycke Health Care as of the third quarter. Consequently the positive currency translation effect reported in the Q3 report has been adjusted.
2) Refers to Investor's share of equity on November 30, 2008.
3) Includes the holdings in Kunskapsskolan and Novare, among others.

DEVELOPMENT OF NET ASSET VALUE, OPERATING INVESTMENTS

| SEK m. | 1/1-12/31 2008 |
|---|---|
| Net asset value on January 1 | 11 806 |
| Investments | 4 705 |
| Divestments | - |
| Effects from holdings | |
| *Effect on income* | *-710* |
| *Effect on equity* | *581* |
| | -129 |
| Effects from holdings on Investor Group level | -4 |
| **Net asset value on December 31** | **16 378** |

VALUATION METHODOLOGY WITHIN OPERATING INVESTMENTS

In the Operating Investments business area, Investor normally has majority ownership or a stake with significant influence in the underlying investment. Investments classified as associated companies are reported using the equity method and subsidiaries are fully consolidated. Investor's share of the holding's equity constitutes the valuation of the holding when the equity method is applied and Investor's share of the holding's net result is included in the income statement. Thus, for companies incurring large costs that impact short-term profits negatively, the value of the holding declines in Investor's net asset value. As a consequence, Investor is now providing key operating figures, such as normalized EBITDA and net debt, in order to facilitate the market's evaluation of these investments. In normalized EBITDA, material one-off items, such as restructuring costs, certain amortization items and write-downs, and specific investments, are eliminated to better reflect the underlying result. Figures for Mölnlycke Health Care, Lindorff, Gambro, CaridianBCT and 3 Scandinavia are reported with one month's delay.

MÖLNLYCKE HEALTH CARE

Read more on the Web: www.molnlycke.com >>

## Activities during the quarter

For Mölnlycke Health Care, 2008 was a year during which the company regained its growth momentum.

The fourth quarter was successful for Mölnlycke with record high sales in local currencies in both the Surgical and the Wound Care Divisions. In general, all markets are performing well, with France and Canada showing exceptionally strong development.

Within the Wound Care Division, the conventional product portfolio was streamlined for increased efficiency and user-friendliness.

The previously communicated acquisition of Pharmaset within the Surgical Division, was finalized during the quarter.

A new head of the Surgical Division was appointed, as well as an Human Resources director with global responsibilities.

## Financial performance

Growth continued to be strong for Mölnlycke during the quarter and the company recorded a normalized EBITDA margin of 27 percent (28). Sales and EBITDA growth in local currencies were significantly higher than the reported figures.

KEY FIGURES (EUR), MÖLNLYCKE HEALTH CARE[1)]

| *Income statement items* | 2008 | 2007[2)] |
|---|---|---|
| Net sales (EUR m.) | 791 | 771 |
| Normalized EBITDA (EUR m.) | 214 | 213 |
| Normalized EBITDA (%) | 27 | 28 |

| *Balance sheet items* | 2008 | 2007 |
|---|---|---|
| Net debt (EUR m.) | 1 855 | 1 912 |

1) Income statement items and balance sheet items are reported with one month's delay.
2) Pro forma, since Investor owned the company for only part of the year.

BRIEF FACTS, MÖLNLYCKE HEALTH CARE

| | |
|---|---|
| Investment year | 2007 |
| Investor's ownership (capital) | 62% |

Mölnlycke is a world-leading manufacturer and provider of single-use surgical and wound care products and services, primarily for the professional healthcare sector.

| | 2008 | 2007 |
|---|---|---|
| Number of employees | 6 200 | 5 750 |

LINDORFF

Read more on the Web: www.lindorff.com >>

## Activities during the quarter

Within the Collection business area, the fourth quarter saw an increased inflow of collection cases. However, the upfront cost relating to new cases has a short term negative effect, which reduced the fourth quarter profit. But, the effect of this volume growth should be positive from a longer-term perspective. A lower solution rate was also noted towards the end of the year.

Within the Capital business area, a debt portfolio was acquired in Norway from Sparebanken Nord-Norge. In Germany, debt portfolio acquisitions were signed with two major banks.

The Germany operation was concentrated to the site in Heppenheim during the fourth quarter and the offices in Cologne and Bordesholm were closed.

The Finnish city of Lohja is the first public sector client for invoice services in Finland. Lindorff will take care of all the Lohja's invoicing, its sales ledger as well as customer service connected to the payments. The invoice reminders and collection of receivables are also outsourced to Lindorff.

Towards the end of the year the Department of Justice in Norway sent out a proposal for a public hearing relating to collection, which among other items included a proposed reduction of collection fees. The company will play an active role in forming the industry association's response to the proposal.

## Financial performance

Net sales grew by 18 percent during 2008. Lindorff won a number of important contracts in the Collection business and continued expanding the Capital business through additional portfolio acquisitions, which were the main drivers for the strong growth in 2008.

KEY FIGURES (EUR), LINDORFF[1)]

| *Income statement items*[2)] | 2008 | 2007[4)] |
|---|---|---|
| Net sales (EUR m.) | 398 | 336 |
| Normalized EBITDA[3)] (EUR m.) | 103 | 92 |
| Normalized EBITDA (%) | 26 | 27 |

| *Balance sheet items* | 2008 |
|---|---|
| Net debt (EUR m.) | 615 |

1) Income statement items and balance sheet items are reported with one month's delay.
2) Pro forma, since Investor owned the company for only part of the year.
3) After portfolio depreciation.
4) Pro forma, refers to the period 1/1 2007-31/12 2007.

BRIEF FACTS, LINDORFF

| | |
|---|---|
| Investment year | 2008 |
| Investor's ownership (capital after full conversion) | 57% |

Lindorff (headquartered in Oslo, Norway) is a leading debt collection company in the Nordic region with a growing European presence. Lindorff has offices in Denmark, Estonia, Finland, Latvia, Lithuania, Germany, the Netherlands, Norway, Russia and Sweden.

| | |
|---|---|
| Number of employees | 1 800 |

## Gambro Holding

Gambro Holding owns Gambro and CaridianBCT. The companies are jointly financed and included in Gambro Holding. Since net debt of the companies has not been formally distributed, net asset value, the effect on Investor's income and net debt are reported as a total for the two companies.

The increase in net debt is a currency translation effect attributable to the SEK depreciation in comparison with EUR and USD.

COMBINED KEY FIGURES (SEK), GAMBRO HOLDING[1)]

| *Balance sheet items* | 2008 | 2007 |
|---|---|---|
| Net debt (SEK m.) | 25 483 | 22 939 |

1) Items are reported with one month's delay.



Read more on the Web: www.gambro.com >>

### Activities during the quarter

During the fourth quarter several new products were launched. The roll-out of the new Artis™ system in Europe commenced with great customer feedback. Artis has been developed to address growing patient populations that require a higher level of care and more effective treatment delivery.

The Polyflux Revaclear dialyzer filter, manufactured at the new facility in Opelika, Alabama (US), was introduced on the Canadian market during the quarter. The Polyflux Revaclear features a proprietary membrane technology and an advanced design, which combine to deliver strong clinical performance for treatment of dialysis patients. The full range of filters will be introduced in the U.S. during the first half of 2009.

The roll out of Evodial continued during Q4 in Europe and is now available in the French, Italian, Spanish and Nordic markets. Customer feedback has been positive.

### Financial performance

Net sales increased by 1 percent during the year, compared to last year. Normalized EBITDA has continued to be negatively affected by currency effects, quality improvement effects and investments in new product launches.

KEY FIGURES (SEK), GAMBRO[1)]

| *Income statement items* | 2008 | 2007 |
|---|---|---|
| Net sales (SEK m.) | 11 172 | 11 049 |
| Normalized EBITDA (SEK m.) | 1 707 | 1 869 |
| Normalized EBITDA (%) | 15 | 17 |

1) Income statement items are reported with one month's delay.

BRIEF FACTS, GAMBRO

| | |
|---|---|
| Year of investment | 2006 |
| Investor's ownership (capital) | 49%[1)] |

Gambro is a global medical technology company and a leader in developing, manufacturing and supplying products, therapies and services for in-center care and self-care hemodiolysis, peritoneal dialysis, renal intensive care and hepatic care

| | *2008* | *2007* |
|---|---|---|
| Number of employees | 8 300 | 8 000 |

1) Investor also indirectly owns 10 percent through its investments in EQT IV.



Read more on the Web: www.caridianbct.com>>

### Activities during the quarter

Overall, business activity has been robust during the quarter for CaridianBCT.

In the Automated Collections business area sales were strong with solid volume development for both equipment and disposables. An agreement was signed in the U.S. for the largest implementation to date for the Vista® IT system.

Within the Pathogen Reduction Technologies business area, the CE Mark (Europe) was received for expanding the treatment range of the Mirasol® PRT for platelets. Mirasol PRT is gaining traction in the market, illustrated by the selection of the Mirasol PRT system by the Warsaw Blood Center.

Within the Whole Blood Processes business area, two important contracts for Atreus machines were won in North America and interest in the system continues to grow with potential customers.

### Financial performance

The company recorded a 17 percent increase in net sales compared to last year. Growth was good across all geographic areas, but particularly strong in EMEA, Latin America, Japan, and China. The normalized EBITDA-margin was 25 percent (27) and is still affected by significant investments in the development, roll-out and commercialization of new products.

KEY FIGURES (USD), CARIDIANBCT[1)]

| *Income statement items* | 2008 | 2007 |
|---|---|---|
| Net sales (USD m.) | 455 | 388 |
| Normalized EBITDA (USD m.) | 112 | 106 |
| Normalized EBITDA (%) | 25 | 27 |

1) Income statement items are reported with one month's delay.

BRIEF FACTS, CARIDIANBCT

| | |
|---|---|
| Investment year | 2006 |
| Investor's ownership (capital) | 49%[1)] |

CaridianBCT is a leading global provider of technology innovations and services focused on enhancing blood quality, safety, supply and efficiency in the blood banking and transfusion medicine industry.

| | *2008* | *2007* |
|---|---|---|
| Number of employees | 2 500 | 2 075 |

1) Investor also indirectly owns 10 percent through its investments in EQT IV.

Read more on the Web: www.tre.se >>

## Activities during the quarter

For 3 Scandinavia, 2008 was a break-through year. Several important milestones were reached, awards were won and growth was strong. The momentum earlier in the year in subscriber intake and growth of earnings, continued into the fourth quarter. The subscriber base grew by 104,000 during the fourth quarter. Subscriber intake on both voice and mobile broadband (ISP) showed strong development during the year. A majority of 3's broadband customers use the service as its primary internet access, replacing the fixed-line operator.

During Q4, 3 announced a joint sales effort with Sweden's largest cable operator Com Hem. Sales of mobile broadband from 3 to Com Hem customers commenced in December. In Denmark, 3 launched a low cost, less advanced mobile broadband service under the brand Oister.

The company upgraded parts of its network to HSPA Evolved technology (21 Mbit/s) during the quarter, and is only the second operator in the world to do so. Full commercial launch is expected during the first half of 2009.

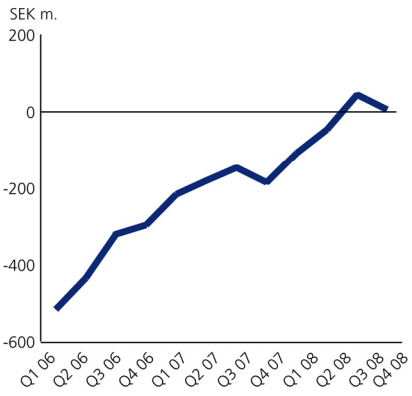
In December, a customer satisfaction survey conducted by the Swedish post and telecom agency, PTS, ranked 3 as the best in 7 of the 11 measured categories.

Average revenue per subscriber (ARPU) continued at a market-leading level but, as expected, continued to fall mainly due to the increased share of mobile broadband (ISP) customers.

## Financial performance

Net sales rose by almost 19 percent compared with the same period last year. As in previous years, EBITDA was affected negatively due to the high subscriber intake during the fourth quarter.

Normalized EBITDA, 3 Scandinavia




During the quarter, Investor invested SEK 212 m. in 3 Scandinavia. As of December 31, 2008, Investor has invested a total of SEK 5,981 m. in the company.

KEY FIGURES (SEK), 3 SCANDINAVIA[1]

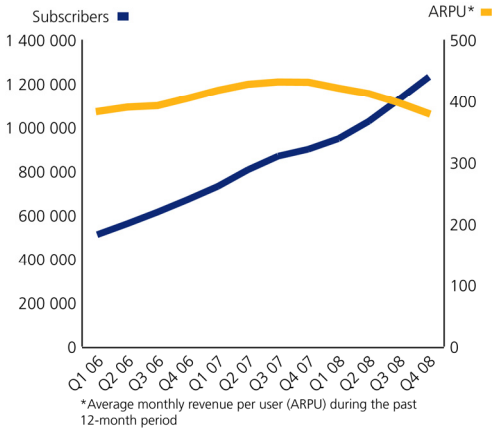
| *Income statement items* | 2008 | 2007 |
|---|---|---|
| Net sales (SEK m.) | 5 147 | 4 329 |
| Normalized EBITDA[2] (SEK m.) | -106 | -730 |

| *Balance sheet items* | 2008 | 2007 |
|---|---|---|
| Net debt (SEK m.) | 10 235 | 10 167 |

| *Other key figures*[3] | 12/31 2008 | 12/31 2007 |
|---|---|---|
| Subscribers | 1 231 000 | 900 000 |
| ARPU[4] (SEK) | 379 | 431 |
| Non-voice ARPU[4] (%) | 36 | 27 |
| Postpaid/prepaid ratio | 90/10 | 90/10 |

1) Income statement items and balance sheet items are reported with one month's delay.
2) EBITDA for 3 Scandinavia is defined as: EBITDA after deducting all customer acquisition and retention costs.
3) Other key figures are reported without any delay.
4) Average monthly revenue per user (ARPU) refer to the past 12-month period.

Development of 3 Scandinavia




*Average monthly revenue per user (ARPU) during the past 12-month period

BRIEF FACTS, 3 SCANDINAVIA

| | |
|---|---|
| Investment year | 1999 |
| Investor's ownership (capital) | 40% |

3 Scandinavia is the leader in the Swedish and Danish 3G markets. 3 Scandinavia offers music, MSN, mobile broadband and TV channels for mobile phones.

| | *2008* | *2007* |
|---|---|---|
| Number of employees | 1 750 | 1 574 |

GRAND HÔTEL
STOCKHOLM – SWEDEN

Read more on the Web: www.grandhotel.se >>

## Activities during the quarter

During the fourth quarter the business cycle has continued to have a negative impact on the operations of Grand Hôtel.

A Spa-facility is under way and will be launched during the latter part of 2009, which will broaden the hotels service offerings and increase the customer base.

The Mathias Dahlgren restaurant continued to win awards for its culinary achievements.

## Financial performance

Grand Hôtel's net sales during the fourth quarter were hurt by the economic downturn, with sales declining by 7 percent compared to last year.

KEY FIGURES (SEK), GRAND HÔTEL

| *Income statement items* | 2008 | 2007 |
|---|---|---|
| Net sales (SEK m.) | 404 | 433 |
| Normalized EBITDA (SEK m.) | 107 | 122 |
| Normalized EBITDA (%) | 26 | 28 |

| *Balance sheet items* | 2008 | 2007 |
|---|---|---|
| Net debt[1] (SEK m.) | 452 | 494 |

1) Included in Investor's consolidated net debt.

BRIEF FACTS, GRAND HÔTEL

| | |
|---|---|
| Investment year | 1968 |
| Investor's ownership (capital) | 100% |

Grand Hôtel is Scandinavia's leading hotel with 368 guest rooms and a number of conference areas, restaurants and bars.

| | *2008* | *2007* |
|---|---|---|
| Number of employees | 325 | 375 |

# Private Equity Investments

The Private Equity Investments business area had an impact of SEK -3.5 bn. on income in 2008 (6.0), of which SEK -1.0 bn. in the fourth quarter (0.4). The negative development of holdings within Investor Growth Capital in local currencies was partly offset by the positive effect of the strengthening of the USD. EQT funds' negative impact was due to falling market comparables and declining operating parameters. However, the negative development was partly offset by a positive currency translation effect.

Read more on investorab.com under "Our Investments" >>

## Purchases and sales

Cash flow (divestments less investments) from the Private Equity business was SEK -792 m. for the year (3,774), of which SEK -887 m. in the fourth quarter (18).

A total of SEK 3,729 m. was invested during the year (3,627), of which SEK 1,111 m. was in the fourth quarter (797). Investments during the year comprised SEK 2,792 m. in new investments (3,063) and SEK 937 m. in add-on investments (564).

Investments were sold for SEK 2,937 m. during 2008 (7,401), of which SEK 224 m. was in the fourth quarter (815).

PURCHASES AND SALES, PRIVATE EQUITY INVESTMENTS

| | 1/1-12/31 2008 | |
|---|---|---|
| SEK m. | Purchases | Sales |
| EQT | 1 842 | 1 814 |
| Investor Growth Capital | 1 887 | 1 123 |
| **Total** | **3 729** | **2 937** |

## Earnings for the period

The result for the year was SEK -3,463 m. (5,953), of which SEK -1,047 m. in the fourth quarter (393).

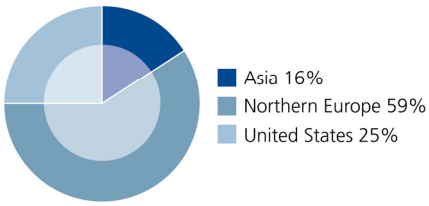
In local currencies, the market value of Investor Growth Capital decreased during the fourth quarter, but this was partly offset by positive currency translation effects from the strengthening of the USD.

The negative impact from EQT funds in the fourth quarter was due to falling market comparables and declining operating parameters. However, EQT was also positively affected by currency translation effects, mainly due to the strengthening of the EUR.

EARNINGS, PRIVATE EQUITY INVESTMENTS

| SEK m. | 10/1-12/31 2008 | 1/1-12/31 2008 | 1/1-12/31 2007 |
|---|---|---|---|
| Change in value (incl. dividends) | | | |
| EQT | -781 | -2 886 | 5 348 |
| Investor Growth Capital | -212 | -377 | 810 |
| Operating costs | -54 | -200 | -205 |
| **Effect on income** | **-1 047** | **-3 463** | **5 953** |

Private Equity Investments by geography




## Net asset value

PRIVATE EQUITY INVESTMENTS BY UNIT

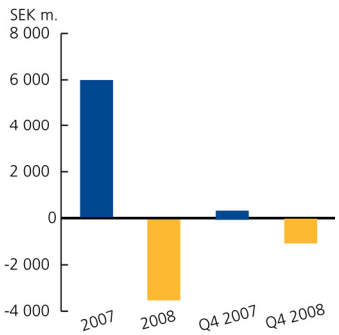
| | 12/31 2008 | | 12/31 2007 | |
|---|---|---|---|---|
| | SEK/share | SEK m. | SEK/share | SEK m. |
| Investor Growth Capital | 10 | 7 968 | 10 | 7 518 |
| EQT | 10 | 7 327 | 13 | 10 200 |
| **Total** | **20** | **15 295** | **23** | **17 718** |

VALUATION MULTIPLES, PRIVATE EQUITY

| | Average EV/EBITDA multiple 2008 | Average EV/EBITDA multiple 2007 | Percentage of portfolio valued with multiples 2008 |
|---|---|---|---|
| EQT | 8.3x | 9.2x | 66% |
| Investor Growth Capital | 8.9x | 8.4x | 9%[1)] |

1) The low percentage (9 %) of investments in Investor Growth Capital that are valued with EV/EBITDA multiples reflects the general development stage of the companies. In many cases, the holdings are in a growth stage and have not yet reached profitability. Thus, a change in any one company valued on multiples has a big impact on the average multiple reported.

Trend of earnings, Private Equity Investments



## Investor Growth Capital

Read more on the Web: www.investorgrowthcapital.com >>

Sharp stock market declines and volatility in 2008 slowed the pace of venture capital activity. In the fourth quarter, M&A proceeds for U.S. venture-backed companies declined by 77 percent and there was not a single IPO. The lack of exit opportunities and available credit has caused many venture-backed companies to cut expenses in order to delay financing until the market recovers. Valuations for new investments are much lower since investors are demanding greater returns given the risk of the current environment.

### Events occurring in the fourth quarter

Five new investments were made during the fourth quarter;

- **Novariant;** (U.S.) a technology company that is the premier industrial solutions provider of precision positioning, intelligent control systems and positioning infrastructures.
- **PocketMobile Communication;** (Sweden) a company specialized in delivering a modern mobile platform for companies with vehicle fleet and mobile workers.
- **SkyCross;** (U.S.) is a global wireless company providing antenna-centric radio-frequency (RF) solutions for mobile phones, home entertainment, and computing industries.
- **Skyview;** (China) China's leading airport media company that offers media resources to advertisers in international and domestic airports in China.
- **Synosia Therapeutics;** (Sweden) develops and intends to commercialize innovative and clinically differentiated products for unmet medical needs in psychiatry and neurology.

Add-on investments were made in Siperian, Venda, Ception, Aerocrine and Air Plus TV.

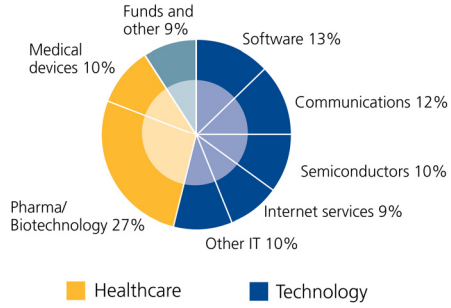
### Events occurring earlier during the year

New investments were made in Achillion, AirPlusTV, Byecity, Cayenne Medical, CMA Microdialysis, ContextWeb, InQuira, Keybroker, Liba, Magelo, OnePhone, Recellular, Tangoe and Zephyr.

Add-on investments were made in Axiomed, Biolex, FOI and Tobii, among other holdings.

Holdings in Doxa, Exigen, Gyros, Navini Networks, Visiprise and Åmic were sold.

Sector exposure Investor Growth Capital, 12/31 2008




NEW INVESTMENTS WITHIN INVESTOR GROWTH CAPITAL IN 2008

| *Company* | *Operations* | *Country* |
|---|---|---|
| | **IT/Technology** | |
| AirPlusTV | Pay-TV operator services for DTT networks | Sweden |
| Byecity | Travel wholesaler offering comprehensive online services | China |
| Contextweb | Contextual advertising solutions | U.S. |
| InQuira | Customer experience management software | U.S. |
| Keybroker | Manages search advertising on the Internet | Sweden |
| Liba | Internet B2C portal for home improvement products and services | China |
| PocketMobile | Modern mobile platform | Sweden |
| Recellular | Recycler and reseller of used cellular phones and accessories | U.S. |
| SkyCross | RF solutions for the mobile phone, home entertainment, and computing industries | U.S. |
| Skyview | Media resources to advertisers | China |
| Mangelo | Services to the online gaming community | Hong Kong |
| Novariant | Provider for precision positioning, control systems and positioning infrastructures | U.S. |
| OnePhone | Telephony solution on mobile handsets | Sweden |
| Tangoe | On-demand fixed and wireless telecommunications solutions | U.S. |
| Zephyr | Manufacturing small wind turbines | Japan |
| | **Healthcare** | |
| Achillion | Treatment for infectious diseases | U.S. |
| CMA Microdialysis | Solutions for metabolic research and diagnostics | Sweden |
| Cayenne Medical | Treats orthopedic sports injuries | U.S. |
| Synosia Therapeutics | Products within psychiatry and neurology | Sweden |

## EQT's funds

Read more on the Web: www.eqt.se >>

### Events occurring in the fourth quarter

EQT closed an Infrastructure Fund at EUR 1.2 bn. that has its main focus on Northern and Eastern Europe, with flexibility to invest globally. Investor committed 10 percent of the capital (EUR 117 m.) and is the sponsor of the fund.

- EQT Greater China II acquired Chinese LBX Pharmaceuticals.
- EQT Partners expanded into Central and Eastern Europe with a new office and team in Warsaw.
- EQT announced the withdrawal of the bid to the shareholders of Q-Med.
- EQT and ATP announced that they acquire KMD in Denmark.

### Events occurring earlier during the year

EQT Opportunity divested Pfaff-silberblau and acquired Granngården and TitanX.

EQT I and EQT III exited Duni AB.

EQT III sold its holding in Finn-Power.

EQT IV sold its remaining stake in Tognum to Daimler.

EQT V, through ESML Intressenter, completed the acquisition of Securitas Direct. The acquisition of SAG was also completed.

OVERVIEW OF EQT'S FUNDS

| SEK m. | Investor's share of fund | Total capital commitments | Investor's share of capital commitments | Investor's share of invested capital[1] | Market value of Investor's remaining holdings | Holdings[2] |
|---|---|---|---|---|---|---|
| EQT I* | 18% | 3 260 | 587 | 587 | - | - |
| EQT II* | 18% | 6 193 | 1 100 | 970 | 14 | - |
| EQT III* | 32% | 21 881 | 7 014 | 6 256 | 1 312 | Aleris, Carl Zeiss, ISS, Leybold, Munksjö, VTI Technologies |
| EQT IV* | 19% | 27 352 | 5 101 | 4 225 | 2 687 | BTX, Gambro[3], ISS, Kabel BW, Sanitec, SSP |
| EQT V | 12% | 46 498 | 5 552 | 2 608 | 1 892 | Kabel BW, CBR, Scandic, Dako, SAG, Securitas Direct |
| EQT Opportunity | 25% | 4 066 | 1 016 | 483 | 326 | Granngården, Bodilsen, Norwin, Cimbria, Strauss Innovation, Titan X |
| EQT Denmark* | 18% | 1 493 | 262 | 214 | 3 | - |
| EQT Finland* | 32% | 719 | 228 | 228 | 2 | - |
| EQT Expansion Capital I | 16% | 2 023 | 333 | 285 | 136 | Aleris, Munksjö, PaloDex, SSP, Pharmazell, CandyKing |
| EQT Expansion Capital II | 15% | 5 186 | 779 | 228 | 211 | Sausalitos, Cinterion, KVT |
| EQT Asia* | 62% | 2 520 | 1 547 | 1 141 | 374 | Global Beauty |
| EQT Greater China II | 37% | 4 213 | 1 551 | 553 | 370 | Yin Rong, PSM, LBX |
| EQT Infrastructure | 10% | 12 767 | 1 277 | 23 | 0 | - |
| **Total[4]** | - | **138 171** | **26 347** | **17 801** | **7 327** | |

* Fully invested
1) Also includes capital invested in holdings that have already been sold.
2) Holdings can be jointly owned by two EQT funds.
3) Gambro is valued in the same way as Investor's share of the company in Operating Investments.
4) The following rates were used to translate to SEK: DKK = 1.47 (EQT Denmark), EUR = 10.94 (EQT Finland, EQT III, IV,V, EQT Expansion Capital I, II, EQT Opportunity, EQT Infrastructure), USD = 7.73 (EQT Asia, EQT Greater China II).

### INVESTOR'S PRIVATE EQUITY INVESTMENTS

Private equity investments have been made since Investor was established in 1916 but were given their current modern shape and structure in the mid-1990s. The private equity activities generate high returns when exits are realized, allow for increased diversification of the portfolio, synergies with the core investments and the possibility to discover important new technologies and new business trends early.

Investor conducts two different types of private equity investments: venture capital investments in young growth-oriented companies and loan-financed investments (buyouts) in medium to large size companies that are more mature and have development potential. Venture capital activities are conducted by Investor Growth Capital, a wholly owned subsidiary. Buyout activities are conducted through EQT's funds, which are partly owned by Investor. Investor Growth Capital is active in the United States, Northern Europe and Asia. EQT, partly owned by Investor, has 13 funds focused on companies in Northern Europe and Greater China.

Investments in private equity, which involve more risk by their nature, are made with the objective of realizing an average annualized return (IRR) of 20 percent.

# Financial Investments

The business area had an effect of SEK -639 m. on income in 2008 (-173), of which SEK -382 m. was in the fourth quarter (-202).

Read more on investorab.com under "Our Investments" >>

## Earnings for the period

Financial Investments had an effect of SEK -639 m. on income during the year (-173), of which SEK -382 m. was in the fourth quarter (-202). The negative value contribution within the business area during the fourth quarter derives mainly from RAM One and Active Portfolio Management.

## Net asset value

FINANCIAL INVESTMENTS

| | 12/31 2008 | | 12/31 2007 | |
|---|---|---|---|---|
| | SEK/share | SEK m. | SEK/share | SEK m. |
| RAM One | 1 | 657 | 1 | 841 |
| Active Portfolio Management | 0 | 486 | 2 | 1 248 |
| Other | 0 | 103 | 1 | 494 |
| **Total** | **1** | **1 246** | **4** | **2 583** |

## Active Portfolio Management

Investor's Active Portfolio Management unit generated operating income (dividends and value changes but before operating costs) of SEK -86 m. during the year (69), of which SEK -122 m. was in the fourth quarter (-48).

Given the increased volatility, the Active Portfolio Management´s positions were significantly reduced during 2008.

Investor's Active Portfolio Management has a limited risk profile. The activity is limited to trading in equity-based instruments. The risk mandate, which is periodically changed, is defined on the basis of Value-at-Risk (VaR). The VaR limit is currently SEK 45 m. and is based on a one-day time horizon and a 99-percent confidence interval. Gross investments, i.e. before hedges for market risk, normally amount to approximately 1 percent of Investor's total assets. In addition, Active Portfolio Management uses different types of market-listed derivative instruments to hedge a large portion of the market risk. The actual net exposure is generally less than the value reported for Active Portfolio Management in the net asset value table (see table).

## RAM One

The hedge fund RAM One declined by -22 percent during 2008 (7), of which -8 percent during the fourth quarter (-1).

# Group

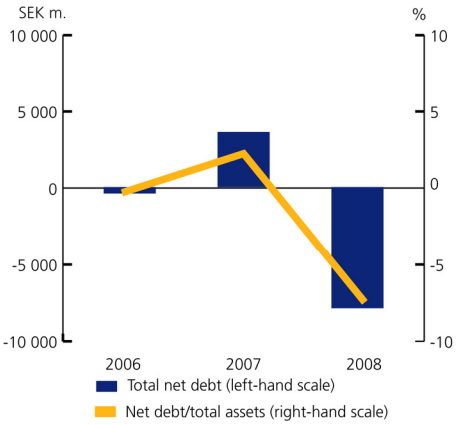
## Consolidated net debt

The consolidated net cash position totaled SEK 9,415 m. on December 31, 2008, compared to a net debt of SEK 3,583 m. at the beginning of the year.

Investments in the Operating Investments business area such as Mölnlycke Health Care, Gambro Holding and Lindorff, that are not subsidiaries are financed in ring-fenced, stand-alone structures and are consequently not included in Investor's consolidated net debt. 3 Scandinavia's debt, of which Investor's share is SEK 4.2 bn. (excluding interest), is guaranteed by the owners but is not included in consolidated net debt.

Net financial items for the reporting period amounted to SEK -288 m. (-484). Net financial items include interest income of SEK 935 m. (561) and interest expenses totaling SEK -1,082 m. (-1,061). The remaining portion consists mainly of revaluations of loans, currency effects and effects of swaps, such as the hedge for long-term share-based remuneration programs.

Consolidated net debt




Cash, bank balances and short-term investments amounted to SEK 27,972 m. on December 31, 2008, compared to SEK 15,008 m. at year-end 2007. The Group's short-term investments are invested conservatively, taking into account the risk-adjusted return profile. Group borrowings, including unrealized result from hedges in Operating Investments of SEK 1,478 m., totaled SEK 22,409 m. at the close of the quarter (19,109). Gross debt for the Group amounted to SEK 18,360 m. at the close of the quarter (18,207) and has among others been affected by unrealized result from positive hedges by SEK 2,571 m. (710).

The average maturity of the debt portfolio was 12.6 years on December 31, 2008, compared with 13.4 years on December 31, 2007.

Dividends totaling SEK 3,637 m. were paid to Investor AB's shareholders during the second quarter (3,449).

## Consolidated costs

Consolidated costs totaled SEK 555 m. during the year (535). Costs per business area are shown in the segment reporting section on page 26.

The calculation of commitments within the framework for employee stock option programs and share programs resulted in additional costs of SEK 21 m. during the period (17). Since the programs launched up to 2005 are hedged with derivative instruments, there is a corresponding effect of the hedging in net financial items. The purpose of the hedge is to minimize costs for the programs that arise in connection with increases in Investor's share price.

# Parent Company

## Share capital

Investor's share capital amounted to SEK 4,795 m. on December 31, 2008 (4,795).

SHARE STRUCTURE

| Class of share | Number of shares | Number of votes | % of capital | % of votes |
|---|---|---|---|---|
| A 1 vote | 311 690 844 | 311 690 844 | 40.6 | 87.2 |
| B 1/10 vote | 455 484 186 | 45 548 418 | 59.4 | 12.8 |
| **Total** | **767 175 030** | **357 239 262** | **100.0** | **100.0** |

During the fourth quarter, Investor did not repurchase any of its own shares. On December 31, 2008, Investor owned a total of 2,483,800 of its own shares (1,400,000). The average number of own shares during the reporting period amounted to 2,141,381 (1,192,877).

## Results and investments

The Parent Company's result after financial items was SEK -4,785 m. (14,163). Value changes of equity-related holdings reported at fair value and divestments, such as Scania and OMX, amounted to SEK 3,361 m. (12,775). The majority of the Core Investments are associated companies and are therefore reported at the lower of acquisition cost or fair value in the Parent Company. In the Group, the holdings are reported at fair value. This explains the difference in the value change between the Group and Parent Company for these holdings in 2008. Write-downs of participations in associated companies totaled SEK -11,369 m. (-3,013) and were mainly attributable to SEB, Ericsson and Husqvarna. Write-downs of participations in Group companies had an effect of SEK -12 m. (2,114) on net financial items.

During the year, the Parent Company invested SEK 7,018 m. (17,780), in financial assets of which SEK 4,157 m. (11,230) was in Group companies. Sales of financial assets amounted to SEK 21,381 m. (9,427) and are largely attributable Scania and OMX. No holdings were sold in Group companies during the quarter.

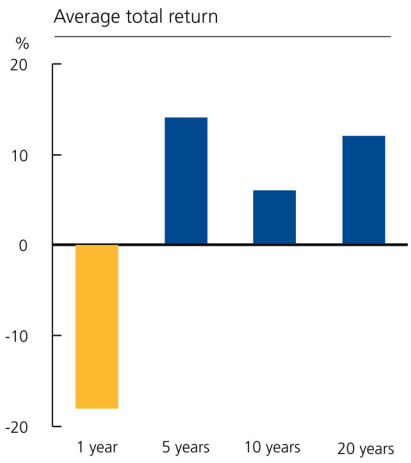
Total debt decreased by SEK 7,298 m. since the beginning of the year. The decrease was mainly due to changes in balances with Group companies. Shareholders' equity totaled SEK 92,999 m. on December 31, 2007 (101,564).

## The Investor share

Read more on investorab.com under "Investors & Media" >>

The total return (sum of share price changes and reinvested dividends) was -18 percent during the year (-10), of which -8 percent in the fourth quarter (-11).

The average annualized total return on Investor shares has been 14 percent over the past five-year period. The total return over the past ten-year period was 6 percent. The corresponding figure for the past 20-year period was 12 percent.




The price of the Investor B-share was SEK 117 on December 31, 2008, compared with SEK 147 on December 31, 2007.

## Risks and uncertainties

Significant risks and factors of uncertainty for the Group and Parent Company include commercial risks in the form of high exposure to a certain holding or sector, of which some, such as the industrial sector, are characterized by cyclical demand. There is also a general risk of value depreciation of holdings linked to the development of the global economy. In addition, there are financial risks mainly in the form of price risks – the risk that the value of a financial instrument, such as shares and debt instruments, might change because of fluctuations in prices, exchange rates or interest rates.

There are also risks towards counterparties, such as financial institutions. Given the turbulent credit market, these risks have increased during 2008 and specifically during the fourth quarter.

## Other

### Proposed dividends

The Board of Directors and the President propose a dividend to shareholders of SEK 4.00 per share for fiscal 2008 (4.75). The dividend level proposed is based on the stated dividend policy, taking into account the uncertain economic outlook.

### Adjusted financial goal

Investor's Board of Directors and management have decided to adjust the financial goal of the company. As of January 1, 2009, Investor's goal is to generate a total shareholder return in excess of the market cost of capital over a business cycle. The previous goal was based on the growth of net asset value.

### Repurchase of own shares

As it has during the past nine years, Investor's Board of Directors has decided to propose to the 2009 Annual General Meeting that it should extend the authorization of the Board to decide on the repurchase of the company's shares. Under such mandate, the Board would be given the opportunity until the next Annual General Meeting – provided they deem this appropriate – to decide on the repurchase of the company's shares. In accordance with current legislation, repurchases can total up to 10 percent of the total shares outstanding in Investor. Any repurchases may be effected over the stock exchange or through offerings to shareholders. It is also proposed that the Board's mandate include the possibility to transfer repurchased shares. See also "Long-term variable remuneration program" below.

### Annual General Meeting

Investor AB's Annual General Meeting will be held at 1:00 p.m. on Tuesday, March 31, 2009, at the City Conference Centre in Stockholm. Investor's audited Annual Report in Swedish will be made available at the company's headquarters, at Arsenalsgatan 8C in Stockholm, as of March 9, 2009.

Notification of participation in the Annual General Meeting can be given starting Monday, February 9, 2009 until Wednesday, March 25, 2009. Notification can be given on Investor AB's website, (www.investorab.com), by completing and mailing the invitation, or by phoning +46 8 611 2910.

Additional information about Investor's Annual General Meeting is available on Investor AB's website.

## New tax proposal

As of 2009, the corporate tax rate in Sweden changed from 28 to 26.3 percent. The change has a positive effect going forward, in addition to a positive effect on Investor's deferred tax liabilities for 2008.

As of 2009, the tax legislation for internal loans changed. Our judgment is that this will have no direct economic impact on Investor, however it could result in an additional administrative burden and uncertainty.

## Long-term variable remuneration program

As in the previous three years, the Board of Directors will propose a long-term variable remuneration program for Investor's employees at the 2009 Annual General Meeting. The program will have, in principle, the same structure as the program for 2008. It is proposed that the long-term variable remuneration program be hedged as before through the repurchase of the company's shares, or through total return swaps. The Board's final proposal will be announced in the Notice of the 2009 Annual General Meeting.

## Accounting policies

For the Group, this interim report has been prepared in accordance with the Swedish Annual Accounts Act and IAS 34 Interim Financial Reporting, and for the Parent Company in accordance with Sweden's Annual Accounts Act and Recommendation RFR 2.1 – Accounting for Legal Entities, issued by the Swedish Financial Accounting Standards Council. Unless otherwise specified below, the accounting policies that have been applied for the Group and Parent Company are in agreement with the accounting policies used in the preparation of the company's most recent annual report.

### New accounting policies in 2008 and restatement of comparative figures for 2007

As of fiscal year 2008, Investor is applying IFRIC 11, IFRS 2 – Group and Treasury Share Transactions, which addresses how share-based payment arrangements are to be classified in entities that receive services from their employees. Up to December 31, 2007 the total cost of the share-based payment for the employees in Investor Group were recorded in the Parent Company. IFRIC 11 states that, in cases where a Parent Company grants rights to its equity instruments to employees of a subsidiary, the cost calculated in accordance with the interpretation is to be recognized as a capital contribution to a subsidiary that receives services from its employees. In accordance with the transition regulations, this interpretation is being applied retroactively and has affected the Parent Company's equity and participations in subsidiaries for fiscal year 2007 by SEK 20 m. The effect on the Parent Company's results for the reporting period January to December 2007 was SEK 4 m. compared to previously published reports.

Starting in 2008 the cost incurred for the share-based payment arrangements for employees in the subsidiaries will be invoiced to the subsidiaries and cash settled on a timely basis.

Other new or revised IFRS principles and interpretations of the IFRIC have not had any effect on the financial position or results of the Group or Parent Company.

### Significant accounting and valuation policies

The following is a brief description of the accounting policies that are of central importance to the preparation of Investor's financial reports.

#### Accounting and valuation of holdings

*Subsidiaries*

Companies that are defined as subsidiaries are consolidated in the Group in accordance with the purchase method and IAS 27 and IFRS 3. In the Parent Company, subsidiaries are reported in accordance with the acquisition value method.

*Associated companies*

For the Group, Investor's main rule is that associated companies are reported as financial instruments, at fair value, in accordance with IAS 39 and IAS 28, paragraph 1. Associated companies in the Operating Investments business area are reported in accordance with the equity method since Investor is involved in the companies' business activities to a larger extent than in holdings in other business areas. In the Parent Company, associated companies are reported in accordance with the acquisition value method.

*Holdings reported within several business areas*

In cases where a holding is reported in several business areas, and the measurement and accounting principles differ, the valuation method applied to the relatively largest share of the holding is also used in the other business areas.

*Other holdings*

All other holdings are reported and valued as financial instruments in accordance with IAS 39. See also below.

#### Financial instruments

*Equity-related investments*

In accordance with IAS 39, equity-related investments are reported at fair value through profit and loss. Equity-related investments are valued as follows:

*Listed holdings*

Listed holdings are valued on the basis of their share price (bid price, if there is one quoted) on the closing date.

*Unlisted holdings*

Unlisted holdings are valued on the basis of the "International Private Equity and Venture Capital Valuation Guidelines" prepared and published jointly by the venture capital organizations EVCA, BVCA and AFIC. However, holdings in the Operating Investments

business area are valued either as associated companies or subsidiaries (see above).

For directly owned holdings (i.e. those owned directly by a company in the Investor Group), an overall evaluation is made to determine the valuation method that is appropriate for each specific holding. It is first taken into account whether a recent financing round or "arms length" transaction has been made, after which a valuation is made by applying relevant multiples to the holding's key ratios (for example, EBITDA), derived from a relevant sample of comparable companies, with deductions for individually determined adjustments as a consequence of, for example, the size difference between the company being valued and the sample of comparable companies. An assessment is then made of the above-mentioned methods to determine the one that best reflects the market value of the holding, and the holding is then valued according to that method. In cases where other valuation methods better reflect the fair value of a holding, this value is used, which means that certain holdings are valued with methods other than the ones described above.

*Fund holdings*
Holdings in funds are valued at Investor AB's share of the value that the fund manager reports for all holdings in the fund and is normally updated when a new valuation is received. If Investor AB's assessment is that the fund manager's valuation does not sufficiently take into account factors that affect the value of the underlying holdings, or if the valuation is considered to deviate considerably from IFRS principles, the value is adjusted.

*Liabilities*
Investor AB uses derivatives to control the exposure of the debt portfolio against fluctuations in exchange rates and interest rates. Hedge accounting is applied to reflect this in the consolidated accounts in cases where a derivative and the underlying loan qualify for this in accordance with IAS 39. When loans and derivatives do not qualify for hedge accounting, loans are valued at the amortized cost and derivatives are reported at fair value through profit and loss.

*Other financial instruments*
Derivatives and short-term investments are reported at fair value through profit and loss.

Financial instruments other than those noted above are reported at the amortized cost.

Property, plant and equipment
In accordance with alternatives in IAS 16, Investor AB's real estate properties are reported at fair value.

Share-based payment
Investor's employee stock option programs and share programs are reported in accordance with the regulations in IFRS 2 for share-based payments that are equity settled. A value for the program is estimated on the grant date which then comprises the basis for the cost that is distributed over the vesting period of the programs. Provisions for social security costs are reported on a continuous basis in accordance with UFR 7 and are thus distributed in the same way as the cost for employee stock option and share programs.

Taxes
The valuation of assets and liabilities at fair value results in temporary differences when the fair value differs from the tax value. In accordance with IAS 12, a deferred tax liability, or deferred tax receivable, is recognized for temporary differences.

Deferred tax receivables resulting from temporary differences, or due to loss carry-forwards, are recognized only to the extent to which it is probable that it can be realized against taxable profits within the near future.

Other

*Changes in value*
For items that were held in the balance sheet at the beginning and at the close of the period, the value change consists of the difference in value between these two dates. For items in the balance sheet that were realized during the period, the value change consists of the difference between the proceeds received and the value at the beginning of the period. For items in the balance sheet that were acquired during the period, the value change consists of the difference between the value at the close of the period and the acquisition cost.

## Financial calendar 2009

| | |
|---|---|
| March 31 | Annual General Meeting |
| April 15 | Interim Report January-March |
| July 14 | Interim Report January-June |
| October 13 | Interim Report January-September |

Stockholm, January 20, 2009



Börje Ekholm

President and Chief Executive Officer

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- Ticker codes:
  INVEB SS in Bloomberg
  INVEb.ST in Reuters
  W:ISBF in Datastream

The information in this interim report is that which Investor is required to disclose under Sweden's Securities Market Act.

It was released for publication at 8:15 a.m. CET on January 20, 2009.

This year-end report and other information are available on www.investorab.com

## Review Report

### Introduction

We have reviewed Investor AB's Year-End report (interim report) for the period January - December 31, 2008. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

### Focus and scope of the review

We conducted our review in accordance with the Standard on Review Engagements SÖG 2410, "Review of Interim Financial Information Performed by the Independent Auditors of the Entity". A review consists of making inquiries, primarily to persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with Standards on Auditing in Sweden RS and other generally accepted auditing practices in Sweden.

The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed on the basis of a review does not give the same level of assurance as a conclusion expressed on the basis of an audit.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not, in all material respects, prepared for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company, in accordance with the Annual Accounts Act.

Stockholm, January 20, 2009

KPMG AB



Carl Lindgren
*Authorized Public Accountant*

This review report is a translation of the original review report in Swedish

# Consolidated Income Statement

| SEK m. | 2008 1/1-12/31 | 2007 1/1-12/31 | 2008 10/1-12/31 | 2007 10/1-12/31 |
|---|---|---|---|---|
| Dividends | 4 903 | 3 884 | 286 | 180 |
| Changes in value | -39 492 | -1 534 | -14 879 | -18 348 |
| Net sales | 417 | 446 | 98 | 115 |
| Cost of services sold | -391 | -427 | -103 | -133 |
| Operating costs | -555 | -535 | -155 | -143 |
| Cost/Income of long-term share-based remuneration | -21 | -17 | -2 | 7 |
| Share of results of associated companies | -1 382 | -1 544 | -794 | -544 |
| **Operating profit/loss** | **-36 521** | **273** | **-15 549** | **-18 866** |
| Net financial items | -288 | -484 | -112 | -267 |
| **Profit/loss before tax** | **-36 809** | **-211** | **-15 661** | **-19 133** |
| Tax | 73 | -156 | 91 | -98 |
| **Profit/loss for the period** | **-36 736** | **-367** | **-15 570** | **-19 231** |
| | | | | |
| *Attributable to:* | | | | |
| Equity holders of the Parent | -36 718 | -365 | -15 562 | -19 238 |
| Minority interest | -18 | -2 | -8 | 7 |
| **Profit/loss for the period** | **-36 736** | **-367** | **-15 570** | **-19 231** |
| **Basic earnings per share, SEK** | **-47.99** | **-0.48** | **-20.67** | **-25.12** |
| **Diluted earnings per share, SEK** | **-47.99** | **-0.48** | **-20.67** | **-25.12** |
| Average number of shares, million | 765.0 | 766.0 | 764.7 | 765.8 |
| Diluted average number of shares, million | 765.9 | 767.8 | 765.7 | 767.8 |

# Consolidated Balance Sheet

| SEK m. | 2008 12/31 | 2007 12/31 |
|---|---|---|
| **Assets** | | |
| Property, plant and equipment and intangible assets | 2 376 | 2 464 |
| Shares and participations | 97 628 | 153 781 |
| Receivables included in net debt | 2 571 | 710 |
| Other receivables | 10 112 | 5 268 |
| Cash, bank and short-term investments | 27 972 | 15 008 |
| **Total assets** | **140 659** | **177 231** |
| **Shareholders' equity and liabilities** | | |
| Shareholders' equity | 115 340 | 155 204 |
| Pensions and similar commitments | 197 | 192 |
| Loans | 22 409 | 19 109 |
| Other liabilities | 2 713 | 2 726 |
| **Total shareholders' equity and liabilities** | **140 659** | **177 231** |

NET CASH / NET DEBT

| SEK m. | 2008 12/31 | 2007 12/31 |
|---|---|---|
| Cash, bank and short-term investments | 27 972 | 15 008 |
| Receivables included in net debt | 2 571 | 710 |
| Loans | -20 931 [1)] | -19 109 |
| Pensions and similar commitments | -197 | -192 |
| **Total net cash / net debt** | **9 415** | **-3 583** |

CHANGES IN SHAREHOLDERS' EQUITY

| SEK m. | 2008 1/1-12/31 | 2007 1/1-12/31 |
|---|---|---|
| **Opening balance as per balance sheet** | **155 204** | **159 320** |
| Translation reserve, change for the period | 798 | 171 |
| Revaluation reserve, change for the period | 13 | -23 |
| Hedging reserve, change for the period | -124 | -211 |
| Dividends to own shareholders | -3 637 | -3 449 |
| Minority interest | -23 | -8 |
| Repurchases of own shares | -153 | -124 |
| Effect of long-term share-based remuneration | -2 | -105 |
| Net income for the period | -36 736 | -367 |
| **Closing balance** | **115 340** | **155 204** |
| *Attributable to:* | | |
| Equity holders of the Parent | 115 238 | 155 061 |
| Minority interest | 102 | 143 |
| **Total shareholders' equity** | **115 340** | **155 204** |

1) Excluding unrealised effects from hedges in Operating Investments of SEK 1,478 m.

# Consolidated Statement of Cash Flows

| SEK m. | 2008<br>1/1-12/31 | 2007<br>1/1-12/31 |
|---|---|---|
| **Operating activities** | | |
| Core Investments | | |
| Dividends received | 3 803 | 3 161 |
| Operating Investments | | |
| Dividends received | 145 | 74 |
| Cash receipts | 423 | 632 |
| Cash payments | -313 | -544 |
| Private Equity Investments | | |
| Dividends received | 330 | 256 |
| Financial Investments and operating costs | | |
| Dividends received | 26 | 62 |
| Cash receipts | 22 815 | 26 728 |
| Cash payments | -23 116 | -27 349 |
| **Cash flows from operating activities before net interest and income tax** | **4 113** | **3 020** |
| Interest received/paid | -248 | -365 |
| Income tax paid | -261 | -239 |
| **Cash flows from operating activities** | **3 604** | **2 416** |
| | | |
| **Investing activities** | | |
| Core Investments | | |
| Acquisitions | -2 150 | -5 567 |
| Divestments | 20 902 | 6 014 |
| Operating Investments | | |
| Acquisitions, etc. | -997 | -2 690 |
| Divestments | -2 | 292 |
| Increase in long-term receivables | -3 652 | -4 208 |
| Private Equity Investments | | |
| Acquisitions, etc. | -4 008 | -4 060 |
| Divestments | 2 937 | 7 401 |
| Financial Investments | | |
| Acquisitions, etc. | -53 | -184 |
| Divestments | 425 | 366 |
| Net changes, short-term investments | -8 782 | 3 049 |
| Acquisitions of property, plant and equipment | -64 | -47 |
| **Cash flows from investing activities** | **4 556** | **366** |
| | | |
| **Financing activities** | | |
| Loans raised | - | 3 960 |
| Repayment of borrowings | -269 | -3 769 |
| Repurchases of own shares | -153 | -124 |
| Dividends paid | -3 637 | -3 449 |
| **Cash flows from financing activities** | **-4 059** | **-3 382** |
| | | |
| **Cash flows for the period** | **4 101** | **-600** |
| **Cash and cash equivalents at beginning of the year** | **5 010** | **5 608** |
| Exchange difference in cash | 40 | 2 |
| **Cash and cash equivalents at end of the period** | **9 151** | **5 010** |

# Segment Reporting

PERFORMANCE BY BUSINESS AREA 1/1-12/31 2008

| SEK m. | Core Investments | Operating Investments [3] | Private Equity Investments | Financial Investments | Investor groupwide | Total |
|---|---|---|---|---|---|---|
| Dividends, etc. | 3 803 | 756 | 319 | 25 | | 4 903 |
| Changes in value | -35 269 | -8 | -3 582 | -633 [1] | | -39 492 |
| Other revenues and expenses | | 26 [2] | | | | 26 |
| Operating costs [4] | -80 | -102 | -200 | -31 | -142 | -555 |
| Cost of long-term share-based remuneration | | | | | -21 | -21 |
| Shares of results of associated companies | | -1 382 | | | | -1 382 |
| **Operating profit/loss** | **-31 546** | **-710** | **-3 463** | **-639** | **-163** | **-36 521** |
| Net financial items | | | | | -288 | -288 |
| Tax | | | | | 73 | 73 |
| **Net profit/loss for the period** | **-31 546** | **-710** | **-3 463** | **-639** | **-378** | **-36 736** |
| Effect on equity | | 581 | | | -72 | 509 |
| Dividends paid | | | | | -3 637 | -3 637 |
| **Effect on net asset value** | **-31 546** | **-129** | **-3 463** | **-639** | **-4 087** | **-39 864** |
| **Net asset value by business area 12/31 2008** | | | | | | |
| Carrying amount | 73 272 | 16 378 | 15 295 | 1 246 | -266 | 105 925 |
| Net cash | | | | | 9 415 | 9 415 |
| **Total net asset value** | **73 272** | **16 378** | **15 295** | **1 246** | **9 149** | **115 340** |

PERFORMANCE BY BUSINESS AREA 1/1-12/31 2007

| SEK m. | Core Investments | Operating Investments | Private Equity Investments | Financial Investments | Investor groupwide | Total |
|---|---|---|---|---|---|---|
| Dividends, etc. | 3 161 | 410 | 251 | 62 | | 3 884 |
| Changes in value | -7 537 | 291 | 5 907 | -195 [1] | | -1 534 |
| Other revenues and expenses | | 19 [2] | | | | 19 |
| Operating costs [4] | -159 | -55 | -205 | -40 | -76 | -535 |
| Cost of long-term share-based remuneration | | | | | -17 | -17 |
| Shares of results of associated companies | | -1 544 | | | | -1 544 |
| **Operating profit/loss** | **-4 535** | **-879** | **5 953** | **-173** | **-93** | **273** |
| Net financial items | | | | | -484 | -484 |
| Tax | | | | | -156 | -156 |
| **Net profit/loss for the period** | **-4 535** | **-879** | **5 953** | **-173** | **-733** | **-367** |
| Effect on equity | | 76 | | | -376 | -300 |
| Dividends paid | | | | | -3 449 | -3 449 |
| **Effect on net asset value** | **-4 535** | **-803** | **5 953** | **-173** | **-4 558** | **-4 116** |
| **Net asset value by business area 12/31 2007** | | | | | | |
| Carrying amount | 127 293 | 11 806 | 17 718 | 2 583 | -613 | 158 787 |
| Net debt | | | | | -3 583 | -3 583 |
| **Total net asset value** | **127 293** | **11 806** | **17 718** | **2 583** | **-4 196** | **155 204** |

1) Changes in value include sales referring to Active Portfolio Management amounting to SEK 23,653 m. (27,380).

2) Other revenues and expenses include net sales in the amount of SEK 417 m. (446) which refer primarily to The Grand Group.

3) Hedge accounting has been applied for Lindorff and Mölnlycke Health Care from July 1, 2008. Consequently the positive currency translation effect reported in the Q3 report has been adjusted.

4) Change in operating costs for the different Business areas in comparison to 2007 is mainly due to changes in the cost-allocation model made in 2008.

# Parent Company Income Statement

| SEK m. | 2008 1/1-12/31 | (Restated) 2007 1/1-12/31 | 2008 10/1-12/31 | 2007 10/1-12/31 |
|---|---|---|---|---|
| Dividends | 3 923 | 3 193 | - | - |
| Changes in value | 3 361 | 12 775 | -2 520 | 313 |
| Net sales | 8 | 26 | 3 | 2 |
| Operating costs | -423 | -444 [1)] | -140 | -105 [1)] |
| Write-downs of associated companies | -11 369 | -3 013 | -8 004 | -2 306 |
| Operating profit/loss | **-4 500** | **12 537** | **-10 661** | **-2 096** |
| | | | | |
| Net financial items | | | | |
| Result from participations in Group companies | -12 | 2 114 | 25 | 2 114 |
| Other financial items | -273 | -488 | -135 | -200 |
| **Profit/loss before tax** | **-4 785** | 14 163 | **-10 771** | -182 |
| | | | | |
| Tax | - | - | - | - |
| **Profit/loss for the period** | **-4 785** | 14 163 | **-10 771** | -182 |

# Parent Company Balance Sheet

| SEK m. | 2008 12/31 | 2007 12/31 |
|---|---|---|
| **Assets** | | |
| Property, plant and equipment and intangible assets | 31 | 29 |
| Financial assets | 116 939 | 137 500 [1)] |
| Current receivables | 6 338 | 1 652 |
| Cash and cash equivalents | 0 | 0 |
| **Total assets** | **123 308** | **139 181** |
| | | |
| **Shareholders' equity and liabilities** | | |
| Shareholders' equity | 92 999 | 101 564 [1)] |
| Provisions | 259 | 269 |
| Non-current liabilities | 28 433 | 22 756 |
| Current liabilities | 1 617 | 14 592 |
| **Total shareholders' equity and liabilities** | **123 308** | **139 181** |

1) Restated, see New accounting policies in 2008 under the section Accounting policies for further information.