

# Interim Report January-June 2009

## Highlights during the second quarter

- 3 Scandinavia continued to report healthy growth and the Swedish operation reached EBIT breakeven for the month of June.
- No significant new investments were made during the quarter.
- The financial position remained strong with a net cash position of SEK 1.8 bn. on June 30, 2009.

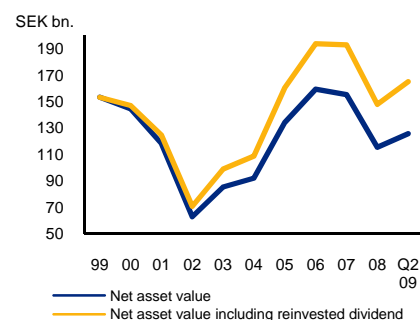
## Financial information

- The net asset value amounted to SEK 125,687 m. (SEK 165 per share) on June 30, 2009, compared to SEK 115,233 m. (SEK 150 per share) at year-end 2008, corresponding to a change, including dividend paid, of 12 percent in the first half of 2009 (-8).
- The consolidated net profit for the first half of the year, including (unrealized) change in value, was SEK 13,830 m. (SEK 18.13 per share), compared with SEK -12,455 m. (SEK -16.26 per share) for the same period in 2008.
- Core Investments had an effect on net asset value of SEK 15,196 m. in the period (-10,595). SEB had the largest positive impact, SEK 3,914 m. and Saab had the largest negative impact, SEK -232 m.
- Operating Investments had an effect on net asset value of SEK -825 m. during the period (-54).
- Private Equity Investments had an effect on net asset value of SEK -709 m. during the period (-1,545).
- The total return on the Investor share was 6 percent in the first half of the year (-10). The total annual return has averaged 12 percent over the past 5-year period.

### Investor's key figures

	6/30 2009	12/31 2008	6/30 2008
Assets, SEK m.	123 934	105 486	140 900
Net cash (+)/debt (-), SEK m.	1 753	9 747	-2 102
Net asset value, SEK m.	125 687	115 233	138 798
Net asset value, SEK/share	165	150	182
<b>Development during the period</b>	<b>1/1-6/30 2009</b>	<b>1/1-6/30 2008</b>	<b>4/1-6/30 2009</b>
Profit (+)/Loss (-), SEK m.	13 830	-12 455	16 850
Basic earnings per share, SEK	18.13	-16.26	22.04
			-4.60

### Trend of net asset value



## Ready to act on opportunities



After seven sequential negative quarters, the Swedish stock market returned 26 percent during the second quarter for a total of 24 percent during the first half of the year. Total return for the Investor share was 19 percent for the quarter and 6 percent for the first half of the year. Our net asset value, adding back dividends, increased by 12 percent during the first half. Disappointingly, our discount has widened. Our objective is to generate an attractive absolute return to our shareholders over time. However, poor relative returns often result in poor absolute returns in the long run. While our short-term relative performance has been unsatisfactory, Investor has generated a higher total return than the Swedish market over the past 1, 5, 10, 15 and 20 years.

### **Recovery: Fragile – Handle with care**

Lately, the focus has been on “green shoots” in the economy. I would be surprised if the global economy isn’t bottoming out and we are on our way to recovery. However, visibility on the fundamental activity level in the economy is poor as we are in the middle of an inventory correction.

I am concerned that the recovery process may not be as robust as we hope. Fundamental imbalances, such as the excessive consumption and over-leverage of the US consumer (accounts for 20 percent of global GDP), still need to normalize. Basically, the consumer needs to slim down consumption, like Star War’s Han Solo noted when trapped in a garbage compactor: “One thing’s for sure, we are all gonna be a lot thinner”.

Moreover, stimulus packages will lead to huge budget deficits for many countries, which over time need to be balanced. The economic impact of the fiscal and monetary stimulus initiatives around the world is not yet apparent. The result may be rather high growth figures in the short term but they do by no means guarantee a renewed period of sustainable growth. Let’s hope the strong equity market rebound does not obscure the need for structural change.

So far, focus has been on rate of change, not absolute activity levels. Let’s remember that many industries have experienced year-over-year drops of more than 20 percent, so any improvement is from a low level – the “green shoots” are at the bottom of a canyon. Volume drops have squeezed profit margins in many companies. Strong demand growth and capacity build-up for many years may also have led to a supply-

demand imbalance that may put further pressure on profit margins. Furthermore, unemployment heading into double digits in many countries and with no sign of slowing down will likely hurt consumer sentiment further. This could introduce additional stress in society with political implications. I don’t think we should count on a sustained rebound in consumer spending until the consumers’ balance sheets have been shored up. I am concerned that some “green shoots” may turn into yellow weeds along a slow road to recovery.

However, a sign that the deterioration is slowing is the number of closed stores on 20 blocks of Madison Avenue in New York: 37 in late June compared with 33 in mid March, which is a smaller increase than during the first quarter. But more importantly, 5 are actually being remodeled for new tenants. Furthermore, it is once again possible to get stuck in traffic jams in New York City and there are also lines to luncheon places. Well, there are signs that the economy is reviving – we have to hope the “Force is with us”.

It is likely that the “Asian Tigers”, led by China, will emerge first from the current slowdown and in better shape than the US and Europe. Continued investments in developing a strong presence for our companies in these markets will be strategically important and rewarding.

### **Core Investments well positioned**

As part of the capital raising in SEB, we actively oversubscribed for shares in relation to our underwriting guarantee. Later in the quarter we sold the oversubscribed shares in order to balance our total exposure to SEB.

As noted earlier, our core investments are generally well capitalized, after cautious dividend payouts and successful capital raisings, and rapidly adjusted cost structures to reflect tough market conditions.

The discussion about variable compensation, often (wrongly) labeled as a bonus, has continued throughout the AGM-season. We believe in a system setting a fair and competitive total compensation. This is actually the level agreed between the company and the employee. We do not want to pay all this in fixed compensation. Instead we think it is better to pay only a portion in fixed compensation and the rest in variable compensation, as it allows the board and management to signal priorities, to pay based on performance and manage fixed costs. I recognize that there are examples of poorly defined systems, but those do not invalidate the concept of variable compensation. Preferably, part of the variable pay should be linked to the long-term development of company equity value. I remain unconvinced about the merits of arbitrary short term (often three-year) objectives, as it introduces targets that may or may not be relevant for long-term value creation. The stock price development over a long time period has all kinds of flaws but remains the best measurement of value creation for shareholders. Instead of short-term performance criteria that make systems complex and hard to evaluate, I think the system should be based on total shareholder return over a long period, even extend beyond time of employment by restricting exercise until after employment ends for the most senior employees. To further align shareholders’ interest and the program, it should include a downside exposure in the form of a substantial

investment by the employee. The owners should set a frame and let each board have the full responsibility for the details. As an owner, I can assure you that we do not want to pay "too much", but we want to have the right people in the right place at the right time.

### **Operating Investments in solid shape**

3 Scandinavia continues to develop well and reached break-even on EBIT level in Sweden for the month of June. The work done by the organization is impressive. But I also would like to thank 3's customers for their continued loyalty to the business.

The weak general economy is now also affecting the health care industry. In general, hospitals are tightening expense control, making sales more difficult. The key profit driver for hospitals, elective procedures, is softening, negatively affecting the surgical division in Mölnlycke and lowering demand for blood, impacting CaridianBCT. Hospitals are, moreover, tightening capex budgets, hurting sales of monitors for Gambro. Despite this environment, our health care companies have shown good sales momentum. Mölnlycke's advanced wound care products continue to report strong growth and market share gains. Another growth contributor and long-term promising area in Mölnlycke is ProcedurePak®. However, it currently has low margins as it is ramping up, diluting overall margin. The cost reduction efforts in Gambro and CaridianBCT are starting to yield results. Gambro's new impressive factory in Opelika AL, is ramping well and is now contributing to top-line growth.

For Lindorff, we continue to see good inflow of new cases, which hurts near term profitability while building a strong platform for future business. The weaker economy is negatively affecting the performance of the existing debt portfolios. However, we believe the current capital starved environment opens up opportunities to buy new portfolios at more appropriate values than last year. Lindorff is also actively reviewing its cost base.

Demand, and consequently sales, earnings and cash flow, are very stable for our Operating Investments, supporting high leverage in the companies. We are comfortable with the leverage we use, but we remain prepared to inject additional capital in our holdings if it is value creating.

We continue to see limited deal flow to expand Operating Investments. However, we are seeing opportunities for add-on acquisitions for our existing holdings. I hope that larger opportunities will emerge as we move further into 2009 and 2010 and the sellers become more motivated. We will continue our efforts to expand Operating Investments in a disciplined way.

### **Tough exit markets for Private Equity**

Investor Growth Capital's value increased by 11 percent in local currencies. Our health care companies are in general less affected by the economic downturn. Additionally, the technology companies have shown good resilience in the current environment. Although recent quarters showed very limited exit activity in the venture capital market, we currently have several well performing companies ready for exit and we will pursue these opportunities when the market opens up.

I believe in the fundamental premise of innovation to create wealth. In recent years, too much effort, and brain capacity, has gone into financial innovation. I hope the future will be dedicated to industrial innovation and real value creation. We are firmly committed to our venture capital investment activity. We now have several interesting growth companies in Investor Growth

Capital's portfolio. Over time, I hope we can internally transfer some companies to our Operating Investments, if a longer holding horizon can generate additional value for Investor.

EQT's value increase was 9 percent in local currencies during the quarter. Increasing multiples on comparables have balanced marginally weaker operational performance. Some portfolio companies have experienced tough financing conditions, including a bankruptcy in Bodilsen (EQT's first). The exit activity in buy-outs is also limited.

### **Positioned for attractive future value creation**

Unfortunately, the downturn in the economy hurts many people. However, after a long period of sustained growth, a downturn could really only have been expected. The slowdown puts pressure on companies and industries to take out excesses, fat that often builds up during strong business cycles. It also rewards companies that already have sound strategies and operational excellence. Even turkeys can fly in a strong wind. Actions need to be taken in a downturn but it is important never to lose sight of the long-term value creation opportunities that arise. It is important to prepare for a tough near-term environment, but continued investments in R&D, strengthening market presence and brand building are important to drive future value. I am convinced that innovation is a key driver for success. Sure, sales may be lower in the near term but our companies are well positioned to capture growth opportunities in the years to come.

We have enjoyed a couple of strong months in the stock markets but I believe we should remain prepared for volatility for some time to come. We have invested SEK 5.3 bn. the last six months at long-term attractive valuations. Our financial position remains solid with net cash of SEK 1.8 bn. Our liquidity is very strong with gross cash resources of SEK 19 bn. Although I believe we should move into net debt territory some time during 2009 or early 2010, we will remain disciplined and only act on opportunities we believe can generate attractive returns.

Dear shareholder, we have had a cautious outlook for the economy - with the current equity market rebound it may look too cautious - and we may have missed the bottom in the market. However, we will never time the exact bottom with all investments. Furthermore, I do not want to use all of our financial resources too early. It will be important to have some dry powder during the whole journey and be prepared when opportunities arise. So far, many companies have trimmed capex and released working capital, but when demand picks up again, capital needs may arise yet again. Access to capital will be a strategic asset that can be used to generate significant value to all fellow Investor shareholders. I think it is wise to follow the wisdom of Santiago, the Cuban fisherman in Hemingway's *The Old Man and the Sea*; "Every day is a new day. It is better to be lucky. But I would rather be exact. Then when luck comes you are ready".



Börje Ekholm

# Development of the Group

In the first half of the year, the net asset value increased from SEK 115.2 bn. to SEK 125.7 bn. The profit for the period, including (unrealized) change in value, was SEK 13.8 bn. (-12.5). The corresponding figure for the second quarter was SEK 16.9 bn. (-3.5). Investor's net cash position amounted to SEK 1.8 bn. at the close of the quarter. Dividend, amounting to SEK 3.1 bn. (3.6), which was reserved and deducted from net cash in the first quarter, was distributed to shareholders during the second quarter.

Read more at [investorab.com](http://investorab.com) under "Investor in Figures" >>

## Net asset value

The net asset value amounted to SEK 125,687 m. on June 30, 2009 (115,233<sup>1)</sup> m.), corresponding to SEK 165 per share (150). The effect on net asset value was SEK 10,454 m. during the first half of the year (-16,359), and SEK 15,902 m. in the second quarter (-7,143).

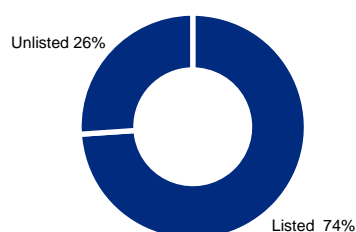
The change in net asset value, with dividend added back, was 12 percent in the first half of the year (-8) and 14 percent during the second quarter (-2). During the corresponding periods, the total return index of the Stockholm Stock Exchange (SIXRX) changed by 24 percent and 26 percent, respectively.

1) For balance sheet items, figures in parentheses refer to year-end 2008 figures. For income items, the figures in parentheses refer to the same period last year.

## Investor's net asset value

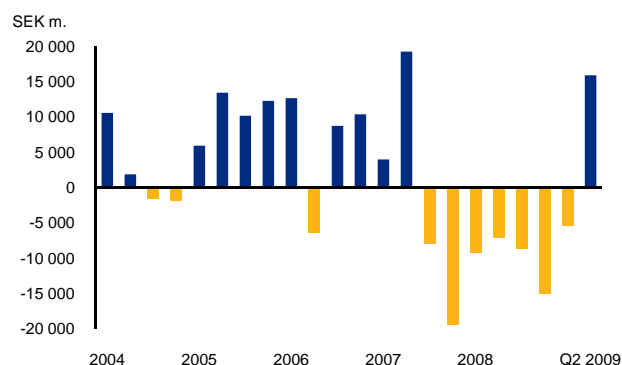
	6/30 2009		12/31 2008	
	SEK/share	SEK m.	SEK/share	SEK m.
Core Investments	119	90 310	96	73 272
Operating Investments	20	15 455	20	15 605
Private Equity Investments	21	15 567	20	15 295
Financial Investments	3	2 284	1	1 246
Other assets and liabilities	0	318	0	68
<b>Total assets</b>	<b>163</b>	<b>123 934</b>	<b>137</b>	<b>105 486</b>
Net cash (+)/debt (-)	2	1 753	13	9 747
<b>Net asset value</b>	<b>165</b>	<b>125 687</b>	<b>150</b>	<b>115 233</b>

## Percentage of listed and unlisted investments, 6/30 2009



Unlisted assets as a share of total investments were 26 percent at the end of the quarter (21).

## 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, long ownership horizon, longer than 5-10 years, listed and unlisted holdings.	Majority ownership or significant minority position.	Share of shareholders' equity in unlisted holdings. Stock price (bid) in listed holdings.
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 profit, including change in value, was SEK 13,830 m. in the first six months of the year (-12,455) of which SEK 16,850 m. was in the second quarter (-3,525).

Core Investments had an effect on net asset value in the period of SEK 15,196 m. (-10,595), Operating Investments SEK -825 m. (-54), Private Equity Investments SEK -709 m. (-1,545) and Financial Investments SEK 683 m. (-51).

In the second quarter, Core Investments had an effect on net asset value of SEK 15,827 m. (-3,511), Operating Investments SEK -542 m. (63), Private Equity Investments SEK 673 m. (161) and Financial Investments SEK 595 m. (14).

## Dividend to shareholders

The dividend payment of SEK 4.00 per share (4.75), totaling SEK 3,059 m., that was reserved and deducted from net cash in the first quarter, was distributed to Investor shareholders in the second quarter (3,637).

## Earnings, Investor Group

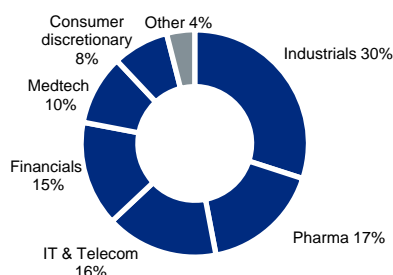
SEK m.	4/1-6/30 2009	1/1-6/30 2009	1/1-6/30 2008
Change in value	16 389	13 512	-15 534
Dividends	1 248	2 554	3 787
Operating costs <sup>1)</sup>	-166	-318	-289
Other items <sup>2)</sup>	-621	-1 918	-419
<b>Profit (+)/Loss (-)</b>	<b>16 850</b>	<b>13 830</b>	<b>-12 455</b>
Dividend	-	-3 059	-3 637
Other	-948	-317	-267
<b>Change in net asset value</b>	<b>15 902</b>	<b>10 454</b>	<b>-16 359</b>

1) Includes costs for long-term variable remuneration programs. For the period 1/1-6/30 2009 the total cost was SEK 18 m (12).

2) Other items include shares of results of associated companies.

See Segment Reporting, page 24, for a detailed presentation of each business area's development.

## Total assets by sector, 6/30 2009



## Total assets by sector and business area on June 30, 2009

SEK m.	Industrials	Pharma	IT & Telecom	Financials	Medtech	Consumer discretionary	Other	Total
Core Investments	37 160	17 591	12 339	15 417	-	7 803	-	90 310
Operating Investments	-	780	1 289	2 935	9 091	462	898	15 455
Private Equity Investments	331	2 117	6 237	-	3 755	1 571	1 556	15 567
Financial Investments and Other	-	-	-	-	-	-	2 602	2 602
<b>Total</b>	<b>37 491</b>	<b>20 488</b>	<b>19 865</b>	<b>18 352</b>	<b>12 846</b>	<b>9 836</b>	<b>5 056</b>	<b>123 934</b>

## Overview of Net Asset Value

	Number of shares 6/30 2009 <sup>1)</sup>	Ownership, 6/30 2009 (%) Capital <sup>2)</sup>	Votes <sup>2)</sup>	Share of total assets, 6/30 2009 (%)	Value, SEK/share, 6/30 2009	Value, SEK m. 6/30 2009	Value, SEK m. 12/31 2008
<i>Core Investments<sup>3)</sup></i>							
ABB	166 330 142	7.3 <sup>4)</sup>	7.3 <sup>4)</sup>	16	26	20 168	19 170
AstraZeneca	51 587 810	3.6 <sup>5)</sup>	3.6 <sup>5)</sup>	14	23	17 591	15 837
Atlas Copco	204 384 326	16.6	22.3	13	21	15 717	13 557
SEB <sup>6)</sup>	456 089 264	20.8	20.9	13	20	15 417	8 608
Ericsson	164 078 702	5.0	19.3	10	16	12 339	9 611
Electrolux	39 165 071	12.7	28.8	3	6	4 210	2 614
Husqvarna <sup>6)</sup>	89 667 692	15.6	28.9	3	5	3 593	2 330
Saab AB	21 611 925	19.8	38.0	1	2	1 275	1 545
				<b>73</b>	<b>119</b>	<b>90 310</b>	<b>73 272</b>
<i>Operating Investments</i>							
Mölnlycke Health Care		62	46	5	8	6 167	6 166
Lindorff <sup>7)</sup>		57	50	3	4	2 935	3 284
Gambro Holding (Gambro & CaridianBCT)		49	49	2	4	2 923	3 386
3 Scandinavia		40	40	1	2	1 289	1 301
Biovitrum	11 647 307	23	23	0	1	780	-
The Grand Group		100	100	0	0	462	592
Other		-	-	1	1	899	876
				<b>12</b>	<b>20</b>	<b>15 455</b>	<b>15 605</b>
<i>Private Equity Investments</i>							
Investor Growth Capital		100	100	7	11	8 000	7 968
EQT		n/a <sup>8)</sup>	n/a <sup>8)</sup>	6	10	7 567	7 327
				<b>13</b>	<b>21</b>	<b>15 567</b>	<b>15 295</b>
<i>Financial Investments</i>		-	-	<b>2</b>	<b>3</b>	<b>2 284</b>	<b>1 246</b>
<i>Other Assets and Liabilities</i>		-	-	<b>0</b>	<b>0</b>	<b>318</b>	<b>68</b>
<b>Total Assets</b>		-	-	<b>100</b>	<b>163</b>	<b>123 934</b>	<b>105 486</b>
<b>Net cash (+) net debt (-)</b>		-	-		<b>2</b>	<b>1 753</b>	<b>9 747</b>
<b>Net Asset Value</b>		-	-		<b>165</b>	<b>125 687</b>	<b>115 233</b>

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) Number of shares and value of holding increased through participation in new rights issues earlier in the year.

7) Lindorff mezzanine loan is reported as "Other".

8) Investor's share of capital in the 13 EQT funds varies from 10 to 62 percent.



# Core Investments

Core Investments had an effect on net asset value of SEK 15.2 bn. for the first half of the year (-10.6), of which SEK 15.8 bn. was in the second quarter (-3.5). Net purchases of shares in Husqvarna were made in the second quarter. The total return for the business area was 21 percent during the first half of the year, of which 21 percent during the second quarter.

Read more at [investorab.com](http://investorab.com) under "Our Investments" >>

## Purchases and sales

In Husqvarna, 865,805 shares were purchased. Additional shares in SEB were purchased during the quarter as part of the capital raising. These shares were later divested during the quarter.

### Events occurring earlier in the year

140,000 shares in Atlas Copco were purchased. In SEB and Husqvarna, 313,561,369 and 29,600,629 shares, respectively, were purchased, representing our pro-rata share of the respective new rights issues.

## Dividends

Dividends from Core Investments totaled SEK 1,575 m. in the first six months of the year (3,166), of which SEK 955 m. in the second quarter (2,722).

## Net asset value

Core Investments had an effect on net asset value of SEK 15,196 m. in the first half of the year (-10,595), of which SEK 15,827 m. was in the second quarter (-3,511). SEB had the largest positive impact of SEK 3,914 m. Saab had a negative impact of SEK 232 m.

The difference in reported portfolio value as of June 30, 2009, compared with December 31, 2008, is explained by the change in value (see table to the right) and net investments during the period.

## Total returns, Core Investments

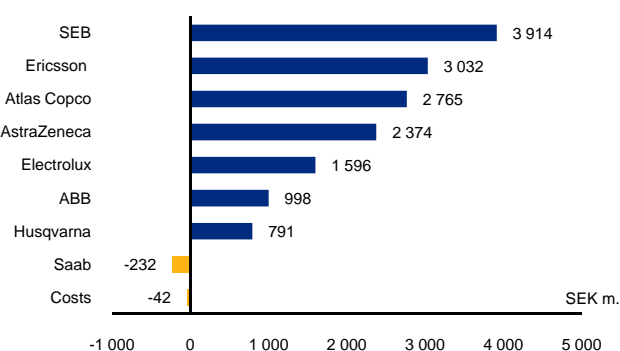
	Total return <sup>1)</sup> 2009 (%)	Average total return <sup>1)</sup> 5 years (%)
ABB	+5	+25
AstraZeneca	+16	+4
Atlas Copco	+20	+19
Electrolux	+61	+15 <sup>2)</sup>
Ericsson	+32	-5
Husqvarna	+21	-5 <sup>3)</sup>
Saab AB	-15	-8
SEB	+8	-7

1) Calculated as the sum of share price changes and reinvested dividends.

2) Figure includes Husqvarna up until spin out of the company on June 13, 2006.

3) Average total return since the IPO on June 13, 2006.

## Core Investments impact on net asset value, 1/1-6/30 2009



## Earnings, Core Investments

SEK m.	4/1-6/30 2009	1/1-6/30 2009	1/1-6/30 2008
Change in value	14 891	13 663	-13 717
Dividends	955	1 575	3 166
Operating costs	-19	-42	-44
<b>Effect on net asset value</b>	<b>15 827</b>	<b>15 196</b>	<b>-10 595</b>

# Operating Investments

Operating Investments had an effect of SEK -825 m. on net asset value for the first half of 2009 (-54), of which SEK -542 m. was in the second quarter (63). The negative effect during the second quarter is mainly attributable to a currency translation effect in Gambro Holding. Mölnlycke Health Care, Gambro Holding (Gambro and CaridianBCT), Lindorff, 3 Scandinavia and Kunskapsskolan are reported with one month's delay.

Read more at [investorab.com](http://investorab.com) under "Our Investments" >>

## Net asset value

In the first half of the year, Operating Investments had an effect on net asset value of SEK -825 m. (-54), of which SEK -11 m. was attributable to Mölnlycke Health Care (286), SEK -348 m. to Lindorff (-), SEK -463 m. to Gambro Holding (44), SEK -151 m. to 3 Scandinavia (-343) and SEK 172 m. to Biovitrum (-).

In the second quarter, Operating Investments had an effect of SEK -542 m. on net asset value (63), of which SEK 145 m. was attributable to Mölnlycke Health Care (171), SEK -191 m. to Lindorff (-), SEK -507 m. to Gambro Holding (67), SEK -169 m. to 3 Scandinavia (-169) and SEK 172 m. to Biovitrum (-).

The negative impact on net asset value from Gambro Holding during the second quarter of SEK -507 m. is mainly explained by the weakening USD which affected the value of CaridianBCT when translated into SEK.

## Debt financing

The debt financing for all Operating Investments (except for 3 Scandinavia) is ring fenced and without guarantees from Investor. The next loan maturities for these companies are 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 the level of cash conversion. Consequently, the level of debt financing of holdings within Operating Investments varies. The debt financing for 3 Scandinavia, which is guaranteed by the owners, falls due in mid-2010.

## Operating Investments

	6/30 2009		12/31 2008	
	SEK/share	SEK m.	SEK/share	SEK m.
Mölnlycke Health Care <sup>1)</sup>	8	6 167	9	6 166
Lindorff <sup>1, 5)</sup>	4	2 935	4	3 284
Gambro Holding <sup>2)</sup>	4	2 923	4	3 386
3 Scandinavia <sup>1)</sup>	2	1 289	2	1 301
Biovitrum <sup>3)</sup>	1	780	-	-
The Grand Group	0	462	0	592
Other <sup>4)</sup>	1	899	1	876
<b>Total</b>	<b>20</b>	<b>15 455</b>	<b>20</b>	<b>15 605</b>

1) Refers to Investor's share of equity and shareholders' loans.

2) Refers to Investor's share of equity.

3) Valued at the official stock price on the NASDAQ OMX Nordic Exchange.

4) Includes the holdings in Kunskapsskolan and Novare, among others.

5) Lindorff mezzanine loan is reported as "Other".

## Development of net asset value, Operating Investments

SEK m.	1/1-6/30 2009
Net asset value on January 1, 2009	15 605
Investments	802
Divestments	-3
Effect on net asset value	
Effect on income	-852
Effect on equity	27
	-825
Effects from holdings on Investor Group level	-124
<b>Net asset value on June 30, 2009</b>	<b>15 455</b>

## Valuation methodology within Operating Investments

In Operating Investments, Investor normally has majority ownership or a stake with significant influence in the underlying investment. Investments classified as associated companies are reported according to the equity method. 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 valuation 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, Kunskapsskolan and 3 Scandinavia are reported with one month's delay. For listed holdings, such as Biovitrum, the official stock price (bid) on the stock market is used for valuing the holding.



## Activities during the quarter

Mölnlycke Health Care continued to show growth during the quarter despite a more demanding economic environment.

Within the Wound Care Division, Advanced Wound Care shows good momentum, gaining market share with particularly strong growth in the US, the APAC region and France. Overall, new products are performing well.

The Surgical Division is impacted by the economic environment since there are fewer surgical procedures performed and thus lower consumption of surgical consumables, such as drapes and staff clothing. However, the volume decline is partly offset by lower material and distribution costs. For gloves and ProcedurePak® (custom prepared procedure trays), the development continues to be positive.

In June, JKT, a market leading company within drapes, gowns and wearing apparel in Poland, was acquired.

## Financial performance year to date 2009

The economic environment has affected sales for the period. Net sales grew by 6 percent, 9 percent in constant currencies. Mölnlycke recorded a normalized EBITDA margin of 25 percent during the period (27). The decrease in EBITDA margin is mainly a consequence of the launch of new products, investments in R&D, sales and marketing efforts, and timing of cost reduction activities.

### Key figures, Mölnlycke Health Care<sup>1)</sup>

Income statement items	H1 2009	H1 2008	Rolling 12-months
Net sales (EUR m.)	412	387	816
Normalized EBITDA (EUR m.)	103	105	212
Normalized EBITDA (%)	25	27	26
Balance sheet items	Q2 2009	Q4 2008	
Net debt (EUR m.)	1 770	1 855	

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

### Brief facts, Mölnlycke Health Care

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

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

	Q2 2009	Q2 2008
Number of employees, period-end	6 510	6 145

## Activities during the quarter

The weak economic climate continued to set the tone in the market. The second quarter was characterized by continued strong increase of new collection cases but also a more challenging collection environment.

The Collection business area continued to see substantial growth in the number of collection cases, mainly driven by the Nordic region. Growth stemmed from the new 3 Scandinavia contract and overall increases from existing customers. The cost reduction and efficiency plan launched in Q1 continued according to plan.

The market for debt portfolio acquisitions continued to be subdued in the second quarter but there are some signs that market activity is starting to pick up.

Within the Capital business area, the weakening economic conditions have had a negative impact on the performance of existing portfolios.

## Financial performance year to date 2009

The high volumes have only partially translated into increasing revenues and profits since solution rates are decreasing and the case inflow is leading to increased costs. Similarly, the weak economic climate and increased unemployment rate have put pressure on the performance of existing portfolios given the drop in solution rates.

Net sales decreased by 1 percent but were flat in constant currencies. The normalized EBITDA<sup>3)</sup> decreased by 29 percent during the period. A portion of the purchase price paid when Investor invested in Lindorff was allocated to existing portfolios. This surplus value has to be amortized over the life of the portfolios, resulting in a higher charge of approximately EUR 23 m., negatively affecting EBITDA for the rolling 12-month period. The rolling 12 month EBITDA is approximately EUR 90 m. excluding this charge.

### Key figures, Lindorff<sup>1)</sup>

Income statement items	H1 2009	H1 2008 <sup>2)</sup>	Rolling 12-months <sup>2)</sup>
Net sales (EUR m.)	137 <sup>4)</sup>	139 <sup>4)</sup>	296
Normalized EBITDA <sup>3)</sup> (EUR m.)	24	34	67
Normalized EBITDA <sup>3)</sup> (%)	18	24	23

Balance sheet items	Q2 2009	Q4 2008
Net debt (EUR m.)	529	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) EBITDA after portfolio depreciation.

4) Including amortization of surplus value of EUR 13 m. for H1 2009 and EUR 12 m. for H1 2008.

### Brief facts, Lindorff

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

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.

	Q2 2009	Q2 2008
Number of employees, period-end	2 250	2 185

## Gambro Holding

Gambro Holding owns Gambro and CaridianBCT. Since net debt of the companies has not been formally distributed, net asset value, the effect on Investor's net asset value, and net debt are reported as a total for the two companies. Changes in the reported net debt in SEK are mainly related to currency translation effects.

### Combined key figures, Gambro Holding<sup>1)</sup>

Balance sheet items	Q2 2009	Q4 2008
Net debt (SEK m.)	25 779	25 483

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



Read more on the web: [www.gambro.com](http://www.gambro.com) >>

### Activities during the quarter

Gambro's business continued to grow during the second quarter despite a tough economic environment. Sales of disposables remained solid but customers' budgets and cash constraints had some impact on monitors and the roll-out of some of the new products.

The recently introduced Polyflux® Revaclear filter, produced in the new factory in the US, enabling efficient clinical treatment of dialysis patients, showed good growth during the second quarter.

Theralite™, an optimized protein permeable membrane to be used in Myeloma Kidney Therapy, was launched during the quarter. In addition, SelectBag One®, a new innovative solution bag designed to improve handling efficiency in the dialysis clinic, was launched.

Gambro continued to see positive effects from the increased investments in R&D and quality improvements initiated two years ago. The company's cost efficiency programs showed good progress throughout the organization.

### Financial performance year to date 2009

Net sales increased by 15 percent during the period, and by 1 percent in constant currencies. Normalized EBITDA increased 62 percent, mainly due to a positive currency impact, a favorable product mix and cost reductions.

#### Key figures, Gambro<sup>1)</sup>

Income statement items	H1 2009	Rolling	
		H1 2008	12-months
Net sales (SEK m.)	6 355	5 522	12 005
Normalized EBITDA (SEK m.)	1 171	722	2 156
Normalized EBITDA (%)	18	13	18

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

#### Brief facts, Gambro

Investment year	2006
Investor's ownership (capital) %	49 <sup>1)</sup>

A global med-tech company and a leader in developing, manufacturing and supplying products, therapies and services for in-center care and self-care hemodialysis, peritoneal dialysis, renal intensive care and hepatic care.

	Q2 2009	Q2 2008
Number of employees, period-end	8 085	8 255

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



Read more on the web: [www.caridianbct.com](http://www.caridianbct.com) >>

### Activities during the quarter

CaridianBCT continued to show growth in constant currencies during the second quarter, although at a slower pace due to the current economic environment. In response to softer demand, the company has implemented a cost reduction program that will adjust operating expenses to the current and projected market development.

The company's core business areas, Automated Collections and Therapeutic Systems, continued to perform well.

In the emerging business areas, Héma-Québec, the only blood products provider in Quebec, signed a multi-year agreement to purchase the Atreus Whole Blood Processing System, as well as the Orbisac system. However, the overall market adaptation for Atreus has been slower than expected.

Within the Pathogen Reduction Technologies business area, a series of Mirasol-specific tests and validations have been initiated in a number of countries.

### Financial performance year to date 2009

Net sales increased 3 percent, 8 percent in constant currencies, during the first half of the year. Normalized EBITDA increased by 7 percent, mainly due to lower operating expenses resulting from the cost reduction program implemented during the quarter.

#### Key figures, CaridianBCT<sup>1)</sup>

Income statement items	H1 2009	Rolling	
		H1 2008	12-months
Net sales (USD m.)	235	228	462
Normalized EBITDA (USD m.)	64	60	115
Normalized EBITDA (%)	27	26	25

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

#### Brief facts, CaridianBCT

Investment year	2006
Investor's ownership (capital) %	49 <sup>1)</sup>

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.

	Q2 2009	Q2 2008
Number of employees, period-end	2 150	2 344

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



Read more on the web: [www.tre.se](http://www.tre.se) >>

## Activities during the quarter

During the second quarter growth continued to be solid and, thanks to tight cost control, 3 Scandinavia showed an improved EBITDA. Subscriber intake on both voice and mobile broadband (ISP) contributed to the subscriber base growth of 87,000 during the second quarter. Growth remains healthy despite the weakening economy now being reflected in somewhat lower customer usage.

At the end of April, 3 Scandinavia launched a service in Sweden enabling customers to connect a fixed-line number to their mobile phone. New handsets launched during the quarter include the Google Android-based HTC Magic. The Apple iPhone 3GS will be launched in Sweden and Denmark during the summer.

The Swedish business within 3 Scandinavia reached an important milestone in EBIT breakeven for the month of June. This is not yet reflected in the results in this report since figures are presented with one month's delay.

## Financial performance year to date 2009

Net sales rose by 12 percent compared with the same period last year. 3 Scandinavia recorded a normalized EBITDA of SEK 133 m (-155).

During the year, Investor invested a total of SEK 176 m. in 3 Scandinavia (539), of which SEK 68 m. in the second quarter. As of June 30, 2009, Investor had invested a total of SEK 6,157 m. in the company since its inception.

### Key figures, 3 Scandinavia<sup>1)</sup>

Income statement items	H1 2009	H1 2008	Rolling 12-months
Net sales (SEK m.)	2 768	2 461	5 454
Normalized EBITDA <sup>2)</sup> (SEK m.)	133	-155	182
Normalized EBITDA (%)	5	-	3
Balance sheet items	Q2 2009	Q4 2008	
Net debt (SEK m.)	10 132	10 235	
Other key figures <sup>3)</sup>	6/30 2009	12/31 2008	
Subscribers	1 384 000	1 231 000	
ARPU <sup>4)</sup> (SEK)	357	379	
Non-voice ARPU <sup>4)</sup> (%)	41	36	
Postpaid/prepaid ratio	89/11	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) refers to the past 12-month period.

### Brief facts, 3 Scandinavia

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

Mobile operator in Sweden and Denmark, specializing in 3G. The company offers a number of services, such as mobile voice, mobile broadband and TV channels for mobile phones.

	Q2 2009	Q2 2008
Number of employees, period-end	2 075	2 180



Read more on the web: [www.biovitrum.com](http://www.biovitrum.com) >>

## Activities during the quarter

During the quarter, Investor acquired 200,000 additional shares in Biovitrum.

Biovitrum showed strong revenue growth in the first quarter. Net revenues before license revenues increased by 78 percent compared to the same period in 2008. The increase is mainly a result of the sales of Kineret® and Kepivance®, the two main products.

## Financial performance

Biovitrum is a listed company and consequently valued at the official stock price. Key figures presented below are the most recently published.

Operating profit (EBIT) increased to SEK 12 (-8.5) m. Following the strengthened US dollar, future milestone payments and loans in US dollar have been recalculated, which has charged the results with approximately SEK 33 m.

### Key figures, Biovitrum

	Value of Investors shares, 6/30 2009	Value of Investors shares, 3/31 2009	
Biovitrum (listed), SEK m.	780	595	
<b>Income statement items as reported by the company</b>	<b>1/1-3/31 2009</b>	<b>1/1-3/31 2008</b>	<b>Full year 2008</b>
Net sales (SEK m.)	355	244	1 141
EBIT (SEK m.)	12	-8.5	-386 <sup>1)</sup>
EBIT (%)	3	-3	-34

1) Including non-recurring cost, which includes restructuring of Research & Development and write-downs of assets, SEK 346.2 m. and cost for building-up of commercial infrastructure SEK 80.2 m.

### Brief facts, Biovitrum

Investment year	2009
Investor's ownership (capital) %	23

A Swedish pharmaceutical company listed on the NASDAQ OMX Nordic Exchange. The company markets a range of specialist pharmaceuticals internationally. Research expertise and capabilities are focused on development and production of biotechnology therapeutics within our prioritized areas of hemophilia, inflammation/autoimmune diseases and malabsorption.

	Q1 2009	Q1 2008
Number of employees, period-end	427	539

## Activities during the quarter

The hotel market continued to soften due to the economic slowdown, impacting Grand Hôtel negatively. The hotel, the conference business and the food and beverage operations were affected. However, the restaurants, Cadierbaren, Mathias Dahlgren and Verandan, performed well.

Grand Hôtel maintained its focus on cost management and cash flow. A cost reduction program has been implemented and Grand Hôtel is taking advantages of the lower occupancy levels to upgrade and renovate some of its rooms and facilities.

The Mathias Dahlgren Restaurant has been selected as one of "The S. Pellegrino World's 50 Best Restaurants". Only two restaurants in Scandinavia have qualified for this honor in the past.

## Financial performance year to date 2009

Grand Hôtel's net sales in the first half of the year were down 16 percent compared to last year, from SEK 198 m to SEK 166 m.

The normalized EBITDA margin decreased from 23 percent to 16 percent.

### Key figures, Grand Hôtel

Income statement items	H1 2009	H1 2008	Rolling 12-months
Net sales (SEK m.)	166	198	373
Normalized EBITDA (SEK m.)	26	45	90
Normalized EBITDA (%)	16	23	24
<b>Balance sheet items</b>	<b>Q2 2009</b>		<b>Q4 2008</b>
Net debt (SEK m.)	507		452

### Brief facts, Grand Hôtel

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

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

	<b>Q2 2009</b>	<b>Q2 2008</b>
Number of employees, period-end	258	335

# Private Equity Investments

The Private Equity Investments business area had an effect on net asset value of SEK -709 m. in the first half of 2009 (-1,545), of which SEK 673 m. in the second quarter (161). The value of the Investor Growth Capital portfolio increased during the quarter, despite adverse currency effects. The value increase in EQT stems mainly from increasing valuation multiples.

Read more at [investorab.com](http://investorab.com) under "Our Investments" >>

## Purchases and sales

Cash flow (divestments less investments) from the Private Equity business was SEK -1,132 m. for the first half of the year (95), of which SEK -438 m. in the second quarter (90).

A total of SEK 1,316 m. was invested in the first half of the year (1,999), of which SEK 495 m. in the second quarter (1,410). Investments during the first half of the year comprised of SEK 519 m. in new investments (1,479) and SEK 797 m. in add-on investments (520).

Investments were sold for SEK 184 m. during the period (2,094), of which SEK 57 m. during the second quarter (1,500).

### Purchases and sales, Private Equity Investments

SEK m.	1/1-6/30 2009	
	Purchases	Sales
Investor Growth Capital	562	148
EQT	754	36
<b>Total</b>	<b>1 316</b>	<b>184</b>

## Net asset value

The effect on net asset value for the first six months was SEK -709 m. (-1,545), of which SEK 673 m. was in the second quarter (161).

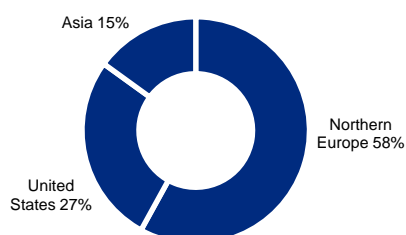
In local currencies, the change in value of Investor Growth Capital was 11 percent in the second quarter. Taking adverse currency effects into account, the change in value increased 4 percent in the second quarter.

The change in value within EQT was 9 percent in local currencies in the second quarter. Slightly increased peer valuation multiples counteracted somewhat weaker earnings during the quarter. The operating and financing environment for Private Equity remains challenging.

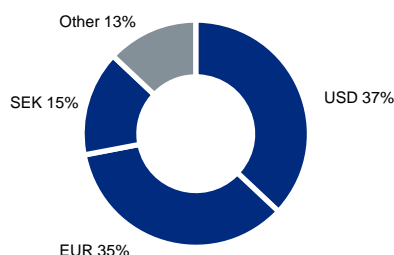
### Earnings, Private Equity Investments

SEK m.	4/1-6/30 2009	1/1-6/30 2009	1/1-6/30 2008
Change in value (incl. dividends)			
Investor Growth Capital	268	-365	-398
EQT	470	-220	-1 051
Operating costs	-65	-124	-96
<b>Effect on net asset value</b>	<b>673</b>	<b>-709</b>	<b>-1 545</b>

### Private Equity Investments by geography



### Private Equity Investments, currency exposure



### Private Equity Investments by unit

	6/30 2009		12/31 2008	
	SEK/share	SEK m.	SEK/share	SEK m.
Investor Growth Capital	11	8 000	10	7 968
EQT	10	7 567	10	7 327
<b>Total</b>	<b>21</b>	<b>15 567</b>	<b>20</b>	<b>15 295</b>

## Investor Growth Capital

Read more on the web: [>>](http://www.investorgrowthcapital.com)

While venture capital activity remained at a relatively slow pace during the second quarter, there are some possible early signs of improvement. Three US venture-backed technology companies had successful IPOs during the quarter, and stock prices have risen substantially in all geographies. However, exit opportunities are still limited as acquisitions of venture-backed companies dropped to the lowest levels of the last ten years. Investor Growth Capital continues to balance its focus between carefully managing the spending levels and cash utilization of its portfolio companies while seeking out attractive new investment opportunities that can capitalize on the current economic conditions.

### Activities during the quarter

No new company investments were made in the quarter.

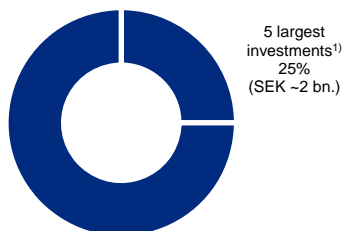
Add-on investments were made in Biolex, Chelsio, OnePhone, Sirion Therapeutics and Tobii. An additional investment was made in Projectplace, an existing portfolio company, which was acquired by a new investment syndicate including Investor Growth Capital.

#### *Activities occurring earlier during the year*

A new investment was made in Mpex Pharmaceuticals.

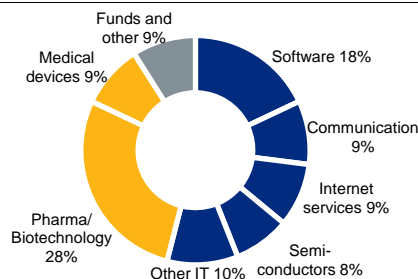
Add-on investments and secondary purchases were made in Air Plus TV, Heartscape, Mindjet and Synosia.

### Value distribution Investor Growth Capital, 6/30 2009



1) As of June 30, 2009, the five largest investments were (in alphabetical order) ePAC Technologies Inc (US), FOI Corporation (Japan), Greenway Medical Technologies (US), Mindjet Corporation (US) and Swedish Orphan International (Sweden).

### Sector exposure Investor Growth Capital, 6/30 2009



### EQT's funds

Read more on the web: [>>](http://www.eqt.se)

#### Activities during the quarter

- EQT III made an add-on investment in Leybold.
- EQT Opportunity portfolio company Bodilsen A/S filed for bankruptcy.
- The previously announced EQT Infrastructure acquisition of Midland Cogeneration Venture, a power plant located in the US, was finalized.

#### *Activities occurring earlier during the year*

- The acquisition of KMD was finalized.

### Investor's Private Equity Investments

Private equity investments have been made since Investor was established in 1916 but were given their current 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-sized 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 U.S., Northern Europe and Asia. EQT, partly owned by Investor, and where Investor is the sponsor, has 13 funds focused on companies in the U.S., Northern Europe and Greater China.

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



# Financial Investments

The business area had an effect on net asset value of SEK 683 m. in the first half of the year (-51), of which SEK 595 m. was in the second quarter (14).

[Read more at investorab.com under "Our Investments">>](#)

Financial Investments had an effect on net asset value of SEK 683 m. in the first six months of the year (-51), of which SEK 595 m. during the second quarter (14).

The single largest positive value contributor was Investor's Active Portfolio Management, contributing with an operating income (dividends and value changes before operating costs) of SEK 286 m. in the first half of the year (105), of which SEK 238 m. in the second quarter (80).

## Financial Investments

	6/30 2009		12/31 2008	
	SEK/share	SEK m.	SEK/share	SEK m.
Financial Investments	3	2 284	1	1 246

## Group

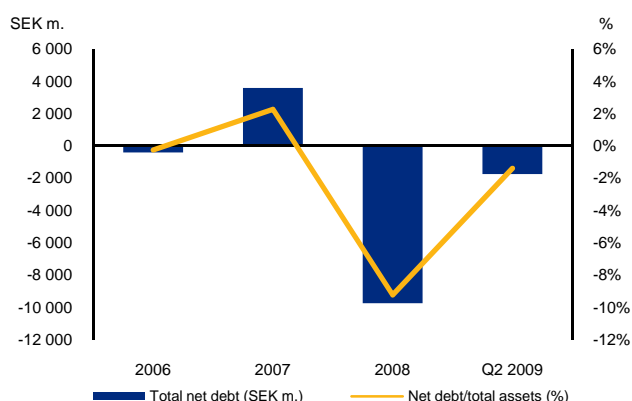
### Consolidated net cash/debt

The consolidated net cash position totaled SEK 1,753 m. on June 30, 2009 (9,747). Net investments and distribution of dividend to shareholders totaled SEK 8,208 m. during the period. Dividends received from Core Investments amounted to SEK 1,575 m. during the period.

The net debt of holdings within the Operating Investments business area such as Mölnlycke Health Care, Gambro Holding and Lindorff, that are financed in ring fenced, stand-alone structures, are not included in Investor's 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 -244 m. (-154). Net financial items include interest income of SEK 234 m. (327) and interest expenses totaling SEK -434 m. (-517). The remaining portion consists primarily of revaluations of loans, currency effects and effects of swaps, such as the hedge for long-term variable remuneration programs.

#### Consolidated net debt



Cash, bank balances and short-term investments amounted to SEK 19,199 m. on June 30, 2009, compared to SEK 27,972 m. at year-end 2008. The Group's short-term investments are invested conservatively, taking into account the risk-adjusted return profile. Group borrowings, totaling SEK 21,527 m. (22,409) include SEK 1,365 m. (1,478) related to unrealized losses from hedges in Operating Investments. Gross debt for the Group amounted to SEK 17,081 m. (17,800) at the close of the quarter, and among others, was affected by an unrealized result from positive hedges of SEK 2,521 m. (2,571).

The average maturity of the debt portfolio was 12.8 years on June 30, 2009 (13.1).

### Operating costs

Operating costs totaled SEK 300 m. during the first half of the year (277). Costs per business area are shown in the segment reporting section on page 24.

The calculation of commitments within the framework for employee stock option programs and share programs resulted in additional costs of SEK 18 m. during the period (12). Investor uses hedges to minimize costs for the programs that arise in connection with increases in Investor's share price. Since the programs launched up to 2005 are hedged with derivative instruments, there is a corresponding hedging effect in the net financial items.

## Parent Company

### Share capital

Investor's share capital amounted to SEK 4,795 m. on June 30, 2009 (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
<b>Total</b>	<b>767 175 030</b>	<b>357 239 262</b>	<b>100.0</b>	<b>100.0</b>

During the second quarter, Investor repurchased 2,200,000 of its own shares amounting to SEK 262 m. in order to hedge the program for long-term variable remuneration. On June 30, 2009, Investor owned a total of 4,683,800 of its own shares (2,483,800). The average number of own shares during the reporting period amounted to 3,227,999 (1,795,200).

### Results and investments

The Parent Company's result after financial items was SEK 12,228 m. (-3,458). Value changes of equity-related holdings reported at fair value, such as ABB and AstraZeneca amounted to SEK 2,740 m. (-2,928). 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 the Parent Company for these holdings in 2009. Reversals of write-downs of participations in associated companies totaled SEK 7,759 m. and was mainly attributable to SEB and Ericsson (-3,466). Reversals of write-downs of participations in Group companies had an effect of SEK 19 m. (-21) on net financial items.

During the six-month period, the Parent Company invested SEK 5,063 m. in financial assets (1,944), of which SEK 562 m. was in Group companies (639). Sales of financial assets amounted to SEK 518 m. (4,352). No holdings were sold in Group companies during the period.

Total debt increased by SEK 985 m. since the beginning of the year. Shareholders' equity totaled SEK 101,831 m. on June 30, 2009, compared to SEK 92,911 m. on December 31, 2008.

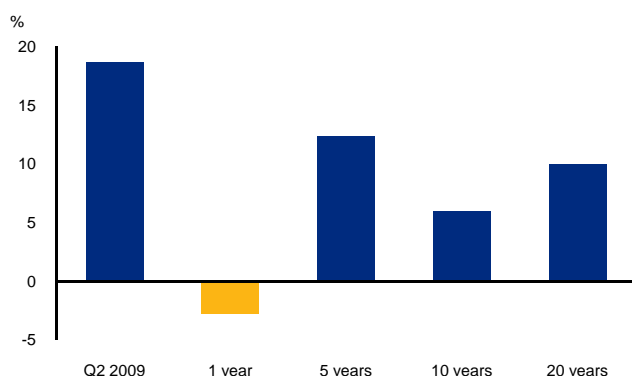
# The Investor share

Read more at [investorab.com](http://investorab.com) under "Investors & Media" >>

The total return (sum of share price changes and dividends added back) was 6 percent during the first half of the year (-10) and 19 percent during the second quarter (-2). The total return over the past 12-month period was -3 percent (-26).

The average annualized total return on Investor shares was 12 percent over the past five-year period, 6 percent over the past 10-year period and 10 percent over the past 20-year period.

## Average Total Return



The price of the Investor B-share was SEK 119 on June 30, 2009, compared with SEK 117 on December 31, 2008.

## Risks and uncertainties

Besides operational risks in the business, 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 the last 12-18 months.

## Other

### Tax audit

Investor is currently undergoing a standard tax audit by the Swedish tax authorities. According to the advance notice received from the tax authorities, additional income may be subject to tax.

### Accounting policies

For the Group, this interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and applicable regulations in the Swedish Annual Accounts Act, and for the Parent Company in accordance with Sweden's

Annual Accounts Act and Recommendation RFR 2.2 – Accounting for Legal Entities, issued by the Swedish Financial Reporting Board. 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 2009

"IAS 1 Presentation of Financial Statements: A Revised Presentation" was amended. In particular the presentation of the financial statements have been changed in some respects and new non-mandatory changes are proposed to the titles of financial statements. This revised IAS 1 standard, which was applied to the Group as of January 1, 2009, has meant that items that were previously recognised directly under equity are now reported in a separate report that discloses items classified as "other comprehensive income". This report is called the Statement of Comprehensive Income and follows the income statement. Investor has decided to retain the old titles of financial statements. This change has been applied retrospectively from December 31, 2007.

Up until December 31, 2008 the defined benefit pension plan via SPP Livförsäkring AB was recognized as a defined contribution plan due to lack of sufficient information available from the Insurance Company. As of January 1, 2009 the necessary information was made available and the Group recognized the plan as a defined benefit plan. This change was applied retrospectively starting December 31, 2007 and for the fiscal year 2008 reduced the Group's equity by SEK 128 m., increased pensions and similar obligations by SEK 107 m. and positively affected the income statement by SEK 21 m. Corresponding effects for the Parent Company include a reduction of equity by SEK 107 m., increased pensions and similar obligations by SEK 88 m. and a positive effect of SEK 19 m. in the income statement. The Group's and the Parent Company's results for the reporting period January to June 2008 was impaired with SEK 5 m. compared to previously published report. The corresponding effect for the period April to June 2008 is an impairment with SEK 4 m. compared to the previously published report.

A change in the accounting of actuarial gains and losses was made for the same period. These items are now recognised as other comprehensive income, instead of profit or loss.

Listed investments in the Operating Investments business area are reported as financial instruments and, at their fair value through profit or loss.

Other new or revised IFRS standards had no material effect on profit or loss, financial position or disclosures for 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 defined as subsidiaries are consolidated in the Group in accordance with the purchase method, IAS 27 and

IFRS 3. In the Parent Company, subsidiaries are reported in accordance with the cost 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. Listed investments in the Operating Investments business area are reported as financial instruments, at fair value through profit or loss.

In the Parent Company, associated companies are reported in accordance with the cost 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 details 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), that are 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 which method 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 and 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.

The Parent Company is taxed in accordance with the regulations for investments companies in Sweden. Capital gains on shares are not taxable and corresponding capital losses are non-deductible. The company instead declares a standard income of 1.5 percent on the market value of listed shares carrying voting rights of less than 10 percent at the beginning of the year, or in excess of 10 percent but which were held for less than 12 months at the beginning of the year.

## Other

### *Changes in value*

For items held on the balance sheet at the beginning and close of the period, the value change consists of the difference in value between these two dates. For items in the balance sheet 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 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

October 13	Interim Report January-September
Jan. 21, 2010	Year-End Report 2009
April 14, 2010	Interim Report January-March
April 14, 2010	Annual General Meeting
July 13, 2010	Interim Report January-July
Oct. 13, 2010	Interim Report January-September

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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 such that Investor is required to disclose under Sweden's Securities Market Act.

The report was released for publication at 8:15 a.m. CET on July 14, 2009.

## For more information:

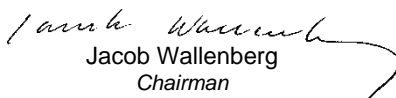
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The Board of Directors declares that the undersigned six-months interim report provides a true and fair overview of the Parent Company's and Group's operations, their financial position and performance, and describes material risks and uncertainties facing the Parent Company and other companies in the Group.

Stockholm, July 14, 2009

  
Jacob Wallenberg  
Chairman

    
Gunnar Brock                      Sune Carlsson                      Sirkka Hämäläinen  
Director                              Director                              Director

    
Håkan Mogren                      O. Griffith Sexton                      Grace Reksten Skaugen  
Director                              Director                              Director

   
Lena Treschow Torell                      Peter Wallenberg Jr  
Director                                      Director

  
Börje Ekholm  
President and Chief Executive Officer  
Director

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

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This interim report and other information are available on [www.investorab.com](http://www.investorab.com)

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## Consolidated Income Statement

SEK m.	(Restated)		(Restated)	
	2009 1/1-6/30	2008 1/1-6/30	2009 4/1-6/30	2008 4/1-6/30
Dividends	2 554	3 787	1 248	2 903
Changes in value	13 512	-15 534	16 389	-6 018
Net sales	174	199	98	119
Cost of services sold	-180	-194	-94	-96
Operating costs	-300	-277	-149	-141
Cost/Income of long-term share-based remuneration	-18	-12	-17	-7
Share of results of associated companies	-1 500	-233	-431	-241
<b>Operating profit/loss</b>	<b>14 242</b>	<b>-12 264</b>	<b>17 044</b>	<b>-3 481</b>
Net financial items	-244	-154 <sup>1)</sup>	-41	-36 <sup>1)</sup>
<b>Profit/loss before tax</b>	<b>13 998</b>	<b>-12 418</b>	<b>17 003</b>	<b>-3 517</b>
Tax	-168	-37	-153	-8
<b>Profit/loss for the period</b>	<b>13 830</b>	<b>-12 455</b>	<b>16 850</b>	<b>-3 525</b>
<b>Attributable to:</b>				
Owners of the Parent	13 850	-12 446	16 838	-3 515
Minority interest	-20	-9	12	-10
<b>Profit/loss for the period</b>	<b>13 830</b>	<b>-12 455</b>	<b>16 850</b>	<b>-3 525</b>
<b>Basic earnings per share, SEK</b>	<b>18.13</b>	<b>-16.26</b>	<b>22.04</b>	<b>-4.60</b>
<b>Diluted earnings per share, SEK</b>	<b>18.11</b>	<b>-16.26</b>	<b>22.02</b>	<b>-4.60</b>
Basic average number of shares, million	763.9	765.4	763.2	765.0
Diluted average number of shares, million	764.6	765.4	763.8	765.0

## Consolidated Statement of Comprehensive Income

SEK m.	2009		2008	
	1/1-6/30	1/1-6/30	4/1-6/30	4/1-6/30
Profit/loss for the period	13 830	-12 455	16 850	-3 525
Other comprehensive income for the period				
Change in revaluation reserve, net of taxes	-126	0	-126	0
Change in hedging reserve, net of taxes	25	-28	-36	20
Foreign currency translation adjustment	16	-5	14	20
Actuarial gains and losses on defined benefit pension plans	0	-35	0	-21
Share of other comprehensive income of associates	27	-48	-538	159
Total other comprehensive income for the period	-58	-116	-686	178
<b>Total comprehensive income for the period</b>	<b>13 772</b>	<b>-12 571</b>	<b>16 164</b>	<b>-3 347</b>
<b>Attributable to:</b>				
Owners of the Parent	13 792	-12 562	16 152	-3 337
Minority interest	-20	-9	12	-10
<b>Total comprehensive income for the period</b>	<b>13 772</b>	<b>-12 571</b>	<b>16 164</b>	<b>-3 347</b>

1) Restated, see New accounting policies in 2009 under the section Accounting policies for further information.

## Consolidated Balance Sheet

SEK m.	(Restated)	
	2009 6/30	2008 12/31
<b>Assets</b>		
Property, plant, equipment and intangible assets	2 215	2 376
Shares and participations	115 507	97 628
Receivables included in net debt	2 521	2 571
Other receivables	10 717	10 112
Cash, bank and short-term investments	19 199	27 972
<b>Total assets</b>	<b>150 159</b>	<b>140 659</b>
<b>Equity and liabilities</b>		
Equity	125 687	115 233
Pensions and similar obligations	312	317 <sup>1)</sup>
Loans	21 527	22 409
Other liabilities	2 633	2 700
<b>Total Equity and liabilities</b>	<b>150 159</b>	<b>140 659</b>

### NET CASH / NET DEBT

SEK m.	(Restated)	
	2009 6/30	2008 12/31
Cash, bank and short-term investments	19 199	27 972
Receivables included in net debt	2 521	2 571
Loans	-21 527	-22 409
Pensions and similar obligations	-312	-317
Adjustment related to Operating Investment	1 872 <sup>2)</sup>	1 930 <sup>2)</sup>
<b>Total net cash / net debt</b>	<b>1 753</b>	<b>9 747</b>

## Consolidated Statement of Changes in Equity

SEK m.	(Restated)		(Restated)
	2009 1/1-6/30	2008 1/1-12/31	2008 1/1-6/30
<b>Opening balance</b>	<b>115 233</b>	<b>155 204</b>	<b>155 204</b>
<b>Changes in Accounting policies, benefit pension plans</b>	<b>-</b>	<b>-47</b>	<b>-47</b>
<b>Opening balance, restated</b>	<b>115 233</b>	<b>155 157</b>	<b>155 157</b>
Dividends to own shareholders	-3 059	-3 637	-3 637
Changes in Minority interest	0	-39	-2
Repurchases of own shares	-262	-153	-153
Effect of long-term share-based remuneration	3	-2	4
Total comprehensive income for the period	13 772	-36 093 <sup>1)</sup>	-12 571 <sup>1)</sup>
<b>Closing balance</b>	<b>125 687</b>	<b>115 233</b>	<b>138 798</b>
<b>Attributable to:</b>			
Owners of the Parent	125 606	115 131	138 665
Minority interest	81	102	133
<b>Total equity</b>	<b>125 687</b>	<b>115 233</b>	<b>138 798</b>

1) Restated, see New accounting policies in 2009 under the section Accounting policies for further information.

2) Excluding items such as non-secured loans in Grand Hôtel of SEK 560 m. (560) and unrealized effects from hedges in Operating Investments of SEK 1,365 m. (1,478).

## Consolidated Statement of Cash Flows

SEK m.	2009 1/1-6/30	2008 1/1-6/30
<b>Operating activities</b>		
Core Investments		
Dividends received	1 575	3 166
Operating Investments		
Dividends received	40	39
Cash receipts	179	197
Cash payments	-161	-161
Private Equity Investments		
Dividends received	432	318
Financial Investments and operating costs		
Dividends received	4	28
Cash receipts	8 672	11 323
Cash payments	-9 716	-12 312
<b>Cash flows from operating activities before net interest and income tax</b>	<b>1 025</b>	<b>2 598</b>
Interest received/paid	-299	-257
Income tax paid	-146	-187
<b>Cash flows from operating activities</b>	<b>580</b>	<b>2 154</b>
<b>Investing activities</b>		
Core Investments		
Acquisitions	-3 825	-1 044
Divestments	450	4 072
Operating Investments		
Acquisitions, etc.	-627	-14
Divestments	5	-
Increase in long-term receivables	-176	-668
Private Equity Investments		
Acquisitions, etc.	-1 486	-2 072
Divestments	181	2 094
Financial Investments		
Acquisitions, etc.	-68	-3
Divestments	221	280
Sale of subsidiaries, net effect on cash flow	4	-
Net changes, short-term investments	1 797	-2 951
Acquisitions of property, plant and equipment	-48	-30
<b>Cash flows from investing activities</b>	<b>-3 572</b>	<b>-336</b>
<b>Financing activities</b>		
Repayment of borrowings	-599	-248
Repurchases of own shares	-262	-153
Dividends paid	-3 059	-3 637
<b>Cash flows from financing activities</b>	<b>-3 920</b>	<b>-4 038</b>
<b>Cash flows for the period</b>	<b>-6 912</b>	<b>-2 220</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>9 151</b>	<b>5 010</b>
Exchange difference in cash	-2	-3
<b>Cash and cash equivalents at end of the period</b>	<b>2 237</b>	<b>2 787</b>
<b>Short-term investments</b>	<b>16 962</b>	<b>12 970</b>
<b>Cash, bank and short-term investments</b>	<b>19 199</b>	<b>15 757</b>

## Segment Reporting

PERFORMANCE BY BUSINESS AREA 1/1-6/30 2009

SEK m.	Core Investments	Operating <sup>1)</sup> Investments	Private Equity Investments	Financial Investments	Investor group- wide	Total
Dividends, etc.	1 575	541	434	4		2 554
Changes in value	13 663	170	-1 019	698 <sup>2)</sup>		13 512
Other revenues and expenses		-6 <sup>3)</sup>				-6
Operating costs	-42	-57	-124	-19	-58	-300
Cost of long-term share-based remuneration					-18	-18
Shares of results of associated companies		-1 500				-1 500
<b>Operating profit/loss</b>	<b>15 196</b>	<b>-852</b>	<b>-709</b>	<b>683</b>	<b>-76</b>	<b>14 242</b>
Net financial items					-244	-244
Tax					-168	-168
<b>Net profit/loss for the period</b>	<b>15 196</b>	<b>-852</b>	<b>-709</b>	<b>683</b>	<b>-488</b>	<b>13 830</b>
Effect on equity		27			-344	-317
Dividends paid					-3 059	-3 059
<b>Effect on net asset value</b>	<b>15 196</b>	<b>-825</b>	<b>-709</b>	<b>683</b>	<b>-3 891</b>	<b>10 454</b>
<b>Net asset value by business area 6/30 2009</b>						
Carrying amount	90 310	15 455	15 567	2 284	318	123 934
Net cash					1 753	1 753
<b>Total net asset value</b>	<b>90 310</b>	<b>15 455</b>	<b>15 567</b>	<b>2 284</b>	<b>2 071</b>	<b>125 687</b>

PERFORMANCE BY BUSINESS AREA 1/1-6/30 2008

SEK m.	Core Investments	Operating Investments	Private Equity Investments	Financial Investments	Investor group- wide	Total
Dividends, etc.	3 166	283	311	27		3 787
Changes in value	-13 717		-1 760	-57 <sup>2)</sup>		-15 534
Other revenues and expenses		5 <sup>3)</sup>				5
Operating costs	-44	-61	-96	-21	-55	-277
Cost of long-term share-based remuneration					-12	-12
Shares of results of associated companies		-233				-233
<b>Operating profit/loss</b>	<b>-10 595</b>	<b>-6</b>	<b>-1 545</b>	<b>-51</b>	<b>-67</b>	<b>-12 264</b>
Net financial items					-154	-154
Tax					-37	-37
<b>Net profit/loss for the period</b>	<b>-10 595</b>	<b>-6</b>	<b>-1 545</b>	<b>-51</b>	<b>-258</b>	<b>-12 455</b>
Effect on equity		-48			-219	-267
Dividends paid					-3 637	-3 637
<b>Effect on net asset value</b>	<b>-10 595</b>	<b>-54</b>	<b>-1 545</b>	<b>-51</b>	<b>-4 114</b>	<b>-16 359</b>
<b>Net asset value by business area 6/30 2008</b>						
Carrying amount	110 548	11 640	15 998	2 770	-56	140 900
Net debt					-2 102	-2 102
<b>Total net asset value</b>	<b>110 548</b>	<b>11 640</b>	<b>15 998</b>	<b>2 770</b>	<b>-2 158</b>	<b>138 798</b>

1) Hedge accounting has been applied for Lindorff and Mölnlycke Health Care from July 1, 2008.

2) Changes in value include sales referring to Active Portfolio Management amounting to SEK 8,955 m. (11,517).

3) Other revenues and expenses include net sales in the amount of SEK 174 m. (199) which refer primarily to The Grand Group.

## Parent Company Income Statement

SEK m.	(Restated)		(Restated)	
	2009 1/1-6/30	2008 1/1-6/30	2009 4/1-6/30	2008 4/1-6/30
Dividends	1 575	3 286	955	2 732
Changes in value	2 740	-2 928	3 767	4 422
Net sales	3	4	2	2
Operating costs	-203	-196 <sup>1)</sup>	-109	-107 <sup>1)</sup>
Write-downs / reversals of write-downs related to associated companies	7 759	-3 466	6 530	-575
<b>Operating profit/loss</b>	<b>11 874</b>	<b>-3 300</b>	<b>11 145</b>	<b>6 474</b>
<b>Net financial items</b>				
Result from participations in Group companies	19	-21	0	-14
Other financial items	335	-137 <sup>1)</sup>	251	-94 <sup>1)</sup>
<b>Profit/loss before tax</b>	<b>12 228</b>	<b>-3 458</b>	<b>11 396</b>	<b>6 366</b>
Tax	-	-	-	-
<b>Profit/loss for the period</b>	<b>12 228</b>	<b>-3 458</b>	<b>11 396</b>	<b>6 366</b>

## Parent Company Balance Sheet

SEK m.	(Restated)		(Restated)
	2009 6/30	2008 6/30	2008 12/31
<b>Assets</b>			
Property, plant and equipment and intangible assets	31	29	31
Financial assets	132 067	128 646	116 939
Current receivables	1 246	520	6 488
Cash and cash equivalents	0	0	0
<b>Total assets</b>	<b>133 344</b>	<b>129 195</b>	<b>123 458</b>
<b>Equity and liabilities</b>			
Equity	101 831	94 312 <sup>1)</sup>	92 911 <sup>1)</sup>
Provisions	328	275 <sup>1)</sup>	347 <sup>1)</sup>
Non-current liabilities	28 463	22 493	28 433
Current liabilities	2 722	12 115	1 767
<b>Total Equity and liabilities</b>	<b>133 344</b>	<b>129 195</b>	<b>123 458</b>
<b>ASSETS PLEDGED AS SECURITIES AND CONTINGENT LIABILITIES</b>			
Assets pledged as securities	861	508	601
Contingent liabilities	10 358	10 358	10 365

1) Restated, see New accounting policies in 2009 under the section Accounting policies for further information.