

Annual report **2011**



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Founded by the Wallenberg family a hundred years ago, we are the leading owner of high quality Nordic-based international companies. Through Board participation, our industrial experience, network and financial strength, we strive to make our companies best-in-class.

Investor in brief

Vision

To be recognized as a premier investor, supporting the development of our portfolio companies to become best-in-class.

Business concept

Investor owns significant minority and majority interests in high quality companies. Through our participation on the Boards of Directors, we work for continuous improvement of the performance of the companies.

With our industrial experience, network and financial strength we strive to make our companies best-in-class. Our cash flow allows us to support strategic initiatives in our companies, capture investment opportunities and provide our shareholders with a dividend.

Objective

Our objective is to build the net asset value, operate efficiently and pay out a steadily rising dividend. Over time, this should allow us to generate an attractive total return to our shareholders.

Our long-term return requirement for investments (with normal financial gearing) is the risk-free interest rate plus an equity risk premium, i.e. 8-9 percent.

Goal fulfillment

We believe a comparison with our return target is only appropriate over longer time periods.

Benchmarking our performance is important and we consider the Swedish stock market, as reflected by the total return index SIXRX, as the most relevant benchmark considering the overall risk profile of our portfolio. As a comparison we also provide the return of the European market.

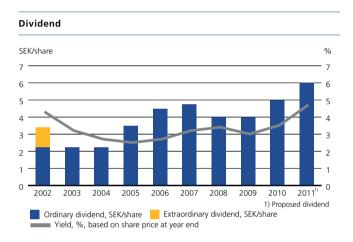
Goal fulfillment					
Years	Return requirement, %	NAV incl. added back % ¹⁾	SIXRX return index, % ¹⁾	STOXX Europe 600 gross return index, % ¹⁾	Investor total return, % ¹⁾
1	8-9	-5.6	-13.5	-8.1	-7.7
5	8-9	1.9	-0.2	-4.4	-2.1
10	8-9	5.5	6.1	1.2	4.8
20	8-9	12.4	12.1	-	12.9
1) Avera	ge annual return.				

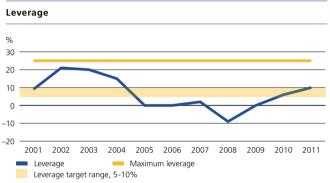
Dividend policy

Our policy is to distribute a high percentage of dividends received from listed Core Investments, as well as to make a distribution from other net assets corresponding to a yield in line with the equity market. Our goal is also to generate a steadily rising annual dividend.



Our target leverage (established in 2007) is between 5 and 10 percent. Given the nature of our business, leverage can fluctuate above and below the desired level over time. However, leverage should not exceed 25 percent over any longer periods of time. Our leverage policy allows us to capture opportunities in the market and support our holdings, while taking our tax status into consideration.





Net asset value development

Our net asset value amounted to SEK 156.1 bn. at yearend 2011. Including dividends added back, our net asset value declined by 6 percent during 2011.

Development of net asset value 250 200 150 2003 2004 2005 2006 2007 2008 2009 2010 2011 Net asset value, including dividends added back Net asset value

Guiding principles

- We have a long-term perspective for all investments.
- We are not a trader of short-term holdings.
- We always act in the best interest of our portfolio companies by fully supporting them in their efforts to create sustainable value, even if this results in lower profits short-term.
- We do not opportunistically invest in sectors, regions or companies which we do not understand.
- We honor the commitments to our holdings and the people running them.

Key figures

Investor's net asset value amounted to SEK 156.1 bn. at year-end 2011, a decline of SEK 13.3 bn. Including dividends added back, our net asset value declined by 6 percent during 2011. Our net debt to assets ratio at year-end was 10 percent and our gross cash position amounted to SEK 13.1 bn.

Overview of net asset value

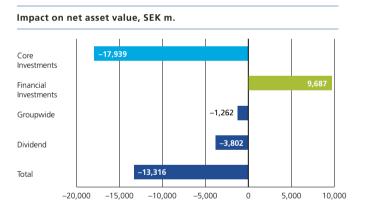
Core Investments contributed to the growth in net asset value by SEK -17.9 bn. in 2011 (29.3). The total return for the listed Core Investments was -13 percent. Financial Investments contributed to net asset value by SEK 9.7 bn. in 2011 (1.7).

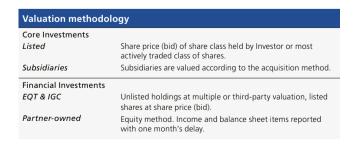
Net debt increased from SEK 11.5 bn. at year-end 2010 to SEK 16.9 bn. at year-end 2011, corresponding to a net debt to assets ratio of 9.8 percent (6.3). The change during the year was mainly explained by the net investments made and our dividend paid.

		12/31 20	11		12/31 2010
	Number of owned shares	Owner- ship, % (capital)	SEK/ share	SEK m.	SEK m.
Core Investments					
Listed					
Atlas Copco	206,895,611	16.8	40	30,365	34,671
ABB	179,030,142	7.8	31	23,188	25,082
SEB	456,089,264	20.8	24	18,282	25,579
AstraZeneca	51,587,810	4.0	21	16,302	15,956
Ericsson	173,728,702	5.3	16	12,112	12,396
Electrolux	47,866,133	15.5	7	5,237	8,054
Saab	32,778,098	30.0	6	4,638	4,032
NASDAQ OMX	18,954,142	10.7	4	3,216	_
Husqvarna	97,052,157	16.8	4	3,062	5,058
Sobi	107,594,165	40.3	2	1,614	3,486
			155	118,016	134,314
Core Investments					
Subsidiaries					
Mölnlycke Health Care		96	18	13,436	13,555
Aleris		98	4	3,342	2,465
Grand Hôtel		100	2	1,208	1,091
			24	17,986	17,111
Total			179	136,002	151,425
Financial Investments					
EQT		n.a.	17	13,214	10,858
Investor Growth Capital		100	13	10,188	8,468
Partner-owned investment	s				
Gambro		49	7	5,239	1,740
Lindorff		58	6	4,337	4,054
3 Scandinavia		40	3	2,395	720
Other partner-owned		n.a.	0	180	128
investments		11.0.			
Other investments			3	2,070	4,068
Total			49	37,623	30,036
Other assets & liabilities			-1	-645	-603
Total assets			227	172,980	180,858
Net cash (+) net debt (-)			-22	-16,910	-11,472
Net asset value			205	156,070	169,386

Development of the Group					
SEK m.	2011	2010	2009	2008	
Change in value	-17,586	28,492	31,327	-39,492	
Dividends	4,330	3,622	2,866	4,147	
Other operating income ¹⁾	480	994	1,113	756	
Management costs	$-656^{2,3)}$	-646	-634	-566	
Other items ⁴⁾	4,144	-1,851	-3,304	-1,571	
Profit/loss	-9,288	30,611	31,368	-36,726	
Non-controlling interest	59	20			
Dividends paid	-3,802	-3,050	-3,059	-3,637	
Other effects on equity	-285	-381	-869	439	
Change in net asset value	-13,316	27,200	27,440	-39,924	

- 1) Includes interest received on loans to associates.
- 2) Includes SEK 72 m. in direct costs related to Investor Growth Capital up until June 30, 2011.
- 3) Includes a restructuring charge of SEK 150 m. during the first quarter of 2011. 4) Other items include, among others, share of results of associates.





Contribution to net debt		
SEK m.	2011	2010
Opening net debt	-11,472	-588
Core Investments		
Dividends	3,998	3,203
Net investments	-5,066	-8,892
Financial Investments		
Dividends	951	451
Net investments	115	-555
Other	-1,634	-2,041
Dividend paid	-3,802	-3,050
Closing net debt	-16,910	-11,472

Management costs

In total, management costs amounted to SEK 506 m. (646), which corresponds to 0.3 percent of total assets at year-end.

During 2011, a cost savings program was initiated, with the aim of achieving direct cost savings of SEK 140 m. with full effect expected by year-end 2012. In addition, Investor Growth Capital has carried its own costs as of July 1, 2011. A SEK 150 m. restructuring charge was taken during the first quarter.

Management costs		
SEK m.	2011	2010
Core Investments	137	104
Financial Investments	190	337
Investor groupwide	179	205
Total before restructuring cost	506	646
Restructuring cost	150	-
Total	6561)	6461)

¹⁾ Up until June 30, 2011, costs relating to Investor Growth Capital (IGC) were included in Investor's management cost. IGC costs not included in the management costs were SEK 70 m. for H2 2011.

Leverage

Investor manages its balance sheet actively, acting on opportunities to extend the maturity profile and raise new debt at favorable terms. The average maturity of the debt portfolio at yearend was 11.2 years (12.1), excluding the debt of our subsidiaries Mölnlycke Health Care, Aleris and Grand Hôtel.

The gross cash position amounted to SEK 13.1 bn. (12.1) at year-end. Leverage was 9.8 percent (6.3) at year-end.

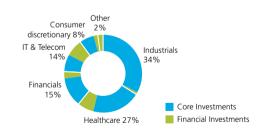
Debt maturity profile SEK m. 7,000 6.000 5,000 4,000 3,000 2,000 1,000

2021

2018 2019

Total assets by sector

0 2012



2037

Portfolio overview

At year-end 2011, Investor's total assets amounted to SEK 173 bn. and the net asset value to SEK 156 bn. Our investments are classified as either Core Investments or Financial Investments. Through substantial ownership and Board representation, we work in the same way with all holdings. Our business teams develop value creation plans, benchmark our investments and provide them with support to maintain or achieve best-in-class positions in their respective industries.

Core Investments, representing 79 percent of our assets, consists of listed holdings and operating subsidiaries. Our ownership horizon is long-term and the objective is to generate a return in excess of Investor's long-term cost of capital (8-9 percent) from dividends, value appreciation and cash flow.

Financial Investments, representing 21 percent of our assets, includes our investments in the EQT funds and Investor Growth Capital, as well as unlisted partner-owned companies. The longterm annual return requirement is 15 percent. Financial Investments should also generate net proceeds to Investor.

Atlas Copco	Share of total assets	18%
A global leader in compressors, construc- tion and mining equipment, power tools and assembly systems. The group oper- ates in more than 170 countries.	Key figures, SEK m. Net sales EBIT, %	2011 81,203 21.6
www.atlascopco.com	Net debt (+)/net cash (-) Market cap., SEK bn. Value of holding Share of capital/votes, %	14,194 172.2 30,365 16.8/22.3

ABB	Share of total assets	13 %
A global leader in power and automation technologies that enable utility and industry customers to improve performance while lowering environmental impact.	Key figures, USD m. Net sales EBIT, % Net debt (+)/net cash (-) Market cap., SEK bn.	2011 37,990 12.3 -1,771 295.7
www.abb.com	Value of holding, SEK m. Share of capital/votes, %	23,188 7.8/7.8

Key figures, SEK bn.	2011
, ,	37.7 15.3
Core Tier 1 ratio, %	13.7
Market cap.	87.9
Value of holding, SEK m.	18,282
Share of capital/votes, %	20.8/20.9
	Total operating income Operating profit Core Tier 1 ratio, % Market cap. Value of holding, SEK m.

AstraZeneca 🕏	Share of total assets	9%
A global biopharmaceutical business with	Key figures, USD m.	2011
ocus on the discovery, development	Net sales	33,591
nd commercialization of prescription	EBIT, %	39.2
edicines.	Net debt (+)/net cash (-)	-2,849
	Market cap., SEK bn.	408.3
	Value of holding, SEK m.	16,302
www.astrazeneca.com	Share of capital/votes, %	4.0/4.0

Marian Co.	Share of total assets	8%
A world-leading manufacturer of single-	Key figures, EUR m.	2011
use surgical and wound care products	Net sales	1,014
and services for the professional health	EBITDA, %	29
care sector.	Net debt (+)/net cash (-)	1,482
	Value of holding, SEK m.	13,436
	Share of capital/votes, %	96/93
www.molnlycke.com		Unlisted

ERICSSON	Share of total assets	7 %
The world's leading provider of technol-	Key figures, SEK bn.	2011
ogy and services for telecom operators.	Net sales	226.9
Ericsson is the leader in 2G, 3G and 4G	EBIT, %	9.5
mobile technologies.	Net debt (+)/net cash (-)	-39.5
	Market cap.	224.7
	Value of holding, SEK m.	12,112
www.ericsson.com	Share of capital/votes, %	5.3/21.5

🖸 Electrolux	Share of total assets	3%
A global leader in household appliances and appliances for professional use, selling more than 40 million products in more than 150 markets every year.	Key figures, SEK m. Net sales EBIT, %	2011 101,598 3.1
www.electrolux.com	Net debt (+)/net cash (–) Market cap., SEK bn. Value of holding Share of capital/votes, %	6,367 31.1 5,237 15.5/29.9

SAAB	Share of total assets	3%
Serves the global market with world-	Key figures, SEK m.	2011
leading products, services and solutions	Net sales	23,498
for military defense and civil security.	EBIT, %	7.5
	Net debt (+)/net cash (-)	-5,333
	Market cap., SEK bn.	14.9
	Value of holding	4,638
www.saabgroup.com	Share of capital/votes, %	30.0/39.5

■ Core Investments ■ Financial Investments

2% Aleris Share of total assets A leading provider of healthcare and care Key figures, SEK m services in the Nordic region on behalf Net sales 5.123 of municipalities, county councils and EBITDA, % insurance companies. Net debt (+)/net cash (-) 2,811 Value of holding 3,342 Share of capital/votes, % 98/99 www.aleris.se Unlisted

8% **EQT** Share of total assets The EQT private equity funds invest in Kev figures, SEK m companies in Northern and Eastern Value change, % 31 Europe. Asia and the U.S., in which they Value change, % SEK 31 can act as a catalyst to transform and Net cash flow to Investor 1,004 grow operations. Value of holding 13,214 Share of funds, % 6-64 www.eat.se Unlisted

2% NASDAQ OMX Share of total assets One of the world's largest exchange operators, offering listings, trading, ex-Net sales 1.690 change technology and public company EBIT, % 41.2 services across six continents, with Net debt (+)/net cash (-) 1.688 approximately 3,600 listed companies. Market cap., USD bn. 4.3 Value of holding, SEK m. 3,216 www.nasdaqomx.com Share of capital/votes, % 10.9/10.9

6% Investor Growth Capital Share of total assets Makes expansion stage venture capital Key figures, SEK m investments in growth companies within Value change, % 6 technology and healthcare in the U.S. Value change, % SEK 10 and China. Distribution to Investor 674 Value of holding 10,188 Share of capital/votes, % 100/100 www.investorgrowthcapital.com Unlisted

2% **H**Husqvarna Share of total assets The world's largest producer of outdoor Key figures, SEK m. 2011 power products, a world leader in cutting Net sales 30.357 equipment and diamond tools, and FRIT % 5.3 European leader in consumer watering Net debt (+)/net cash (-) 6,921 products. Market cap., SEK bn. 18.0 Value of holding 3.062 Share of capital/votes, % www.husqvarna.com 16.8/30.1

3% GAMBRO. Share of total assets A global medical technology company and a leader in developing, manufactur-Net sales 10.928 ing and supplying products and therapies FRITDA % 19 for kidney and liver dialysis, myeloma Net debt (+)/net cash (-) 8,572 kidney therapy and other extracorporeal Value of holding 5,239 therapies. Share of capital/votes, % 49/49 www.gambro.com Unlisted

1% 🕕 SODI Share of total assets A Swedish integrated biopharma Key figures, SEK m company with international market Net sales 1,911 presence, developing and commercial-EBIT, % 14.7 izing pharmaceuticals for patients with Net debt (+)/net cash (-) 496 Market cap., SEK bn. 4.0 Value of holding 1,614 www.sobi.com Share of capital/votes, % 40.3/40.5

2% LINDORFF Share of total assets A leading credit management company in Europe. The company has operations Net sales 337 in Denmark, Estonia, Finland, Germany, EBITdA, % 28 Latvia, Lithuania, The Netherlands, Nor-Net debt (+)/net cash (-) 669 way, Russia, Spain and Sweden. Value of holding, SEK m. 4,337 58/50 Share of capital/votes, % www.lindorff.com Unlisted

1% GRAND HÔTEL Share of total assets Scandinavia's leading five-star hotel. 2011 Key figu opened in 1874. It occupies a landmark Net sales 396 building with a unique location on the FBITDA. % 17 waterfront in central Stockholm. Net debt (+)/net cash (-) 545 Value of holding 1,208 Share of capital/votes, % 100/100 www.grandhotel.se Unlisted

1% Share of total assets 3 Scandinavia is a mobile operator Key figures, SEK m providing voice and broadband services Net sales 8,911 in Sweden and Denmark. The company FBITDA. % 27 has more than 2 million subscribers, and Net debt (+)/net cash (-) 10,472 is well-recognized for its high-quality Value of holding 2,395 network Share of capital/votes, % 40/40 www.tre.se Unlisted

Letter from the chairman

Dear Shareholder,

2011 was a year with the world in turmoil. Risks, both political and economic, increased in many aspects and the need for sustainable growth as a remedy to several macroeconomic imbalances became apparent. During the year, we sought to make Investor a stronger company by reinforcing our principles and renewing our commitment to a well-tested business model. We strengthened our focus on Core Investments and managed down our cost base rigorously.

These changes provide a strong platform for Investor to meet the challenges in an uncertain world. We are confident that this more focused approach will enable us to strengthen our role as long-term, active and engaged owners long into the future.

The changes we made were not in any sense revolutionary; we did not turn our business model upside down. Instead, we deepened our focus on doing what is in the long-term interests of our companies. We have taken the lessons learned from almost a century of ownership during both buoyant and difficult economic times to put in place a system to support and challenge managements and to build partnerships that will continue to deliver profitable growth over decades, not just a few quarters.

Let me review our key priorities:

- First and foremost, we aim to be long-term owners of first class businesses. This means helping our companies to secure market leadership, to nurture their management talent, to invest in new horizons and to identify potential risks.
- Second, we want Investor to, by means of active ownership, deliver net asset value growth (including dividends added back) that outperforms the market cost of capital over time. This shall be achieved predominantly through value appreciation of our holdings, not by realizations. Our model remains to build strong companies over time, not buying and selling with a predefined investment horizon. We will continue to buy shares in our Core Investments when prices are attractive, as we did this year with ABB, Atlas Copco, Electrolux, Ericsson, Husqvarna and NASDAQ OMX. In addition, we will continue to offer our support when our portfolio companies make acquisitions or divestments.

 And third, to generate sustainable cash flow, gaining from the success of our listed and unlisted Core Investments and Financial Investments, as well as from our own cost savings initiatives, giving us added financial flexibility.

Realizing opportunities in a post-crisis world

The hopes of an economic recovery in 2011 did not materialize. Instead the shadow of a double-dip recession hung over Europe and a crisis of confidence in the Eurozone continued to take its toll. While we believe Europe will overcome its difficulties in time, the short-term pressures and risks remain substantial. The interconnectedness of European sovereign debt and the global banking system has become very evident.

However, there is a great deal of opportunity elsewhere, for example in the U.S., still the world's most powerful economy, and with an unrivalled ability to innovate and reinvent. The recession hit the U.S. hard, but there are some signs of recovery, with unemployment coming down, consumers spending more, and a return to growth. The world needs America's dynamism, its ability to give birth to the newest technologies and its capacity for creating global brands.

There is also huge opportunity to be found in the world's growing markets in Asia, Latin America and Africa. All of the negative economic noise emanating from Europe and the U.S. during the past few years has at times drowned out more vibrant signals from these growth regions.

With expectations of recovery, if not in 2012, at least in 2013, we must not let pessimism undermine the efforts to boost global growth.

"We have taken the lessons learned from almost a century of ownership during both buoyant and difficult economic times to put in place a system to support and challenge managements and to build partnerships that will continue to deliver profitable growth over decades, not just a few quarters."



Maintaining competitiveness and promoting growth

In the face of austerity measures, and the political fallout that would result, I expressed concern last year about the rise of protectionism. We are witnessing serious threats to the global economy in the form of shortsighted measures to enact barriers to trade, people and capital. Examples of this are the languishing Doha Round negotiations and tit-for-tat trade sanctions between the U.S. and China, to name just a few.

We cannot allow politics to undermine competitiveness. We must continue to improve productivity, which is the most fundamental source of economic growth. If we do not succeed in this in Europe, we will have difficulties coping with competition from the worlds growth markets. Growth will be difficult to achieve in the years to come, in Sweden as well as in the European Union. To create new jobs will be a big challenge, not the least when it comes to young people. If we do not succeed in this, we risk considerable social unrest and economic problems for a long period of time.

Learning from the Nordic model

In the World Economic Forum's Global Competitiveness Index (GCI) 2011, Sweden was ranked 3rd. However, let us not become complacent. It is therefore important to remember how Sweden's competitiveness was shaped. As a small, trade-dependent country, Sweden boasts more multinationals per capita than nearly any other nation in the world. Dependency on trade, or exports to be more precise, pushed Sweden to be highly competitive. We simply must succeed in markets such as China and Brazil. Many of Investor's core investments are perfect examples of how to achieve this. For Atlas Copco, China is the single largest market. For ABB and Ericsson, it is the second largest.

We have learned to deliver our best to customers in these markets. At the same time, we are highly aware that competitors from these new markets are arriving in our own home markets and will compete fiercely with us. They offer high-quality, costeffective products. We will sustain our competitive position only by continuously striving to improve our offering, particularly when it comes to R&D, innovation and service. This is what we can deliver. At the same time it is imminent that we focus on the agenda of growth in Sweden and in the European Union through a positive debate involving all stakeholders.

Making the case for business

An important development in 2011 was the clamor for companies to prove their value to society.

Investor's approach is tied to sustainable operations, understanding our impact on stakeholders, making decisions based on high standards of corporate governance and to accepting our responsibilities as key institutions in society. All of this is aimed at building best-in-class companies with a long-term perspective.

2011 was a challenging year for Investor, as we implemented several important changes. Our team, led by Börje Ekholm, has made extraordinary contributions to performance during the year. On behalf of the Board, I would like to thank them for their continued commitment and hard work.

We also wish to thank you, our shareholders, for your continued support. We would not be able to fulfill our long-term vision without your vote of confidence in our business model. We remain committed to creating value for you today and in the

Jacob Wallenberg Chairman of the Board

Janh Wallenber

Important strategic steps taken

Our efforts to build a stronger Investor continued during 2011. We conducted a strategic review resulting in an increased focus on our Core Investments. Through our daily grind, we support our companies in their work to become best-in-class. Most of them developed well during the year, although equity markets were weak. The Swedish return index declined by 14 percent, while our net asset value, including dividends added back, was down 6 percent. Our total return to shareholders was –8 percent.

Strategy update

Since the inception in 1916, Investor is committed to owning and building great companies. Through our representatives on the Boards, we work with our companies to make them best-inclass. Building great businesses takes time. Our long-term ownership horizon allows us to support our companies in taking the right decisions. At the same time, one must remember that long-term success consists of many short-terms.

In 2005 we laid out a strategy including a continued focus on select core investments and the building of a portfolio of unlisted companies with the ambition to add operating subsidiaries. Operating subsidiaries provide Investor with an additional source of sustainable cash flow, giving us greater flexibility on capital allocation and providing our shareholders with a potential for proprietary returns.

After the addition of two operating subsidiaries in combination with the recognition that our structure had become increasingly complex, we initiated a strategic review during 2010. Consideration was given to potential structural alternatives, including a possible separation of selected holdings into a new company. This review was conclusive in determining that the continuation of Investor AB as a single entity provides the greatest value to our shareholders long-term. A single entity creates the strongest flexibility to optimize investments and fund future dividends to our shareholders.

The strategic review concluded that we should focus even more on Core Investments and simplify our business, which also allowed us to reduce central costs. Our ambition is to reduce our annual costs by SEK 140 m., with full run-rate effect by the end of 2012. Our central costs should then approach SEK 350 m. in annual run-rate.

FOCUS ON CORE INVESTMENTS

We included NASDAQ OMX, Sobi, and the subsidiaries Mölnlycke Health Care, Aleris, and Grand Hôtel and together with our existing eight holdings – in our business area Core Investments, which at year-end 2011 represented 79 percent of our total asset value. This percentage will grow over time as our partner-owned financial investments, Gambro, Lindorff and 3 Scandinavia, will either become core investments or be divested.

PLATFORM FOR CASH FLOW GENERATION IN PLACE

Investor's ambition is to generate strong, sustainable cash flow. We will receive dividends and redemptions from listed core investments, free cash flow from operating subsidiaries and annual cash flow from financial investments – primarily EQT and Investor Growth Capital.

The free cash flow in our subsidiaries has so far been used to reduce their net debt. When debt reaches normalized levels, the free cash flow can be distributed to us. The cost savings we are currently implementing will further strengthen our cash generation

In general, our companies are in good shape. During 2011 we received dividends of SEK 4.0 bn. from listed core investments. We expect to receive about SEK 4.7 bn. in dividends during the course of 2012.

OBJECTIVE

The objective of Investor is to build net asset value, operate efficiently and pay out a steadily rising dividend. Over time, this should allow us to generate an attractive total return to our shareholders.

Our focus is on growing the intrinsic value of our portfolio, in other words the value of the future cash flows the companies generate. We find that the growth in net asset value is the best

"The objective of Investor is to build net asset value, operate efficiently and pay out a steadily rising dividend. Over time, this should allow us to generate an attractive total return to our shareholders."



proxy for the growth in the intrinsic value. To benchmark our performance, we believe that comparing the growth in net asset value, adding back dividends, with the total return on the Swedish stock market is the most appropriate. However, with our portfolio composition, including a large share of unlisted assets, our net asset value growth is likely to underperform in strong markets and outperform in weak markets.

STRONG OWNER IN HIGH QUALITY COMPANIES

The Board and the Management Group are convinced that we, after the strategy update, have a stronger, more focused platform in place for the coming years. The foundation of our model is our great-performing companies and their prospects for profitable growth. We will always act in the best interest of our holdings since we believe this to be the most rewarding strategy for our shareholders longer-term.

Daily grind 2011

One part of our strategy is to increase ownership in selected core investments in times of attractive valuation levels. During the last six months of 2011, we invested a total of SEK 3.4 bn. in ABB, Atlas Copco, Electrolux, Ericsson, Husgvarna and NASDAQ OMX.

We also follow other companies, unlisted and listed, that have the potential of becoming core investments. In order to add a new core investment we must, on a friendly basis, be able to become a lead owner with significant influence.

STAYING TRUE TO OUR CONVICTIONS

We continue to support our holdings in making value creating investments in R&D, product launches and deeper penetration into growth markets. We are dedicated to holding our core investments for a very long time. Our diversified portfolio of iconic companies in combination with our financial strength

provides stability and allows us to act on opportunities in a volatile world. We continue to believe that "luck never gives – it only

The role of a company in society is to supply customers with high-quality products and services. If these are produced costeffectively, shareholders receive a profit. I am convinced that achieving this requires a long-term focus. Our core investments are examples of the fact that it takes time to build great companies. Over the last decades, many companies have been increasingly tempted to focus on the short-term as an increasing portion of the shares are owned by short-term holders. Such investors tend to focus on short-term, even daily, movements in the share price, and are motivated by the short-term profit outlook rather than the long-term building of profitable companies. Long-term focused shareholders, like Investor, have another perspective and consequently a different strategy.

I would like to take the opportunity to praise the Boards of our companies and the staff in our companies and at Investor for their relentless work during 2011. We are well prepared to capture opportunities during 2012, as well as to carefully execute the daily grind of being an active owner. Successfully executed, this will result in our net asset value, with dividend added back, outgrowing the general market over time.

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Börje Ekholm President and Chief Executive Officer

Value creation

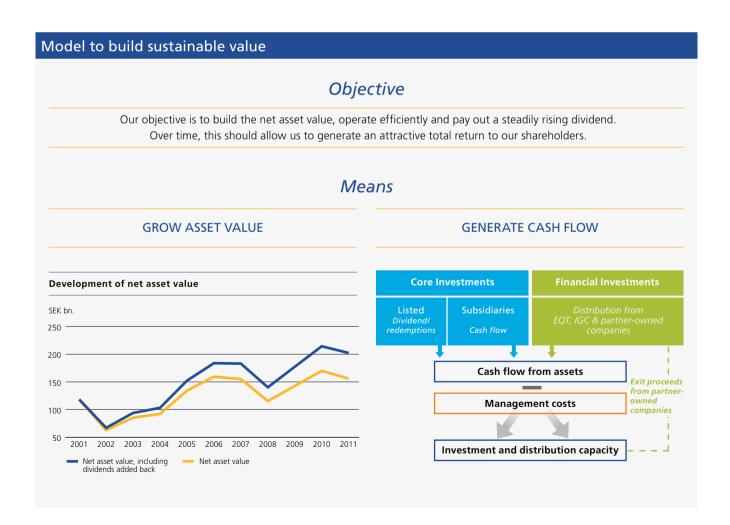
We are dedicated to building strong companies and thus creating long-term sustainable value. Our ownership horizon is long. We are actively engaged, focusing on doing what is long-term industrially right for each company.

The Boards of our companies – the central body

The Boards are at the center of our governance model. The Board should always act in the best interest of the company and all shareholders. Its responsibilities include establishing the strategy for the company, appointing the right CEO, setting the compensation level of the CEO and monitoring operational performance. Consequently, it is critical to have a Board with relevant industrial and financial expertise, in combination with integrity, business judgement and passion for business.

The Board also has the task of challenging and questioning management, and to support it in difficult decisions.

We utilize our wide network when appointing Board members. Our ambition is to have two Board representatives in our holdings, including the chairman or vice chairman. We encourage the Board and management to own shares in the company and advocate remuneration systems linked to long-term shareholder value creation.

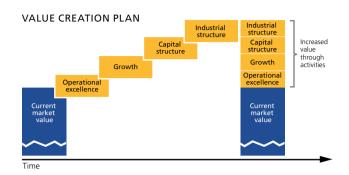


Strategies

SIGNIFICANT OWNERSHIP

Our business model is based on significant ownership positions in each company allowing us to impact key decisions. We have a long-term ownership horizon and engage in industries we understand. We actively support our companies in taking long-term decisions for future growth. This way we can support them to move into segments, geographies or technologies with long-term value potential. For example, we strongly encourage our companies to strengthen their presence in the world's growth regions and to establish and expand service and after market businesses. We also support strong focus on R&D and new product launches to sustain long-term profitable growth.

Our business teams, consisting of in-house professionals and Board representatives for each holding, develop value creation plans for each company, identifying strategic key drivers that the company should focus on during the next 3-5 years. Benchmarking serves as a starting point to set relevant ambitions for each company and to ensure that it is best-inclass. The value creation plans target four areas; operational excellence, growth, capital structure and industrial structure. The setup with business teams enables our Board members to drive a number of key activities deemed to maximize the impact on the long-term competitiveness and value creation of the companies.



Operational excellence

Detailed benchmarking relative to competitors forms the basis for our work to identify potential areas where our companies can improve long-term profitability and efficiency, such as gross margins, operational costs (including SG&A and R&D), flexibility of cost structures, level of off-shoring and working capital.

Value-creating growth

Growth is a key value driver in companies with high return on capital. We look for organic growth, for example expansion on new geographic markets, new customer bases and growth through innovation and acquisitions.

Right capital structure

Holdings should have a capital structure that allows them to implement their business plan. In cases of overcapitalization, the surplus should be redistributed to the owners. In cases of undercapitalization, the owners should be willing to inject equity, assuming it is value-creating.

Right industrial structure

Value creation can sometimes be achieved by changing the company's structure through major industrial transactions (mergers and acquisitions), by divesting non-core business activities or by dividing a company into separate entities if better value is created through the independent management of smaller parts.

HIGH QUALITY COMPANIES

We invest in sectors and geographic regions we know and where our experience and skills can add value. We own companies that:

- are market leaders with a proven track record in both good times and bad.
- have the ability to generate sustainable free cash flow.
- · are well positioned for capturing growth opportunities.
- are exposed to long-term growth markets and/or trends.
- have cash flow stability through large portion of revenues from service and after market.
- have a strong innovation capability.

FLEXIBILITY TO ACT

We have a strong financial position and thus high flexibility. Our leverage target is 5-10 percent of assets over a business cycle, but we have the ability to increase leverage to a maximum 25 percent for a limited period of time. We have long duration on our debt portfolio, with limited near term refinancing needs, and readily available cash resources.

Our flexibility allows us to:

- support our holdings as they pursue aggressive strategic initiatives.
- inject additional capital if it creates value for our shareholders.
- invest when the timing is right, without being forced to sell any holdings.

COST EFFICIENT

We operate cost-efficiently, maximizing the cash flow for investments and distribution to shareholders. Following the significant cost savings initiated in 2011, our central costs should approach a SEK 350 m. run-rate, approximately 0.2 percent of total assets, by yearend 2012, compared to a level of SEK 646 m. in 2010. We are committed to maintaining stringent cost control.

Core Investments

Core Investments, representing approximately 80 percent of our total assets, consists of our listed holdings in which we are a significant owner, and the operating subsidiaries, Mölnlycke Health Care, Aleris and Grand Hôtel. We have a long-term investment horizon in our holdings with the objective to generate an annual return in excess of our long-term cost of capital (8-9 percent) through value appreciation, dividends and cash flow.

Our core investments are listed holdings or operating subsidiaries with multinational operations. We are significant long-term owners of our core investments and do not have an exit strategy. We have the same active ownership approach to all holdings, with business teams developing value creation plans, benchmarking our investments and providing support such that they are able to achieve and maintain best-in-class positions in their industries.

We focus on developing our existing holdings, but we also selectively seek to add new listed holdings or operating subsidiaries. Over time, Core Investments is likely to grow in relative size, since the unlisted partner-owned companies within Financial Investments will either become listed or wholly-owned core investments or divested.

Listed holdings

Our listed core investments are Atlas Copco, ABB, AstraZeneca, SEB, Ericsson, Electrolux, Saab, NASDAQ OMX, Husqvarna and Sobi. These are companies with proven business models and strong market positions. We seek to be the largest owner in order to secure strategic influence over the companies.

The listed core investments' contribution to our net asset value amounted to SEK –17.9 bn., corresponding to a total return of –13 percent, during 2011. As part of our strategy, we increase ownership in selected holdings when we find valuations fundamentally attractive, the timing is right and we are not otherwise restricted. For a total of SEK 5.1 bn., we gradually increased our ownership in Atlas Copco, ABB, Ericsson, Electrolux, Husqvarna

and NASDAQ OMX in 2011. This also includes our participation with our pro-rata share in Sobi's new issue. We received SEK 4 bn. in ordinary dividends and another SEK 1 bn. through the redemption program in Atlas Copco.

Given the dividend proposals announced in early 2012, dividends to be received from our listed holdings for fiscal year 2011 are estimated at SEK 4.7 bn.

Operating subsidiaries

Core Investments also include our operating subsidiaries Mölnlycke Health Care, Aleris and Grand Hôtel, all of which are long-term holdings. Currently, cash flow is used to amortize debt. However, once debt levels are normalized, these companies will generate significant cash flow to Investor. The subsidiaries' contribution to the net asset value during 2011 amounted to SEK 87 m. We invested SEK 1 bn. during 2011.

Facts and figures 2011

- Ownership: significant owner in listed holdings, wholly-owned subsidiaries
- · Ownership horizon: long-term, no exit strategy
- Board representation: preferably two, including the Chairman
- Return requirement: 8-9 percent annually
- Total assets: SEK 118 bn. (listed), SEK 18 bn. (subsidiaries)
- Percent of total assets: 79
- Impact on NAV: SEK -17.9 bn.
- TSR: –13 percent
- Dividend received: SEK 4.0 bn.
- Net invested 2011: SEK 5.1 bn. (listed), SEK 1.0 bn. (subsidiaries)

Dividends and redemptions received								
SEK m.								
6,000 —								
5,000 —								
4,000 —								_
3,000 —								_
2,000 —	_							_
1,000 —	-							_
0 —	2008		2009		2010	2011	2012	<u> </u>
Ordinary dividend Redemptions Proposed dividends								

Contribution to net asset value		
SEK m.	2011	2010
Changes in value, listed	-21,887	23,895
Dividends, listed	3,998	3,203
Change in reported value, subsidiaries	87	2,346
Management costs	-137	-104
Total	-17,939	29,340

Financial Investments

Financial Investments, representing approximately 20 percent of our total assets, includes our investments in EQT funds and Investor Growth Capital, as well as our partner-owned companies. We have the same active ownership approach to these holdings as with Core Investments.

The business area's objective is to achieve annual returns of 15 percent and generate net proceeds to Investor.

EQT

We were one of the founders of EQT in 1994 and have been a sponsor of its funds since then, allowing us to receive carried interest and fee surplus on top of the returns received as a limited partner.

Investor Growth Capital

Investor Growth Capital (IGC) is a stand-alone, but whollyowned company of Investor, focusing on late-stage venture capital investments in the U.S. and in China. Investor receives cash flow from IGC.

Partner-owned companies

Our three major unlisted partner-owned companies, Gambro, Lindorff and 3 Scandinavia, have attractive potential. As our partners may have a different time horizon than we do, the ownership situation in these companies will change over time. Consequently, they will either become listed, operating subsidiaries (and thus core investments), or else divested. Decisions will be taken jointly with each respective partner to maximize the return on investment. Other partner-owned investments are Kunskapsskolan, Novare and Samsari.

Facts and figures 2011

- · Ownership: wholly-owned, partner-owned, fund investor
- Ownership horizon: long-term, IPO, divestment
- Board representation: preferably two, including the Chairman
- Return requirement: 15 percent annually
- Total assets: SEK 38 bn.
- Percent of total assets: 21
- Impact on NAV: SEK 9.7 bn.
- Net divested 2011: SEK 1.1 bn.

Other

Within Financial Investments, we also have our trading unit, which executes our Core Investments transactions and gather market intelligence. It should also be profitable on its own merits over time.

In 2011, Financial Investments contribution to the net asset value amounted to SEK 9.7 bn. Net cash flow to Investor amounted to SEK 1.1 bn.

Contribution to net asset value		
SEK m.	2011	2010
EQT	3,360	1,179
Investor Growth Capital	841	22
Partner-owned		
Gambro	3,4991)	-319
Lindorff	301	281
3 Scandinavia	1,675 ²⁾	-283
Other partner-owned	0	17
Other	201	1,104
Management costs	-190	-337
Total	9,687	1,664

- 1) The positive contribution from Gambro Holding during 2011 is explained by the divestment of
- 2) Capitalization of prior years' deferred tax-loss carry-forwards as well as a change of recognition method of handset sales has had a positive impact on the results during 2011

Background to business areas

As a result of our strategy update in 2011, the Operating Investments business area was dismantled and Mölnlycke Health Care, Aleris, Grand Hôtel, Sobi and NASDAQ OMX were transferred to Core Investments. Partner-owned holdings Gambro, Lindorff, 3 Scandinavia, Kunskapsskolan, Novare and Samsari as well as former Private Equity Investments, i.e. EQT and Investor Growth Capital (IGC) were transferred into the Financial Investments business area.

For our 13 Core Investments we have a long-term investment horizon with no exit strategy. Financial Investments is comprised of two different types of holdings. The first type is our partner-owned companies, for which we ourselves do not control the exit strategies. The second type of holding is comprised of EQT and IGC, for which the investment philosophy is to buy and sell companies.





A global leader in compressors, construction and mining equipment, power tools and assembly systems. The group operates in more than 170 countries. Chairman: Sune Carlsson, President and CEO: Ronnie Leten

IMPORTANT EVENTS IN 2011

- Investor acquired 1.4 m. B-shares, increasing its share of capital to 16.8 percent.
- In addition to the ordinary dividend of SEK 5 bn., Atlas Copco distributed SEK 6 bn. through a mandatory redemption program.
- Atlas Copco changed its business area structure to strengthen focus on specific product and customer segments.
- Atlas Copco announced 12 small to medium-sized acquisitions, all close to the company's core business.
- The Board of Directors has proposed a SEK 5.00 dividend per share. Given AGM approval, this would result in a SEK 1,034 m. dividend inflow to Investor.

Key figures, SEK m.	2011	2010	2009	2008	2007
Net sales	81,203	69,875	63,762	74,177	63,355
Operating margin, %	21.6	19.9	14.3	18.6	19.0
Net profit	12,988	9,944	6,276	10,190	7,469
Earnings per share, SEK	10.68	8.16	5.14	8.33	6.09
Dividend per share, SEK	5.00	9.00	3.00	3.00	3.00
Net debt	14,194	5,510	10,906	21,686	19,775
Market capitalization, SEK bn.	172.2	199.6	123.4	78.1	114.4
Number of employees	37,579	32,790	29,802	34,043	32,947

www.atlascopco.com

INVESTOR'S VIEW

Atlas Copco has world leading market positions and a strong corporate culture. For quite some time, the company has had best-in-class operational performance and has generated a total return significantly higher than its peers. Over the last few years, Atlas Copco has focused on



building strong positions in key growth markets such as China, India and Brazil, and on building world class aftermarket operations. These initiatives have been instrumental to the company's strong performance. Going forward, the company's strong market positions, a flexible business model and focus on innovation provide an excellent platform for capturing business opportunities and continuing to outperform its peers. Thanks to its strong cash flow, the company can distribute significant capital to shareholders, while simultaneously retaining the flexibility to act on its growth strategy.

Investor's engagement	2011	2010	2009
Share of capital, %	16.8	16.7	16.6
Share of votes, %	22.3	22.3	22.3
Value of holding, SEK m.	30,365	34,671	21,408

Board Members from Investor's management or Board: Sune Carlsson (Chairman), Jacob Wallenberg (Vice Chairman), and Johan Forssell

Average annual	ized retu	ırn, ten years	Total a	annual r	eturn
%		- 6: /	Years	Atlas Copco	SIXRX
		Simple average for peers: Ingersoll-Rand,	1	-8.0	-13.5
15 —		Gardner Denver.	5	12.2	-0.2
10 —	_	Sandvik, Caterpillar,	10	20.2	6.0
5 —		Stanley Black &	15	16.9	8.4
20.2%	12.6%	Decker, and Metso.	20	20.3	12.1
Atlas Copco	Peers				

industry customers to improve performance while lowering environmental impact. Chairman: Hubertus von Grünberg, President and CEO: Joe Hogan

A global leader in power and automation technologies that enable utility and

IMPORTANT EVENTS IN 2011

- Investor acquired 12.7 m. shares, increasing its share of capital to 7.8 percent.
- ABB continued to announce several small to medium sized bolt-on acquisitions.
- The USD 4.2 bn. acquisition of Baldor Electric was closed. Subsequent to yearend, ABB announced the USD 3.9 bn. acquisition of Thomas & Betts.
- ABB received its largest order ever for transmission equipment, a USD 1 bn. order to connect offshore wind farms in the North Sea to the German grid.
- ABB presented new targets for 2011-15, including an operational EBITDA margin corridor of 13-19 percent and organic sales growth (CAGR) of 7-10 percent.
- The Board of Directors has proposed a CHF 0.65 dividend per share. Given AGM approval, this would result in a SEK 849 m. dividend inflow to Investor based on the exchange rates at the announcement.

Key figures, USD m.	2011	2010	2009	2008	2007
Net sales	37,990	31,589	31,795	34,912	29,183
Operating margin, %	12.3	12.1	13.0	13.0	13.8
Net profit	3,168	2,561	2,901	3,118	3,757
Earnings per share, USD	1.38	1.12	1.27	1.36	1.66
Dividend per share, CHF	0.65	0.6	0.51	0.48	0.48
Net debt	-1,771	-6,428	-7,219	-5,443	-5,436
Market capitalization, SEK bn.	295.7	344.6	312.5	270.8	427.6
Number of employees	130,000	116,000	116,000	120,000	112,000

www.abb.com

INVESTOR'S VIEW

ABB has a strong brand and market leading positions in attractive industries. Both the power and automation industries have significant exposure to emerging markets and structural growth drivers in terms of electricity build-out and increased focus on energy efficiency. Over the



last few years, ABB has made considerable operational improvement which has resulted in strong profitability even in a power market facing price pressure. ABB was early to establish a presence in China and India with strong local product offerings, which is critical to long-term success. In recent years, the company has further strengthened its positions through numerous acquisitions, which now must be successfully integrated. ABB's balance sheet remains strong, supporting further growth and continued distribution to shareholders.

Investor's engagement	2011	2010	2009
Share of capital, %	7.8	7.3	7.3
Share of votes, %	7.8	7.3	7.3
Value of holding, SEK m.	23,188	25,082	22,904

Board Members from Investor's management or Board: Jacob Wallenberg

Average annual	ized retu	rn, ten years	Total a	nnual r	eturn
%			Years	ABB	SIXRX
20 ———		Simple average for	1	-12.4	-13.5
15 ———		peers: Siemens,	5	3.2	-0.2
10		Schneider, Emerson,	10	6.1	6.0
10		Honeywell, Rockwell,	15	3.5	8.4
6.1%	4.9%	and Alstom.	20	8.4	12.1
ABB	Peers				





A leading Nordic financial services group. SEB is present in some 20 countries, with main focus on the Nordic countries, Germany and the Baltics. Chairman: Marcus Wallenberg, President and CEO: Annika Falkengren

A global biopharmaceutical business with primary focus on the discovery. development and commercialization of prescription medicines. Chairman: Louis Schweitzer, President and CEO: David Brennan

IMPORTANT EVENTS IN 2011

- SEB increased its long-term funding and liquidity buffers. SEB's matched funding now exceeds two years.
- SEB's Core Tier 1 ratio continued to improve during 2011 and was 13.7 percent at the end of 2011 compared to 12.2 percent in 2010.
- SEB stated the ambition to maintain costs at SEK 23 bn. until 2014.
- Standard & Poor's upgraded SEB's long-term rating to A+ (stable) from A.
- The Board of Directors has proposed a SEK 1.75 dividend per share. Given AGM approval, this would result in a SEK 798 m. dividend inflow to Investor.

Key figures, SEK bn.	2011	2010	2009	2008	2007
Total operating income	37.7	36,7	41,4	38.1	40.4
Operating profit	15.3	11,4	5,7	12.4	17.0
Net profit	11.1	6.8	1.2	10.0	13.6
Earnings per share, SEK	5.06	3.07	0.58	10.36	14.12
Dividend per share, SEK	1.75	1.50	1.00	0.00	3.40
Core Tier 1 ratio, %	13.71	12.20	11.69	8.57	8.39
Market capitalization	87.9	123.1	97.3	41.6	113.1
Number of employees	17,633	19,125	20,233	21,291	19,506

www.seb.se

INVESTOR'S VIEW

With the sale of the German retail operation and some improvement in the Baltic economies, we believe that SEB is well positioned to meet both challenges and capture opportunities. The SEB franchise and customer relationships have remained strong throughout the crisis, which should



support SEB's business model as a leading relationship bank going forward. Swedish regulators have announced new capital requirements that are stricter than the proposed Basel III rules. While some uncertainty remains regarding the final regulatory outcome, our view is that SEB is well capitalized and prepared to meet the new requirements. SEB should be able to continue to focus on growth within the small- and medium-sized enterprises segment in Sweden as well as on the corporate segments outside Sweden.

Investor's engagement	2011	2010	2009
Share of capital, %	20.8	20.8	20.8
Share of votes, %	20.9	20.9	20.9
Value of holding, SEK m.	18,282	25,579	8,608

Board Members from Investor's management or Board: Jacob Wallenberg (Vice Chairman). Marcus Wallenberg is Chairman and a member of Investor's SEB business team.

Average annua	lized retu	ırn, ten years	Total a	ınnual r	eturn
%			Years	SEB	SIXRX
20		Simple average for	1	-26.6	-13.5
15 ———		_ peers: Svenska	5	-16.7	-0.2
10		Handelsbanken,	10	0.9	6.0
10		 Danske Bank, Nordea, Swedbank, and 	15	4.7	8.4
50.9%	4.0%	Swedbank, and DnB NOR ASA. 	20	8.9	12.1
SEB	Peers				

IMPORTANT EVENTS IN 2011

- Astra Tech was divested to Dentsply for approximately USD 1.8 bn.
- Brillinta, a treatment for acute coronary syndrome, was approved in the U.S. It is now approved in 64 countries and has been launched in 37 markets.
- A USD 200 m. investment in a new manufacturing facility in China was made. In early 2012, AstraZeneca announced a sharper focus of its R&D activities, affecting among others the R&D sites in Södertälie and Montreal.
- During 2011, AstraZeneca completed net share repurchases of USD 5.6 bn. Through this, Investor's ownership increased from 3.7 to 4.0 percent.
- The Board of Directors has proposed a USD 2.80 dividend per share. Given AGM approval, this would result in a SEK 980 m. dividend inflow to Investor based on the exchange rates at the announcement.

Key figures, USD m.	2011	2010	2009	2008	2007
Net sales	33,591	33,269	32,804	31,601	29,559
Operating margin, %	39.2	40.8	41.5	34.7	31.8
Net profit	9,983	8,053	7,521	6,101	5,595
Earnings per share, USD (core EPS)	7.28	6.71	6.32	5.1	4.38
Dividend per share, USD	2.80	2.55	2.3	2.05	1.87
Net debt	-2,849	-3,653	-535	7,174	9,112
Market capitalization, SEK bn.	408.3	435.8	486.4	444.2	403.6
Number of employees	57,200	61,000	63,000	65,000	67,000

www.astrazeneca.com

INVESTOR'S VIEW

Conditions remain difficult in the pharmaceutical industry. AstraZeneca must cope with upcoming patent expirations for some of its key products in the coming years and further strengthen its research pipeline. Improved R&D productivity remains the most important driver of long-



term value for AstraZeneca and the pharmaceutical industry. It is also important that AstraZeneca continues to expand in emerging markets and strives for operational excellence.

Investor's engagement	2011	2010	2009
Share of capital, %	4.0	3.7	3.6
Share of votes, %	4.0	3.7	3.6
Value of holding, SEK m.	16,302	15,956	17,292

No person from Investor's management or Board serves on the Board. However, Marcus Wallenberg is a member of Investor's AstraZeneca business team

Average annualized re	turn, ten years	Total a	nnual return
%		Years As	traZeneca SIXRX
0.6%	Simple average for	1	8.2 –13.5
0.6%	peers: Merck, Pfizer,	5	1.3 -0.2
-1.0%	Eli Lilly, Novartis,	10	-1.0 6.0
-5	— Roche, Sanofi,	15	4.5 8.4
-10	GlaxoSmithKline, and Bristol-Myers Squibb.	20	9.0 12.1
AstraZeneca Peers	_		



Electrolux

The world's leading provider of technology and services for telecom operators. Ericsson is the leader in 2G, 3G and 4G mobile technologies.

Chairman: Leif Johansson, President and CEO: Hans Vestberg

IMPORTANT EVENTS IN 2011

- Investor swapped 12.4 m. B-shares for A-shares and acquired 9.7 m. B-shares. increasing its share of the capital and votes to 5.3 and 21.5 percent respectively.
- Ericsson acquired Telcordia, further strengthening its leading position within operations support systems.
- Ericsson was part of the winning bid consortium for bankrupt telecom vendor Nortel's portfolio of approximately 6,000 patents and patent applications.
- Ericsson announced the divestment of its 50 percent stake in SonyEricsson to Sony for EUR 1.05 bn. in cash. The transaction was closed in February 2012.
- The Board of Directors has proposed a SEK 2.50 dividend per share. Given AGM approval, this would result in a SEK 434 m. dividend inflow to Investor.

Var. figures CEV has	2044	2040	2000	2000	2007
Key figures, SEK bn.	2011	2010	2009	2008	2007
Net sales	226.9	203.3	206.5	208.9	187.8
Operating margin, %	9.5	11.7	9	11.4	16.3
Net profit	12.2	11.1	3.7	11.3	21.8
Earnings per share, SEK	3.77	3.46	1.14	3.52	6.84
Dividend per share, SEK	2.50	2.25	2.00	1.85	2.50
Net debt	-39.5	-51.3	-36.1	-34.7	-24.3
Market capitalization, SEK bn.	224.7	249.0	210.2	186.9	241.0
Number of employees	104,525	90,261	82,493	78,750	74,000

www.ericsson.com

INVESTOR'S VIEW

As the global leader, Ericsson is well positioned to benefit from the secular growth of mobile data traffic. In the short and medium term, a key priority is to manage the ongoing modernization of customers' networks into newer data enabling technologies. Sustaining technological



leadership and continuously improving cost and capital efficiency is fundamental to Ericsson's long-term competitiveness. Continuing growth in the services business and gaining a strategic position in other growth segments are also important for Ericsson's future value creation, as is improving the performance of the ST Ericsson joint venture.

Investor's engagement	2011	2010	2009
Share of capital, %	5.3	5.0	5.0
Share of votes, %	21.5	19.3	19.3
Value of holding, SEK m.	12,112	12,396	10,721

Board Members from Investor's management or Board: Jacob Wallenberg (Vice Chairman), Börje Ekholm

Average annua	ilized retui	rn, ten years	Total	annual r	eturn
%			Years	Ericsson	SIXRX
5 ———		Simple average for	1	-7.3	-13.5
0		peers: Alcatel-Lucent,	5	-10.2	-0.2
_8.7%	-13.3%	Motorola Solutions,	10	-8.7	6.0
-5 -		Nokia, Cisco, Nortel,	15	-0.6	8.4
-10		and ZTE Corp.	20	11.0	12.1
-15					
Ericsson	Peers				

A global leader in household appliances and appliances for professional use, selling more than 40 million products to customers in more than 150 markets every year. Chairman: Marcus Wallenberg, President and CEO: Keith McLoughlin

IMPORTANT EVENTS IN 2011

- Investor acquired 6.1 m. B-shares, divested 0.4 m. A-shares, and converted 0.5 m. A-shares to B-shares, increasing its share of the capital to 15.5 percent while its share of votes remained unchanged.
- Electrolux acquired Olympic Group in Egypt and CTI in Chile. Following these acquisitions, around 35 percent of sales are generated in emerging markets.
- Electrolux announced restructuring measures to adjust manufacturing capacity in mature markets and further improve its cost position.
- Electrolux's Board of Directors has proposed a SEK 6.50 dividend per share. Given AGM approval, this would result in a SEK 311 m. dividend inflow to

Key figures, SEK m.	2011	2010	2009	2008	2007
Net sales	101,598	106,326	109,132	104,792	104,732
Operating margin, excl. EO, %	3.1	6.1	4.9	1.5	4.6
Net profit	2,064	3,997	2,607	366	2,925
Earnings per share, SEK	7.25	14.04	9.18	1.29	10.41
Dividend per share, SEK	6.50	6.50	4.00	0.00	4.25
Net debt	6,367	-709	665	4,556	4,703
Market capitalization, SEK bn.	31.1	54.4	47.6	18.9	30.5
Number of employees	52,916	51,544	50,633	55,177	56,898

www.electrolux.com

INVESTOR'S VIEW

The appliances industry is intensely competitive, with low growth in mature markets. The company's historic operating profit margin has been below its targeted level. Successful execution of Electrolux's strategy focusing on innovative products, a strong global brand and an improved



position through globalization and modularization has good potential to structurally improve the long-term operating margin. Recently, Electrolux has made two acquisitions in growth markets to improve future growth prospects. Successful integration of these acquisitions will be important.

Investor's engagement	2011	2010	2009
Share of capital, %	15.5	13.6	12.7
Share of votes, %	29.9	29.9	28.8
Value of holding, SEK m.	5,237	8,054	6,560

No person from Investor's management or Board serves on the Board. However, Marcus Wallenberg is a member of Investor's Flectrolux business team

verage annualized retur	n, ten years	Total	annual re	eturn
%		Years	Electrolux	SIXRX
20	Simple average for	1	-40.2	-13.5
15	peers: Whirlpool,	5	1.3	-0.2
10	Indesit, and Arcelik.	10	8.5	6.0
10		15	11.6	8.4
5—		20	12.8	12.1
0 8.5% 3.0%				
Electrolux Peers				



NASDAQ OMX°

Serves the global market with world-leading products, services and solutions for military defense and civil security.

Chairman: Marcus Wallenberg, President and CEO: Håkan Buskhe

IMPORTANT EVENTS IN 2011

- The Swiss government decided to select Gripen as its future fighter aircraft for the Swiss Air Force. If approved by the Swiss parliament, Switzerland becomes the seventh nation to fly the Gripen.
- U.S. Sensis Corporation was acquired, a leading provider of air traffic management and surveillance technologies, strengthening its presence in North America
- Saab divested its shares in the 3D mapping company C3 Technologies AB (C3) for a consideration of approximately SEK 1,009 m., generating a capital gain of SEK 906 m. which solidifies Saab's already very strong financial position.
- The Board of Directors has proposed a SEK 4.50 dividend per share. Given AGM approval, this would result in a SEK 148 m. dividend inflow to Investor.

Key figures, SEK m.	2011	2010	2009	2008	2007
Net sales	23,498	24,434	24,647	23,796	23,021
Operating margin, excl. EO %	7.5	6.5	5.4	8.4	9.4
Net profit	2,217	454	699	-242	1,941
Earnings per share, SEK	20.38	3.97	6.28	-2.31	17.6
Dividend per share, SEK	4.50	3.50	2.25	1.75	4.50
Net debt	-5,333	-3,291	634	1,693	1,627
Market capitalization, SEK bn.	14.9	12.9	12.4	7.6	14.0
Number of employees	13,068	12,536	13,159	13,294	13,757

www.saabgroup.com

INVESTOR'S VIEW

Saab is well-positioned in many niche markets. However, it is still highly dependent on winning large defense contract tenders. As Swedish defense spending has decreased over the last decade, Saab has focused on developing cost efficient products. In the current international environment of



Impact on NAV: SEK 721 m.

political pressure and fiscal austerity, this helps provide Saab with a competitive advantage. With top-quality products, continued focus on operational efficiency and a solid balance sheet, Saab has a strong platform for the future. Going forward, growth outside of Sweden continues to be imperative, as well as the ability to generate a good gross margin to support internal R&D and marketing efforts.

Investor's engagement	2011	2010	2009
Share of capital, %	30.0	30.0	19.8
Share of votes, %	39.5	39.5	38.0
Value of holding, SEK m.	4,638	4,032	2,540

Board Members from Investor's management or Board: Johan Forssell, Lena Treschow Torell. Marcus Wallenberg is a member of Investor's Saab business team

Avera	ige ann	ualized retu	rn, ten years	Total a	nnual ı	return
% 20 <i>—</i>			C'andra and Car	Years	Saab	SIXRX
15 —			Simple average for peers: BAE Systems,	1 5	18.7 -5.2	-13.5 -0.2
10—			Finmeccanica, Thales,	10	6.6	6.0
10—			Cobham, EADS, Ultra, Dassault, and	15	-	8.4
5 — 0 —	6.6%	5.3%	Meggitt.	20	-	12.1
0-	Saab	Peers				

One of the world's largest exchange operators, which offers listings, trading exchange technology and public company services across six continents. Chairman: H. Furlong Baldwin, President and CEO: Robert Greifeld

IMPORTANT EVENTS IN 2011

- Investor acquired 2.0 m. shares, increasing its share of the capital to 10.9 percent.
- NASDAQ OMX and IntercontinentalExchange announced a bid for NYSE Euronext driven by a strong industrial logic. Investor supported the bid, which was later withdrawn following discussions with the U.S. antitrust authorities.
- NASDAQ OMX completed several add-on acquisitions, including Glide Technologies and RapidData
- During the fourth guarter, NASDAQ OMX executed 1/3 of its USD 300 m. share repurchase program. Since NASDAQ OMX commenced with share repurchases in 2010, the company has repurchased almost 20 percent of its outstanding shares, at an average price of USD 21.5 per share, and a compounded value of about USD 900 m

Key figures, USD m.	2011	2010	2009
Net sales	1,690	1,522	1,453
Operating margin (GAAP), %	41.2	41.5	41.5
Net profit (GAAP)	387	395	266
Earnings per share, USD (GAAP)	2.20	1.94	1.30
Dividend per share, USD	0.0	0.0	0.0
Net debt	1,688	2,082	1,541
Market capitalization, USD bn.	4.3	4.2	4.2
Number of employees	2,435	2,395	2,216

www.nasdaqomx.com

INVESTOR'S VIEW

NASDAQ OMX has strong market positions and a unique brand in an industry that we know well. An exchange is at the core of the financial system's infrastructure and we believe that more financial products will become standardized and thus traded on exchanges. Our view is



that continued focus on capturing growth opportunities, such as expansion into new asset classes and adjacent businesses, should create value. The company's strong cash flow enables continued cash distribution to its shareholders.

Investor's engagement	2011	2010	2009
Share of capital, %	10.9	9.7	n.a.
Share of votes ¹⁾ , %	10.9	9.7	n.a.
Value of holding, SEK m.	3,216	2,740	n.a.

Board Members from Investor's management or Board: Börje Ekholm 1) No single owner is allowed to vote for more than 5 percent at the AGM

Due to a short ownership period, no comparison to peers has been made.





IMPORTANT EVENTS IN 2011

The world's largest producer of outdoor power products, a world leader in cutting equipment and diamond tools, European leader in consumer watering products. Chairman: Lars Westerberg, President and CEO: Hans Linnarsson

IMPORTANT EVENTS IN 2011

- Investor acquired 10.1 m. B-shares and divested 3.7 m. A-shares, increasing its share of the capital to 16.8 percent.
- Husgvarna suffered from production disturbances in North America, negatively affecting both sales and profitability.
- Following CEO Magnus Yngen's departure, Hans Linnarsson took over as CEO.
- The Board of Directors has proposed a SEK 1.50 dividend per share. Given AGM approval, this would result in a SEK 146 m. dividend inflow to Investor.

Key figures, SEK m.	2011	2010	2009	2008	2007
Net sales	30,357	32,240	34,074	32,342	33,284
Operating margin, excl. EO, %	5.3	8.2	5.9	8.3	10.7
Net profit	997	1,749	903	1,288	2,036
Earnings per share, SEK	1.73	3.03	1.64	2.81	4.46
Dividend per share, SEK	1.50	1.50	1.00	0.00	1.50
Net debt	6,921	5,600	6,349	15,552	12,012
Market capitalization, SEK bn.	18.0	32.1	29.8	15.5	29.3
Number of employees	15,698	14,954	15,030	15,720	16,093

www.husqvarna.com

INVESTOR'S VIEW

Husgvarna has world-leading market positions, strong brands and a global sales organization. However, in recent years the company has struggled with both weak market development and poor operational performance. Consequently, the total return has been both below that of



its peers and our return requirement. We believe in Husqvarna's long-term potential based on its leading position in the global market for outdoor equipment. To improve performance, Husqvarna has invested in new innovative products and streamlined its brand portfolio. This, in combination with a strong focus on operational performance, is important for the company's success going forward.

Investor's engagement	2011	2010	2009
Share of capital, %	16.8	15.7	15.6
Share of votes, %	30.1	30.8	28.9
Value of holding, SEK m.	3,062	5,058	4,579

Board Members from Investor's management or Board: Börje Ekholm, Tom Johnstone

Average annu	alized retu	rn, five years¹)	Total	annual re	turn
%			Years	Husqvarna	SIXRX
5	0.40/	Simple average for	1	-41.7	-13.5
0	0.4%	peers: Toro, Blount,	5	-12.7	-0.2
_12.7%		and Briggs & Stratton.	10	-	6.0
			15	_	8.4
-10 —			20	-	12.1
-15 Husqvarna	Peers	1) Listed in 2006.			

developing and commercializing pharmaceuticals for patients with rare diseases. Chairman: Bo Jesper Hansen, President and CEO: Geoffrey McDonough

A Swedish integrated biopharma company with international market presence.

- 2011 was characterized by the impact of austerity measures in Europe, adverse currency effects, internal organizational changes and substantial cost savings.
- A rights issue of SEK 637 m. was successfully completed. Investor participated with its pro-rata share, amounting to SEK 258 m. (21.5 m. shares).
- Sobi and its development partner, Biogen Idec, announced phase I/IIa data for the long-lasting treatment for hemophilia A under development, demonstrating an increase in half-life compared with currently approved treatment.
- Sobi announced the enrollment of the first patient in the phase III study for Kiobrina, a treatment being developed for fat malabsorption in preterm infants.
- · Geoffrey McDonough was appointed CEO and joined Sobi in August.

Key figures, SEK m.	2011	2010	2009
Net sales	1,911	1,907	2,066
Operating margin, %	14.7	19.9	13.2
Net profit	18	-104	n.a.
Earnings per share, SEK	0.07	-0.47	n.a.
Dividend per share, SEK	0.00	0.00	n.a.
Net debt	496	1,348	n.a.
Market capitalization, SEK bn.	4.0	8.6	1.4
Number of employees	506	508	554

www.sobi.com

INVESTOR'S VIEW

Sobi is well positioned to benefit from opportunities in attractive segments of the pharmaceutical market. Near-term, improving operational performance and successfully completing the post-merger integration of Biovitrum and Swedish Orphan International, which should result in



improved cost and capital efficiency, is very important. Longer-term, securing the full commercial potential of Sobi's late stage development pipeline is the key focus for the company.

Investor's engagement	2011	2010	2009
Share of capital, %	40.3	40.3	n.a.
Share of votes, %	40.5	40.5	n.a.
Value of holding, SEK m.	1.614	3.486	n.a.

Board Members from Investor's management or Board: Lennart Johansson,

Due to a short ownership period, no comparison to peers has been made.



A world-leading manufacturer of single-use surgical and wound care products and services for the professional health care sector. Chairman: Gunnar Brock, President and CEO: Pierre Guyot

IMPORTANT EVENTS IN 2011

- Mölnlycke Health Care continued its strong growth. Pressure on health care spending due to the sovereign debt crisis and resulting pressure on health care authorities, mainly in Southern Europe and in the UK, was visible, impacting the number of performed elective surgeries, and pricing. However, growth remained good in most markets in Europe, both in the Surgical and Wound Care divisions. In the U.S. and Asia-Pacific, growth remained very strong.
- The Wound Care division continued to perform very well, driven by advanced wound care, representing the lion's share of revenue, while conventional wound care was stable. The Wound Care division is smaller than the Surgical division, but growth and margins are significantly higher. During the year, Mölnlycke Health Care has established itself as the number 2 global player in advanced wound care, with leadership in most European markets and now a number 2 position in the important U.S. market. The clinical benefits and health economics performance of its Safetac® advanced wound care dressings are widely recognized, resulting in high growth compared to the industry as a whole.
- In the Wound Care division, the European build-up and launch phase of the Avance® Negative Pressure Wound Therapy system progressed, but its contribution to revenue remained limited.
- In the Surgical division, the ProcedurePak® tray business continued to grow profitably and it is the European market leader. Gloves saw a mixed development. Profitability, particularly in the U.S. and the UK was under pressure due to high raw materials prices and price competition. This was mitigated by cost savings. In other markets, as well as for synthetic gloves in the U.S., growth was good.
- The continued good overall growth and ongoing mix transition from Surgical to Wound, combined with efficiency improvements throughout the value chain, resulted in improved margins. The strong cash flow continued to reduce net debt

Key figures, EUR m.	2011	2010	2009
Net sales	1,014	949	865
EBITDA adj. ¹⁾	296	269	236
EBITDA adj. ¹⁾ , %	29	28	27
Change in working capital	-31	7	n.a.
Capital expenditures	-35	-30	n.a.
Operating cash flow	230	246	n.a.
Acquisitions/divestments	0	-19	n.a.
Shareholder contribution/distribution	0	2	n.a.
Other	-134	-134	n.a.
Increase (-)/decrease (+) in net debt	96	95	n.a.
Net debt	1,482	1,578	1,679
Working capital/sales, %	11	n.a.	n.a.
Capital expenditures/sales, %	3	n.a.	n.a.

¹⁾ Excluding the purchase price allocation performed in conjunction with the acquisition of the majority in Mölnlycke Health Care, which impacted reported EBITDA negatively by EUR 4 m. in 2010 and EUR 45 m. during 2011.

www.molnlycke.com

Unlisted

INVESTOR'S VIEW

Mölnlycke Health Care is a strongly performing company and a true leader in its industry segments. Since our acquisition, the company has outperformed most of its key competitors in terms of growth, profitability and cash conversion. Its highly competitive product offering, strong market



positions, exciting product pipeline and the expansion of its sales force, both in existing and new markets, create a robust platform for continued growth. It is important that the company continues to develop new innovative products and capture growth opportunities in Asia and other growth regions.

Investor's engagement	2011	2010	2009
Share of capital, %	96.0	96.0	62.0
Share of votes, %	93.0	93.0	47.0
Value of holding, SEK m.	13,436	13,555	6,371

Board Members from Investor's management or Board: Gunnar Brock (Chairman),



IMPORTANT EVENTS IN 2011

additions to capacity in Stockholm.

2009

368

76

21

n.a.

n.a.

n.a.

n.a.

Unlisted

A leading provider of health care and care services in the Nordic region on behalf of municipalities, county councils and insurance companies. Chairman: Bengt Braun, President and CEO: Stanley Brodén

Scandinavia's leading five-star hotel, opened in 1874. It occupies a landmark building with a unique location on the waterfront in central Stockholm. Chairman: Peter Wallenberg Jr, President and CEO: Marie-Louise Kjellström

Matbaren, continued to be more resilient and performed well.

levels as renovations and other substantial investments continued.

• The demand for hotel rooms came under pressure as a result of the uncertainty

in the general economy. Competition remained intense following the recent

• The Food and Beverage business, including Mathias Dahlgren's Matsalen and

• While sales held up well, earnings fell and capital expenditures remained at high

IMPORTANT EVENTS IN 2011

- Aleris acquired Proxima for an enterprise value of SEK 1,080 m., significantly strengthening its platform in health care in Sweden.
- An agreement was reached to take over operation of the Bollnäs hospital as of April 2012. In conjunction with this, Aleris acquired two primary care units.
- The Danish private hospital group Hamlet was acquired, making Aleris Denmark's largest private health care services provider and the only one with a nationwide coverage.
- In total, acquisitions and successful tenders increase annual revenues by SEK 2 bn.
- In Sweden, Diagnostics and Care performed well. Healthcare performed well in most units, while others were restructured. The health care segments in Norway and Denmark did not fully meet last year's performance, primarily due to tough market conditions, and integration work with Hamlet in Denmark. The Care operations in Norway and Denmark performed well.
- Aleris made considerable investments to strengthen internal processes, infrastructure, organization and management, as well as quality. These investments in combination with the integration of acquisitions had a negative impact on results.

Key tigures, SEK m.	2011	2010	2009
Net sales	5,123	4,120	3,882
EBITDA	410	296	332
EBITDA, %	8	7	9
Change in working capital	-64	11	n.a.
Capital expenditures	-133	-80	n.a.
Operating cash flow	213	227	n.a.
Acquisitions/divestments	-1,714	-20	n.a.
Shareholder contribution/distribution	1,019	0	n.a.
Other	-304	-608	n.a.
Increase(-)/decrease(+) in net debt	-786	-401	n.a.
Net debt	2,811	2,025	1,624
Working capital/sales, %	-2	n.a.	n.a.
Capital expenditures/sales, %	3	n.a.	n.a.

Net debt	545	481	524
Working capital/sales, %	-7	n.a.	n.a.
Capital expenditures/sales, %	28	n.a.	n.a.

www.aleris.se Unlisted

INVESTOR'S VIEW

Aleris has a strong market position in Scandinavia and significant long-term growth potential that fits well into our ownership philosophy. The Scandinavian healthcare and care market is a large and stable industry with long-term sustainable growth potential, where private providers can out-



perform the overall market given the ongoing outsourcing and deregulation trend. Aleris is an attractive platform for continued organic growth derived from demographic changes, successful tenders and deregulation initiatives such as "free-choice" for patients. Aleris also provides a good platform for additional acquisitions. Delivering high-quality service is the main differentiating and sustainable factor for this business over the long term, which is

why efforts to continually improve quality and service for patients and payers is the top priority.

Investor's engagement	2011	2010	2009
Share of capital, %	98.0	97.0	n.a.
Share of votes, %	99.0	99.0	n.a.
Value of holding, SEK m.	3,342	2,465	n.a.

Board Members from Investor's management or Board: Peter Wallenberg Jr. Johan Röhss

www.grandhotel.se

INVESTOR'S VIEW

Key figures, SEK m.

Change in working capital

Increase (-)/decrease (+) in net debt

Capital expenditures

Operating cash flow

Net sales

EBITDA

Other

EBITDA. %

Grand Hôtel has a unique brand, location, and property. In recent years, wide-scale renovations have been made to the hotel, new facilities have been opened and various initiatives have been implemented in order to cope with the challenging economic climate. It is important that



396

67

17

13

-110

-30

-34

-64

393

95

24

3

_72

26

17

43

Impact on NAV: SEK 117 m

Grand Hôtel continues to develop its offering, reach new customer segments, increase the occupancy rate, and focus on efficiency, without compromising its status as a superior hotel. Further investments in the property are important to sustain a superior product and build long-term value.

Investor's engagement	2011	2010	2009
Share of capital, %	100.0	100.0	100.0
Share of votes, %	100.0	100.0	100.0
Value of holding SEK m	1,208	1,091	1,065

Board Members from Investor's management or Board: Peter Wallenberg Jr, Johan Röhss



Investor **Growth Capital**

The EOT funds invest in companies in Northern and Eastern Europe. Asia and the U.S., in which EQT can act as a catalyst to transform and grow operations.

President and CEO (EQT Partners): Conni Jonsson

IMPORTANT EVENTS IN 2011

- The new equity fund, EOT VI, was launched, with a total capital commitment of EUR 4.75 bn., of which Investor has committed EUR 300 m.
- Major divestments included CaridianBCT, one of the parts of Gambro Holding (EQT IV), Kabel BW (EQT IV and V), and Securitas Direct (EQT V).
- New investments included Dometic Group (EQT V), Atos Medical (EQT VI) and Ventelo (EQT VI). Several new investments were made within EQT Infrastructure and EQT Greater China II as well.
- The reported value change of Investor's investments in EQT's funds was 31 percent during the year (31 percent in constant currency). Draw-downs amounted to SEK 2.5 bn. while proceeds from divestments amounted to SEK 3.5 m., resulting in a SEK 1.0 hn, net cash flow to Investor, Investor's total outstanding commitments to EQT's funds amounted to SEK 4.5 bn. as of December 31, 2011.

			Investor's	
SEK m.	Total commitment	Investor's share	remaining	Market value
Terminated Funds ¹⁾	11,265	_	-	30
Fully Invested Funds ²⁾	47,455	_	378	6,282
EQT V	38,015	12%	539	4,259
EQT VI	42,487	6%	2,653	91
EQT Expansion Capital II	4,239	15%	274	332
EQT Greater China II	3,704	37%	188	1,381
EQT Infrastructure	10,438	10%	391	647
EQT Credit Fund	2,875	10%	119	159
Total	160,478		4,542	13.181

1) FOT L FOT IL FOT Denmark FOT Finland

2) EQT III, EQT IV, EQT Expansion Capital I, EQT Opportunity, EQT Asia

Impact on Investor's net asset value, SEK m.	2011	2010
Net asset value, beginning of the year	10,858	9,166
Contribution to net asset value (value change)	3,360	1,179
Draw-downs (investments and management fees)	2,515	2,016
Proceeds to Investor (divestitures, fee surplus and carry)	-3,519	-1,503
Net asset value, end of the year	13,214	10,858

www.eqt.se Unlisted

INVESTOR'S VIEW

Investor has been a sponsor of EQT's funds since its inception more than 15 years ago. Since then, EQT has delivered top investment performance in its industry and we have received returns on our limited partner interest in the top quartile of the industry. As a sponsor, we also have an ownership interest in the



general partners of the funds, allowing us to capture a portion of the carry and of any surplus from management fees. This represents a significant enhancement of our total return from the respective funds over time. Although "lumpy" by nature, depending on whether the funds are in an investment or divestment phase, our investments in the EQT funds are expected to continue to generate strong cash flow.

Investor's engagement	2011
Investor's share of funds, %	6-64
Value of holding, SEK m.	13,214

Makes expansion stage venture capital investments in growth companies within technology and healthcare in the U.S. and China. President and CEO: Stephen Campe

IMPORTANT EVENTS IN 2011

- In July, Investor Growth Capital (IGC) became a stand-alone entity, whollyowned by Investor, carrying its own costs, and with a defined capital commitment. In total, Investor contributed SEK 1.1 bn. during 2011. In early 2012, a final SEK 750 m. was contributed.
- From July 2011 onwards, approximately 50 percent of gross proceeds less transaction related expenses and annual operating cost are distributed to Investor, while the remainder will be redeployed by IGC.
- The European branch is now solely focused on maximizing value on existing investments. The Chinese operations were concentrated to Beijing and the Hong Kong office closed.
- Major new investments during the year included Antenna Software, Axcan Holdings, Corcept Therapeutics, Mattersight, Maxymiser and R.Y.B. Education. The holdings in BlueArc, Carmel Pharma, Constant Contact, Dotomi, Inquira and Mpex were successfully divested at attractive prices. Tangoe was listed during the year.
- Investor Growth Capital's value change was 10 percent for the year (6 percent in constant currency). In line with the new structure implemented as of July 1, Investor received distribution of SEK 674 m. from IGC.

impact on investor's net asset value, SEK m.	7/1-12/31 2011
Net asset value, beginning of the year	8,694
Contribution to net asset value (value change)	1,031
Capital contribution from Investor	1,137
Distribution to Investor	-674
Net asset value, end of the year	10,188
Of which net cash	1,453
www.investorgrowthcapital.com	Unlisted

IGC had a very strong year. IGC's new structure and focus on the U.S. and China, where the track record and return prospects are strongest, creates a solid platform for continued strong performance. The structural change leads to a clarified capital commitment from Investor and also creates the basis for a more sustainable cash flow to us



Investor's engagement	2011
Investor's share of funds, %	100
Value of holding, SEK m.	10,188





A global medical technology company and a leader in developing, manufacturing and supplying products and therapies for Kidney and Liver dialysis, Myeloma Kidney Therapy and other extracorporeal therapies for Chronic and Acute patients. Chairman: Erich Reinhardt, President and CEO: Guido Oelkers

A leading credit management company in Europe. The company has operations in Denmark, Estonia, Finland, Germany, Latvia, Lithuania, The Netherlands, Norway, Russia, Spain and Sweden.

Chairman: Hugo Maurstad, President and CEO: Endre Rangnes

IMPORTANT EVENTS IN 2011

- The demand for products and services was stable in the Americas and APAC, while EMEA was weak for both business areas Chronic and Acute.
- · Adjusted for the divestments of the PD (peritoneal dialysis) and the U.S. Water business in late 2010, sales declined by 1 percent in constant currency.
- Chronic, the largest business area in terms of revenue, had a challenging year, with pricing pressure in key markets and austerity measures in the EMEA region impacting performance negatively.
- · Acute continued to develop well with high single-digit growth in constant currency and good profitability despite pressure in EMEA. Growth in the installed base of CRRT monitors was strong, which is key to achieving long-
- The optimization of the manufacturing footprint, including both closure and openings of plants, as well as transfers of production, continued.
- Headquarters was moved from Stockholm to Lund.
- Dr. Guido Oelkers was appointed new President and CEO.
- Debt was successfully refinanced in December, with maturity in 2016.
- Within the former Gambro Holding, CaridianBCT was divested for USD 2,625 m., with a total positive impact of SEK 4.6 bn. on Investor's net asset value. Subsequently, Investor's reported value of Gambro is SEK 5.2 bn., compared to the initial equity investment of SEK 4.2 bn. At the time of the buy-out of Gambro, Investor released SEK 2.8 bn. and increased its ownership from 20 percent to 49 percent as external debt-financing was raised.

Key figures, SEK m.	2011	2010	2009
Net sales	10,928	12,152	12,484
Sales growth, %	-10	-3	12
Sales growth, constant currency, %	-5	2	1
Normalized EBITDA	2,041	2,395	2,384
Normalized EBITDA, %	19	20	19
Net debt ¹⁾	8,572	25,380	25,559

1) The net debt reported for 2009-2010 is attributable to former Gambro Holding, including both Gambro and CardianBCT

www.gambro.com Unlisted

IMPORTANT EVENTS IN 2011

- The weak macroeconomic conditions had a limited impact on Lindorff's business. For the Collection division, the inflow of cases was stable while solution rates decreased slightly. For the Capital division, existing portfolios performed well. M&A activity was limited while the pipeline of potential acquisitions continued to look promising
- Integration of acquisitions continued, negatively affecting profitability.
- Streamlining of operations continued by divesting three non-core businesses during the year.
- · Lindorff completed a refinancing of its external debt, extending the maturity profile and increasing its capacity for additional acquisitions.

Key figures, EUR m.	2011	2010	2009
Net sales	337	309	267
Sales growth, %	9	16	-4
Sales growth, constant currency, %	7	6	0
EBITdA	96	89	59
EBITdA, %	28	29	22
Net debt	669	615	530

www.lindorff.com Unlisted

INVESTOR'S VIEW

The restructuring of Gambro has been challenging and taken longer than we originally anticipated. During 2011, Gambro took important steps to improve operational efficiency and strengthen the focus on its core activities. We continue to believe that the improvement potential, both when it comes to revenue



growth and margins, is substantial. We will consider equity financing, should there be a need for additional capital for value creating acquisitions, further restructuring or other investments.

2011	Board Members from Investor
49	Helena Saxon
49	
5,239	
	49 49

INVESTOR'S VIEW

Lindorff has a good business mix with its two business areas: Collection and Capital. Collection's service-driven business model has low capital requirements and provides a stable earnings base. Capital has the capacity and ability to pursue portfolio acquisitions, offering attractive growth opportunities with good



yield. The growth rate can be adapted to Lindorff's growth ambitions and market opportunities. We expect Lindorff to act on value creating opportunities in Europe. Internally, Lindorff should continue to focus on improving efficiency and operational excellence. We remain confident in Lindorff's longterm growth potential.

Investor's engagement	2011	Board Members from Investor
Share of capital, %	58	Lennart Johansson, Petra Hedengran
Share of votes, %	50	
Value of holding, SEK m.	4,337	



3 Scandinavia is a mobile operator providing voice and broadband services in Sweden and Denmark. The company has more than 2 million subscribers, and is well-recognized for its high-quality network.

Chairman: Marcus Wallenberg, President and CEO: Peder Ramel

IMPORTANT EVENTS IN 2011

- Net subscriber growth was 286,000, meaning that the subscriber base grew by 15 percent and exceeded 2 million by the end of 2011.
- 3 Scandinavia acquired a number of spectrum licenses, thereby securing its market position as the premier network provider going forward.
- The roll-out of LTE (4G) continued in both Sweden and Denmark further improving both coverage and speed in the network.
- The Norwegian 3G license was returned because a viable business case could not be established.
- For the fifth consecutive year, 3 Scandinavia's Swedish mobile data network was ranked number 1 in the largest independent nationwide survey. 3 Scandinavia also won Operator of the Year in Sweden at the Telecoms Awards Gala in January 2012.
- Tax-loss carry-forwards, valued at SEK 3,183 m. were capitalized. Investor included its share of the positive impact from this capitalization, SEK 1,273 m., in its net asset value, as the intrinsic value of the business supports this.
- To better reflect the underlying business of 3 Scandinavia, the recognition of handset revenue was aligned to industry practice. In changing method, revenue and EBITDA are positively affected during a transition period. The effect in 2012 will be significantly lower than in 2011.

Key figures, SEK m.	20111)	2010	2009
Net sales	8,911	7,015	5,840
Sales growth, %	n.a.	20	13
Sales growth, constant currency, %	n.a.	24	n.a.
EBITDA	2,397	1,067	434
EBITDA, %	27	15	7
Net debt	10,472	9,910	10,230
Other key figures			
Subscribers	2,152,000	1,866,000	1,569,000
ARPU, SEK	312	329	348
Non-voice ARPU %	46	43	42
Postpaid/prepaid ratio	85/15	87/13	90/10

¹⁾ As the recognition of handset sales was changed during 2011, figures for 2011 and 2010 are not directly comparable. Using the old method, sales, EBITDA and the EBITDA margin would have been SEK 7,800 m., SEK 1,306 m. and 17 percent respectively, during 2011.

www.tre.se Unlisted

INVESTOR'S VIEW

Over the past few years, 3 Scandinavia's strategic focus on building a highquality mobile network has proven successful, as illustrated by strong subscriber intake and improved operating performance. With strong cost control in place, growth remains the key value driver, and 3 Scandinavia should con-



Impact on NAV: SEK 1,675 m.

tinue to increase its market share and capture additional growth opportunities. Having acquired additional spectrum during 2011, the company has secured its position as the premier network provider. Future revenue and profit growth should translate into enhanced cash flow generation.

Investor's engagement	2011	Board Members from Investor
Share of capital, %	40	Lennart Johansson, Christian Cederholm. Marcus Wallenberg is Chairman and
Share of votes, %	40	a member of Investor's 3 Scandinavia
Value of holding, SEK m.	2,395	business team.



Kunskapsskolan, founded in 1999, is a leading independent school operator in Sweden, operating 33 schools with around 10,000 students. All schools are publicly funded, free of charge and non-selective. Kunskapsskolan has developed an educational concept focused on high-quality personalized education with clear goal orientation. This concept is gaining international attention and is today used in three schools with 2,000 students in the UK and in one school on Manhattan, New York.

www.kunskapsskolan.se

Unlisted

Unlisted

Key figures, SEK m.	2011	2010	2009
Net sales	799	780	731
EBITDA, %	6	10	8
Net debt	148	124	158

Investor's engagement 2011		Board Members from Investor	
Share of capital, %	40	Johan Röhss	
Share of votes, %	32		
Value of holding, SEK m.	168		

Novare Human Capital was founded by Investor in 2001. It is comprised of five companies with specialist expertise within the field of Human Resources, offering a unique and comprehensive platform to service clients covering the full HR spectra. All Novare Human Capital companies focus on supporting the development of businesses and their employees. Clients are primarily mid-sized and large companies from a wide range of businesses.

www.novare.se

Key figures, SEK m.	2011	2010	2009
Net sales ¹⁾	72	76	53
EBITDA, %	15	12	11
Net debt	0	1	8

¹⁾ Net sales including Novare's share of associated companies net sales is SEK 100 m. for 2011, SEK 82 m. for 2010 and SEK 61 m. for 2009.

Investor's engagement	2011	Board Members from Investor
Share of capital, %	50	Johanna Klint, David Lindquist
Share of votes, %	50	
Value of holding, SEK m.	7	



Samsari is a change agency that empowers organizations to make strategy happen, based on Action Learning. Samsari made good progress during 2011 recording sales growth of 44 percent. The integration of the Samsari and Act businesses in 2010 has been successful, resulting in an increased profit margin.

www.samsari.se

Unlisted

Key figures, SEK m.	2011	2010	2009
Net sales	17	12	n.a.
EBITDA, %	4	-7	n.a.
Net debt	-1	0	n.a.

Investor's engagement	2011	Board Members from Investor
Share of capital, %	50	Oscar Stege Unger
Share of votes, %	50	
Value of holding, SEK m.	5	

Investor shares

The total return for the Investor share in 2011 was –8 percent and the average annualized total return has been –2 percent over the past five-year period and 13 percent over the last 20 years. The price of Investor's A share decreased 11 percent during the year from SEK 139 to SEK 123.20. The B share decreased 11 percent from SEK 143.90 to SEK 128.40.

Turnover

During 2011, the turnover of Investor shares on the Stockholm Stock Exchange totaled 552 m. (489), of which 43 million were A shares (33) and 509 million were B shares (456). This corresponded to a turnover rate of 13 percent (10) for the A share and 109 percent for the B share (98), compared with 96 percent for the Stockholm Stock Exchange as a whole (95). On average, 2.1 m. Investor shares were traded daily (1.9). Our share was the 17th most actively traded share on the Stockholm Stock Exchange in 2011 (19th). Additional Investor shares were also traded on other exchanges.

Ownership structure

At year-end 2011, our share capital totaled SEK 4,795 m., represented by 767,175,030 shares, each with a quota value of SEK 6.25. We had a total of 134,329 shareholders at year-end 2011

(138,761). In terms of numbers, the largest category of shareholders is private investors, and in terms of the percentage of share capital held, institutional owners dominate. The largest single shareholder category is foundations, of which the three largest Wallenberg foundations combined own 22.4 percent of the share capital and 48.2 percent of the voting rights.

Increasing foreign ownership

Our focus during recent years has been to broaden our shareholder base and attract a larger share of international shareholders. We believe that a larger share of long-term foreign owners will have a structurally positive effect on total shareholder return. As of year-end, foreign ownership amounted to 33 percent (31), compared to 32 percent (29) for the Stockholm Stock Exchange.

Employee stock ownership

Within the framework of our long-term share based remuneration, all employees are given the opportunity to invest 10 percent or more of their gross fixed base salary in Investor shares. Approximately 87 percent of Investor's employees are shareholders. In total, employees made personal investments of SEK 12 m. in Investor shares within the programs for long-term share based remuneration during 2011. The President, senior management and certain key personnel are required to invest a significant portion of their fixed base salary in Investor shares. Personal investments mean that the program has an up- and a downside, aligning the interest of employees with shareholders. For more information on remuneration, see Employees, network, and brand page 26 and Note 6, page 72.

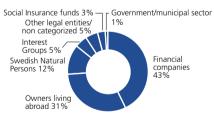
Why invest in Investor's shares?

- Our business model to actively develop holdings is well proven and has continuously generated healthy long-term returns to shareholders.
- Investor has a strong financial position, enabling us to capture attractive business opportunities for ourselves and for our holdings.
- Investor has strong cash flow generation, which provides both investment and distribution capacity.
- We are a transparent company providing comprehensive financial information on a continuous basis.
- The liquidity of Investor shares is one of the highest on the Nordic Stock Exchange.
- The management cost is significantly lower (approximately 0.3 percent of total assets) than for most other investment alternatives including equity funds.

Foreign ownership of capital



Distribution of shareholders (% of capital)



Proposed dividend and distribution policy

The Board and the President propose a dividend to shareholders of SEK 6.00 per share (5.00), corresponding to a maximum of SEK 4,603 m. (3,836), based on the total number of registered shares.

Dividend



Total return Investor vs. SIXRX



SIXRX (Return Index) Number of shares traded, millions per month (incl. trades reported later)

Average total return Investor vs. SIXRX



Investor's 15 largest shareholders listed by capital stake¹

	% of	% of
12/31 2011	capital	votes
Knut and Alice Wallenberg		
Foundation	18.7	40.2
Alecta	4.9	2.7
SEB-Foundation	2.3	4.7
Marianne and Marcus Wallenberg		
Foundation	2.3	4.9
AMF	2.1	2.1
Third Avenue Management LLC	1.6	3.5
Swedbank Robur Funds	1.6	1.9
Skandia Life insurance company	1.5	3.1
Marcus and Amalia Wallenberg		
Memorial Fund	1.4	3.1
Handelsbanken Funds	1.4	0.3
Afa Insurance	1.4	0.3
Third AP-fund	1.1	0.8
SEB Investment Management	1.1	0.6
Fourth AP-fund	0.9	0.4
Second AP-fund	0.9	0.3

1) Swedish owners are directly registered or registered in the name of nominees. Foreign owners through filings, custodian banks are excluded. Source: Euroclear Sweden.

Brief facts

- Listed since 1917.
- A shares and B shares are traded on NASDAQ OMX Stockholm.
- The only difference between the A and B share classes is that the A share carries one vote while the B share carries 1/10th vote.
- Total number of outstanding shares: 767,175,030, of which 311,690,844 A shares and 455,484,186 B shares
- Ticker codes B share: INVEB SS (Bloomberg), INVEb.ST (Reuters), INVE.B (FactSet).
- Market capitalization on December 31: SEK 97 bn. (adjusted for repurchased shares), and the 10th largest company on the Stockholm Stock Exchange.

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IR Group: +46 8 614 2800

Analyses of Investor

Firms publishing analyses of Investor AB

- ABG Sundal Collier
- Carnegie
- Cazenove
- Goldman Sachs
- Handelsbanken
- Nordea
- SEB Enskilda
- Swedbank Markets
- UBS

Employees, network and brand

Our strategic assets include our reputation, network and employees. In addition to the business teams, our organization consists of employees in Corporate Governance, Finance, IT, Human Resources, Communications, Office Support, Trading and Treasury.

Our long history of owning and developing companies has created a strong international reputation and brand. A key strategic asset is our network of international industrialists and specialists that helps us recruit the right talents to our organization and holdings, as well as identify attractive investment opportunities and trends.

Our employees and our updated business strategy

Having the right people in the right place at the right time is critical in order to build successful companies.

During 2011, we updated our strategy to further clarify and focus the business model and strengthen our ability to be a strong owner of our holdings. As a conseguence, our staff has been reduced by about one third. Furthermore, due to the restructuring of Investor Growth Capital into a stand-alone venture capital operation owned by Investor and following the closing of the Amsterdam office, we will operate solely from our office in Stockholm.

In connection with our updated business strategy, we held an internal conference to open up a discussion forum for our new strategic focus.

Diversity creates value

Our team of employees is wide ranging in terms of age, gender, expertise and back-

Our philosophy on remuneration – in short

Our remuneration pillars

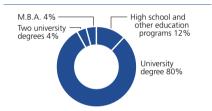
- · Total remuneration, which the individual and the company agree upon, should be competitive in order to attract the right person to the right place at the right time.
- A substantial part of the total remuneration package should be variable.
- The system should be linked to long-term shareholder return by offering the opportunity to build considerable long-term shareholdings. We expect employees to invest their own personal funds in the company.
- The systems should be transparent.
- The remuneration systems should adhere to the "grandfather principle", i.e. all changes in the employee's remuneration are to be approved by the supervisor of the manager proposing the change.

ground. The representation of women in senior management positions within our own organization continued to increase during the year, from 29 to 38 percent. Our management group consists of 40 percent women (15). Our ambition is to have at least one man and one woman in the final process for every recruitment activity, labor law permitting. We continue to provide management training for a number of employees, and contribute to the promotion of several women to key positions in our holdings. During 2011 we continued to offer mentorship programs and focused on our employees' individual long-term development.

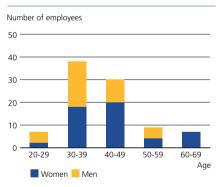
Our culture guides our actions

A strong and clear corporate culture is important if we are to successfully achieve our vision and goals. We regularly followup on our employees' views and reflections. High ethical standards are an integral part of our way of doing business.

Employees by education



Age distribution



Facts & figures on employees

- Number of employees on December 31, 20111): 91 (162).
- Average age: 40.1 years (40.9)
- Invested in education per employee: about SEK 12,000 (26,200).
- Percentage of female employees: 56 (52).
- Percentage of women in senior management positions: 38 (29).
- Percentage of women in the management group: 40 (15).
- Personnel turnover: 8.0 percent (5.7)

1) Investor AB, Investor Group Finance, Navigare 2010 includes IGC with 48 employees

Core values

- Create value we create value in everything we do with a long-term view and short-term impatience.
- Continuous improvement we think forward there is always a better way.
- Contribute your view we state, listen to and respect different views. We encourage integrity, openness and dialogue. When a decision is made, we take our responsibility.
- Care for people we are fair and open with one another. We contribute to growth and success as individuals and in teams. We are accountable for the results.

Good citizen – sustainable business

Being a good corporate citizen is an important part of having a long-term sustainable business. As a long-term and engaged owner, we work with our companies to develop sustainable business models, including such areas as the environment, human rights and working conditions.

Throughout history, we have learned that there is a strong link between long-term profitability and a sustainable business model. Our thinking and activities within the corporate sustainability field are split into two perspectives: our role as an owner and investor, as well as our role as a company and employer. Our corporate sustainability efforts also include ongoing dialogues with large businesses, international business networks and government representatives in different countries about the conditions for owning and developing companies long-term. These dialogues give us early indications about trends, political changes and opportunities, which we convey to our holdings. We are also active in these discussions, promoting the views we have as a longterm responsible owner. A sustainability focus should provide interesting opportunities for us as well as our holdings, which we have many examples of in our portfolio. Given our small size in terms of employees and environmental impact, our focus is more on our role as an owner of companies and less on our role as employer.

The Investor and employer perspective

We make sure that we have a good working environment and that we take good care of our employees. We support the OECD Guidelines for Multinational Enterprises and we comply with laws and regulations. Health, the working environment and safety are all things that are very important to us in our role as employer. We have a good health program and a strong focus on security, safety and the well-being of all our employees. Since

2007, we measure and report our climate footprint, as part of the CDP (Carbon Disclosure Project). In the 2011 Nordic CDP Report, Investor's score was 79 out of a possible 100 points, which is an increase of 20 points compared to last year. This places us at the top amongst our peers.

The ownership perspective

In our portfolio companies, we strive to ensure that operations are conducted in a responsible and ethical manner. Compliance with legislation and regulations is a basic requirement. Just as with every other issue relating to our holdings, our influence is mainly exercised via our work on the Boards. We recommend that our holdings draw up policies and goals for the corporate sustainability issues that are most relevant and important to them. Since corporate sustainability risks and challenges differ between companies, industries and countries, each company must identify and address the issues relevant to its particular operations. Many of our holdings are leaders in their sectors and have been successful at turning risks and threats into business opportunities.

Examples from our holdings

ABB's FACTS (flexible AC transmission systems) was named among the top 11 technologies of the decade by the Institute of Electrical and Electronics Engineers (IEEE). ABB has delivered around 800 FACTS installations worldwide, more than half the world total. For the third consecutive year, ABB was rated as a world class performer by the Dow Jones Sustainability Index (DJSI).

Atlas Copco was ranked the world's 10th most sustainable company in the annual Global 100 list at the World Economic Forum in Davos, Switzerland, and it is the highest ranked industrial company. It is striving to reduce carbon emissions by 20 percent by 2020. Atlas Copco was included in Dow Jones' sustainability Index 2011/2012.

Ericsson will soon reach the goal of lowering its climate footprint by 40 percent during 2008-2013. The company continues to work and inform the public about how the ICT-sector can maintain and develop in the reduction of emission levels in urban areas. Ericsson Response continued to support UN organizations such as the World Food Programme and UNICEF with communication equipment for disaster and aid operations.

Electrolux ranked among the top 10 percent of the 2,500 largest companies for social and environmental performance in the Dow Jones Sustainability World Index (DJSI) and it was ranked among the World's Most Ethical Companies in 2011. The company placed among the top ten Nordic reporters in the 2011 Carbon Disclosure Project ranking.

Mölnlycke Health Care sponsored "Operation Smile" with close to 400,000 pairs of Biogel® surgical gloves for reconstructive surgery for children born with facial deformities. The company also reduced its carbon footprint by improving trucks' fill-rates significantly, with a goal to increase the fillrates by 15 percent by the end of 2012.

For more examples, see our website.

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Administration Report

The Board of Directors and the President of Investor AB (publ.) 556013–8298, hereby present their annual report on the operations of the Parent Company and Group for fiscal year 2011, the company's ninety-fifth year of business.

Fiscal Year 2011

OPERATIONS

Investor is one of the largest industrial holding companies in Northern Europe. Investor's business concept is to invest in companies with solid potential for value creation and, by leveraging Investor's experience, knowledge and network, make them best-in-class and thereby generate attractive long-term returns. Operations are conducted in the Core Investments and Financial Investments business areas.

Investor is listed on NASDAQ OMX Stockholm, where the company's class A and class B shares are traded.

Restructuring

Following a comprehensive strategic review of all operations and organizational alternatives for Investor, the Board of Directors decided to increase the focus on long-term Core Investments, restructure Investor Growth Capital and wind down Active Portfolio Management.

In the new structure, Core Investments, representing 79 percent of assets at year-end 2011, is comprised of listed holdings and the operating subsidiaries Mölnlycke Health Care, Aleris and Grand Hôtel.

Financial Investments, representing 21 percent of assets at year-end 2011, consist of the investments in EQT's funds, Investor Growth Capital, unlisted partner-owned companies and a few other investments, including a limited trading operation.

On July 1, 2011, Investor Growth Capital became a stand-alone entity, comparable to Investor's other operating subsidiaries and it now carries its own costs. With the new structure, focus is on the U.S. and Asia. For the Asian operations, the focus is now on Beijing and the Hong Kong office was closed down. The office in Stockholm is being wound down and no new investments will be made in Europe. The existing portfolio of European investments will be managed with the aim of maximizing value.

As a result of these changes, Investor expects to reduce annual costs by approximately SEK 140 m. with full run-rate effect by the end of 2012. In addition, management costs will be reduced even further because, as of July 1, 2011, the costs attributable to Investor Growth Capital will no longer be included. The target is that management cost should reach SEK 350 m. on an annual basis by the end of 2012. The Group reported restructuring costs of SEK 150 m. for the year.

Following the structural changes, Stephen Campe, Head of Investor Growth Capital, left Investor's Management Group. Susanne Ekblom was appointed Chief Financial Officer of Investor AB, effective August.

GROUP

Net asset value

The Group's performance is reflected by its net asset value (i.e. total assets, adjusted for net debt/cash), which corresponds to shareholders' equity attributable to the owners of the Parent Company. How this figure changes also reflects performance. On December 31, 2011, Investor's net asset value amounted to SEK 156,070 m. (169,386).

During 2011, the change in net asset value was SEK –13,316 m. (27,200). The change consisted mainly of net profit/loss for the year, attributable to the owners of the Parent Company, totaling SEK -9,229 m. (30,631) and dividends to shareholders of SEK 3,802 m. (3,050).

Profit/loss

Consolidated operating income was SEK -7,015 m. (31,838). This is primarily explained by changes in value, which totaled SEK –17,586 m. (28,492). Changes in value relating to Core Investments affected income by SEK -21,794 m. (26,282), whereas the effect on income from changes in the value of Financial Investments was SEK 4,191 m. (2,210). Net sales increased by SEK 11,731 m. (2,562) primarily because Mölnlycke Health Care and Aleris were consolidated for the full year 2011. Operating profit includes management costs of SEK 506 m. (646), which corresponds to 0.3 percent of total assets (0.4), excluding restructuring costs of SEK 150 m. Commitments within the framework of long-term share-based remuneration programs of SEK 33 m. (37) are included in management costs. Profit/loss before tax was SEK -9,581 m. (30,652), of which net financial items amounted to SEK -2,566 m. (-1,186). A substantial portion of the change in net financial items is explained by the full year consolidation of Mölnlycke Health Care and Aleris during 2011.

Financial position

At the close of the fiscal year, the Group's financial investments and its cash and cash equivalents amounted to SEK 15,039 m. (12,644). Interest-bearing liabilities and derivatives, used to control exposure to changes in interest rates and foreign currency, totaled SEK –47,368 m.

At year-end, net debt was SEK 16,910 m. (11,472), representing a leverage of 9.8 percent (6.3). Provisions for pensions and similar commitments of SEK 215 m. (245) were included in the net debt. With the exception of 3 Scandinavia, for which there is a loan guarantee, debt financing for Core Investments subsidiaries and partner-owned financial investments is stand-alone. Accordingly, debt financing for these companies is not included in Investor's net debt. Significant cash flows that had an impact on net debt for the year (other than those relating to management costs and interest expenses) were as follows: dividends from holdings of SEK 4,949 m., including contribution from Investor Growth Capital 2011 (3,654), net investments in Core Investments of SEK 5,066 m. (8,892), Financial Investments of SEK -115 m. (555) and dividends to shareholders of SEK 3,802 m. (3,050).

In order to further strengthen financial flexibility, new loans of EUR 700 m., corresponding to SEK 6,261 m. were obtained during the year with maturity date 2023.

On December 31, 2011, the Investor Group's Balance Sheet total was SEK 213,607 m. (220,767), of which shareholders' equity equaled SEK 156,719 m. (170,051). The equity/assets ratio was 73 percent (77).

PERFORMANCE BY BUSINESS AREA

Core Investments

Core Investments consist of ten listed holdings and three unlisted operating subsidiaries. The listed holdings are well-established, global companies for which Investor has a long investment horizon.

The unlisted operating subsidiaries are medium and large-sized companies with international operations. The goal is for Core Investments to generate a long-term annual return of 8-9 percent and positive cash flows for Investor.

Core Investments represented SEK 136,002 m. of Investor's net asset value on December 31 (151,425).

Core Investments - listed

On December 31, 2011, listed Core Investments were: ABB, AstraZeneca, Atlas Copco, Electrolux, Ericsson, Husqvarna, NASDAQ OMX, Saab, SEB and Sobi. During 2011, additional investments totaling SEK 4,846 m. (1,693) were made in ABB, Atlas Copco, Electrolux, Ericsson, Husqvarna and NASDAQ OMX. Investor AB also participated with its pro rata share of SEK 258 m. in Sobi's new rights issue. Mandatory redemption shares in Atlas Copco were sold for SEK 1,027 m. For 2011, the change in Investor's net asset value resulting from its Core Investment listed holdings was SEK –17,889 m. (27,098), of which SEK 3,998 m. was dividends received (3,203). SEB had the biggest negative value change, SEK –6,613 m., followed by Electrolux with SEK –3,274 m. The largest positive change in value, SEK 1,239 m. was from Astra Zeneca. Listed Core Investments represented SEK 118,016 of Investor's net asset value on December 31 (134,314).

Core Investments – subsidiaries

On December 31, 2011, subsidiaries within Core Investments were Mölnlycke Health Care, Aleris and Grand Hôtel. During the year, an additional SEK 1,019 m. was invested in Aleris to finance the company's new acquisitions.

Operating subsidiaries contributed SEK 87 m. to Investor's net asset value development during 2011 (2,346). The subsidiaries within Core Investments represented SEK 17,986 m. of Investor's net asset value on December 31 (17,111).

MÖLNLYCKE HEALTH CARE

Mölnlycke Health Care is a world-leading manufacturer of single-use surgical and wound care products and services. The company continued its trend of strong growth in all regions during 2011 and its strong cash flow generation continued, allowing for an additional reduction in net debt during the year.

Mölnlycke Health Care contributed SEK 110 m. to Investor's change in net asset value during 2011 (2,376). Mölnlycke Health Care represented SEK 13,436 m. of Investor's net asset value on December 31 (13,555).

ALERIS

Aleris is one of the leading providers of healthcare and care services in the Nordic region. During the year, investments were made for the purpose of strengthening the company's infrastructure for sustainable growth, quality of service and competitiveness. The Swedish healthcare provider Proxima and the Danish private hospital, Hamlet, were also acquired. A number of additional small acquisitions were made during the year, for more information see Note 4, Acquisitions. In Sweden, the Diagnostics and Care divisions continued to develop well and for the Healthcare division, the focus in Sweden was on the integration of new acquisitions, while challenging market conditions in Norway and Denmark impacted the division negatively.

Aleris contributed SEK –140 m. to Investor's change in net asset value during 2011 (–56). Aleris represented SEK 3,342 m. of Investor's net asset value on December 31 (2,465). In addition to the change in net asset value, including effects on result of SEK –109 m. (–40) and other changes in equity, the net asset value increased by SEK 1,019 m. due to new acquisitions (2,521).

GRAND HÔTEL

Grand Hôtel is Scandinavia's leading five-star hotel. The demand for hotel rooms declined due to uncertainty in the general economy and competition in this sector remained intense due to the increased capacity in Stockholm. The trend for the Food and Beverage business area remained positive.

Grand Hôtel contributed SEK 117 m. to Investor's change in net asset value during 2011 (26), of which SEK 138 m. was derived from a revaluation of the hotel property. Grand Hôtel represented SEK 1,208 m. of Investor's net asset value on December 31 (1,091).

Financial Investments

On December 31, 2011, Financial Investments included the investments in EQT's funds, Investor Growth Capital, unlisted partner-owned investments and a few other investments. The goal is for Financial Investments to generate a 15 percent average annual return and positive cash flows to Investor.

Financial Investments represented SEK 37,623 m. of Investor's net asset value on December 31 (30,036).

EQT

Investment activities in EQT are conducted via a number of funds. Advisory services are provided through EQT Partners, in which Investor has a 31 percent stake. During the year, the EQT VI fund was successfully launched with a total capital commitment of EUR 4.75 bn. This corresponds to SEK 42.5 bn., of which SEK 2,683 m. (EUR 300 m.) was from Investor. EQT's funds invest in companies in Northern and Eastern Europe, Asia and the U.S. acting as a catalyst to transform and grow operations.

EQT contributed SEK 3,360 m. to Investor's change in net asset value during 2011 (1,179). EQT represented SEK 13,214 m. of Investor's net asset value on December 31 (10,858).

In addition to the change in net asset value, including effects on result of SEK 3,387 m. (1,209) and other changes in equity, the net asset value increased by SEK 2,515 m. contributed by Investor (2,016) and decreased by SEK 3,519 m. paid out to Investor (1,503).

Investor reported outstanding commitments to EQT of SEK 4.5 bn. at year-end (3.5).

INVESTOR GROWTH CAPITAL

On July 1, 2011, Investor Growth Capital became a stand-alone entity, wholly-owned by Investor. It carries its own costs and has a defined capital commitment from Investor. The total contribution from Investor, in addition to the existing portfolio of holdings as of July 1, amounts to SEK 1,887 m. Of that amount, SEK 1,137 m. was contributed in July 2011 and the remaining SEK 750 m. in January 2012. Of Investor Growth Capital's gross proceeds less operating and transaction expenses, 50 percent are distributed to Investor. During 2011, this amounted to SEK 674 m. The remaining funds are used by Investor Growth Capital for new investments.

Investor Growth Capital invests in growth companies in the technology and healthcare sectors in the U.S. and Asia. In Europe, the focus is exclusively on maximizing the value of existing holdings.

Investor Growth Capital contributed SEK 841 m. to Investor's change in net asset value during 2011 (22). Investor Growth Capital represented SEK 10.188 m. of Investor's net asset value on December 31 (8,468). In addition to the change in net asset value, including effects on result of SEK 942 m. (337) and other changes in equity, the net asset value increased due to contributed capital from Investor.

Financial Investments - Partner-owned

Investor's partner-owned financial investments are Gambro, Lindorff, 3 Scandinavia and a number of other companies.

Gambro, Lindorff and 3 Scandinavia are companies with attractive potential. Over time, these will either become listed or become operating subsidiaries within Core Investments, or they will be divested.

Partner-owned investments contributed SEK 5,475 m. to Investor's change in net asset value during 2011 (-304). Partner-owned investments represented SEK 12,151 m. of Investor's net asset value on December 31 (6,642). The increase in net asset value is mainly attributable to Gambro and 3 Scandinavia.

GAMBRO

Gambro is a global medical technology company and a leader in the development, manufacturing and supply of products and therapies for kidney and liver dialysis, among others. Overall, compared to last year, the demand for Gambro's products and services was stable in North America, South America and the APAC countries, but weaker in the EMEA countries.

In April, Gambro divested CaridianBCT to Japanese Terumo Corporation for a total enterprise value of USD 2.625 m., corresponding to approximately SEK 17 bn. The transaction affected Investor's net asset value positively by SEK 4.6 bn., including the effect from the investment made in Gambro through EQT IV.

Dr Guido Oelkers joined Gambro as its President and CEO on November 1. A refinancing of Gambro's debt was successfully completed in December and the new loans mature in 2016.

Gambro contributed SEK 3,499 m. to Investor's change in net asset value during 2011 (-319), of which SEK 3.9 bn. was attributable to the divestment of Caridian BCT. Gambro represented SEK 5,239 m. of Investor's net asset value on December 31 (1,740).

Lindorff is a credit management company, operating in the Collection and Capital business areas. During 2011, Lindorff performed well in all regions. For the Capital business area, existing portfolios performed well but portfolio acquisition activities were limited. For the Collection business area, performance was good. Lindorff continued reducing its non-core business activities. During the year, Lindorff successfully refinanced its debt, which extended maturities and increased its capacity for additional acquisitions.

Lindorff contributed SEK 301 m. to Investor's change in net asset value during 2011 (281). Lindorff represented SEK 4,337 m. of Investor's net asset value on December 31 (4,054). The change in net asset value during 2011 is mainly attributable to Investor's share of Lindorff's result.

3 SCANDINAVIA

3 Scandinavia is a mobile operator providing mobile voice and broadband services in Sweden and Denmark. During 2011, 3 Scandinavia continued its growth trend and improved its profitability. The number of subscribers increased by 286,000 to 2,152,000.

During 2011, 3 Scandinavia changed its recognition method for handset revenues and its accounting policies for customer acquisition costs (CAC) and customer retention costs (CRC). More information is available in Note 1, Accounting policies.

As of December 31, 2011 Investor had provided SEK 6,366 m. (6,366) in financing to 3 Scandinavia.

3 Scandinavia contributed SEK 1,675 m. to Investor's change in net asset value during 2011 (-283). Of that amount, SEK 1,273 m. was attributable to capitalization of tax loss carry-forwards due to the company's improved profitability. 3 Scandinavia represented SEK 2,395 m. of Investor's net asset value on December 31 (720).

Financial Investments - other

During 2011, Investor's Active Portfolio Management was wound down. However, a more limited trading operation has been maintained.

During the second quarter, Investor exercised its option to sell its shares in Aker Holding AS. The exercise of the option generated proceeds of SEK 137 m. to Investor, net of external loans.

Other Financial Investments contributed SEK 201 m. to Investor's change in net asset value during 2011 (1,104). Other Financial Investments represented SEK 2.070 m. of Investor's net asset value on December 31 (4,068). The decrease in net asset value compared to the previous year is mainly attributable to the wind down of the Active Portfolio Management.

As a result of a tax audit, the Swedish tax authorities challenged the tax deductibility of a portion of interest expenses for shareholder loans in Mölnlycke Health Care. The company has provided extensive supporting evidence showing that a market rate has been applied and the decision has been appealed.

For 2011, the average number of full-time equivalent employees in the Investor Group totaled 11,303 (2,546), of which employees within the investing activities were 121 (155). The increase in number of employees is due to the full year consolidation of Mölnlycke Health Care and Aleris and the acquisitions made by Aleris during 2011. The decrease within investing activities is a result of the restructuring and cost saving program announced in April 2011.

During the year, a number of activities were conducted in the human resources area in order to provide support to employees affected by the restructuring and cost saving measures. Efforts to improve career opportunities for women such that they are able to achieve management positions in the company also continued. Within the investment organization, the percentage of women in leading positions increased. Another focus area has been leadership training for senior management.

ENVIRONMENT

The direct impact on the environment from investing activities is regarded as minor, in that the company conducts office-based activities on a very limited scale. Investor has an environmental policy that aims to minimize the company's environmental impact through conservative use of resources and recycling.

Investor uses CDP (Carbon Disclosure Project) to measure the environmental efforts and the company scored 73 points out of 100, which is a significant increase compared to 2010, when its score was 59. For more information on CDP, see page 27.

From the ownership perspective, Investor strives to ensure that operations are conducted in a responsible manner. In addition to comply with legislation and regulations, companies are encouraged to set policies and goals for the CSR issues that are most relevant and important to them.

The subsidiaries within Core Investments manage their environmental work with high ambition. For example, Mölnlycke Health Care introduced an environmental management system in 2001 and was one of the first companies in the medical device industry to obtain ISO 14001 certification. Today, all production facilities, as well as its headquarters, are ISO 14001 certified. Mölnlycke Health Care has continued to reduce its carbon footprint by improving the fill-rates for its trucks and it aims to improve this rate by 15 percent by the end of 2012. At Aleris, environmental management and ecological thinking is an integral part of all operations. Furthermore, the majority of the activities in health care and medical diagnostics in Sweden have environmental certification.

RISKS AND UNCERTAINTY FACTORS

Risk management is an integral part of the Board's and management's governance and follow-up of business operations. The Board is responsible for setting appropriate risk levels and establishing authorities and limits. It also ratifies the Risk Policy.

The following is a brief description of the most significant risks and uncertainty factors affecting the Group and Parent Company. See Note 31, for a more detailed description of Investor's risk exposure and risk management.

Commercial risks

Investor's commercial risks primarily consist of a high level of exposure to a particular industry or an individual holding and changes in market conditions that limit investment opportunities or prevent exit from a holding at the chosen time. However, the overall risk in the portfolio is limited by the fact that it consists of a number of investments with various ownership horizons in different industries and countries.

Financial risks

The main financial risks that the Investor Group is exposed to are market risks, i.e. the risks associated with changes in the value of a financial instrument that are primarily caused by fluctuations in share prices, exchange rates or interest rates. The development of the global economy is an important uncertainty factor in assessment of near-term market fluctuations.

Most of Investor's exposure to share price fluctuations is in the Core Investments business area, but there is exposure in the other business areas as well. The company's direct exposure to currency risks is primarily from investments in Investor Growth Capital, EQT and Mölnlycke Health Care, and, to a lesser degree, from its associates. All business areas are indirectly exposed to currency risks. There is no regular hedging of these risks since the investment horizon is more than three years and currency fluctuations are expected to equal out over time. Interest rate risks are present in excess liquidity and the debt portfolio. Currency risks and interest rate risks linked to the company's borrowings are managed through derivatives.

Liquidity and Financing risk is the risk that funds will not be available to meet payment commitments because a financial instrument cannot be divested without incurring considerable extra costs, because financing cannot be obtained, or because financing can only be obtained at an increased cost. Investor's liquidity and financing risks are considered to be low. Investments in listed Core Investments are typically very liquid, while the majority of other investments are more illiquid. Liquid funds are invested in short-term deposits market and in interest-bearing securities with low risk and high liquidity.

Investor is exposed to credit risks, i.e. the risk of a counterparty or issuer being unable to repay a liability to Investor, primarily because excess liquidity has been invested in interest-bearing securities. Credit risks also arise as a result of positive market values in derivative instruments. Several measures are taken in order to limit credit risks. For example, according to the Investor's risk policy, the company may only be exposed to credit risks towards counterparties with high creditworthiness, for a limited amount and for a limited duration.

Uncertainty factors

Uncertainty factors that affect operations, and that also make forecasts regarding the company's future development unsure, relate mainly to changes in share prices, foreign exchange rates, prices of unlisted holdings and the development of various industrial sectors.

FUTURE DEVELOPMENT

Investor's objective for the future is to build net asset value, operate efficiently and pay out a steadily rising dividend. Investor will focus on the role as active owner in core investments.

Core Investments will continue to constitute the largest share of Investor's portfolio, and will therefore be the key value driver. Investor will make additional investments in selected core investments and continue to be active in developing and exercising influence over the companies, primarily through Board representation. Financial Investments share of assets will decrease over time as partner-owned financial investments (Gambro, Lindorff and 3 Scandinavia) will either become core investments or be divested. Investor's ambition is to generate strong, sustainable cash flow. Dividend and free cash flow from holdings and the cost savings that are currently implemented will contribute to this cash flow. This will allow Investor to make further investments and deliver a stable and rising dividend.

PARENT COMPANY

The Parent Company's profit/loss amounted to SEK –16,725 m. (34,194). Changes in value for equity related holdings that are reported at fair value through profit/loss contributed SEK –22,063 m. (23,970) and they pertain to listed Core Investments. Profit/loss from

participations in Group companies was SEK 520 m. (7,178) and for participations in associates the corresponding figure was SEK 1,054 m. (-253). These amounts relate to reversals of impairment losses.

During the year, Parent Company investments in non-current financial assets totaled SEK 8,804 m. (12,482), of which SEK 5,042 m. (9.199) pertained to Group companies and SEK 3.605 m, pertained to listed Core Investments (3,141). The Parent Company's Balance Sheet total on December 31 was SEK 185,805 m. (198,297), of which shareholders' equity was SEK 142,633 m. (163,164). The decline in equity was primarily attributable to profit for the year of SEK -16,725 m. (34,194) and dividends paid to shareholders of SEK 3,802 m. (3,050).

SHARES AND OWNERSHIP Structure of share capital

On December 31, 2011, the Parent Company's share capital was represented by the following shares, each with a quota value of SEK 6.25.

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

OTHER

A total of 6,669,158 Investor class B shares were held by Investor following buybacks of shares to hedge the long-term share-based remuneration programs (6,683,800). These shares represent 0.9 percent of the total number of shares outstanding (0.9) and correspond to a nominal value of SEK 41.7 m. (41.8). The consideration amounted to SEK 889 m. (891).

During 2011, 14,642 class B shares were transferred for SEK 2 m. in connection with exercises within the long-term share-based remuneration programs. No treasury shares were acquired. These shares represent 0.0 percent of the total number of shares outstanding and correspond to a nominal value of SEK 0.1 m.

During 2010, 2,000,000 class B-shares were acquired for SEK 263 m. These acquired shares represent 0.3 percent of the total number of shares outstanding and correspond to a nominal value of SEK 12.5 m.

The 2011 Annual General Meeting authorized the Board to buy back Investor shares, subject to the condition that the company's holding of its own shares does not exceed 1/10 of all shares outstanding in the company. Also, for the 2012 Annual General Meeting, there is a proposal to give authorization to the Board to buy back Investor shares in order to hedge the long-term share-based remuneration programs.

PROPOSAL FOR LONG-TERM SHARE-BASED **REMUNERATION IN 2012**

The Board has decided to propose to the Annual General Meeting 2012 a long-term variable remuneration program which is substantially identical to the program from 2011. The costs for the 2012 long-term variable remuneration program, which are reported in the Income Statement, are based on the accounting principles in accordance with IFRS 2. At a participation price of SEK 140 and full participation, these

costs amount to approximately SEK 24 m. for the Stock Matching Plan (of which SEK 9 m. for the Management Group) and SEK 21 m. for the Performance Share Program (of which SEK 15 m. for the Management Group). Estimated costs for social security charges are included in these amounts. The costs will be allocated over the three-year vesting period. It is proposed that the long-term variable remuneration program should, as before, be hedged either through repurchase of the company's shares, or through total return swaps. The Board's final proposal will be announced in the Notice of the 2012 Annual General Meeting.

PROPOSED GUIDELINES ON REMUNERATION TO SENIOR EXECUTIVES

Senior executives include, in the context below, the President and other members of the Management Group. The Management Group consists of President Börje Ekholm along with Johan Forssell, Petra Hedengran, Lennart Johansson and Susanne Ekblom (who joined on August 15, 2011). Johan Bygge was a member of the Management Group from January 1 to May 18, 2011 and Stephen Campe was a member of the Management Group from January 1 to June 30, 2011. The Board of Directors' proposed guidelines for salary and other remuneration comply, in all material respects, with the guidelines for remuneration previously awarded to the Management Group, and they are based on agreements entered into between Investor and each executive. For more information on the most recently approved guidelines on remuneration to senior executives, see Note 6, Employees and payroll costs.

BOARD'S STATEMENT ON THE PROPOSED DISPOSITION OF EARNINGS

Investor's distribution policy is to declare dividends attributable to a high percentage of the dividends received from its listed Core Investments. It also strives to make a distribution from other net assets corresponding to a yield that is in line with the equity market. Investor's objective is also to generate a steadily rising dividend. As shown on page 47, the proposed dividend amounts to SEK 4,603 m. Dividends received from listed Core Investments amounted to SEK 3.998 m. in 2011. The Group's equity attributable to the shareholders of the Parent Company was SEK 156,070 m. as of December 31 and unrestricted equity in the Parent Company was SEK 123,903 m. Unrestricted equity includes SEK 47,185 m. attributable to unrealized changes in value according to a valuation at fair value.

With reference to the above, and to other information that has come to the knowledge of the Board, it is the opinion of the Board that the proposed dividend is defendable with reference to the demands that the nature, scope and risks of Investor's operations place on the size of the company's and the Group's equity, and the company's and the Group's consolidation needs, liquidity and position in general.

CORPORATE GOVERNANCE REPORT

Corporate governance practices refer to the decision-making systems through which owners, directly or indirectly, control a company. For Investor, which is an industrial holding company, the business model of active ownership is to create value in companies. For this, good corporate governance is fundamental. This applies to Investor's own organization, as well as to the companies in which Investor is an owner

Investor is a Swedish limited liability corporation that is publicly traded on the NASDAQ OMX Stockholm exchange and adheres to the Swedish Code of Corporate Governance (the Code). The Code is published on www.bolagsstyrning.se. This Corporate Governance Report is submitted in accordance with the Swedish Annual Accounts Act and the Code. It explains how Investor has conducted its corporate governance activities during the 2011 financial year. The Corporate Governance Report has been reviewed by Investor's auditor, see page 116.

Investor complied with the Code during 2011. Investor did neither deviate from the NASDAQ OMX Stockholm Rule Book for Issuers nor good stock market practice during 2011.

Corporate Governance at Investor

Applicable external legislation, regulations and recommendations, as well as internal policies, instructions and the Articles of Association all form the basis of Investor's corporate governance - from shareholders, the Board and President to company Management.

The Annual General Meeting (AGM) is the company's highest decision-making authority and serves as the forum through which Investor's shareholders exercise their influence over the business.

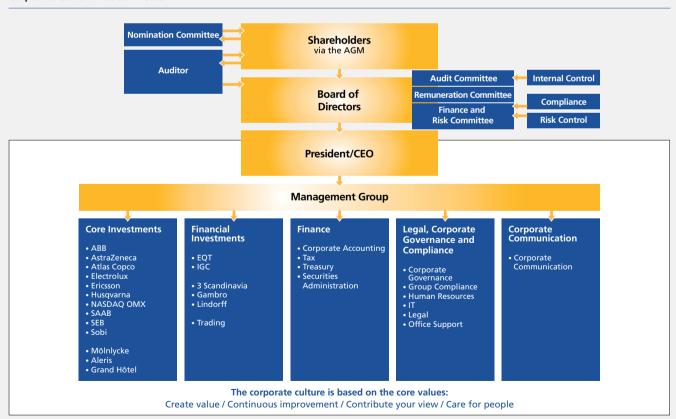
The Nomination Committee is to promote the interests of all shareholders and is responsible for proposing decisions to the AGM on electoral and remuneration issues, such as a proposal for the composition of the Board

On behalf of Investor's owners, the Board oversees the Management of the company's affairs. The Board is headed by the Chairman Jacob Wallenberg. The Board appoints the President, who is charged with carrying out the day-to-day Management of the company in accordance with the Board's instructions. The division of responsibilities between the Board and President is specified in Instructions and Rules of Procedures that are approved by the Board each year.

To increase the efficiency and depth of the Board's work on certain issues, it has established three Committees: the Audit Committee, the Remuneration Committee and the Finance and Risk Committee.

The Audit Committee is responsible for assuring the quality of the financial reporting and the efficiency in the internal control system.

Corporate Governance at Investor



The Audit Committee is the primary way in which the Board and the company's auditor communicate with each other.

The tasks of the Remuneration Committee are, among other things, to evaluate and prepare guidelines for salary and other remuneration, and to decide remuneration to the Members of the Management Group, except for the President for whom the Board as a whole sets the remuneration.

The Finance and Risk Committee ensures that the company's compliance efforts are effective and monitors risk exposure and financial strategies.

Control

Using the risk policy approved by the Board as framework, the Risk Control function identifies and monitors the risks that Investor is exposed to. This function is responsible for all internal reporting of Investor's significant risks at the aggregate level. The Risk Control function reports to the Finance and Risk Committee. Furthermore, this function is responsible for coordinating risk management work in the business, developing awareness of different types of risk and contributing to the creation of a healthy culture in connection with risks and risk management.

The Compliance function supports Investor's compliance with laws and regulations, and maintains internal regulatory systems to this end. The Compliance function reports to the Finance and Risk Com-

The Internal Control function provides objective support to the Board on matters relating to the internal control structure, partly by investigating major areas of risk and partly by performing reviews and follow-ups in selected areas. The function works proactively by proposing improvements in the control environment. The Internal Control function plans its work in consultation with the Audit Committee, Management Group and the external auditor. It also regularly provides reports on its work to the Audit Committee during the year.

External audit

The external auditor appointed by the AGM audits the Board and the President's administration of the company, as well as the company's financial reports. The auditor provides regular written and oral reports on the audit work and results of the audit to the Audit Committee. The auditor participates at each Audit Committee meeting.

The President and the Management Group

The President, Börje Ekholm, is responsible for the daily operation of the business. The President's responsibilities include ongoing investments and divestments, personnel, finance and accounting issues and regular contact with the company's stakeholders, such as public authorities and the financial market.

The President reports to the Board and ensures that it is provided with the requisite material for making well-informed decisions. The President is also a member of the Investor Board and attends all Board meetings except for when his performance is under evaluation and when the Board meets the auditor without the presence of the Management Group.

The President has appointed a Management Group that has dayto-day responsibility for different parts of Investor's business. In 2011, Susanne Ekblom was appointed as the new CFO and due to the structural changes that took place at Investor, Stephen Campe left the Management Group. Each member of the Management Group is responsible for one or more departments: Core Investments. Financial Investments, Finance, and Legal, Corporate Governance and Compliance, and Corporate Communication. For more information about the President and Management Group, see page 46.

The Management Group meets regularly to decide and follow up on business activities, current projects and other issues, and to discuss personnel and organizational issues. The Management Group also holds meetings focused on the company's strategy and risk assessment four to five times a year.

The Management Group regularly works with specific business transactions. Efforts continued 2011 with value-creating plans, additional investments and new investment possibilities. During 2011, the Management Group focused on the restructuring of Investor Growth Capital and the new business areas, the termination of Active Portfolio Management and the other challenges faced by the organization in conjunction with the restructuring and associated staff reductions. Furthermore, the Management Group worked proactively to ensure the company's financial flexibility. The Management Group regularly monitors the organization to ensure that it has the right competences given the company's strategy, goals and challenges.

Governance of Business areas

Investor's Analysts and Investment Managers working in the Core Investments and Financial Investments business areas are each responsible for one or more investments. These individuals continuously research each holding, the sector to which it belongs and competitors to identify value-creating initiatives and their return potential. In the listed Core Investments Investor exercises its active ownership through Board representation.

Investor governs its wholly-owned operating subsidiaries, Mölnlycke Health Care, Aleris and Grand Hotel, through its representation on the Boards of those companies. Investor's Board representatives are appointed by the President of Investor. Board representatives ensure value creation in the companies and that any indications of problems, that could impact Investor, in the portfolio companies are dealt with in an efficient manner. They are also responsible for ensuring that Investor's Management Group and Board are provided with relevant information

Since July 1, 2011, Investor Growth Capital has been an independent, wholly-owned subsidiary, as Investor's other operating subsidiaries, and is included as a holding under Financial Investments.

The governance of the partner-owned companies, 3 Scandinavia, Gambro and Lindorff, is carried out jointly with each partner.

Active Portfolio Management was terminated in 2011. However, a limited trading function still exists for handling the Parent Company's transactions. It also continually monitors market information. Trading is governed by mandates and limits set by the Board.

Support functions on group level are Compliance, Corporate Accounting, Corporate Communications, Corporate Governance, HR, IT, Legal, Office Support, Securities Administration, Tax and Treasury. Responsibilities and processes within each function are governed by approved policies and instructions.

Internal policies and instructions constitute important control documents in all parts of the company and clarify responsibilities and powers within areas such as information security, compliance and risk.

Corporate Culture

The actions of Management and personnel are also governed by Investor's corporate culture. The Management Group actively works to engage all employees in developing the corporate culture and living by the values expressed through it.

AGM and the AGM's decision-making authorities

Investor's AGM is held in the Stockholm area during the first half of the year. No later than at the publication of the third-quarter report, shareholders are informed of the time and place of the AGM and are provided information on their right to have business discussed at the AGM. The notice of the AGM is published at the earliest six weeks, but no later than four weeks, before the date of the AGM.

The AGM is informed about the company's development over the past fiscal year and decides on a number of central issues, such as changes to the company's Articles of Association, the election of auditor, discharging the Board from liability for the fiscal year, remuneration for the Board and fees to the auditor, decisions on the number of Board members, election of the Board for the period up to the close of the next AGM and dividends. Investor always strives to ensure that the Board, Management Group, Nomination Committee and the auditor are present at the AGM.

Shareholders are entitled to participate in and vote at the AGM if they are recorded in the register of shareholders and have reported their intention to attend by the specified deadline. Shareholders who cannot attend the AGM in person may appoint a proxy. To enable non-Swedish-speaking shareholders to participate, the AGM's proceedings are simultaneously interpreted into English. All printed information is available in both Swedish and English.

Decisions at the AGM usually require a simple majority vote. However, for certain items to be resolved at the AGM, the Swedish Companies Act requires that a proposal is approved by a higher percentage of the shares and votes represented at the AGM.

Each Investor shareholder entitled to vote may vote for the entire number of the shares owned and represented by the shareholder without restrictions to the number of votes. A-shares are entitled to one vote and B-shares are entitled to 1/10 vote.

2011 and 2012 AGM

Investor's 2011 AGM was held at Stockholm Waterfront Congress Centre on April 12. Approximately 1,000 shareholders, including shareholders represented by proxies, attended the meeting, representing 75.7 percent of the votes and 55.3 percent of the capital.

The 2012 AGM will take place on April 17 at the City Conference Centre in Stockholm. Shareholders who would like to have a particular matter discussed at the AGM should submit such request on or before February 28, 2012.

The President's presentation at the AGM is published on Investor's website the day after the AGM. The documents from the AGM and the minutes recorded at the AGM are also published on the website.

Shares, ownerships and distribution policy

At year-end 2011, Investor had 134,329 shareholders according to the register of shareholders maintained by Euroclear Sweden. Institutional owners dominate the ownership structure. Foundations represent the largest single shareholder category. Investor's share capital totaled SEK 4,795 m., consisting of a total of 767 million shares, of which 312 million are class A-shares and 455 million are class B-shares.

Investor's distribution policy is to distribute a large percentage of the dividends received from listed Core investments, as well as to make a distribution from other net assets corresponding to a yield in line with the equity market. Investor AB's goal is to generate a steadily increasing annual dividend.

The 2011 AGM decided on a dividend payment of SEK 5.00 per share to shareholders. The Board and President recommend to the 2012 AGM a distribution of dividends to shareholders of SEK 6.00 per share.

Investor's 10 largest shareholders listed by voting rights on December 31, 20111)

	% of votes	% of capital
Knut and Alice Wallenberg Foundation ²⁾	40.2	18.7
Marianne and Marcus Wallenberg		
Foundation ²⁾	4.9	2.3
SEB Foundation	4.7	2.3
Third Avenue Management LLC	3.5	1.6
Skandia Liv insurance company	3.1	1.5
Marcus and Amalia Wallenberg		
Memorial Fund ²⁾	3.1	1.4
Alecta	2.7	4.9
AMF Pension	2.1	2.1
Robur fund	1.9	1.6
Third AP-fund	0.8	1.1
Total	67.0	37.5

- 1) Directly registered, or registered in the name of nominees, with Euroclear Sweden.
- 2) The three largest Wallenberg foundations own a total of 48 percent of the votes and 22 percent of the capital.

Repurchases of own shares

Since year 2000, the Board has requested and been granted a mandate by the AGM to buy back the company's shares. Opening balance of repurchased shares at the beginning of 2011 was 6,683,800 B-shares. In 2011, no further shares were repurchased, however, 14,642 of the repurchased shares were sold during 2011. For more information about the repurchase of own shares, see page 33.

Investor currently considers it more attractive, from a long-term ownership perspective, to invest capital in new and existing holdings with a high return potential rather than repurchasing own shares.

Nomination Committee

The AGM decides the procedures of how to appoint the members of the Nomination Committee.

By mandate from the 2011 AGM, the membership of the Committee consists of five members, including one representative from each of the four shareholders or groups of shareholders controlling the largest number of votes and the Chairman of the Board. The register of recorded shareholders and shareholder groups from Euroclear Sweden and other reliable shareholder information available to the company as of the last business day of August serves as the basis for identifying the members.

Nomination Committee's preparations for 2012 AGM

Up until February 28, 2012, the Nomination Committee had held three meetings at which the minutes were recorded. They also stayed in contact between these meetings. At the Committee's first meeting, Hans Wibom, representing the Wallenberg Foundations, was elected Chairman. All members of the Nomination Committee are presented in table below. Each member of the Nomination Committee signed a confidentiality agreement in connection with the start of their work

Nomination Committee members 2012 AGM

Nomination Committee member	Independent in relation to the company and company Management	Independent in relation to the company's major shareholders	12/31-11 % of votes
Hans Wibom, Wallenberg Foundations	Yes	No ¹) 48.2
Lars Isacsson, SEB Foundation	Yes	Yes	4.7
Curtis Jensen, Third Avenue Management LLC	Yes	Yes	3.5
Caroline af Ugglas, Skandia Liv insurance company	Yes	Yes	3.1
Jacob Wallenberg, Chairman of the Board	Yes	No ²))

The composition of the Nomination Committee was made public on September 27, 2011.

The composition of the Nomination Committee meets the independence criteria set forth by the Code.

- 1) Representing the Wallenberg Foundations.
- 2) Member of Knut and Alice Wallenberg Foundation.

According to a decision taken at Investor's 2011 AGM, the Nomination Committee is charged with preparing and presenting to the 2012 AGM proposals for resolutions regarding: the Chairman at the AGM, the Board of Directors and the Chairman of the Board, remuneration to the Board (Chairman of the Board, other Board members and Committee work), auditor and audit fees.

In order to reach proper decisions about the composition of the Board, the Committee is furnished with the evaluation of the Board and its work, as well as the Chairman of the Board's report on the company's activities, goals and strategies.

In order to assess the demands imposed on the Board as a consequence of the Company's current position and future direction, the Nomination Committee has discussed the size and composition of the Board, e.g. in terms of competence, industry and international experience, expertise and diversity. An important principle is that the composition of the Board shall reflect and allow various competences and experiences that Investor's active ownership philosophy and long-term ownership involvement require.

The Nomination Committee also studied the audit evaluation and the recommendations of the Audit Committee regarding auditor and fees for audit work.

The Nomination Committee's recommendations are made public when notice of the AGM is published. The matters of business are also presented at the AGM together with a report on the work performed by the Committee.

Roard

The Board is appointed by the AGM to serve for a mandate period through the end of the next AGM. On behalf of Investor's owners, the Board establishes the goals and strategies for the company, evaluates the operational management and ensures that systems are in place to monitor and verify the company's business and organizational objectives. The Board also ensures that the company's stakeholders are furnished with accurate information, that laws and regulations are complied with and that ethical guidelines and internal policies are modified as needed. Investor's Board forms a quorum when more than half of the members are present. The Board's efforts to assure the quality of Investor's financial reporting are described in the section "Internal controls and risk management for the financial reporting".

Pursuant to § 5 in the Articles of Association, the Board must consist of no less than three and no more than eleven Directors, as well as no more than four deputies. To the AGM 2012, the Board of Directors proposes that § 5 in the Articles of Association is amended. For further information, see the company website. The AGM decides the exact number. The Board is assisted by a secretary, who is not a member of the Board. Board members are to devote the time and attention to Investor that the assignment requires. Each Board member is responsible for requesting any supplementary information that he/she feels is necessary in order to make sound decisions. New Board members are introduced to Investor's business operations by attending an introduction orientation involving, for example, meetings with departmental managers. Board members are continuously updated on new regulations, practices and statutory requirements that may affect the business.

The Chairman of the Board

The AGM appoints the Chairman of the Board. The Chairman organizes and leads the work of the Board, ensures that the Board continues to advance its knowledge of the company, communicates views from the owners and serves as support for the President. The Chairman and the President set the agenda for Board meetings. The Chairman verifies that the Board's decisions are implemented efficiently, and ensures that the work of the Board is evaluated annually and that the Nomination Committee is informed of the result of this evaluation.

In addition to his active involvement in Investor, the Chairman of the Board, Jacob Wallenberg, is also involved in a number of other companies and serves on a number of international organizations. He has an extensive international network and he participates in various policy forums.

Members of the Board of Directors

Since the 2011 AGM, the Board has consisted of eleven members and no deputies. At the 2011 AGM, Jacob Wallenberg, Gunnar Brock, Sune Carlsson, Börje Ekholm, Tom Johnstone, Carola Lemne, Grace Reksten Skaugen, O. Griffith Sexton, Lena Treschow Torell and Peter Wallenberg Jr. were re-elected. Board member Sirkka Hämäläinen declined re-election and Hans Stråberg was elected as a new member. The AGM elected Jacob Wallenberg as Chairman of the Board for the period ending with the next AGM. President Börje Ekholm is the only Board member who is a member of the company's Management Group.

The percentage of women and the percentage of foreign members on the Board are both 27 percent. A more detailed presentation of the Board is found on page 44 and on the website.

The composition of Investor's Board meets the requirements concerning the independence of Directors. Several of the Board members are Directors of Investor's holdings and they receive remuneration from these companies. It is the opinion of the Nomination Committee and the company that this remuneration does not entail a dependence of these members on Investor or its Management. The assessment of each Board member's independence is presented in the table below.

The Board's Rules of Procedure

In addition to laws and recommendations, the work of the Board is governed by its Rules of Procedure. These dictates how the Board works and the tasks that it performs. The Rules of Procedure also include instructions to the President and the Committees. The Board reviews its Rules of Procedure annually and adopts them by a Board decision.

The Rules of Procedure also specify which matters of business should always be included on the agenda of each Board meeting as well as on the agenda of the statutory Board meeting. Furthermore, the Rules of Procedure contain guidelines governing the decisions the Board may delegate to the President.

Evaluation of the Board

Pursuant to the Rules of Procedure, the Chairman of the Board initiates an annual evaluation of the performance of the Board.

The 2011 evaluation consisted of an anonymous questionnaire that was answered by each Board member. The questionnaire was divided into a number of sections covering topics such as the atmosphere of co-operation within the Board, its range of expertise and the methods the Board utilized to carry out its tasks. In addition, the Chairman met with each Board member separately to discuss the work done by the Board during the year.

The objective of the evaluation is to provide insight into the Board members' opinions about the performance of the Board and identify

Board of Directors 2011

Member	Elected	Position	Year of birth	Nationality	Independent in relation to the com- pany and company Management	Independent in relation to the company's major shareholders
Jacob Wallenberg	1998	Charman	1956	Swedish	Yes	No 1)
Sune Carlsson	2002	Vice chairman	1941	Swedish	Yes	Yes
Gunnar Brock 2)	2009	Member	1950	Swedish	No 3)	Yes
Börje Ekholm	2006	Member	1963	American/Swedish	No 4)	Yes
Tom Johnstone	2010	Member	1955	British	Yes	Yes
Carola Lemne	2010	Member	1958	Swedish	Yes	Yes
Grace Reksten Skaugen	2006	Member	1953	Norwegian	Yes	Yes
O. Griffith Sexton	2003	Member	1944	American	Yes	Yes
Hans Stråberg	2011	Member	1957	Swedish	No 3)	Yes
Lena Treschow Torell	2007	Member	1946	Swedish	Yes	Yes
Peter Wallenberg Jr	2006	Member	1959	Swedish	Yes	No 1)

¹⁾ Member of the Knut and Alice Wallenberg Foundation.

²⁾ In conjunction with taking over as the Chairman of the Board for Mölnlycke Health Care in 2007 (which was prior to his election to the Board of Investor), Gunnar Brock acquired shares (ordinary and preferred) in Mölnlycke Health Care as part of the stock investment program for the Board and senior executives of that company. However, it has been concluded that this does not make Gunnar Brock dependent on Investor or its Management.

³⁾ Has been President of a closely-related company during the last five years.

⁴⁾ President.

measures that could make the work of the Board more effective. A secondary objective is to form an overview of the areas the Board believes should be afforded greater scope and where additional expertise might be needed within the Board.

The Board discussed the results of this year's evaluation and the Chairman of the Board presented them to the Nomination Committee

Investor's Board continuously evaluates the performance of the President by monitoring the development of the business in relation to the established objectives. A formal performance review is carried out once a year.

Work of the Board in 2011

During the year, the Board held 13 meetings, of which ten were regular meetings, one was statutory and two were extraordinary. The attendance of each Board member at these meetings is shown in the table on page 40. The secretary of these Board meetings was General Councel, Petra Hedengran. Prior to each meeting, Board members were provided with comprehensive written information on the issues that were to be discussed.

During the year, the Board devoted considerable time to the organizational changes announced on April 7, 2011, the acquisition of additional shares in ABB, Atlas Copco, Electrolux, Ericsson, Husqvarna and NASDAQ OMX, the add on investments in Aleris, the rights issue in Sobi, and the divestment of Aker Holding AS. Prior to each transaction, extensive analysis were presented to the Board.

Due to the uncertainty in the global financial environment the Board has reviewed Investor's financial flexibility. As an example a decision was made to raise another debt financing in EUR.

As one of the Directors of the Board, Carola Lemne, the CEO of Praktikertiänst AB, which business partially competes with Aleris, she has been prevented from participating in the resolution regarding the add on acquisition of Aleris and does not participate in other resolutions that involve Aleris or its business during the board meetings, nor does she receive any information regarding said company.

The Board also devoted time to both internal and external presentations of the financial markets in particular countries, as well as from a global perspective. The Board discussed the development and the effects on industries, markets and individual companies, paying particularly close attention to Investor's holdings and the long-term strategies of such holdings. For example, guest speakers were invited to give presentations at Investor's Board meeting that was held in June in New York.

During the year the Board also has met with the CEOs of Investor's holdings NASDAQ OMX and Sobi for presentations of their compa-

The financial reports presented at every regular Board meeting, including those prior to the year-end and interim reports, are an important aspect of the Board's work. The Board also receives regular reports on the company's financial position. At regular Board meetings, reports were delivered on the ongoing operations in the business areas, together with in-depth analyses and proposed actions regarding one or more of the company's holdings.

Committee work is an important task performed by the Board. A more detailed description of the work conducted by the Committees during 2011 is presented below.

During the year, the company's Management presented valuecreating plans for Core Investments, including analyses of the holdings' operations and development potential in the business areas where they are active. These analyses and their implications were discussed and assessed by the Board with a focus on the individual companies as well as in the context of overall strategic discussions.

The Board also received and discussed reports on the composition of portfolios and developments within Financial Investments, including Investor's involvement in EQT and the operations of Investor Growth Capital.

In addition to participating in meetings of the Audit Committee, the company's auditor also attended a Board meeting during which Board members had the opportunity to pose questions to the auditor without representatives of the company's Management being present.

An evaluation of the work done by the Board was also conducted during the year, which provided the basis for the work of the Nomination Committee and for determining the focus of future Board work

Roard Committees

In order to increase the efficiency of its work and enable a more detailed analysis of certain issues, the Board has formed three Committees: the Audit Committee, the Remuneration Committee and the Finance and Risk Committee. The members of the Committees are appointed for a maximum of one year at the statutory Board meeting and they perform their duties in accordance with the instructions presented to each Committee annually.

The primary objective of the Committees is to provide preparatory and administrative support to the Board. The issues considered at Committee meetings are recorded in minutes and reported at the next Board meeting. Representatives from the company's specialist functions always participate in Committee meetings.

AUDIT COMMITTEE

During 2011, the Audit Committee consisted of Sune Carlsson (chairman), Jacob Wallenberg and Peter Wallenberg Jr. The composition of the Committee meets the independence criteria set forth by the Code and the Swedish Companies Act. The Audit Committee held seven meetings during the year, typically in conjunction with issuance of the quarterly and annual reports. During 2011 the Committe:

- Analyzed each interim report and the year-end report for completeness and accuracy.
- Focused particularly on the correct treatment and accounting of each business area subsequent to the restructuring within Investor.
- Maintained regular contact with the company's external auditor and followed up on any findings reported.
- Evaluated the audit work and presented its conclusions to the Nomination Committee.
- Monitored the efficiency in the organization and the internal control by among other things the results of reviews conducted by the Internal Controls function during 2011, with a special focus on the controls that are in place for business processes and the consolidation including connections between the IT systems that are used for processing financial reporting.

REMUNERATION COMMITTEE

In 2011, the members of the Remuneration Committee were Jacob Wallenberg (chairman), O. Griffith Sexton and Lena Treschow Torell. The composition of the Remuneration Committee meets the independence criteria set forth by the Code. The Remuneration Committee held eight meetings during the year. During 2011 the Committee:

- Evaluated and approved remuneration structures for personnel and salary reviews for Management.
- Evaluated and assessed the President's goals and terms and conditions for remuneration for 2011, which were then approved by the Board.
- Monitored and evaluated variable salary programs that were in effect or concluded during the year.
- Evaluated and implemented the guidelines for remuneration and the long-term variable remuneration program for Management and employees that was adopted by the 2011 AGM.
- Monitored and evaluated the development of remuneration programs and remuneration levels in the market.
- Initiated a project that made a thorough evaluation of the longterm variable remuneration program for the Management and the employees which was adopted at the AGM 2011, see page 41.
- Proposed to the Board to submit to the AGM 2012 a long-term variable remuneration program which is substantially identical to the program from 2011, see page 33 and the company website.

FINANCE AND RISK COMMITTEE

The members of the Finance and Risk Committee in 2011 were Grace Reksten Skaugen (chairman), Gunnar Brock and Jacob Wallenberg. The independence criteria do not apply to the members of this Committee. The Finance and Risk Committee held three meetings during the year. At each meeting, representatives from the specialist functions gave presentation on the current risk status and follow-up on limits and mandates in relation to policies. During 2011 the Committee focused on:

- Investor's financial flexibility because of the uncertainty about the future global economic situation.
- Monitoring of risk exposure and strategy.
- The internal restructuring of the business areas and the organization.
- The termination of Active Portfolio Management and the creation of the new, limited-scope Trading operation.
- The work accomplished by the Security function was reported.
- Updates of policies and instructions were approved.

MemberChairman							oard fee exc ommittee fe		Committee fees			
	Audit Committe	Remu- neration e Committe	Finance and Risk e Committee	record, Board	Attendance record, Committee Meetings	Cash, SEK	Value of synthetic shares, SEK ¹⁾		Audit Com- mittee, SEK	Remune- ration Commit- tee, SEK	Finance and Risk Com- mittee, SEK	Total Board Remunera- tion incl. synthetic shares, SEK ¹⁾
Jacob Wallenberg				100%	100%	937,500	937,500	6,468	125,000	125,000	62,500	2,187,500
Sune Carlsson				100%	100%	250,000	250,000	1,725	187,500			687,500
Gunnar Brock				100%	100%	250,000	250,000	1,725			62,500	562,500
Börje Ekholm				100%								_
Tom Johnstone				100%		250,000	250,000	1,725				500,000
Carola Lemne				92%		250,000	250,000	1,725				500,000
Grace Reksten Skaugen				92%	100%	500,000					125,000	625,000
O. Griffith Sexton				92%	100%	500,000				62,500		562,500
Hans Stråberg				100%		250,000	250,000	1,725				500,000
Lena Treschow Torell				92%	78%	250,000	250,000	1,725		62,500		562,500
Peter Wallenberg Jr				92%	100%	250,000	250,000	1,725	125,000			625,000
Total						3,687,500	2,687,500	18,543	437,500	250,000	250,000	7,312,500

¹⁾ At point of allocation.

For total value of Board fee including synthetic shares and dividends at year-end, see Note 6, Employees and payroll cost.

²⁾ Based on volume weighed average price for Investor's B shares during the five trading days immediately following the day the B-share was traded without the right to receive dividend.

Auditor

The auditor is appointed by the AGM for a mandate period of one year. On behalf of the shareholders, the auditor is responsible for auditing the company's annual accounts, accounting records and administration by the Board and the President. The auditor-in-charge also submits an audit report to the AGM, a statement on how the guidelines for remuneration and other compensation have been applied, and an opinion on the Corporate Governance Report. Shareholders are welcome to direct questions to the auditor at the AGM.

Pursuant to its Articles of Association, Investor must have one or two auditors, and no more than two deputies. A registered firm of auditors may be appointed as the company's auditor.

At the 2011 AGM, the registered firm of auditors, KPMG AB was appointed auditor until the close of the 2012 AGM. The auditor in charge is Helene Willberg, Authorized Public Accountant.

Over the past three years, the auditing firm has, besides the audit, conducted a limited number of other assignments on behalf of Investor. These assignments mainly consisted of services associated with auditing, such as in-depth reviews during an audit. By limiting the extent to which the auditor is allowed to perform services other than auditing, it is possible to ensure that the auditor is independent of the company. For details on remuneration to auditors, see Note 7, Auditor's fees and expenses.

Investor's auditor: KPMG AB

Auditor-in-charge: Helene Willberg

Year of birth: 1967 President of KPMG AB

Auditor-in-charge for Investor since 2010

Shares in Investor AB: 0

Other auditing assignments: Cloetta, Höganäs, Nobia, Ortivus, Thule

Remuneration

Remuneration to the Board

The Nomination Committee recommends the remuneration to the Board for the coming fiscal year and the AGM approves the remuneration. Remuneration is paid to Board members not employed by the company. The total remuneration to the Board approved by the AGM was SEK 7,313 t. Information on specific compensation is provided in the table on page 40 and in Note 6, Employees and payroll costs. The Chairman receives higher compensation than the other Board members, which reflects the extra duties this position involves. Members of the Board not employed by the company do not participate in Investor's share-based remuneration programs.

The Nomination Committee believes it is to the advantage of the company and its shareholders if Board members are either shareholders in the company or have similar exposure to changes in the price of Investor's share over the long term. Since the 2008 AGM, it is possible for Board members to receive a portion of their compensation in the form of synthetic shares. For the detailed terms and conditions for synthetic shares, see Note 6, Employees and payroll costs and the company website.

At the statutory board meeting in April, the Board adopted a policy stating that Board members, who do not already have such hold-

ings, are expected to, over a five-year period, acquire an ownership in Investor shares (or a corresponding exposure to the Investor share, e.g. in the form of synthetic shares) with a market value equivalent to at least one year board remuneration, before taxes, excluding remuneration for Committee work.

Remuneration to Management and other employees

Remuneration is an important governing instrument. In order to achieve solid, long-term growth in value for its shareholders, Investor strives to offer its employees a total remuneration package that is in line with the market and enables the recruitment and retention of the most suitable employees. Comparative studies of relevant industries and markets are carried out annually in order to evaluate current remuneration levels and to determine what constitutes a total level of remuneration in line with market practice.

The total remuneration for the President is determined by the Board. Remuneration issues concerning other members of the Management Group are decided by the Remuneration Committee, after which the Board is informed.

When determining salaries, the employee's total compensation package is taken into consideration. The total compensation package consist of the following components: fixed cash salary, variable cash salary, long-term variable remuneration, pension and other remuneration and benefits.

Investor's policy is for the Management Group to own shares in Investor corresponding to a market value of at least one year's gross salary for the President and at least half of one year's gross salary for the other members of the Management Group.

For a detailed description on guidelines for salary and other remuneration, see Note 6. Employees and payroll costs.

During 2011, a project, initiated by the Remuneration Committee, made a thorough evaluation of the long-term variable remuneration program for the Management and the employees which was adopted at the Annual General Meeting 2011. The evaluation was made from four perspectives; the employees' motivation and alignment of interest with shareholders, the control effects, the effects of the program on the shareholder value and simplification. As a result of the evaluation, the Board has discussed and evaluated alternative changes to the long-term variable remuneration program. The Board has decided to propose to the Annual General Meeting 2012 a long-term variable remuneration program which is essentially identical to the program from 2011. For a description of the Board's proposed guidelines for salary and other remuneration for the President and other Members of the Management Group to the 2012 AGM, see page 33 and the company website.

Information is also available on the website about Investor's variable remuneration to senior executives and of each outstanding share- and share-price-related incentive scheme. Furthermore, available on the website are the Remuneration Committee's reports on the following: the results of the evaluation of on-going, and during the year completed, programs concerning variable salary and of the current remuneration structure and levels of remuneration, and how guidelines for remuneration principles, decided by the AGM, have been applied.

The Board's report on Internal control for financial reporting

This description of the internal controls, risk management practices and financial reporting pertains to Investor's investment activities. The wholly-owned operating subsidiaries, Mölnlycke Health Care, Aleris and Grand Hotel, have separate internal control systems in place for their operational activities. The Management group for each of these companies is responsible for ensuring the efficiency of the operating subsidiary's internal regulations, internal controls, risk management and financial reporting, as well as reporting on these items to that company's Board of Directors. Investor's Board representatives provide this information to Investor's investment organization, where analysis and follow-up take place.

Effective Board work is the cornerstone for good internal control. Internal control and risk Management comprise a part of the Board's and Management's governance and follow-up of the business operations. Internal control is intended to ensure appropriate and efficient management of the operations, the reliability of the financial reporting and compliance with laws, ordinances and internal regulations.

Internal control and risk management are an integral part of all of processes associated with Investor's investment activities. Investor's system of internal control and risk management, with regard to financial reporting, is designed to manage risks involved in the processes related to financial reporting and ensure a high level of reliability in financial reporting. It is also designed to ensure compliance with the applicable accounting requirements and other requirements that Investor must meet as a listed company. Investor's main business is the management of financial transactions and the company's internal control over financial reporting is focused primarily on ensuring efficient and reliable management of, and accounting for, purchases, sales and accurate evaluation of securities. Correct consolidation of the operating subsidiaries is also a priority.

Control environment

The foundation of internal control is the overall control environment established by the Board and Management. This control environment is built around an organization with clear decision-making channels, powers and responsibilities that are defined by explicit instructions and a corporate culture based on shared values. It also requires each individual's awareness of his/her role in maintaining effective internal control. The corporate culture at Investor is based on four core values: Create value, Continuous improvement, Contribute your view and Care for people.

All of Investor's business areas have policies, instructions and detailed process descriptions for the various phases of each business flow, e.g. from transaction management to bookkeeping and the preparation of external reports. These documents establish rules on responsibilities for specific tasks, mandates and powers and how validation is to be carried out. The governing documents are updated yearly or when needed to ensure that they always reflect current legislation, regulations and changes in processes. Because of the reorganization in 2011, the Compliance function updated the policies and instructions that were affected. Compliance also provided the organization with training in compliance matters.

Risk assessment

Risk assessment, i.e. identifying and evaluating risks that could prevent the company from achieving its business goals and having reliable financial reporting, is conducted continuously at Investor.

The Board, via the Finance and Risk Committee and the Audit Committee, is responsible for identifying and managing significant financial risks and any risks of material weaknesses in financial reporting. Daily, the Management Group is provided with risk reports on the Treasury and Trading businesses.

Risk assessment is carried out yearly in the form of a self-evaluation and includes the establishment of action plans to mitigate identified risks. In the yearly risk assessment process, the organization evaluated and followed up identified risks during 2011. There was a particular focus on identifying risks related to the restructuring and staff reductions that were carried out by Investor during 2011. The Risk Control function was responsible for managing the risk assessment process. Risk assessment encompasses the entire organization and all of its processes. It takes into consideration such things as systems, control activities and key individuals. Identified risks are analyzed in relation to Investor's assets, such as financial assets, brand, personnel, information and IT/infrastructure. When needed, action plans were implemented to minimize the probability and impact of identified risks. The identified risks are compiled in a company-wide risk map. Conclusions drawn from the risk assessments are then reported to the Management Group and the Board.

Using each business area's risk assessment as a starting point, the Audit Committee determines which of the identified risks should be prioritized by the Internal Control function. Focus is placed on risks of material weaknesses in the financial reporting for significant Income Statement and Balance Sheet items, which have a higher risk because of the complexity of the process, or where there is a risk that the effects of potential weaknesses may become significant because of the high transaction values involved. Actions such as improved control routines are then taken in order to further ensure accurate financial reporting. The Finance and Risk Committee follows up on the measures in place for dealing with other risks.

For a more detailed description of Investors risks and risk management practices, see Note 31, Risk exposure and risk management page 105. For a description of the operating subsidiaries' risk management practices, see Note 31, Risk exposure and risk management page 108.

Control activities

To ensure that business is conducted efficiently and that financial reporting gives a true and fair picture on each reporting date, every process incorporates a number of control activities. These involve all levels of the organization, from the Board and company Management to other employees. The purpose of the control activities is to prevent, detect and rectify weaknesses and deviations. At Investor, control activities include approval of business transactions, reconciliation with external counterparts, daily monitoring of risk exposure, daily account reconciliation, monthly custody reconciliation, performance monitoring and analytical monitoring of decisions.

Investor's financial reports are analyzed and validated by the company's control function within Finance. The validation process consists of both automatic checks, including deviation reporting, and manual checks such as reasonability assessment of the values found. The effectiveness of the automatic checks in the IT systems is monitored regularly on the basis of information received from system administrators in the business process.

During 2011, the Internal Control function performed a review of the system-wide controls for financial reporting and the consolidation process. Reporting instructions have been updated in order to ensure that the wholly-owned subsidiaries correctly report their financial information. Suggestions for improvements are implemented on an ongoing basis.

Information and communication

Investor's Board has adopted a communication policy for the purpose of ensuring that the external information is correct and complete. Financial information is provided in the interim reports, year-end report and the annual report. Within the company, there are also instructions on how to communicate financial information between Management and other employees. In order for correct dissemination of information to occur, there must be good information security routines in place.

Investor regularly publishes up-to-date information on its website so that shareholders and stakeholders can follow Investor's operations and performance. News and events that are considered to have an impact on Investor's share prices are announced in press releases.

Monitorina

Both the Board and the Management Group regularly follow up on the compliance and effectiveness of the company's internal controls to ensure the quality of internal processes. Investor's financial situation and strategy regarding the company's financial position are discussed at every Board meeting and the Board is furnished with detailed monthly reports on the financial situation and development of the business to this end. The Audit Committee plays an important role in ensuring and monitoring that control activities are in place for important areas of risk inherent in the processes for financial reporting. The Audit Committee, Management Group and Internal Control function regularly follow up reported deviations.

More information about Investor's corporate governance activities is available at www.investorab.com

Information about laws and practices associated with Swedish corporate governance is available at: www.corporategovernanceboard.se (the Code), www.nasdagomx.com (rule book for issuers) and www.fi.se (The Swedish Financial Supervisory Authority's statutes and information about insiders).

Board of Directors



Jacob Wallenberg born 1956 Chairman since 2005 Vice Chairman 1999-2005 Director since 1998

Other board assignments Vice Chairman: Atlas Copco AB, SAS AB, SEB Skandinaviska Enskilda Banken AB (SEB) and Telefonaktiebolaget LM Ericsson Director: ABB Ltd, The Coca-Cola Company, The Knut and Alice Wallenberg Foundation and Stockholm School of **Economics**

Member: The European Round Table of Industrialists and IBLAC Shanghai's International Business Leaders Advisory Council

Work experience President and CEO: SEB Executive Vice President and Head of Enskilda Division, SEB Advisor to the President and CEO of SER Executive Vice President and CFO: Investor AB

Education B.Sc. in Economics and M.B.A., Wharton School, University of Pennsylvania Reserve Officer, Swedish Navy

Independent/Dependent Independent in relation to the company and its Management Dependent in relation to the company's major shareholders

Committees Chairman: Remuneration Committee Member: Audit Committee and Finance and Risk Committee

Shares in Investor 1) 257,936 Synthetic shares 29,683



Gunnar Brock born 1950 Director since 2009

Sciences (IVA)

Other board assignments Chairman: Mölnlycke Health Care AB, Stora Enso Oyj and Rolling Optics AB Director: Stockholm School of Economics, Stena AB and Total SA Member: The Royal Swedish Academy of Engineering

Work experience CEO: Atlas Copco AB, Thule International, Tetra Pak Group of Companies and Alfa Laval

Education M.Sc. in Economics and Business Administration. Stockholm School of **Economics**

Independent/Dependent Dependent in relation to the company and its Management Independent in relation to the company's major shareholders

Committees Member: Finance and Risk Committee

Shares in Investor 1) Synthetic shares



Sune Carlsson born 1941 Vice Chairman since 2011 Director since 2002

Other board assignments Chairman: Atlas Copco AB

Work experience Vice Chairman: Scania AB President and CEO: AB SKF **Executive Vice President:** ASEA AB and ABB Ltd

Education M Sc in Engineering Chalmers University of Technology, Gothenburg

Independent/Dependent Independent in relation to the company and its Management Independent in relation to the company's major shareholders

Committees Chairman: Audit Committee Shares in Investor 1) 50,000 Synthetic shares

7 9 1 5



Tom Johnstone born 1955 Director since 2010

Current role President and Chief Executive Officer: AB SKF

Other board assignments Director: AB SKF and Husqvarna AB

Work experience Director: AB Electrolux and The Association of Swedish **Engineering Industries** Executive Vice President: AB SKF

President: Automotive Division, AB SKF

Education M.A., University of Glasgow

Independent/Dependent Independent in relation to the company and its Management Independent in relation to the company's major shareholders

Shares in Investor 1

Synthetic shares 3.611



Carola Lemne Born 1958 Director since 2010

Current role President and Chief Executive Officer: Praktikertjänst AB Associate professor: Karolinska Institutet

Other board assignments Director: Getinge AB, Praktikertiänst AB. The Confederation of Swedish Enterprise Member: The Dental and Pharmaceutical Benefits Agency, The Swedish Corporate Governance Board and The National Council for Innovation and Quality

Work experience Director: Apoteket AB, Stockholm University, The Strategic Research Foundation and Meda AB Member: The Swedish Governmental Delegation on Cooperation in Clinical Research

Managing Director: Danderyd University Hospital AB Vice President Clinical Development and Regulatory Affairs Strategy: Pharmacia Corp, New Jersey Vice President: Clinical Research Europe Pharmacia & Upjohn Corp

Education M.D., Karolinska Institutet Ph.D., Karolinska Institutet Associate Professor, Karolinska Institutet

Independent/Dependent Independent in relation to the company and its Management Independent in relation to the company's major shareholders

Shares in Investor 1) 1.000 Synthetic shares 3,611



Börje Ekholm born 1963 Director since 2006 See also information on page 46

Independent/Dependent Dependent in relation to the company and its Management Independent in relation to the company's major shareholders

1) Includes holdings of close relatives and legal entities. For more information about synthetic shares see Note 6, Employees and payroll costs



Grace Reksten Skaugen born 1953 Director since 2006

Other board assignments Chairman: Entra Eiendom AS, Ferd Holding AS and Norwegian Institute of Directors Director: Statoil ASA

Work experience Director: Atlas Copco AB. Opera Software ASA. Renewable Energy Corporation ASA Storebrand ASA and Tandberg ASA Consultant: Argentum Fondinvesteringar AS Director: Corporate Finance Enskilda Securities, Oslo Project Adviser: AS Aircontractgruppen, Oslo Venture Capital Consultant: Fearnley Finance Ltd. London Microelectronics Research Officer: Columbia University, New York

M.B.A., BI Norwegian School of Management, Careers in Business Program, New York University, Ph.D., Laser Physics, Imperial College of Science and Technology,

Education

London University, B.Sc., Honours, Physics, Imperial College of Science and Technology, London University

Independent/Dependent Independent in relation to the company and its Management Independent in relation to the company's major shareholders

Committees Chairman: Finance and Risk Committee

Shares in Investor 1) 1.500



O. Griffith Sexton born 1944

Director since 2003

Other board assignments Director: Morgan Stanley

Work experience Advisory Director and Managing Director: Morgan Stanley

Education M.B.A., Stanford University Graduate School of Business and B.S.E., Princeton University

Independent/Dependent Independent in relation to the company and its Management Independent in relation to the company's major shareholders

Committees Member: Remuneration Committee

Shares in Investor 1) 1.800



Hans Stråberg born 1957 Director since 2011

Other board assignments Chairman: Orchid, CTEK AB and Roxtec AB Director: N Holding AB, Stora Enso Oyj, The Confederation of Swedish Enterprise and The Association of Swedish **Engineering Industries** Member: Royal Swedish Academy of Engineering Sciences (IVA)

Work experience President and CEO: AB Electrolux COO: AB Electrolux **Executive Vice President:** AB Electrolux Head of Floor Care Products and Small Appliances: AB Electrolux Executive Vice President: Frigidaire Home Products, AB Electrolux, USA Head of Product division: Floor Care Products, AB Electrolux Head of Product area: Dishwasher and Washing Machines, AB Electrolux Assistant: Technical Attaché. The Swedish Embassy,

Education M.Sc. in Engineering, Chalmers University of Technology, Gothenburg Reserve Officer, The Swedish

Washington DC

Independent/Dependent Dependent in relation to the company and its Management Independent in relation to the company's major shareholders

Shares in Investor 1) 8.300 Synthetic shares 1,725



Lena Treschow Torell born 1946 Director since 2007

Other board assignments Chairman: Euro-CASE (European Council of Applied Sciences and Engineering), MISTRA (The Foundation for Environmental Strategic Research) and The Royal Swedish Academy of Engineering Sciences (IVA) Vice Chairman: The Chalmers University of Technology Foundation, Micronic Mydata AB and ÅF AB Director: Saab AB and AB SKF

Work experience President: Royal Swedish Academy of Engineering Sciences (IVA) Research Director: Joint Research Centre, European Commission, Brussels Vice President: Chalmers University of Technology, Gothenburg Professor: Materials Physics, Chalmers University of Technology Professor: Solid State Physics, Uppsala University, Uppsala Board member: Gambro AB. Getinge AB, Imego AB, IRECO Holding AB and Telefonaktiebolaget LM Fricsson

Education Ph.D., Physics, University of Gothenburg Docent, Physics, Chalmers University of Technology

Independent/Dependent Independent in relation to the company and its Management Independent in relation to the company's major shareholders

Committees Member: Remuneration Committee Shares in Investor 1) 16,500

Synthetic shares 7,915



Peter Wallenberg Jr born 1959 Director since 2006

Other board assignments Chairman: Foundation Asset Management AB, The Grand Group, The Royal Swedish Automobile Club and Kungsträdgården Park & Evenemang AB Vice Chairman: The Knut and Alice Wallenberg Foundation Director: Aleris Holding AB, Scania AB, SEB Kort AB and Stockholmsmässan AB

Work experience President and CEO: The Grand Hôtel Holdings General Manager: The Grand Hôtel President: Hotel Division Stockholm-Saltsjön AB

Education BSBA Hotel Administration University of Denver, International Bachaloria, American School, Leysin, Switzerland

Independent/Dependent Independent in relation to the company and its Management Dependent in relation to the company's major shareholders

Committees Member: Audit Committee Shares in Investor 1) 57.598 Synthetic shares 7.915



Honorary Chairman Peter Wallenberg born 1926

Honorary Chairman since 1997 Chairman 1982-1997 Director 1969-1982

Other board assignments Chairman: The Knut and Alice Wallenberg Foundation Honorary Chairman: Atlas Copco AB

Education Bachelor of Laws, University of Stockholm

¹⁾ Includes holdings of close relatives and legal entities. For more information about synthetic shares see Note 6, Employees and payroll costs

Management Group



Börje Ekholm born 1963 Director since 2006 President and Chief Executive Officer since 2005 Member of the Management Group since 1997, employed in 1992

Board assignments Chalmersinvest AB, EQT Partners AB, Husqvarna AB, KTH Royal Institute of Technology, NASDAQ OMX, Scania AB and Telefonaktiebolaget LM Ericsson

Scania AB and Telefonaktiebolaget LM E Work experience Head of New Investments: Investor AB CEO: Novare Kapital Analyst: Core Holdings, Investor AB

Associate: McKinsey & Co Inc

Education
M.B.A., INSEAD, Fontainebleau and
M.Sc. in Engineering, Royal Institute of Technology
(KTH), Stockholm

Shares in Investor 1) 413,095



Susanne Ekblom born 1966 Chief Financial Officer Member of the Management Group since 2011, employed in 2011

Board assignments

Work experience
CFO, Sveriges Television
Controller, Scania
Head of Financial and Administration, Dynamate
Head of Accounting, LFR Media
Financial Manager, Ingenjörsförlaget

Education
BSc in Business and Economics, Stockholm University
Shares in Investor 1)



Johan Forssell
born 1971
Head of Core Investments
Member of the Management Group since 2006,
employed in 1995
Board assignments
Atlas Copco AB and Saab AB
Work experience

Head of Research, Head of Capital Goods and Healthcare sector, Head of Capital Goods sector and Analyst Core Holdings: Investor AB Education

M.Sc. in Finance, Stockholm School of Economics Shares in Investor 19 54,708



Petra Hedengran born 1964 General Counsel, and Head of Corporate Governance and Compliance Member of the Management Group since 2007, employed in 2007

Board assignments Lindorff Group AB and EQT Partners

Work experience
Partner and Head of Banking and Financing Group:
Advokatfirman Lindahl
Legal Counsel and General Counsel Nordic Region:
ABB Financial Services AB
Assistant Judge: Stockholms Tingsrätt
Associate: Gunnar Lindhs Advokatbyrå
Education

Education

Associate: Gunnar Lindhs Advokatbyra

Education
Bachelor of Laws, University of Stockholm

Shares in Investor 1)
13,067



Lennart Johansson born 1955 Head of Financial Investments Member of the Management Group since 2006, employed in 2003

Board assignments
Lindorff Group AB and SOBI AB
Work experience

CEO: b-business partners and Emerging
Technologies AB
Deputy CEO/Senior Executive Vice President and
Senior Vice President Accounting: Atlas Copco AB Audit
and Control
Business Area Controller: Atlas Copco Industrial
Technique

Management Consultant: Nordic Management, SMG Education

Degree in Economics and Business Administration, Stockholm School of Economics

Shares in Investor 13 31,271 See Note 6, Employees and payroll costs, for employee stock options held by Management Group members.

1) Includes holdings of close relatives and legal entities.

Proposed Disposition of Earnings

The Board of Directors propose that the unappropriated earnings in Investor AB:

Total available funds for distribution	
Fair value fund	-182,777,486
Retained earnings	140,810,831,435
Net profit for the year	-16,725,057,288
Total SFK	123 902 996 661

The consolidated accounts and annual accounts have been prepared in accordance with the international accounting standards in Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of July 19, 2002 on the application of international accounting standards and generally accepted accounting standards in Sweden and give a true and fair view of the Group's and Parent Company's financial position and results of operations.

The Administration Report for the Group and the Parent Company gives a true and fair view of the Group's and the Parent Company's operations, position and results, and describes significant risks and uncertainty factors that the Parent Company and Group companies face.

To be allocated as follow:	
Dividend to shareholders, SEK 6.00 per share	4,603,050,1801)
Fair value fund	-182,777,486
Funds to be carried forward	119,482,723,967
Total SEK	123,902,996,661

The annual accounts and the consolidated financial statements were approved for release by the Board of Directors and the President on March 12, 2012. The consolidated Income Statement and Balance Sheet, and the Income Statement and Balance Sheet of the Parent Company, will be presented for adoption by the Annual General Meeting on April 17, 2012.

1) Calculated on the total number of registered shares. No dividend is paid for the Parent Company's holding of own shares, whose exact number is determined on the record date for cash payment of the dividend. On December 31, 2011, the Parent Company's holding of own shares totaled 6,669,158.

Stockholm, March 12, 2012

Jacob Wallenberg Chairman

Gunnar Brock Director

> Carola Lemne Director

Hans Stråberg Director

Sune Carlsson

Director

Grace Reksten Skaugen

Lena Treschow Torell

Director

O. Griffith Sexton

Tom Johnstone Director

Director

Journa 2000 Peter Wallenberg Jr Director

Börje Ekholm

President and Chief Executive Officer

Our Audit Report was submitted on March 13, 2012

KPMG AB

Signed on the orginal document

Helene Willberg Authorized Public Accountant

The information in this annual report is that which Investor AB (publ.) is required to disclose under Sweden's Securities Market Act. The annual report was released to the media for publication at 9.00 a.m. CET on March 16, 2012

Consolidated Income Statement

Amounts in SEK m.	Note	2011	(Restated) 2010
Dividends		4,330	3,622
Other operating income		480	994
Changes in value		-17,586	28,492
Net sales	2	14,674	2,943
Cost of goods and services sold	5,6,8,13,14,15	-9,605	-2,347
Sales and marketing costs	5,6,8,13,14,15	-2,558	-282
Administrative, research and development and other operating costs	5,6,7,8,13,14,15	-1,334	-221
Management costs ¹⁾	5,6,7,8,13,14,15	-506	-646
Restructuring costs	5, 6	-150	-
Share of results of associates	9	5,240	-717 ²⁾
Operating profit/loss		-7,015	31,838
Profit/loss from financial items			
Financial income	10	572	951
Financial expenses	10	-3,138	-2,137
Net financial items		-2,566	-1,186
Profit/loss before tax		-9,581	30,652
Taxes	11	293	-41
Profit/loss for the year	3	-9,288	30,611
Attributable to:			
Owners of the Parent Company		-9,229	30,631
Non controlling interest		-59	-20
Profit/loss for the year		-9,288	30,611
Basic earnings per share, SEK	12	-12.14	40.24
Diluted earnings per share, SEK	12	-12.14	40.20

¹⁾ Including cost of long-term-based remuneration amounting to SEK –33 m. (–37).
2) Restatement attributable to change in accounting policy, for further information see Note 1, Accounting policies and Note 23, Equity.

Consolidated Statement of Comprehensive Income

			(Restated)
Amounts in SEK m.	Note	2011	2010
Profit/loss for the year		-9,288	30,6111)
Other comprehensive income for the year, including taxes			
Revaluation of non-current assets		190	-
Cash flow hedges		-243	209
Foreign currency translation adjustment		7	-488
Actuarial gains and losses on defined benefit pension plans		-30	-13
Share of other comprehensive income of associates		-189	1911)
Total other comprehensive income for the year		-265	-101
Total comprehensive income for the year		-9,553	30,510
Attributable to:			
Owners of the Parent Company		-9,469	30,523
Non-controlling interest		-84	-13
Total comprehensive income for the year	23	-9,553	30,510

¹⁾ Restatement attributable to change in accounting policy, for further information see Note 1, Accounting policies and Note 23, Equity.

Consolidated Balance Sheet

Amounts in SEK m.	Note	12/31 2011	(Restated) 12/31 2010	(Restated) 1/1 2010
ASSETS				
Non-current assets				
Goodwill	13	24,619	23,194	_
Other intangible assets	13	9,750	10,696	16
Buildings and land	14	2,494	2,228	1,797
Machinery and equipment	15	1,501	1,325	371
Shares and participations recognized at fair value	16	140,629	154,169	126,074
Shares and participations in associates	9	7,268	2,015 ¹⁾	4,231 ¹⁾
Other financial investments	21	1,967	665	9,062
Long-term receivables	17	6,045	5,531	10,846
Deferred tax assets	11	687	467	. 11
Total non-current assets		194,960	200,290	152,408
Current assets				
Inventories	18	1,141	1,465	_
Tax assets		352	163	102
Trade receivables		1,848	1,340	35
Other receivables	17	264	742	439
Prepaid expenses and accrued income	19	876	762	883
Shares and participations in trading operation	20	1,094	4,026	3,936
Short-term investments	21	8,760	9,295	6,130
Cash and cash equivalents	22	4,312	2,684	5,804
Total current assets		18,647	20,477	17,329
TOTAL ASSETS		213,607	220,767	169,737

¹⁾ Restatement attributable to change in accounting policy, for further information see Note 1, Accounting policies and Note 23, Equity.

Consolidated Balance Sheet

Amounts in SEK m.	Note	12/31 2011	(Restated) 12/31 2010	(Restated) 1/1 2010
EQUITY AND LIABILITIES				
Equity	23			
Share capital		4,795	4,795	4,795
Other contributed equity		13,533	13,533	13,533
Reserves		-283	-64	41
Retained earnings, including profit/loss for the year		138,025	151,122	123,813
Equity attributable to shareholders of the Parent Company		156,070	169,386	142,182
Non-controlling interest		649	665	4
Total equity		156,719	170,0511)	142,186¹
Liabilities				
Non-current liabilities				
Long-term interest-bearing liabilities	24	44,693	40,536	23,550
Provisions for pensions and similar obligations	25	673	602	297
Other provisions	26	248	78	56
Deferred tax liabilities	11	3,500	3,730	573
Total non-current liabilities		49,114	44,946	24,476
Current liabilities				
Current interest-bearing liabilities	24	3,479	948	299
Trade payables		1,067	907	46
Tax liabilities		290	408	224
Other liabilities	27	584	1,470	1,379
Accrued expenses and prepaid income	28	2,265	2,023	1,122
Provisions	26	89	14	5
Total current liabilities		7,774	5,770	3,075
Total liabilities		56,888	50,716	27,551
TOTAL EQUITY AND LIABILITIES		213,607	220,767	169,737

See Note 30, for the Group's pledged assets and contingent liabilities.

¹⁾ Restatement attributable to change in accounting policy, for further information see Note 1, Accounting policies and Note 23, Equity.

Consolidated Statement of Changes in Equity

		Equity attributable to shareholders of the Parent Company							Non- controlling interest	Total equity
Amounts in SEK m.	Note 23	Share capital	Other contribut- ed equity	Transla- tion reserve	Revalua- tion reserve	Hedging reserve	Retained earnings, incl. profit/loss for the year	Total		
Opening balance 1/1 2011		4,795	13,533	-168	377	-273	151,122	169,386	665	170,051
Profit for the year							-9,229	-9,229	-59	-9,288
Other comprehensive income for the year				-181	190	-219	-30	-240	-25	-265
Total comprehensive income for the year				-181	190	-219	-9,259	-9,469	-84	-9,553
Release of revaluation reserve d amortization of revalued amo					-9		9	0	0	0
Dividends							-3,802	-3,802		-3,802
Change in non-controlling inter	est						-58	-58	58	0
Acquisition of non-controlling in	nterest							_	10	10
Stock options exercised by emp	loyees1)						-19	-19		-19
Equity-settled share-based payr transactions ²⁾	ment						30	30		30
Sales/ repurchases of own share	es						2	2		2
Closing balance 12/31 2011		4,795	13,533	-349	558	-492	138,025	156,070	649	156,719

			Equity attri	butable to	sharehold	ers of the F	arent Company		Non- controlling interest	Total equity
Amounts in SEK m.	Note 23	Share capital	Other contribut- ed equity	Transla- tion reserve	Revalua- tion reserve	Hedging reserve	Retained earnings, incl. profit/loss for the year	Total		
Opening balance 1/1 2010		4,795	13,533	403	385	-747	124,300	142,669	4	142,673
Effect of change in accounting during the year ²⁾	policy			-8			-479	-487		487
Restated opening balance 1/	1 2010	4,795	13,533	395	385	-747	123,821	142,182	4	142,186
Profit for the year ¹⁾							30,631	30,631	-20	30,611
Other comprehensive income for the year ¹⁾				-563		474	-19	-108	7	-101
Total comprehensive income for the year				-563		474	30,612	30,523	-13	30,510
Release of revaluation reserve of amortizations of revalued an					-8		8	0		0
Dividends							-3,050	-3,050		-3,050
Acquisition of non-controlling in	nterest								674	674
Stock options exercised by emp	loyees1)						-30	-30		-30
Equity-settled share-based payr transactions	ment						24	24		24
Sales/repurchases of own share	S						-263	-263		-263
Closing balance 12/31 2010		4,795	13,533	-168	377	-273	151,122	169,386	665	170,051

¹⁾ For programs up to 2005, the exercise of employee stock options affects equity negatively by the difference between the market value of the share and the strike price on the option. This effect is offset by the result from equity swaps and equity options for which the value change is accounted for in the Income Statement, see also Note 6, Employees and payroll costs. For programs as of 2006, equity is affected by the strike price of the option. For these programs Investor has chosen to repurchase shares that are used for delivery to employees in connection with exercise.

²⁾ Restatement attributable to change in accounting policy, for further information see Note 1, Accounting policies and Note 23, Equity.

Consolidated Statement of Cash Flows

Amounts in SEK m.	Note 22	2011	2010
Operating activities			
Operating activities			
Core Investments			
Dividends received		3,998	3,203
Cash receipts		14,451	2,938
Cash payments		–11,697	-2,356
Financial investments and management costs			
Dividends received		347	451
Cash receipts/cash payments, net effect on cash flows		336	-230
Cash flows from operating activities before net interest and income tax		7,435	4,006
Interest received ¹⁾		1,493	2,105
Interest paid ¹⁾		-3,129	-2,762
Income tax paid		-461	-234
Cash flows from operating activities		5,338	3,115
Investing activities ²⁾			
Acquisitions		-10,360	-7,429
Divestments		7,328	3,995
Increase in long-term receivables		_	-288
Decrease in long-term receivables		177	192
Acquisitions of subsidiaries, net effect on cash flows		-1,153	-6,732
Sale of subsidiaries, net effect on cash flows		. 8	-
Increase in other financial investments		-4,856	-2,712
Decrease in other financial investments		3,591	3,405
Net changes, short-term investments		608	4,507
Acquisitions of property, plant and equipment		-573	-165
Proceeds from sale of other investments		11	105
Net cash used in investing activities		-5,219	-5,122
Financing activities			
Borrowings		7,058	4,903
Repayment of borrowings		-1,748	-2,649
Sales/repurchases of own shares		2	-263
Dividends paid		-3,802	-3,050
Net cash used in financing activities		1,510	-1,059
Cash flows for the year		1,629	-3,066
Cash and cash equivalents at beginning of the year		2,684	5,804
Exchange difference in cash		-1	-54
Cash and cash equivalents at year-end		4,312	2,684
,		·	

¹⁾ Gross flows from interest swap contracts are included in interest received and interest paid.

²⁾ Mandatory heading in statement of cash flows according to IFRS. Investing activities in this statement are not in accordance with Investors's definition.

Parent Company Income Statement

Amounts in SEK m.	Note	2011	2010
Dividends		3,998	3,203
Changes in value	41, 42	-22,063	23,970
Net sales		20	8
Operating costs	6, 7, 13, 15	-507	-432
Results from participations in Group companies	36	520	7,178
Results from participations in associates	41	1,054	-253
Operating profit/loss		-16,978	33,674
Profit/loss from financial items			
Results from other receivables that are non-current assets	37	2,534	-937
Interest income and similar items	38	129	21
Interest expenses and similar items	39	-2,410	1,436
Profit/loss after financial items		-16,725	34,194
Tax	11	_	-
Profit/loss for the year		-16,725	34,194

Parent Company Statement of Comprehensive Income

Amounts in SEK m.	2011	2010
Profit/loss for the year	-16.725	34.194
Other comprehensive income for the year, including taxes	10,723	3 1,13 1
Cash flow hedges	-17	5
Total other comprehensive income for the year	-17	5
Total comprehensive income for the year	-16,742	34,199

Parent Company Balance Sheet

Amounts in SEK m.	Note	12/31 2011	12/31 2010
ASSETS			
Non-current assets			
Intangible assets			
Capitalized expenditure for software	13	16	20
Property, plant and equipment			
Equipment	15	22	19
Financial assets			
Participations in Group companies	40	41,174	36,618
Participations in associates	41	76,611	93,365
Other long-term holdings of securities	42	39,492	41,038
Receivables from Group companies	43	25,243	26,024
Total non-current assets		182,558	197,084
Current assets			
Current receivables			
Trade receivables		3	2
Receivables from Group companies		3,196	1,185
Receivables from associates		0	0
Tax assets		13	13
Other receivables		1	1
Prepaid expenses and accrued income	19	34	12
Cash and cash equivalents	22	0	0
Total current assets		3,247	1,213
TOTAL ASSETS		185,805	198,297

Parent Company Balance Sheet

Amounts in SEK m.	Note	12/31 2011	12/31 2010
EQUITY AND LIABILITIES			
Equity	23		
Restricted equity			
Share capital		4,795	4,795
Statutory reserve		13,935	13,935
		18,730	18,730
Unrestricted equity			
Fair value fund		-183	-166
Accumulated profit/loss		140,811	110,406
Profit/loss for the year		-16,725	34,194
		123,903	144,434
Total equity		142,633	163,164
Provisions			
Provisions for pensions and similar obligations	25	203	212
Other provisions	26	90	50
Total provisions		293	262
Non-current liabilities			
Loans	24	25,375	20,924
Liabilities to Group companies		1,169	5,430
Total non-current liabilities		26,544	26,354
Current liabilities			
Loans	24	2,056	90
Trade payables		20	11
Liabilities to Group companies		13,503	7,838
Liabilities to associates		2	1
Other liabilities		14	14
Accrued expenses and deferred income	28	740	563
Total current liabilities		16,335	8,517
TOTAL EQUITY AND LIABILITIES		185,805	198,297
ASSETS PLEDGED AND CONTINGENT LIABILITIES			
Pledged assets	30	23	931
Contingent liabilities	30	10,208	10,236

Parent Company Statement of Changes in Equity

		Restricte	d equity	Unre	Unrestricted equity			
Amounts in SEK m.	Note 23	Share capital	Statutory reserve	Fair value fund	Accumulated profit/loss	Profit/loss for the year		
Opening balance 1/1 2011		4,795	13,935	-166	144,600		163,164	
Profit for the year						-16,725	-16,725	
Other comprehensive income for the year								
Total comprehensive income for the year				-17		-16,725	-16,742	
Dividends					-3,802		-3,802	
Stock options exercised by employees ¹⁾					-19		-19	
Equity-settled share-based payment transactions					30		30	
Sales/repurchases of own shares					2		2	
Closing balance 12/31 2011		4,795	13,935	-183	140,811	-16,725	142,633	
		Restricte	d equity	Unrestricted equity			Total equity	
Amounts in SEK m.	Note 23	Share capital	Statutory reserve	Fair value fund	Accumulated profit/loss	Profit/loss for the year		
Opening balance 1/1 2010		4,795	13,935	-172	113,726		132,284	
Profit for the year						34,194	34,194	
Other comprehensive income for the year				6			6	
Total comprehensive income for the year				6		34,194	34,200	
Dividends					-3,050		-3,050	
Stock options exercised by employees ¹⁾					-30		-30	
Equity-settled share-based payment transactions					23		23	
Sales/repurchases of own shares					-263		-263	

¹⁾ For programs up to 2005, the exercise of employee stock options affects equity negatively by the difference between the market value of the share and the strike price of the option. This effect is offset by the result from equity swaps and equity options for which the value change is accounted for in the Income Statement. See also Note 6, Employees and payroll costs. For programs as of 2006, equity is affected by the strike price of the option. For these programs Investor has chosen to repurchase shares that are used for delivery to employees in connection with exercise.

Parent Company Statement of Cash Flows

Amounts in SEK m.	Note 22	2011	2010
Operating activities			
Dividends received		3,998	3,203
Cash payments to suppliers and employees		-435	-487
Cash flows from operating activities before net interest and income taxes		3,563	2,716
Interest received		1,701	1,949
Interest paid		-1,278	-1,544
Income taxes paid		0	0
Cash flows from operating activities		3,986	3,121
Investing activities ¹⁾			
Share portfolio			
Acquisitions		-4,700	-3,281
Divestments		1,998	2
Other items			
Net cash flow from liquidation of subsidiary		-	8,479
Capital contributions to subsidiaries		-4,037	-8,059
Acquisitions of property, plant and equipment/intangible assets		-9	-8
Net cash used in investing activities		-6,748	-2,867
Financing activities			
Borrowings		6,347	2,748
Repayment of borrowings		-90	-278
Change, inter-company transactions		305	589
Repurchases/sales of own shares		2	-263
Dividends paid		-3,802	-3,050
Net cash used in financing activities		2,762	-254
Cash flows for the year		0	0
Cash and cash equivalents at beginning of the year		0	0
Cash and cash equivalents at year-end		0	0

¹⁾ Mandatory heading in statement of cash flows according to IFRS. Investing activities in this statement are not in accordance with Investor's definition.

Notes to the financial statements

Note 1 Accounting policies

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STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) as adopted by the European Union. In addition, the Swedish Financial Reporting Board's recommendation, RFR 1 Supplementary Accounting Policies for Groups, was applied.

The Parent Company applies the same accounting policies as the Group, except where noted below in the section "Accounting policies of the Parent Company". Any differences between the accounting policies of the Parent Company and those of the Group are caused by limitations to the application of IFRS in the Parent Company because of the Swedish Annual Accounts Act, the Pension Obligations Vesting Act ("Tryggandelagen"), and due to the correlations between accounting and taxation. RFR 2 Accounting for Legal Entities has been applied for the Parent Company.

BASIS OF PREPARATION FOR THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

The Parent Company's functional currency is the Swedish krona (SEK), which is also the reporting currency for both the Parent Company and the Group. Accordingly, the financial statements are presented in SEK. All amounts, unless otherwise stated, are rounded to the nearest million

Non-current assets and non-current liabilities consist primarily of amounts that are expected to be recovered or settled more than 12 months from the Balance Sheet date. Current assets and current liabilities primarily consist of amounts that are expected to be recovered or settled within 12 months of the Balance Sheet date.

In order to prepare the financial statements in accordance with IFRS, management must make estimates and assumptions that affect the application of the accounting policies and the amounts recognized for assets, liabilities, income and expenses. The actual outcome may differ from these estimates and assumptions.

The estimates and assumptions are reviewed regularly. Estimates made by management when applying IFRS that have a significant effect on the financial statements, and estimates that can result in significant adjustments to the financial statements in the following year, are disclosed in Note 34, Critical estimates and key judgements.

The accounting policies of the Group that are specified below have been consistently applied to all periods presented in the consolidated financial statements, unless otherwise noted. The accounting policies of the Group have been consistently applied to the reporting and consolidation of subsidiaries and associates.

The accounting policies of the Parent Company that are specified below have been consistently applied to all periods presented in the financial statements of the Parent Company.

Certain comparative figures have been reclassified in order to conform to the presentation of the current year's financial statements. In cases where reclassification pertains to significant amounts, special information has been provided.

The notes for the Group includes information relating to the investing activities. Investing activities includes; Parent Company operations, Investor's internal bank, trading operations and Investor Growth Capital. Investor Growth Capital is included in investing activities up until June 30, 2011. Information regarding the investing activities is presented in the Notes with material amounts.

CHANGES IN ACCOUNTING POLICIES

Changes in accounting policies due to new or amended IFRS The following is a description of the revised accounting policies applied by the Group as of January 1, 2011. Other IFRS changes that are to be applied starting in 2011 did not have any effect on the Group's accounting.

A number of new or amended standards will come into effect for the next financial year and they have not been adopted early when preparing these financial statements.

Voluntary change in accounting policy

To better reflect the characteristics of its business and make numbers comparable to other Nordic peers, the associate 3 Scandinavia, has changed the accounting policy for customer acquisition costs (CAC), and customer retention costs (CRC), a change has also been done in the recognition method for revenue from handsets.

According to the policy that was applied until year-end 2010 the expenses for customer acquisition costs (CAC), and customer retention costs (CRC) were capitalized and amortized during the term of the contracts. As of 2011, these costs will no longer be capitalized at all. Instead, they will be reported in the Income Statement at the time that they arise. Furthermore, in conjunction with the transition to the new policy, previously capitalized expenditures were charged to the Income Statement retrospectively.

With the new recognition method for revenue from handsets, both revenues and expenses relating to handsets are reported in the Income Statement at the time of delivery. Previously, revenues and expenses relating to handsets were recognized over the subscriber contract period. 3 Scandinavia has not implemented the new recognition method retrospectively in their accounting. Accordingly, during the transition period, there will be a positive impact on net profit from revenues relating to subscriber contracts that existed at the end of 2010. The effect will fade over time as subscriber contracts signed prior to the change expire. Investor estimates that the positive effect on 3 Scandinavia's operating profit amounts to approximately SEK 900 m., of which approximately SEK 700 m. has affected the financial year 2011 and the remainder will affect the financial year 2012. For further information see Note 23, Equity.

New IFRS regulations and interpretations to be applied in 2012 or later

The new standards described below may have an impact on the Group and an investigation of the potential impact is in progress.

IFRS 10 Consolidated Financial Statements. This is a new standard for consolidation using a new model for the evaluation of controlling influence. It replaces IAS 27 Consolidated and Separate Financial Statements regarding the rules for consolidation and SIC 12 Consolidation of Special Purpose Entities. The amendment may require the Group to consolidate additional companies because of the new de facto control. The standard applies to financial years beginning January 1, 2013 or later and retrospective application is mandatory.

IFRS 12 Disclosure of Interests in Other Entities. This is a new standard regarding disclosures for investments in subsidiaries, joint arrangements, associates and not consolidated "structured entities". The amendment may lead to additional disclosures for the Group. The standard applies to financial years beginning January 1, 2013 or later.

IFRS 13 Fair Value Measurement. This is a new standard for measuring fair value, including changed disclosure requirements. IFRS 13 applies to other standards, with some exceptions, that require or permit fair value measurement for recognition or disclosure purposes. The amendment may lead to additional disclosures for the Group. The standard applies to financial years beginning January 1, 2013 or later.

IAS 28 Investments in Associates. The amendment concerns how the accounting should be done when changes in possession alter and significant influence or joint control ceases. The standard applies to financial years beginning January 1, 2013 or later.

IAS 1 Presentation of Financial Statements. The amendment concerns how items in other comprehensive income must be presented, i.e. it is necessary to show items that might be reclassified to profit for the year and items that will not to be reclassified. Examples of items that should be reclassified are translation differences and gains/losses from cash flow hedges. Examples of items that should not to be reclassified are actuarial gains and losses and revaluations in accordance with the revaluation method for intangible assets and PPE. The standard applies to financial years beginning July 1, 2012 and retrospective application is mandatory.

IFRS 9 Financial Instruments will replace IAS 39 Financial Instruments: Recognition and Measurement, with mandatory effective date of January 1, 2015. The IASB has this far published the first two parts of what will become the final IFRS 9. The first part deals with classification and measurement of financial assets.

The categories of financial assets specified in IAS 39 will be replaced by a two-measurement-category approach, which would measure financial instruments at either fair value or amortized cost. In October 2010, the IASB also published the parts of IFRS 9 relating to the classification and valuation of financial liabilities. It is essentially consistent with the previous rules in IAS 39, except for the requirements related to the fair value option for financial liabilities

The changes are not expected to have any effect on amounts reported in the consolidated financial statements, since the majority of the Group's financial instruments are reported in accordance with the fair value option. IFRS 9 has not been approved for application by the EU and such approval is not expected until all revisions to IFRS 9 have been completed.

For this reason, it is not possible to adopt the current version of IFRS 9 early.

Óther changes to IFRS and IFRIC to be applied in the future are not expected to have any impact on the Group's reporting.

OPERATING SEGMENTS

A statement of operating segments is prepared for the Group. Operating segment results are reviewed and evaluated by the CEO in order to decide on the allocation of resources. The Group's segments are comprised of its business areas, which have different investment strategies and goals. Segment classification is based on the internal reporting model. The operating segments' profits/losses and assets include directly attributable items and items that can be distributed reasonably and reliably to the segments (primarily holdings of shares and participations). Non-distributable items consist of certain revenue and expenses related to financing and components of tax. They also include certain Group-wide operating expenses. None of the Group's net debt has been distributed to segments. Market prices are used for any transactions that occur between operating segments.

For information about goods, services and geographical areas, see Note 2, Net sales. For a more detailed description of operating segments, see Note 3, Operating segments.

CONSOLIDATION PRINCIPLES Subsidiaries

Subsidiaries are companies in which Investor AB is able to exert a controlling influence. A controlling influence is the power to, either directly or indirectly, govern the financial and operating policies of an entity in order to obtain economic benefits from its activities. When assessing whether an enterprise has a controlling influence over another enterprise, the existence and effect of potential voting rights currently exercisable or convertible is considered.

Subsidiaries are reported in accordance with the purchase method. Under this method, an acquisition is treated as a transaction in which the Group indirectly acquires the subsidiary's assets and assumes its liabilities. The consolidated cost is established through a purchase price allocation (PPA) that is made at the time of the business combination. In the analysis, the acquisition cost of the participations or operations is determined, as well as the fair value of the identifiable assets and the assumed liabilities as of the transaction date. The cost of the shares in the subsidiary and the operations, respectively, consists of the fair values on the transfer date for assets, liabilities incurred or assumed, and equity instruments issued and used as consideration for the net assets acquired that are directly attributable to the acquisition. For acquisitions that are made in 2010 and later, the transaction costs that are directly attributable to the acquisition are expensed. For business combinations where the cost exceeds the net carrying amount of the acquired identifiable assets and the assumed liabilities, the difference is reported as goodwill in the Balance Sheet. When the difference is negative, it is reported directly in the Income Statement during the period when it arises. Surplus values that have been identified when making the purchase price allocation are distributed across applicable classes of assets and depreciated over the estimated useful life. Goodwill and identified assets with an indeterminable useful life are tested annually for impairment, or whenever there is any indication of impairment.

The portion of equity attributable to non-controlling interests is reported as a separate component of total equity. The Income Statement and the Statement of Comprehensive Income present information about the portion of the period's income and comprehensive income that is attributable to a non-controlling interest. Losses attributable to a non-controlling interest have a negative effect on total equity. There are two methods available for recognizing non-controlling interests and goodwill. When the fair value method is used, goodwill is included in the non-controlling interest. Otherwise the non-controlling interest consists of the share of the net assets. The choice between the two methods is made individually for each acquisition.

Acquisitions made at different dates are recognized as business combinations achieved in stages. For such acquisitions made in 2010 or later that result in a controlling influence, the prior acquired shares are revalued at fair value and the resulting profit or loss is recognized in the Income Statement. Acquisitions that are made subsequent to having obtained a controlling influence and divestments that do not result in a loss of the controlling influence are reported under equity as a transfer between equity attributable to the Parent Company's shareholders and non-controlling interests. When ownership decreases such that there is no longer a controlling interest, any remaining holding is reported at fair value and the change in value is recognized in the Income Statement.

For acquisitions that are made in 2010 or later, consideration that is contingent upon the outcome of future events is valued at fair value and the change in value is recognized in the Income Statement

The financial statements of subsidiaries are reported in the consolidated financial statements as of the acquisition date and until the time when a controlling interest no longer exists.

Associates

Associates are companies in which Investor has a significant influence, typically between 20 and 50 percent of the votes. Accounting for associates is dependent on how Investor control and monitor the companies' operations. The Group applies the equity method for unlisted holdings in those cases where business activities are integrated with the Group's operating activities.

Unlisted associates of Investor Growth Capital and listed associated companies are controlled and monitored on a fair value and are accounted for as financial instruments at fair value through profit or loss in accordance with IAS 39 and IAS 28 p. 1.

Reporting of associates in accordance with the equity method Investor recognizes associates in accordance with the equity method when it has been accordance with the equity method when it is a single property of the control of the

has a large ownership stake in the underlying investment, and is significantly involved in the associate's operations. These companies are reported in the consolidated financial statements as of the date when significant influence was obtained. When applying the equity method, the carrying amount of the investments in associates that is reported in the consolidated financial statements, corresponds to the Group's share of the associated companies' equity, consolidated goodwill, and any residual value of consolidated surpluses/

In the consolidated Income Statement, the Group's share of the associates' profit or loss that is attributable to the owners of the Parent Company (adjusted for any depreciation, impairment losses or reversals of acquired surpluses/deficits) is recognized as share of results of associates. These shares of profit or loss (less any dividends received from associates) are the primary component of the reported value of participations in associates. The Group's share of other comprehensive income in associates is reported as a separate component of other comprehensive income.

On acquisition of an associate, any difference between the cost of the holding including transaction costs and the investor's share of the net fair value of the associate's identifiable assets and liabilities is reported as goodwill corresponding to principles for aquisition of subsidiaries.

When the Group's share of reported losses in the associate exceeds the carrying amount of the participations in the Group, the value of the participations is reduced to zero. Losses are also offset against long-term financial receivables without collateral, the economic substance of which is comprised of part of the investor's net investment in the associate. Continuing losses are not recognized, unless the Group has an obligation to cover the losses incurred by the associate. The equity method is applied until such time when the Group no longer has significant influence.

Transactions that are eliminated upon consolidation

Intra-group receivables and payables, revenues and expenses, and unrealized gains or unrealized losses arising from intra-group transactions, are fully eliminated when preparing the consolidated financial statements.

Unrealized gains arising from transactions with associates that are consolidated using the equity method are eliminated to the extent corresponding to the Group's interest in the company.

Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that no impairment has occurred.

FOREIGN CURRENCY

Foreign currency transactions

Foreign currency transactions are translated to the functional currency at the exchange rate in existence on the date of the transaction. Functional currency is the currency of the primary economic environments in which Group companies operate. Monetary assets and liabilities in foreign currency are translated to the functional currency at the exchange rate in existence on the Balance Sheet date. Non-monetary assets and liabilities recognized at historical cost are translated using the exchange rate in existence on the date of the transaction. Non-monetary assets and non-monetary liabilities recognized at fair value are translated to the functional currency using the exchange rate in existence on the date when the fair value measurement is made. Exchange differences arising on translation are recognized in the Income Statement with the exception of certain financial instruments. See the section, Financial Instruments, see page 63.

Financial statements of foreign operations

Assets and liabilities of foreign operations, including goodwill and other consolidated surpluses/deficits are translated to SEK using the exchange rate in existence on the Balance Sheet date. Revenues and expenses in a foreign operation are translated to SEK using an average exchange rate that approximates the exchange rates on the dates of the transactions. Translation differences arising when translating foreign operations are recognized directly in other comprehensive income and are accumulated in a separate component of equity, Translation Reserve. When a foreign operation is divested, the cumulative translation differences from equity attributable to the divested operation are reclassified to the Group's Income Statement. Cumulative translation differences are reported as a separate component of equity and consist of translation differences accumulated since January 1, 2004. Cumulative translation differences prior to January 1, 2004 are allocated to other components of equity.

Hedging net investments in foreign operations

In the consolidated Balance Sheet, investments in foreign operations are reported as net assets in subsidiaries. To a certain extent, measures are taken to reduce the currency risks associated with such investments. This is done by entering into forward contracts in the same currency as the net investments. These forward contracts are recognized at fair value on the closing date. The effective component of the period's exchange rate fluctuations for hedging instruments is reported under "Other Comprehensive Income", and the cumulative changes are reported under "Translation Reserve." This is done in order to meet, and either fully or partly match with, the translation differences recognized for net assets in the foreign operations that were hedged.

The translation differences from both net investments and hedging instruments are reversed and recognized in the Income Statement when foreign operations are divested. When hedging has not been effective, the ineffective component is recognized in the Income Statement.

REVENUES

Revenues included in operating profit are dividends, other operating income, net sales and other income.

Dividends received are recognized when the right to receive payment has been established. Other operating income consists primarily of interest on shareholder loans and it is calculated using the effective interest rate method. For further information about this, please see the section, Financial Income and Expenses.

Revenue from the sale of goods is recognized in net income when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from services is recognized in net income based on the stage of completion at Balance Sheet date. Completion is determined by an assessment of the work done, on the basis of existing studies. Revenue is not recognized if it is probable that economic benefits will not flow to the Group. No revenue is recognized if there is significant uncertainty regarding the payment, associated costs or the risk of returns. Neither is revenue recognized if the seller remains involved in day-to-day management activities that are typically associated with ownership. Revenue is recognized at the fair value of consideration received or expected to be received, less any discounts. Revenue from the sales of goods shall be recognized when the amount of revenue can be measured reliable.

Services provided as part of healthcare activities are sold via multi-year operating contracts and in some cases framework agreements. Revenue is recognized at the rate that services are provided. A provision is made for the risk of loss if the total directly attributable costs during the entire term of the contract are expected to exceed the total revenues, including indexation.

CHANGES IN VALUE

Value changes consist of realized and unrealized result from long- and short term investments, transaction costs, profit sharing costs and cost of administration of fund investments.

For investments that were realized during the period, the change in value consists of the difference between the consideration received and the value at the beginning of the period. Profit or loss from the divestment of a financial instrument is recognized when the risks and benefits associated with owning the instrument are transferred to the buyer and the Group no longer has control over the instrument.

GOVERNMENT GRANTS

Government grants are reported at fair value when it is reasonably certain that the grant will be received and that it will be possible to fulfill the terms and conditions associated with the grant. Government grants related to costs are reported in the Income Statement. Revenue is recognized in the same period as the costs to which the grant is related. Government grants related to the purchase of assets reduce the value of the asset. Grants affect net profit during the asset's useful life through lower depreciation.

LEASES

In the consolidated financial statements, leases are classified as either financial or operating leases. A lease is classified as a financial lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are classified as operating leases.

Assets that are classified as financial leases are reported as assets in the Group's Balance Sheet. Obligations to pay future lease payments are reported as a liability. Leased assets are depreciated according to plan, whereas the leasing payments are apportioned between the finance charge and a reduction of the outstanding liability.

Costs related to operating leases are recognized in the Income Statement on a straight-line basis over the lease term. Incentives received when entering into an agreement are included as a decrease in the leasing fees and amortized on a straight-line basis over the term of the lease, which is reported in the Income Statement.

FINANCIAL INCOME AND EXPENSES

Financial income and financial expenses consist of interest income from bank deposits, receivables and interest-bearing securities, interest expenses on loans, exchange rate differences, changes in the value of financial investments and liabilities and derivatives used to finance operations.

Interest income on receivables and interest expenses on liabilities are calculated using the effective interest rate method. The effective interest rate is the rate that discounts estimated future payments or receipts throughout the expected life of the financial instrument to the net carrying amount of the financial asset or liability. The calculation includes all of the fees received or paid by the contracting parties, that, are a component of the effective interest rate, transaction costs and all other premiums/discounts. Transaction costs, including issuing costs, are expensed immediately when receivables or payables are measured at fair value through profit or loss. When valued at amortized cost, amortization takes place over the remaining life using the effective interest rate. Borrowing costs are recognized in profit or loss using the effective interest rate method except to the extent that they are directly attributable to the acquisition, construction or production of assets that take considerable time to prepare for their intended use or sale. In such instances, they are included in the acquisition cost of the asset. Costs related to credit facilities are recognized as interest and are amortized on a straight-line basis over the term of the facilities. Other financial items are mainly changes in the movement of derivatives and loans that are subject to fair value hedging.

The change in value reported in net financial items is calculated in a similar way as changes in value recognized in operations. See the section above called Changes in Value.

INCOME TAXES

The Group's total income tax charge consists of current tax and deferred tax. Current tax is tax that must be paid or refunds that will be received for the current year. Current tax also includes adjustments to current tax attributable to earlier periods. Deferred tax is based on the temporary differences between the tax base of an asset or liability and its carrying amount. Temporary differences attributable to goodwill are not recognized. Furthermore, temporary differences attributable to investments in subsidiaries or associates are not recognized unless they are expected to reverse within the foreseeable future. The valuation of deferred tax is based on the extent to which underlying assets and liabilities are expected to be realized or settled. Deferred tax is calculated using the tax rates and tax regulations that have been decided or announced at year-end.

If the calculations result in a deferred tax asset, it will only be reported as such if it is probable that it will be realized.

Part of the difference between the effective tax rate and the Parent Company's tax rate that occurs upon reconciliation is due to the fact that the Parent Company is taxed in accordance with the rules that apply to industrial holding companies. Capital gains on shares are not taxable and corresponding capital losses are non-deductible. Dividends received and interest income are both taxable, while administrative costs, interest expenses and dividends paid are all deductible. In addition, the Parent Company is taxed on a standard income that is based on the market value of certain listed holdings. Income taxes are reported in the Income Statement unless the underlying transaction is reported as part of other comprehensive income or as a component of equity. In such cases, the associated tax effect is also reported as part of other comprehensive income or as a component of equity.

INTANGIBLE ASSETS

Intangible assets are reported at cost after a deduction for any accumulated depreciation and amortization or impairment losses.

Goodwil

Goodwill is valued at cost less any accumulated impairment losses. Goodwill is allocated among the lowest identifiable cash-generating units and it is tested for impairment once per year, or more often if there are any indications of impairment. Goodwill that arises from the acquisition of an associate is included in the carrying amount of participations in associates.

Brands/Tradenames

Brands are valued individually as part of the fair value of businesses acquired from a third party. The brand must have long-term value and it must be possible to sell it separately. Otherwise, the brand may arise through a contract or legal rights. The Group's brands have an indefinite life, see Note 13, Intangible assets for further information regarding the valuation. Brands are subject to a test of impairment. This is done once every year, or more often if there is any indication of impairment. Brands are reported at cost less any impairment losses.

Capitalized expenditure

Costs attributable to the development of qualifying assets are capitalized as a component of the asset's acquisition cost.

Subsequent expenditure on capitalized intangible assets is reported as an asset in the statement of financial position only if it increases the future financial benefits for the specific asset that the expenditure relates to. All other expenditure is immediately recognized in the Income Statement.

Software

Direct costs for software intended for own administrative use are recognized as an asset in the Balance Sheet when the costs are expected to generate future economic benefits in the form of more efficient processes. Capitalized expenditure for software is amortized from the date it became available for use

Research and development expenditure

Expenditure associated with research and development is recognized in the period that is arises. An internally generated intangible asset is reported by the Group only if all of the following apply: it is possible to identify the asset that was created, it is both technically and financially feasible to complete the asset, there is both intent and ability to use the asset, it is likely that the asset will generate future economic benefits and it is possible to calculate the expenses in a reliable way. Amortization of the asset begins as soon as it is put into use and it is made on a linear basis throughout the asset's useful life.

Patents and licenses

Patents and licenses acquired by the Group are stated at cost less accumulated amortization and any impairment losses

Customer contracts/Customer relations

Customer contracts and customer relations are valued individually as part of the fair value of acquired businesses (less any amortization or impairment losses). The useful life of a customer contract is based on the period of time over which net payments are expected to be received, as well as legal and financial factors.

Technology

Each type of technical knowledge is valued individually as part of the fair value of acquired businesses.

PROPERTY, PLANT AND EQUIPMENT

Items of property plant and equipment are recognized as assets in the Balance Sheet when it is probable that the future economic benefits associated with the assets will flow to the company and the cost of the assets can be measured reliably. The carrying amount for an item of property, plant and equipment is derecognized in the Balance Sheet when it is disposed of or sold. Gains or losses on the sale or disposal of an asset are calculated as the difference between the selling price and the carrying amount of the asset (less direct selling costs). Gains or losses are recognized in operating profit/loss.

Additional expenses

Subsequent expenditure is capitalized only if it is probable that future economic benefits associated with the asset will flow to the company and if the cost can be measured reliably. All other subsequent costs are expensed in the period they arise. A subsequent expenditure is capitalized if the expense relates to replacement of identified components or parts thereof. Even in cases where new components are created, the expenditure is capitalized. Any undepreciated carrying amount of replaced components, or parts of components, are retired and expensed in connection with the exchange. Repairs are expensed as incurred.

Owner-occupied property

Owner-occupied property is recognized according to the revaluation method less accumulated depreciation and revaluation adjustments. Property is revalued with sufficient regularity to ensure that the carrying amount does not differ materially from the amount established as fair value on the Balance Sheet date. Otherwise the increase is reported in other comprehensive income and as an increase in the translation reserve. The fair value of owneroccupied property is determined by valuations performed by independent external assessors. When an asset's carrying amount is increased as a result of a revaluation, the increase is reported in other comprehensive income and accumulated in a separate component of equity, called the Revaluation Reserve. If the increase consists of a reversal of a previously recognized impairment loss on the same asset, the increase is recognized as a reduced cost in the Income Statement. When an asset's carrying amount is decreased as a result of a revaluation, the decrease is recognized as an expense in profit or loss. If there is a balance in the revaluation reserve attributable to the asset, the decrease in value is recognized in other comprehensive income and the amount in the revaluation reserve is also decreased. The difference between depreciation based on the revalued amount, and depreciation based on the original cost, is transferred from the revaluation reserve to retained earnings. Accumulated depreciation is recalculated in proportion to the change in the asset's increased cost so that the carrying amount of the asset (the net of the adjusted cost and adjusted depreciation) after revaluation corresponds to the revalued amount. When an asset is divested, the value attributable to the asset in the revaluation reserve is transferred to retained earnings, without having any effect on profit/loss or other comprehensive income. For owneroccupied property consisting of parts with different useful lives (such as the framework, roof and basic installations), the parts are treated as separate components of the owner-occupied property.

Machinery and equipment

Machinery and equipment are reported at cost less accumulated depreciation and any impairment losses. Cost includes the original purchase price and directly attributable costs required to bring the asset to working condition for its intended use. Examples of such directly attributable costs are costs for delivery and handling, installation, consulting fees and legal fees.

Spare parts

Spare parts and servicing equipment are usually carried as inventory and recognized in profit or loss as consumed. Major spare parts and stand-by equipment qualify as property, plant and equipment when an entity expects to use them during more than one period. If the spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

DEPRECIATION AND AMORTIZATION

Depreciation and amortization are made linearly over the asset's estimated useful life. Land is not depreciated. The Group applies component depreciation, which means that depreciation is based on the estimated useful life of each component.

Estimated useful lives:

Capitalized expenditure 3-5 years Technology 10-20 years Patent and Licenses 3-5 years Customer contracts 4-5 years

Real estate

Frameworks 50-100 years Land improvements 20-40 years Building components 5-40 years

Machinery 3-15 years Equipment and computers 3-10 years

The residual value and useful life of an asset are reviewed each year.

IMPAIRMENT

IAS 36 is applied when testing for impairment of many types of assets. However, IAS 39 is applied for testing impairment of financial assets and IAS 12 is applied to income taxes.

Impairment testing of property, plant and equipment, intangible assets and of participations in subsidiaries and associates

The recoverable amount of an asset is calculated whenever there is an indication of impairment. The recoverable amount is calculated once per year or more often if there are any indications of impairment for the following items: goodwill, other intangible assets with an indefinite useful life and intangible assets that are not yet available for use. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount and the loss is reported in the Income Statement. When the impairment amount has been identified, it is allocated primarily to goodwill. After that, the impairment loss is allocated proportionally to the other assets in the unit. The recoverable amount is the higher of the fair value less selling expenses and the value-in-use. When determining the value-in-use, future cash flows are discounted using a discount rate that takes into account the risk-free interest rate and risk associated with the specific asset.

Impairment testing of financial assets

On each reporting date, the company evaluates whether there is any objective evidence that a financial asset or group of assets have become impaired. Objective evidence consists of observable conditions that have occurred, which make recovery of the cost less likely. Objective evidence also consists of a significant and persistent decline in the fair value of an investment in an equity instrument that has been classified as an available-for-sale financial asset.

The recoverable amount for assets belonging to the category, Loans and Receivables (which are recognized at amortized cost), is calculated as the present value of future cash flows discounted at the effective interest rate upon initial recognition of the asset. Assets with short maturities are not discounted. Impairments losses are reported in the Income Statement.

Since the majority of the Group's assets are included in the category "Financial assets at fair value through profit or loss," most negative changes in value affect the Income Statement on an ongoing basis.

Reversal of impairment losses

An impairment of assets is reversed only when there is no longer any indication of impairment and the assumptions used as the basis for calculating the recoverable amount have changed. However, an impairment of goodwill is never reversed. An impairment loss is only reversed to the extent that the increased carrying amount does not exceed what the amortized historical cost would have been if the impairment had not been recognized.

Impairment losses on loans and trade receivables (which are recognized at amortized cost) are reversed if the prior reasons for the impairment no longer exist and full payment is expected.

INVENTORIES

Inventory is valued at the lower of net realizable value (NRV) and cost. Direct material costs (sometimes also direct salary costs) and other costs involved in bringing the goods to their current location and condition are included in the estimated cost of acquisition. The cost of inventories is calculated using the FIFO (first in, first out) method.

The cost of finished goods and work-in-progress includes a reasonable portion of the indirect costs based on normal capacity utilization.

Net realizable amount is based on the estimated sales price in the ordinary course of business less the estimated costs to bring about a sale.

FINANCIAL INSTRUMENTS

Financial instruments recognized as assets in the Balance Sheet include shares and participations recognized at fair value, other financial investments, loan receivables, trade receivables, short-term investments, cash and cash equivalent, and derivatives. Financial instruments recognized as liabilities in the Balance Sheet include loans, shares on loan, trade payables and derivatives.

Recognition and derecognition in the Balance Sheet

A financial asset or financial liability is recognized in the Balance Sheet when the company becomes party to the instrument's contractual terms. A receivable is recognized when the company has performed and there is a contractual obligation for the counterparty to make a payment, even if the invoice has not yet been issued.

Trade receivables are recognized in the Balance Sheet when an invoice is sent. A liability is recognized when the counterparty has performed and there is a contractual obligation to pay, even if an invoice has not yet been received. Trade payables are recognized when an invoice is received.

A financial asset or part thereof is derecognized in the Balance Sheet when the rights in the agreement have been realized, upon maturity, or when the company loses control over them. A financial liability or part thereof is derecognized in the Balance Sheet when the obligations in the contract have been fulfilled or no longer exist for some other reason.

Classification and measurement

Financial instruments belonging to the category, "financial assets recognized at fair value through profit or loss," are initially recognized at fair value (excluding transaction costs). Other financial instruments are initially recognized at cost, which corresponds to the instrument's fair value (including transaction costs). A financial instrument is classified upon initial recognition based on the purpose for which it was acquired. The classification determines how the financial instrument is measured after initial recognition, as described below. Cash and cash equivalents consist of cash and demand deposits in banks and similar institutions, and short-term investments with a maturity of three months or less from the acquisition date, which are subject to an insignificant risk of changes in value.

Financial assets at fair value through profit or loss

This category consists of two subcategories: financial assets that are initially placed in this category (via the fair value option) and held-for-trading financial assets. Financial assets in this category are continuously measured at fair value through value changes that are reported in the Income Statement.

Financial assets recognized in accordance with the Fair Value Option This category primarily includes short-term investments, other financial assets and shares/participations recognized at fair value.

In this category, the Group has chosen, on initial recognition, to designate financial assets that are managed and measured on the basis of fair values, in accordance with the risk management and investment strategies.

Financial assets held for trading

Shares and participations belonging to the trading operation are recognized as held-for-trading financial assets. The same applies to derivatives with a positive fair value (except for derivatives identified as effective hedging instruments).

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These assets are recognized at amortized cost, which is determined on the basis of the effective interest rate on the acquisition date. Trade receivables are recognized at net realizable value less any deductions for bad debts, which are assessed on an individual basis. Trade receivables are short term in nature, which is why they are reported at nominal amounts without any discounting.

Available-for-sale financial assets

The available-for-sale financial assets category includes a few financial assets that do not belong to any of the other categories. Holdings of participations not recognized as Subsidiaries or Associates, or ones that have been valued in accordance with the Fair Value Option, are recognized in this category. Assets in this category are continuously measured at fair value, with changes in value reported in other comprehensive income and the accumulated changes in value reported as a separate component of equity. However, this does not apply to value changes that are due to impairment (see the section on impairment below). Neither does it apply to interest on receivables, dividend income or exchange differences on monetary items, all of which are recognized in profit or loss. When an asset is sold, the accumulated profit/loss (previously recognized in other comprehensive income) is recognized in the Income State-

Financial liabilities at fair value through profit or loss

This category includes financial liabilities held for trading. For example, this includes shares on loan in the trading operation and derivatives with a negative fair value (except for identified derivatives that are effective hedge instruments). When shares on loan are sold, an amount corresponding to the fair value of the shares is recorded as a liability. Financial liabilities in this category are continuously recognized at fair value, with changes in value reported in the Income Statement

Other financial liabilities

This category includes loans and other financial liabilities, such as trade payables. Loans are recognized at amortized cost, except when they are used for fair value hedging. For more information, see the heading below, "Hedging of the Group's interest rate exposures - fair value hedges". Amortized cost is calculated based on the effective interest that was determined when the loan was obtained. This means that surpluses/deficits, as well as direct issuing costs, are amortized over the life of the liability. Trade payables are short term in nature, which is why they are recognized at nominal amounts without any discounting.

Financial guarantees

Financial guarantee contracts commit the Group to reimburse the holder of a debt instrument for the losses incurred when a specified debtor fails to make payment when due, in accordance with the original or modified contract terms. Financial guarantee contracts are initially recognized at fair value less the fair value of contracted guarantee fees. However, an asset will not be reported in the Balance Sheet if the difference is positive.

Subsequent to initial recognition, financial guarantee contracts are continuously recognized at the higher of A) the best estimate of the present value of anticipated net fees to settle the guarantee commitment less the present value of future guarantee fees, and B) the original amount booked as a liability less reversed cumulative straight-line amortization over the contracted guarantee period. In cases where market-based compensation has been contracted for the guarantee commitment, it is initially not recognized as either an asset or a liability. However, the revenue from the guarantee contracts is recognized on a straight-line basis over the guarantee period.

Derivatives and hedge accounting

Derivatives, such as forwards, options and swaps, are used to offset the risks associated with fluctuations in exchange rates and share prices, as well as the exposure to interest rate risks. Derivatives are initially measured at fair value through profit or loss, which means that transaction costs are charged to profit/loss for the period. After initial recognition, the derivative instrument is recognized at fair value and changes in the value are recognized as described below. Changes in the value of derivative instruments are recognized in the Income Statement as income or expense (part of operating profit) or as part of net financial items. Where they are reported is based on the purpose of the derivative and whether its use is related to an operating item or a financial

In hedge accounting, changes in the value of hedging instruments are recognized in the Income Statement at the same time as changes in the value of the hedged items are recognized. To qualify for hedge accounting under IAS 39, a derivative must be closely linked to the hedged item. Furthermore, the hedge must be effective, formal documentation must be prepared and it must be possible to measure the effectiveness of the hedge. If the derivative instrument is used for hedge accounting and is effective, changes in the value of the derivative instrument are recognized on the same line in the Income Statement as the hedged item. The ineffective portion is recognized in the Income Statement as an operating item or financial item in the same way as value changes in derivatives that are not used for hedge accounting. If hedge accounting is not applied when using interest rate swaps, the coupon rate is recognized as interest and other changes in the value of interest rate swaps are recognized as other financial items in net financial items.

If the criteria for hedge accounting are no longer met, the derivatives are recognized at fair value through profit or loss according to the principle above.

Receivables and liabilities in foreign currency

Forward exchange contracts and currency options/swaps are used to hedge receivables and liabilities against foreign exchange rate risks. Hedge accounting is not used to protect against foreign exchange risk since an economic hedge has already been reflected in the financial statements. This occurs by recognizing the underlying receivable or liability at the closing rate and the hedge instrument at fair value in the Income Statement.

Hedging of long-term share-based remuneration

Share swaps are used to protect cash flows, earnings and equity from the effects of long-term share-based remuneration when the price of the Investor share rises. These derivatives do not qualify for hedge accounting and are therefore recognized at fair value through profit or loss.

Forecast transactions in foreign currency - cash flow hedges

Derivatives are used to hedge currency risks from forecast transactions. The derivatives are recognized at fair value in the Balance Sheet. Changes in value for the period are recognized in other comprehensive income and the accumulated changes in value are recognized in the hedging reserve until the hedged cash flow affects profit for the period, whereas the accumulated value changes of the hedging instrument are recycled to profit for the period.

Hedging the Group's interest rate risk - cash flow hedges

The Group uses interest rate swaps to control the uncertainty of future interest rate fluctuations for loans with a variable interest rate. In the Balance Sheet, interest rate swaps are valued at fair value. The interest rate coupon is recognized on an on-going basis in the Income Statement as a component of interest expense. Unrealized changes to the fair value of interest rate swaps are recognized in Other Comprehensive Income and are included as a component of the hedging reserve until the hedged item has an effect on the Income Statement and as long as the criteria for hedge accounting and effectiveness are met. The gain/loss attributable to the ineffective component of the unrealized value changes on interest rate swaps is recognized in the Income Statement.

Hedging of the Group's interest rate exposure—fair value hedges

The Group uses interest rate swaps to hedge the risk of changes in the fair value of its own borrowings that have a fixed rate of interest. The interest rate swaps are recognized at fair value in the Balance Sheet and the hedged item is recalculated at the fair value of the hedged risk (the risk-free interest rate). Changes in the fair value of the derivative and hedged item are recognized in the Income Statement.

The interest rate coupon is recognized on an on-going basis in the Income Statement as a component of interest expense.

Hedging of currency risk in foreign net investments

To a limited extent, investments in foreign subsidiaries have been hedged through forward contracts that are translated at the closing rate. Please see the description under the section, "Foreign Currency" above.

REPURCHASES OF OWN SHARES

Repurchases of own shares are reported as a deduction from equity. Cash proceeds from the sale of such equity instruments are reported as an increase in unrestricted equity. Any transaction costs are recognized directly under

DIVIDENDS TO SHAREHOLDERS

Dividends are recognized as a liability as soon as the Annual General Meeting has approved the dividend for the year.

EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit/loss for the year attributable to shareholders of the Parent Company and on the weighted average number of shares outstanding during the year. When calculating diluted earnings per share, the average number of shares is adjusted to take into account the effects of dilutive potential ordinary shares, originating during the reported periods from stock option and share programs that have been offered to employees. Dilutions from stock option and share programs affect the number of shares and only occur when the strike price is less than the share price. The strike price is adjusted by adding the value of future services associated with equity-settled employee stock options and share programs, which are recognized as share-based payment transactions in accordance with IFRS 2. The dilution is small if the difference between the share

price and the strike price, adjusted for the value of potential future IFRS 2 services, is also small. The potential ordinary shares are not viewed as dilutive if they would result in better earnings per share after dilution, which occurs when net income is negative.

EMPLOYEE BENEFITS

Post-employment benefits

The Group has both defined contribution pension plans and defined benefit pension plans.

Defined contribution plans

Defined contribution plans are plans under which the company's obligations are limited to the premium of fixed contributions. In such cases, the size of the employee's pension depends on the contributions that the company makes to the plan, or to an insurance company, along with the return that the capital contributions generate. Consequently, the employee carries both the actuarial risk (i.e. the risk that benefits will be lower than expected) and the investment risk (i.e. the risk that invested assets will be insufficient for providing the expected benefits).

The company's obligations to pay contributions to defined contribution plans are recognized as an expense in the Income Statement at the rate that employees provide services to the company during a period.

Defined benefit plans

In defined benefit pension plans, payments are made to employees and former employees based on their salary at the time of retirement and the number of years of service. The Group carries the risk for making the payments. The Group's net obligation under defined benefit plans is measured separately for each plan, by estimating the future benefits earned by the employees, both in current and prior periods. This benefit is discounted to a present value. The discount rate is the closing day rate on mortgage-backed bonds with a life corresponding to the pension obligations of the Group. The measurement should be made by a qualified actuary using the projected unit credit method. Furthermore, the fair value of any plan assets is calculated on the closing date. When determining the present value of the obligation and the fair value of plan assets, actuarial gains and losses may arise. This is either because the actual outcome differs from the previous assumption that was made, or because the assumptions have changed. Actuarial gains and losses are recognized as income or expenses in other comprehensive income.

The value presented in the Balance Sheet for pensions and similar commitments corresponds to the obligation's present value on the reporting date, less the fair value of plan assets and unrecognized expenses for past service.

When the calculation results in a Group asset, the carrying amount of the asset is limited to the net of unrecognized expenses for past service and the present value of future repayments from the plan or decreased future pay ments to the plan. When the benefits of a plan are improved, the portion of the increased benefits relating to past service is recognized as an expense on a straight-line basis in the Income Statement over the average period until the benefits become vested. To the extent that the benefits are fully vested, the expense is recognized immediately in profit or loss.

When there is a difference between how pension costs are determined for a legal entity and for the Group, a provision or receivable for a special employer's contribution is recognized, based on this difference. The present value of the provision or receivable is not calculated.

The net of the interest on pension liabilities and the expected yield on adherent management assets is recognized in net financial items. Other components are recognized in operating profit/loss.

Termination benefits

A cost for termination benefits is recognized only if the company is demonstrably committed (without any realistic possibility of withdrawing the commitment) by a formal plan to prematurely terminate an employee's employment. When benefits are offered to encourage voluntary departure from the company, a cost is recognized if it is probable that the offer will be accepted and the number of employees accepting the offer can be reliably estimated.

Short-term benefits

Short-term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided. A provision is made for the anticipated cost of bonus payments and profit-pooling contract when the Group has a current obligation to make such payments (because services have been provided by employees) and when the obligation can be reliably estimated.

Share-based payment transactions

Reporting in accordance with IFRS 2 and UFR 7

During the past few years, Investor AB has offered stock option and share programs to employees see Note 6, Employees and payroll costs. These programs enable employees to acquire or receive shares in the company. The fair value of the granted options and shares is recognized as a personnel cost with a corresponding increase in equity. The fair value is determined on the grant date and the cost is allocated over the vesting period. The fair value of the granted options is determined at the grant date in accordance with the Black & Scholes valuation model, taking into consideration the terms and conditions that are related to the share price. The recognized cost corresponds to the fair value of the estimated number of options and shares that are expected to vest. This cost is adjusted in subsequent periods to reflect the actual number of vested options and shares. However, no adjustment is made when options expire only because share-price related conditions do not reach the level needed for the options to vest.

Remuneration in the form of cash-settled (synthetic) shares results in an obligation that is valued at fair value and recognized as an expense with a corresponding increase in liabilities. Initial fair value is calculated and revalued every Balance Sheet date and at final settlement. The cost is based on the fair value and is distributed over the vesting period. All changes in the fair value of liabilities are recognized in the Income Statement as a personnel expense.

Social security expenses attributable to share-based remuneration to employees and Board members are recognized in accordance with a statement from the Swedish Financial Reporting Board (UFR 7), which states that the cost is calculated and amortized in accordance with the same principles as the costs for synthetic shares. The value of the social security contributions is based on the fair value of the underlying instruments on each Balance Sheet

Reporting of exercise transactions

When employee stock options and share programs are exercised, shares are delivered to the employee. The delivered shares are either shares that have been acquired through share swaps or shares that were repurchased when the program was implemented. When exercised, the payment of the exercise price that was received from the employee is reported under equity. When share swaps are used to hedge the value of the supply, the results of the swap are recognized in net financial items. Equity is simultaneously decreased by the market value of the delivered shares. As a result, the net effect recognized directly under equity is negative. This negative effect is normally indirectly offset by the result of the swap. When own shares are used for delivery, equity is affected only by the payment from the employee. As a result, the effect of the exercise transaction on equity is positive.

PROVISIONS

A provision is reported in the Balance Sheet when there is a formal or informal obligation as a result of a past event for which it is probable that an outflow of resources will be needed to settle the obligation and when a reliable estimate of the amount can be made.

A restructuring provision is recognized when the Group has a detailed, formal plan for the restructuring, and the restructuring plan has commenced or has been publicly announced.

For medical care and health care operations a provision is made for the risk of loss if the total directly attributable costs during the entire term of the contract are expected to exceed the total revenues, including indexation.

Provisions are reviewed at each Balance Sheet date.

CONTINGENT LIABILITIES

A contingent liability exists when there is a possible obligation depending on whether some uncertain future event occurs, or, when there is a present obligation, but payment is not probable or the amount cannot be measured reliably. A provision must be recognized if and only if a present obligation (legal or constructive) has arisen as a result of a past event (the obligating event), the payment is probable (more likely than not), and the amount can be estimated reliably.

ACCOUNTING POLICIES OF THE PARENT COMPANY

Unless otherwise noted, the Parent Company applies the same accounting policies as the Group.

Statement of compliance

The Parent Company has prepared its annual financial statements in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board recommendation RFR 2 Accounting for Legal Entities. RFR 2 states that the Parent Company, in the annual financial statements of the legal entity, must apply all IFRS standards and statements adopted by the European Union, to the extent this is possible within the framework of the Swedish Annual Accounts Act and taking into account the relationship between accounting and taxation. The recommendation specifies the exceptions from and additions to IFRS that are required.

Differences between the accounting policies of the Group and the Parent Company

Differences between the accounting policies of the Group and Parent Company are presented below.

Changes in accounting policies

Unless otherwise stated below, the accounting policies applied by the Parent Company in 2011 have changed in the same way as what has been described above for the Group.

Associates and subsidiaries

Participations in Group companies are recognized by the Parent Company in accordance with the cost method. Participations in associates are recognized at cost or fair value. On each Balance Sheet date, the carrying amounts are reviewed to determine if there are any indications of impairment. For legal entities, expenses attributable to business combinations will be included in the acquisition cost. Contingent consideration is valued according to the likelihood that the consideration will be paid. Any changes to the provision/receivable result in an increase/decrease in the cost of acquisition. In the consolidated financial statements, conditional consideration is reported at fair value, with changes in value reported in the Income Statement.

Shareholders' contributions

Shareholders' contributions are recognized directly in equity by the receiver and are capitalized in shares and participations by the giver (to the extent that no impairment loss is required).

Dividends from subsidiaries are included in the Parent Company's Operating profit or loss.

Financial guarantee contracts

The Parent Company's financial guarantee contracts consist primarily of guarantees on behalf of subsidiaries or associates. A financial guarantee contract is a contract in which the company has a commitment to reimburse the holder of a debt instrument for losses it incurs when a specified debtor fails to make payment when due, in accordance with the contract terms. The Parent Company applies RFR 2 IAS 39 item 2, to account for financial guarantee contracts issued on behalf of subsidiaries and associates, which is somewhat more lenient than the rules in IAS 39, due to the relationship between accounting and taxation. The Parent Company recognizes financial guarantee contracts as a provision in the Balance Sheet when the company has a commitment for which payment will most likely be required.

Borrowing costs

In the Parent Company, borrowing costs are charged to profit or loss during the period they pertain to. Borrowing costs are not capitalized for assets.

Income Tax

The Parent Company is taxed in accordance with the regulations for industrial holding companies in Sweden. Capital gains on shares are not taxable and corresponding capital losses are non-deductible. Instead, the company declares a standard income of 1.5 percent on the market value of listed shares when the voting rights at the beginning of the year are less than 10 percent, or when they exceed 10 percent but, at the beginning of the year, had been owned for less than one year.

Dividends received and interest income are both taxable items, while administrative costs, interest expenses and dividends paid are all deductible. As a consequence of these tax regulations, the Parent Company typically does not pay income tax. For the same reason, the Parent Company does not report deferred tax attributable to temporary differences. The regulations for industrial holding companies also imply that the Parent Company may neither give nor receive Group contributions.

Employee benefits

In contrast to the Group, the Parent Company presents actuarial gains and losses in the Income Statement due to the fact that the Swedish Annual Accounts Act does not allow legal entities to report such costs as part of other comprehensive income.

Share-based remuneration

For several years, the Parent Company has offered stock option and share programs to the employees within investing activities (see also, Note 6 Employees and Payroll Costs). In accordance with IFRS 2, the calculated and reported value of equity instruments offered to employees of other companies belonging to the Group is reported as a capital contribution to subsidiaries. The value of participations in subsidiaries increases simultaneous to the Parent Company's reporting of an increase in equity. The costs related to employees in companies concerned are invoiced to the subsidiaries. The cash settlement of the invoices then neutralizes the increase of participations in subsidiaries.

By category:	2011	2010
Group		
Sales of products	9,531	1,182
Sales of servicies	5,033	1,761
Other income	110	-
Total	14,674	2,943
By field of operation:	2011	2010
Health care	5,123	1,758
Surgical	4,881	423
Wound	4,268	368
Hotel	402	394

14,674

14.674

2011

2,943

2010

2.943

Note 2 Net sales

Total

Total

By geografical market:

Sweden	3,793	1,455
Europe	8,285	1,257
North America	1,935	172
Latin America	19	1
Africa	86	8
Australia	280	23
Asia	276	27

External revenues are presented on the basis where the customer is resident. Net sales are attributable to operating subsidiaries.

Note 3 Operating segments

As of 2011, Investor's presentation of operating segments has been changed. The change is due to a new internal structure for management and reporting and has reduced the number of segments from four to two. As before, the segments are made up of business areas and consist hereafter of Core Investments and Financial Investments.

Core Investments consists of listed holdings and majority-owned operating subsidiaries. The ownership horizon is long-term and returns are mainly generated via value appreciation, share redemptions and dividends. The operating subsidiaries are medium to large-size companies with international operations where Investor has a long-term investment horizon.

Financial Investments consists of the EQT funds, Investor Growth Capital, partner-owned investments and some smaller holdings. As of July 1, 2011 Investor Growth Capital is a stand-alone entity carrying its own costs.

In operating segment profit/loss for the year, assets and liabilities, items directly attributable and items that can be reliably and fairly allocated to respective segment are included. The reported items in the operating segment profit/loss for the year, assets and liabilities, are presented according to how they are reviewed by the CEO. Items not allocated to any operating segment comprise of groupwide operating costs, net financial items and tax for investing activities. Assets and liabilities within investing activities, which are not allocated to any operating segment comprise of deferred taxes, financial assets and liabilities included in net debt/cash, current assets and liabilities and provisions.

Comparative figures have been adjusted.

Group

3.00p					
Performance by business area 2011	Core Investments	Financial Investments	Investor groupwide	Elimination	Total
			groupwide		
Dividends Other agreeating in acceptable	3,998	332	_	-	4,330
Other operating income ¹⁾	24	480	_	-24 17	480
Changes in value Net sales	-21,794 14,679	4,191 ²⁾ 29	-	17 –34	–17,586 14,674
Cost of goods and services sold	-9,598	–41	_	-34 34	-9,605
Sales and marketing cost	-9,598 -2,558	-41 -	_	34 -	-9,605 -2,558
Administrative, research and development and other operating cost	-2,556 -1,264	_ _70	_	_	-2,556 -1,334
Management cost ³⁾	-1,204 -137	-70 -190	-179		-1,554 -506
Restructuring cost	-137	-190	-179 -150	_	-150
Share of results of associates	- 1	5,239	-150	_	5,240
Operating profit/loss	-16,649	9,970	-329	-7	-7,015
New Electrical Security	1 202	1	1 102	7	2.566
Net financial items	-1,392	1	-1,182	7	-2,566
Income tax	287		3		293
Profit/loss for the period	-17,754	9,974	-1,508	-	-9,288
Non controlling interest	59	_	_	_	59
Net profit/loss for the period attributable to the Parent Company	-17,695	9,974	-1,508	_	-9,229
Dividends paid	_	_	-3,802	_	-3,802
Sales of own shares	_	_	2	_	2
Other effects on equity ⁴⁾	-244	-287	244	_	-287
Contribution to net asset value	-17,939	9,687	-5,064	-	-13,316
Net cost uplies by business and 12/24 2044					
Net asset value by business area 12/31 2011 Carrying amount 5)	136,002	37,623			173,625
Other assets 6	130,002	37,023	1,388	_	1,388
Other liabilities ⁶⁾	_	_	-2,033	_	-2,033
Net debt ⁷⁾	_	_	-16,910	_	-16,910
Total net asset value	136,002	37,623	-17,555	-	156,070
Shares in associates reported according to the equity method	_	12,153	_	_	12,153
Cash flow for the year	1,162	3,418	-2,951	-	1,629
Non-current assets by Geographical area					
- Sweden	32,801	_	_	_	32,801
- Other countries	3,108	-	-	-	3,108

¹⁾ Includes interest on loans to associates

²⁾ Includes turnover of the Active Portfolio Management and trading operation amounting to SEK 9,860 m. (23,589).

³⁾ Including costs for Investor Growth Capital until 6/30 of SEK 72 m.
4) Refers to revaluation reserve, organizational change, effects of long-term share-based remuneration, changes in non-controlling interest and changes in the hedging and translation reserves.

⁵⁾ Information regardig associates by geographical area is not presented because Investor, as a minority owner, can not access information that can be complied in a meaning-

⁶⁾ Other assets and liabilities refers to current assets/liabilities, deferred taxes and provisions.

⁷⁾ Net debt refers to other financial investments, short-term investments, cash and cash equivalents, interest-bearing liabilities with related derivatives and defined benefit pensions within investing activities.

Note 3 cont'd Operating segments

Performance by business area 2010 ¹⁾	Core Investments	Financial Investments	Investor groupwide	Elimination	Total
Dividends	3,203 587	419	-	-	3,622 994
Other operating income ²⁾		407	_	_	
Changes in value	26,282	2,210³)	_	-	28,492
Net sales Cost of goods and services sold	2,940	27 -70	_	–24 24	2,943 -2,347
	–2,301 –282		_		-2,347 -282
Sales and marketing cost Administrative, research and development and other operating cost	-282 -221	_	_	_	-282 -221
Management cost ⁴⁾	-221 -104	-337	-205	_	-221 -646
Share of results of associates	-104 -334	-383 -383	-205	_	-646 -717
Operating profit/loss	29,770	2,273	-205	-	31,838
Net financial items	-226	1	-961	_	-1,186
Income tax	64	10	-115	-	-41
Profit/loss for the period	29,608	2,284	-1,281	-	30,611
Non controlling interest	20	_	_	-	20
Net profit/loss for the period attributable to the Parent Company	29,628	2,284	-1,281	-	30,631
Dividends paid	_	_	-3,050	_	-3,050
Repurchases of own shares	_	_	-263	_	-263
Other effects on equity ⁵⁾	-288	-620	790	_	-118
Contribution to net asset value	29,340	1,664	-3,804	-	27,200
Net asset value by business area 12/31 2010					
Carrying amount 6)	151,425	30,036	_	_	181,461
		-	1.491	_	1,491
	_	_		_	-2,094
Net debt 8)	_	_		_	-11,472
Total net asset value	151,425	30,036	-12,075	_	169,386
Channella and international and an additional and a second and a secon		6.644			C C 1 1
	212		4 170	_	6,644
Cash now for the year	213	899	-4,178	_	-3,066
Non-current assets by Geographical area					
- Sweden	32,723	-	_	-	32,723
- Other countries	2,554	-	-	-	2,554
Total net asset value Shares in associates reported according to the equity method Cash flow for the year Non-current assets by Geographical area - Sweden	213	- -	1,491 -2,094 -11,472 -12,075 - -4,178	_	

¹⁾ As of the first quarter 2011 the presentation of the operating segments have changed. Comparative figures have been restated accordingly.
2) Includes interest on loans to associates.
3) Includes turnover of the Active Portfolio Management amounting to SEK 23,589 m. (20,705).
4) Including costs for Investor Growth Capital of SEK 160 m. during 2010.
5) Refers to revaluation reserve, organizational change, effects of long-term share-based remuneration, changes in non-controlling interest and changes in the hedging and translation reserves.

⁶⁾ Information regarding associates by geographical area is not presented because Investor, as a minority owner, can not access information that can be complied in a meaningful way.

7) Other assets and liabilities refers to current assets/liabilities, deferred taxes and provisions.

⁸⁾ Net debt refers to other financial investments, short-term investments, cash and cash equivalents, interest-bearing liabilities with related derivatives and defined benefit pensions within investing activities.

Note 4 Acquisitions

During June 2011, the purchase price allocation relating to the acquisition of Aleris was finalized and Aleris acquired Proxima Intressenter AB.

During July 2011, the purchase price allocation relating to the acquisition of Mölnlycke Health Care was finalized and Aleris' acquisition of Danish Privatehospitalet Hamlet A/S was closed. Other acquisitions that Aleris made during the year: Interaktiv Barnevern AS, Mitt Hjärta Primärvård AB, Husläkarmottagningen i Täby Centrum AB and Bergen Plastikkirurgisk Senter AS.

Finalization of purchase price allocation for 2010

In August 2010, Investor acquired 99 percent of the votes in Aleris. The consideration from Investor amounted to SEK 2,620 m. including an earnout of SEK 11 m. As it is no longer probable that the earnout will be paid, SEK 11 m. has been taken up as income under "changes in value" in the consolidated Income Statement. The earnout was dependent on the aggregated EBITDA for a particular business area within Aleris through 2012.

According to the preliminary purchase price allocation presented at the end of 2010, goodwill amounted to SEK 3,787 m. The purchase price allocation relating to the acquisition of Aleris has now been fixed with a goodwill amounting to SEK 3,831 m. The majority of the increase in goodwill, SEK 44 m., relates to adjustments of the provision for pensions and deferred

Mölnlycke Health Care

In December 2010, Investor acquired additional votes in Mölnlycke Health Care. The consideration from Investor amounted to SEK 4,672 m. of which SEK 2,016 m. was attributable to the acquisition of shares and SEK 2,656 m. to shareholder loans. After the completion of the transaction, Investor Group owned 92 percent of the company (excluding shareholder loans) and a corresponding 93 percent of the votes.

According to the preliminary purchase price allocation presented at the end of 2010, goodwill amounted to SEK 19,780 m. The purchase price allocation relating to the acquisition of Mölnlycke Health Care has now been finalized with goodwill amounting to SEK 19,893 m. The increase in goodwill, of SEK 113 m., relates to adjustments to customer contracts and deferred taxes.

Final purchase price allocation of the aquisitions last year

That parenase price anotation of the agaistions.	,	Aleris			lölnlycke Health Care	
	Preliminary Purchase Price Allocation	New valuation	Final Purchase Price Allocation	Preliminary Purchase Price Allocation	New valuation	Final Purchase Price Allocation
Intangible assets ¹⁾	614	_	614	10,280	-155	10,125
Property, plant and equipment	360	_	360	1,054	_	1,054
Financial assets	6	_	6	_	_	_
Deferred tax assets	_	_	_	190	_	190
Non-current assets	_	_	_	56	_	56
Inventory	_	_	_	1,508	_	1,508
Accounts receivables	288	_	288	1,111	_	1,111
Other current assets	100	-	100	329	-	329
Cash and cash equivalents	106	-	106	842	-	842
Non-current liabilities and provisions	-1,528	-23	-1,551	-22,743	_	-22,743
Deferred tax liability	-104	-38	-142	-2,962	42	-2,920
Current liabilities	-727	17	-710	-3,154	-	-3,154
Net identifiable assets and liabilities	-885	-44	-929	-13,489	-113	-13,602
Fair value of previously held share	_	_		-3,746	_	-3,746
Non-controlling interest	-282	_	-282	-529	_	-529
Consolidated goodwill	3,787	44	3,831	19,780	113	19,893
Consideration	2,620	0	2,620	2,016	0	2,016

¹⁾ Primarily customer contracts and trademarks.

Purchase price allocation in Group companies Proxima Intressenter AB

June 20, 2011, Aleris acquired 100 percent of the votes in the Swedish healthcare provider, Proxima Intressenter AB, for an enterprise value of SEK 1,080 m. The consideration from Aleris amounted to SEK 742 m, and was paid in cash. The acquisition was financed by a capital contribution of SEK 769 m. from Investor and external debt. Proxima is a private healthcare group delivering high quality services in primary care, diagnostics, specialist care, rehabilitation and occupational health. The acquisition enables, Aleris to strengthen its position in the Swedish and Nordic market, both by an increased geographical presence and new areas of competence.

An adjustment to the preliminary purchase price allocation was made in the fourth quarter. The increase of intangible assets relates to the value of customer contracts and deferred taxes. In the purchase price allocation, which is still preliminary, goodwill amounts to SEK 812 m. The goodwill recognized for the acquisition corresponds to the company's profitability level, which is based on, among other things, its customer offering, proven performance and market position. The amount of recognized goodwill is not expected to be deductible for income tax purposes. Transaction costs amounted to SEK 15 m. for external legal fees and due diligence expenses. These costs have been included under "other expenses" in the consolidated Income Statement.

For the six month period from the acquisition date until December 31, 2011, Proxima contributed net sales of SEK 501 m. and profit of SEK 2 m. to the Group's income. If the acquisition had occurred on January 1, 2011, management estimates that consolidated net sales for the Investor Group would have increased by SEK 508 m. and consolidated profit for the period would have decreased by SEK 46 m.

Danish Privatehospitalet Hamlet A/S

July 14, 2011, Aleris acquired 100 percent of the votes in Danish Privatehospitalet Hamlet A/S. The consideration from Aleris amounted to SEK 257 m. and was paid in cash. The acquisition was financed with a capital contribution of SEK 250 m. from Investor and external debt. Hamlet is the largest private hospital in Denmark. The acquisition enables Aleris to strengthen its position in both the Danish and Nordic healthcare markets.

An adjustment to the preliminary purchase price allocation was made in the fourth quarter. The adjustment primarily relates to the value of intangible assets and deferred taxes. In the purchase price allocation, which is still preliminary, goodwill amounts to SEK 339 m. The amount of goodwill recognized for the acquisition corresponds to the company's profitability level which, among other things, is based on its customer offering, proven performance and market position. The amount of goodwill that was recognized

Note 4, cont'd Acquisitions

is not expected to be deductible for income tax purposes. Transaction costs amounted to SEK 12 m. for external legal fees and due diligence expenses. The costs have been included under "other expenses" in the consolidated Income Statement.

For the five month period from the acquisition date until December 31, 2011, Hamlet contributed net sales of SEK 209 m. and profit of SEK –4 m. to the Group's income. If the acquisition had occurred on January 1, 2011, management estimates that consolidated net sales for the Investor Group would have increased by SEK 270 m. and consolidated profit for the period would have decreased by SEK 131 m.

Preliminary Purchase Price Allocations of controlling interest

	Proxima Intressenter AB	Hamlet A/S	Other	Total
Intangible assets, primarily customer contracts	356	2	_	358
Property, plant and equipment	69	73	2	144
Deferred tax assets	8	31	1	40
Non-current assets	2	11	_	13
Accounts receivables	70	46	10	126
Other current assets	70	22	4	96
Cash and cash equivalents	44	9	43	96
Non-current liabilities and provisions	-437	-194	-3	-634
Deferred tax liability	-98	-	_	-98
Current liabilities	-154	-82	-33	-269
Net identifiable assets and liabilities	-70	-82	24	-128
Consolidated goodwill	812	339	227	1,378
Consideration	742	257	251	1,250

The purchase price allocations are preliminary due to the fact that business is conducted in a large number of companies and the valuation of intangible assets is complex.

Note 5 Operating costs

	2011	2010
Group		
Raw materials and consumables	3,472	512
Payroll costs	5,523	1,605
Depreciation	1,519	315
Other operating expenses	3,639	1,064
Total	14,153	3,496
Of which:		
Investing activities		
Payroll costs	288	343
Depreciation	11	7
Other operating expenses	357	296
Total investing activities ¹⁾	656	646

¹⁾ Costs relating to Investor Growth Capital were included in investing activities for the full year 2010 with an amount of SEK 160 m. and for the first six months 2011 with SEK 72 m.

Note 6 Employees and payroll costs

LIST OF CONTENTS

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- Remuneration principles
- Remuneration to the President and Chief Executive Officer
- Remuneration to the Board of the Parent Company
- Long-term share-based remuneration program descriptions
- Other

INTRODUCTION

Investor's Remuneration Committee is appointed each year by the Board. The committee's main purpose is "to enable an independent and thorough review of all aspects of Investor's total remuneration program and to make decisions about executive remuneration in the company."

For decision-making, the Remuneration Committee continuously receives information from the President, the Head of Corporate Governance and the Head of Human Resources, among others. The committee also obtains reports and information for decision making from external advisers. Internal and external information used for decision-making purposes helps ensure that Investor's remuneration program is in line with market conditions and that it is competitive. Read more about the work of the Remuneration Committee in Investor's Corporate Governance Report. Investor follows the "grand-father" principle, which means that all salary revisions must be approved by the supervisor of the manager who has proposed the salary revision.

"Top management" is defined as;

- the Chairman of the Board
- Board members not employed by the company
- the Management Group including the President and Chief Executive Officer

The Management Group consists of President Börje Ekholm, along with Johan Forssell, Petra Hedengran, Lennart Johansson and Susanne Ekblom (who joined on August 15, 2011). Johan Bygge was a member of the Management Group during the period January 1 - May 18, 2011. Stephen Campe was a member of the Management Group during the period January 1 - June 30, 2011.

Personnel costs are reported in the Income Statement as: Costs of goods and services sold, sales and marketing costs, administrative, research and devolpment and other operating costs, management costs and restructuring costs.

Average number of employees	20	11	20	10
		of which		of which
	Total	women	Total	women
Group				
Sweden	3,508	2,742	1,358	863
Europe excl Sweden	4,009	2,820	834	624
North and South America	383	178	52	22
Asia	3,351	2,457	290	209
Australia	52	43	12	6
Total	11,303	8,240	2,546	1,724
Of which:				
Investing activities				
Parent Company, Sweden	96	56	100	60
Sweden	8	3	17	4
Europe excl Sweden	2	1	8	5
North and South America	11	3	22	7
Asia	4	2	8	3
Total investing activities	121	65	155	79

Gender distribution in Boards and senior management

-		2011	2	2010
	Men	Women	Men	Women
Gender distribution in percent				
Board of the Parent Company	73	27	64	36
Management Group of the Parent Company	60	40	83	17
Boards in the Group	77	23	73	27
Management Groups in the Group	60	40	73	27

REMUNERATION TO EMPLOYEES – INVESTING ACTIVITIESRemuneration principles

In order to achieve long-term competitive returns for its shareholders, Investor strives to offer its staff total remuneration in line with market conditions, which makes it possible to recruit the most suitable executives and employees and to retain them in the company.

Total remuneration (which consists of basic salary, variable salary, long-term variable remuneration programs, pensions, other remuneration and benefits) is considered when determining the salaries for Investor's staff. The combination of the foregoing remuneration components means that the company has appropriate control instruments and that a common interest to run the business towards long-term competitive return on the shares is created between the company's employees and owners.

Comparative studies of relevant industries and markets are carried out annually in order to determine what constitutes a total remuneration in line with market conditions and to evaluate current remuneration levels. The result of such studies is an important component when determining Investor's remuneration policy and, consequently, also when deciding on the total remuneration for Management and other employees. Investor conducts investment activities in markets located in Asia, Northern Europe and USA. It competes for staff primarily with private equity firms, investment banks, hedge funds and consultant companies. The principles for total remuneration for Investor's employees are;

- that employees at Investor shall receive a total remuneration that is competitive and in line with market conditions,
- that the allocation between basic salary, variable salary and long-term variable remuneration shall be in proportion to the employee's position and to what is customary on the market for such positions,
- that the remuneration shall be based on factors such as position, performance and individual qualifications,
- that the remuneration shall establish a common interest between shareholders and employees by linking it to the company's long-term value development,
- to encourage an entrepreneurial method of working,
- that the remuneration shall attract the top competence, which is necessary to develop the business in accordance with Investor's strategy to be "bestin-class",
- that the remuneration shall not discriminate on the basis of gender, ethnic background, national origin, age, disability or any other circumstance and,
- that the remuneration shall encourage each individual employee to establish a significant ownership of Investor shares in relation to the employee's financial situation.

Investor strives to establish a model where the potential variable salary and long-term variable remuneration constitute a considerable part of the calculated total remuneration. Clear individual goals for the variable salary create appropriate opportunities for Investor to clarify the expectations on performance of individual employees and therefore provide the possibility to reward good performance and achieved goals. Long-term variable remuneration is affected by the long-term share price development, so employees who receive such remuneration are thus expected to act in harmony with the interests of the long-term shareholders. Because the remuneration is variable, the company's costs will also be correspondingly variable, meaning that under-performance will result in lower remuneration and thereby lower costs for the company. The alternative to variable salary and long-term variable remuneration would be to only offer basic salary, but in such a case the positive effects and incentives which Investor's model strives to establish would not be achieved.

Basic salarv

Basic salary is reviewed annually for all Investor employees. The annual review of basic salary takes into account the employee's performance, any changes that have been made to the employee's areas of responsibility, the company's development and salary trends in the market. In cases where significant changes have been made to the employee's areas of responsibility during the year, basic salary could be reviewed when such changes are made. Basic salary constitutes the basis for calculating variable salary.

Variable salary

The majority of Investor's employees have variable salary. The variable portion of salary in 2011 differs between business areas and for the President, it amounts to a maximum of 10 percent of basic salary. For other employees the maximum variable salary ranges between 0 and 80 percent of their basic salary, although for a very limited number of key personnel, the variable portion of salary can be a maximum of 100 percent of their basic salary. The President may award additional variable salary to company employees who he feels have made an exceptional contribution during the year. However, any such additional variable salary must be specifically approved by Investor's Remuneration Committee. When additional variable salary is awarded, the variable portion of salary could in individual cases.

portion of salary could, in individual cases, exceed 100 percent of basic salary. The established goals must be reached in order to receive the variable salary and the annual variable salary is thereby clearly linked to an individual's work efforts and performance. Goals are both quantitative and qualitative and they are based on factors that are in agreement with Investor's long-term strategy. Goals are reviewed at the end of the year. The focus of the President's goals for the year is determined through a dialog between the President and the Chairman of the Board. The specific goals for the President are proposed by the Remuneration Committee and later approved by the Board. Goals for other employees are established by each employee's manager.

Long-term share-based remuneration

For long-term variable remuneration programs, it has been the Board's ambition to create a structure that results in employee commitment and is based on the long-term development of Investor. As a result, part of remuneration to employees is related to the long-term performance of Investor and the Investor share, which exposes the employee to both increases and decreases of the share price. In 1999, Investor introduced the principle of linking part of an employee's remuneration to the company's long-term share price development. This principle has applied to all employees since 2000. During the period 1999 through 2005, this has primarily been carried out through employee stock option programs.

A combined employee stock option and restricted stock program was introduced for the Management Group for 2004 and 2005. In 2006, a Stock Matching Plan was introduced for all Investor employees, as well as a performance based share program for Senior Management. "Senior Management" is defined as the President, other members of the Management Group and a maximum of 20 other senior executives in the company. The programs for 2007-2011 correspond in all material respects to the program for 2006. For all programs introduced as of 2004, the Board's decision has been conditional on the Annual General Meeting approving the scope and basic principles for each program. As of 2006, the employee is required to invest his or her own funds in order to participate in the program. For more details regarding the programs, see the section Long-term share-based remuneration - program descriptions.

Pension

The pension for the President and Management Group has two components: a pension plan based on premiums in accordance with the BTP plan (Swedish pension plan for the banking sector) on parts of salary up to 30 basic income amounts (SEK 1,563 t.) and the option to choose BTP's alternative special pension plan for managers with an annual salary above 10 basic amounts,

a pension plan based on special pension regulations ("Särskilt Pensions-reglemente") on parts of salary above 20 basic amounts. The amount of the pension provision depends on age and is currently 25 percent until the age of 40, 30 percent between the ages of 41 and 50 and 35 percent for those who are over the age of 50. Only basic salary is used to establish the annual pension premium. Each person who will receive a pension decides on a suitable type together with his or her employer, based on current pension practice. The retirement age is 60 years for the President and Management Group. Stephen Campe, who is employed by Investor's subsidiary in the United States, is covered by a pension plan that has been prepared in accordance with a model

used in that country. The costs for this plan do not exceed those of an equivalent plan in Sweden.

Other Investor employees are covered by pension agreements in accordance with the BTP Plan and they have the option of choosing BTP's alternative special pension plan for employees with an annual salary above 10 basic amounts.

Other remuneration and benefits

Profit-sharing program for Active Portfolio Management and trading operation

Investor's Active Portfolio Management unit was wound down in 2011. For this unit there was a profit-sharing program in which employees could receive 20 percent of the unit's profit, less financial and administrative expenses. The program was conditional upon positive profit growth over a two-year period, during which any losses are taken into account in the following financial year. The calculation of the result which was the platform for the profit-sharing was based on the fair value of the security holdings.

A new, more limited trading operation was established in 2011. The new profit-sharing program, which did not result in any costs or distributions for 2011, is described in the proposal for the 2012 AGM.

Participation program in Investor Growth Capital

Within Investor Growth Capital, selected senior staff and other senior executives are, to a certain extent, allowed to make parallel investments with Investor, or else receive profit-sharing. The programs are linked to realized growth in the value of the holdings, after having deducted costs and any unrealized decline in value, which are viewed as a portfolio. The maximum share that can be credited to program participants is 16 percent, which is in line with practice in the venture capital market.

During the year, a total of SEK 35 m. was paid out from these programs (191). The provision (not paid out) on unrealized gains amounted to SEK 218 m. at year-end (145). Expensed amounts were reported in the item "Changes in Value" in the Income Statement. Investor employees may not invest in EOT funds.

Due to the restructuring of Investor Growth Capital during the year, a handful of employees have exchanged their participation in Investor Growth Capital's main program for parallel investments/profit-sharing for participation in a profit sharing program that is better adapted to reflect the decision to restructure Investor Growth Capital. The new program is linked to the realized proceeds of holdings in excess of a pre-defined threshold that was established in relation to the holding's market value. The total maximum share that can be credited to program participants is 10 percent of the proceeds above the threshold.

Severance pay

A mutual six-month term of notice applies between the President and the company. If the company terminates employment, the President will receive severance pay corresponding to 12 months of basic salary. If no new employment has been obtained after one year, the President is entitled to a maximum of 12 months' additional severance pay. The terms and conditions regarding notice and severance pay for other members of the Management Group are the same, provided that the employment contract for that person was entered into before the 2010 Annual General Meeting. If the employment contract was entered into subsequent to the 2010 Annual General Meeting, then the fixed cash salary during the notice period plus the severance pay may not exceed two years' fixed cash salary. Other Investor employees have no contracted right to severance pay.

Fees received for Board work

For many years, Investor has allowed employees to keep any fees that they have received for work done on the Boards of the company's Core Investments. One reason for allowing this practice is that the employee assumes personal responsibility by having a board position. Fees received for board work are taken into account by Investor when determining the employee's total remuneration.

Other benefits

For operations in Sweden, Investor offers employees a variety of non-monetary benefits, including corporate health service, health insurance, subsidized lunches, employee fitness programs and the possibility to rent vacation homes. Managers and employees with young children are also offered inhome services in the form of cleaning and baby-sitting.

Remuneration to the President and Chief Executive Officer

The fixed basic salary during the year was SEK 7.000 t. Vacation remuneration was SEK 102 t. Variable salary, the outcome of which is based on established goals, amounted to SEK 630 t. The maximum possible outcome was SEK 700 t. In addition to this, the holiday pay provision increased by SEK 140 t. to SEK 3,220 t. This increase did not result in any payments during the year. Pension premiums, excluding payroll tax, amounted to SEK 1,928 t. and other compensation and benefits to SEK 1,092 t.

In order to participate fully in the long-term variable remuneration program, the President is required to commit shares qualified for participation to value of approximately 42 percent of the basic salary (before tax). During 2011, the President committed shares qualified for participation to a value of SEK 2,921 t. in Investor shares. As a result of that investment, the President received shares and options worth SEK 8,050 t. at the time when they were granted.

Total remuneration to the President during 2011 amounted to SEK 18,802 t., of which SEK 7,732 t. was paid out in cash. During 2011 the President also exercised options that were granted in 2005, maturing in January 2012, for which he received a benefit value that amounted to SEK 721 t. For more information, see the table below.

REMUNERATION TO THE BOARD OF THE PARENT COMPANY

At the 2011 Annual General Meeting, it was decided that Board remuneration should total SEK 7,313 t. Of that amount, it was decided to distribute SEK 6,375 t. as follows: SEK 1,875 t. to the Chairman and SEK 500 t. to each of the remaining nine members of the Board, (who are not employed by the company) in the form of cash and synthetic shares. It was decided that the remaining amount of SEK 938 t. would be distributed as cash remuneration for committee work done by the Board of Directors.

Expensed remuneration paid to former members of the Board during the year amounted to SEK 1,200 t. (1,200). At year-end, total outstanding pension commitments including payroll tax for former members of the Board amounted to SEK 147,892 t. (152,442), of which SEK 90,977 t. pertained to Peter Wallenberg (97,412). Remuneration to Peter Wallenberg of SEK 15,367 t. was paid out during the year (15, 367).

Remuneration and benefits 2007-2011 to Börje Ekholm, President and Chief Executive Officer (SEK t.)

Year	Fixed basic salary	Vacation remun- eration	Variable salary for the year	Total salary, cash	Change of vacation pay liability	Pension premiums	Benefits ¹⁾	share-based remuneration value at grant date	Total	investment in long-term share-based remuneration	Own investment, % of basic salary,
											pre-tax
2011	7,000	102	630	7,732	140	1,928	1,092	8,050	18,942	2,921	41,7
2010	7,000	102	-	7,102	440	2,515	1,105	8,050	19,212	3,033	43,3
2009	7,500	94	1,356	8,950	450	2,671	805	6,000	18,876	2,310	30,8
2008	7,500	94	2,706	10,300	660	2,627	750	4,500	18,837	1,600	21,3
2007	7,500	94	2,781	10,375	666	2,565	636	4,500	18,742	1,529	20,4

1) In addition, value of benefits of exercised options during 2011 granted in 2005 amounts to SEK 721 t. For options exercised during 2010 granted in 2004 the value was SEK 554 t.

Expensed remunerations

Remuneration to the President, other members of the Management Group as well as former presidents

The amounts in the table are calculated according to the accruals concept, in which the terms basic salary and variable salary refer to expensed amounts, including any changes to the reserve for variable salary, vacation pay provisions, etc. Variable salary refers to the approved variable salary for the current financial year, unless specified otherwise.

Total remuneration for 2011 (SEK t.)	Fixed basic salary	Vacation remun- eration	Change of vacation pay liability	Variable salary for the year	Cost of long-term share-based remuneration ¹⁾	Total	Pension costs ²⁾	Other remuneration and benefits	Total expensed remuneration
Börje Ekholm, President and CEO	7,000	102	140	630	8,434	16,306	1,928	1,092	19,326
Management Group, excluding the President ³⁾	18,511	165	-465	7,529	8,834	34,574	9,946	610	45,130
Former presidents	-	-	_	_	-	-	_	663	663
Total ⁴⁾	25,511	267	-325	8,159	17,268	50,880	11,874	2,365	65,119

- 1) Cost booked according to IFRS 2.
- 2) There are no outstanding pension commitments for the Management Group.
 3) Johan Forssell, Petra Hedengran, Lennart Johansson, Johan Bygge until 5/18 2011, Stephen Campe until 6/30 2011 and Susanne Ekblom since 8/15 2011.
 4) Of which expensed in subsidiaries; basic salary SEK 3,437 t., variable salary SEK 1,871 t., pension SEK 195 t., as well as other remunerations and benefits SEK 450 t.

Expensed remuneration from the profit-sharing programs for Active Portfolio Management to members of the Management Group totaled SEK 46 t. for the year (33). These remunerations are in addition to the amounts presented in the table above.

Total remuneration for 2010 (SEK t.)	Fixed basic salary	Vacation remun- eration	Change of vacation pay liability	Variable salary for the year	Cost of long-term share-based remuneration ¹⁾	Total	Pension costs ²⁾	Other remuneration and benefits	Total expensed remuneration
Börje Ekholm, President and CEO	7,000	102	440	-	5,005	12,547	2,515	1,105	16,167
Management Group, excluding the President ³⁾ Former presidents	19,084 –	208	725 –	10,400 –	5,248 -	35,665 –	6,273 –	945 663	42,883 663
Total ⁴⁾	26,084	310	1,165	10,400	10,253	48,212	8,788	2,713	59,713

- 1) Cost booked according to IFRS 2.
- 2) There are no outstanding pension commitments for the Management Group.
- 3) Johan Bygge, Stephen Campe, Johan Forssell, Petra Hedengran and Lennart Johansson.
 4) Of which expensed in subsidiaries; basic salary SEK 5,795 t., variable salary SEK 3,243 t., pension SEK 112 t., as well as other remunerations and benefits SEK 748 t.

Total remunerations – expensed wages, salaries, Board of Directors fees and other remuneration, as well as social security contributions

				2011							2010)		
Total remuneration (SEK m.)	Fixed basic salary ¹⁾	Vari- able salary	Long-term share-based remunera- tion	Pension costs	Costs for employee benefits	Social security contri- butions ²⁾	Total	Fixed basic salary ¹⁾	Vari- able salary	Long-term share-based remunera- tion	Pension costs	Costs for employee benefits	Social security contri- butions ²⁾	Total
Group														
Parent Company	89	21	25	30	16	43	224	94	18	22	22	17	53	226
Subsidiaries	3,562	280	2	294	108	811	5,057	1,007	41	6	70	16	229	1,369
Total	3,651	301	27	324	124	854	5,281	1,101	59	28	92	33	282	1,595
Of which: Investing activities	116	39	25	39	17	57	293	168	52	28	30	20	65	363

¹⁾ Includes vacation remuneration and change of vacation pay provision.

Expensed wages and remuneration distributed between senior executives, Presidents and Boards in subsidiaries and other employees

		201	11		2010					
Total remuneration (SEK t.)	Senior executives, Presidents and Boards in subsidiaries ¹⁾	Of which variable salary	Other employees	Total	Senior executives, Presidents and Boards in subsidiaries	Of which variable salary	Other employees	Total		
Group										
Parent Company	43,582	11,083	66,750	110,332	36,455	7,166	75,539	111,994		
Subsidiaries	38,268	10,132	3,803,690	3,841,958	37,032	9,298	1,010,330	1,047,362		
Total	81,850	21,215	3,870,440	3,952,290	73,487	16,464	1,085,869	1,159,356		
Of which: Investing activities	54,639	15,225	238,520	293,158	62,307	15,916	157,779	220,086		

¹⁾ Number of people in the Parent Company is 15 and in subsidiaries 29.

Synthetic shares 2008-2011

As of 2008, Board members may choose to receive a part of their gross remuneration, excluding committee fees, in synthetic shares. AGM's decision regarding synthetic shares 2011 is substantially identical to the decision of the AGM 2010. In 2011, Board Members were entitled to elect to receive 50 percent of the proposed remuneration before tax, excluding remuneration for committee work, in the form of synthetic shares and 50 percent in cash (instead of receiving 100 percent of the remuneration in cash). A synthetic share carries the same economic rights as a class B Investor share, which means that the value of the Board of Director's remuneration in synthetic shares, (just like for class B shares), is dependent upon value fluctuations as well as the amount of dividends during the five-year period until 2016, when each synthetic share entitles the Board member to receive an amount corresponding to the share price, at the time, of a class B Investor share.

The synthetic shares were valued in connection with allocation after the 2011 Annual General Meeting, to an amount that was based on an average of the market price for class B Investor shares during the five trading days immediately following the day when the class B shares were traded without the right to receive dividends in 2011. The synthetic shares carry the right (during the fifth calendar year following the start of the term of office) to receive a cash payment on four separate occasions. These payments relate to 25 percent of the synthetic shares that have been allocated on each occasion and the cash amount per share corresponds to the share price for a class B Investor share at each respective time of payment. The synthetic shares shall be regarded as continuously vested during the term of office, with 25 percent per quarter. During the period up until the time of payment, dividends on class B Investor shares shall be awarded to the Board member by allocating additional synthetic shares. There is no condition stating that a Board member must serve on the Board during the five-year period, which means that the amount will be settled even if the assignment is terminated before the end of the five-year period. In addition, it is possible in such a situation for the Board member to exercise his/her right to redemption 12 months after the assignment has been terminated.

At the statutory meeting in April 2011, the Board approved (in accordance with the Nomination Committee's recommendation) establishment of a policy pursuant to which members of the Board (who do not already have such hold-

ings) are expected to, over a five year period, acquire ownership in Investor shares (or a corresponding exposure to the Investor share, for example in synthetic shares) for a market value that is expected to correspond to at least one year's remuneration for board work (before taxes and excluding remuneration for committee work).

LONG-TERM SHARE-BASED REMUNERATION – PROGRAM DESCRIPTIONS

Through the long-term variable remuneration programs, part of the remuneration to employees becomes linked to the long-term performance of the Investor share. The portion of remuneration to the Board that is share-based through the issuance of synthetic shares is described in the section, Remuneration to the Board of the Parent Company.

2006–2011

The programs consist of the following two components:

1) Stock Matching Plan in which all employees may participate Through the Stock Matching Plan, an employee could acquire shares (or commit shares as of 2011 year's program) in Investor at the market price during a period (determined by the Board) subsequent to the release of Investor's first quarterly report for each year, respectively (the "Measurement Period"). After a three-year vesting period, two options (Matching Options) are granted for each Investor share acquired (or committed in 2011 year's program) by the employee, as well as a right to acquire one Investor share (Matching Share) for SEK 10. The Matching Share may be acquired during a four-year period subsequent to the vesting period. Each Matching Option entitles the holder to purchase one Investor share, during the corresponding period, at a strike price corresponding to 120 percent of the average volume-weighted price paid for Investor shares during the Measurement Period.

The President, other members of the Management Group and a maximum of 20 other senior executives ("Senior Management") are obligated to invest at least 5 percent of their basic salary in Investor shares according to the Stock Matching Plan. Other employees are not obligated to invest, but they are still entitled to invest to the extent that the value of the allotted Matching Options and Matching Shares amounts to a maximum of between 10 and 15 percent of their basic salary. Senior Management has the right to invest to such an

²⁾ Of which SEK 1 m. refers to social security contributions for long-term share-based remuneration (9). The cost of long-term share-based remuneration, including social security contributions, amounts to SEK 33 m. (37).

extent that the value of the allotted Matching Options and Matching Shares amounts to maximum between 10 and 38 percent of their respective basic salary. In order to participate fully in the Stock Matching Plan for 2011, the President had to invest or commit approximately 42 percent of his basic salary in Investor shares. If the President, through the investment mentioned above, participates fully in the Stock Matching Plan, the theoretical value of the right to receive a Matching Share and two Matching Options per acquired share under the Stock Matching Plan is 38 percent of the basic salary. For these programs, the President is entitled to exercise Matching Shares and Matching Options during a period of 12 months from the earlier of (i) seven years (10 years for 2006 and 2007 year's programs) from the date of allocation and (ii)

two months from the end of the year during which the President terminates his employment. The President invested a total of SEK 12,567 t. in the Stock Matching Plan for the period 2006-2011.

2) Performance-Based Share Program, in which Senior Management participates in addition to the Stock Matching Plan Under this program, which presumes participation in the above mentioned Stock Matching Plan, Senior Management, after a three-year vesting period, has the right during four years to acquire additional Investor shares ("Performance Shares") for a price that corresponds to the price of the shares acquired by the employee ("Acquisition Price"). This right is conditional upon

Expensed remuneration to the Board

					Effect from change in	Effect from							Num-
					market value	change in	Effect		Number of	Number of			ber of
		Value of			of previous	market value	from		synthetic	synthetic		Exercised	synthetic
		synthetic		Total Board	years	of syntethic	exer-		shares at the	shares	Adjust-	syntethic	shares on
Total remuneration for 2011 SEK t.	Cash	shares as at grant date	Commit- tee fee	fee as at grant date	syntethic	shares issued 2011	cised 2011	Total fee, actual cost	beginning of	granted 2011 ¹⁾	ment for dividend	shares, 2011	December 31, 2011
					shares issued		2011		the year			2011	
Jacob Wallenberg	937	938	312	2,187	-249	-104	-	1,834	22,441	6,468	774	-	29,683
Anders Scharp ²⁾	-	-	-	-	-23	-	-	-23	1,972	-	68	-	2,040
Gunnar Brock ³⁾	250	250	63	563	-44	-29	-	490	4,012	1,725	138	-	5,875
Sune Carlsson	250	250	187	687	-66	-29	_	592	5,984	1,725	206	-	7,915
Börje Ekholm	_	_	-	_	-	_	-	_	-	_	-	-	-
Sirkka Hämäläinen ⁴⁾	-	_	-	_	_	-	-	-	-	_	-	-	_
Tom Johnstone	250	250	-	500	-20	-29	-	451	1,823	1,725	63	-	3,611
Carola Lemne	250	250	-	500	-20	-29	_	451	1,823	1,725	63	_	3,611
Håkan Mogren⁵)	_	-	-	-	-34	_	-10	-44	3,066	-	106	-3,172	-
Grace Reksten Skauger	500	-	125	625	-	-	-	625	_	-	-	-	-
O. Griffith Sexton	500	-	63	563	-	_	_	563	-	-	-	_	-
Lena Treschow Torell	250	250	63	563	-66	-29	_	468	5,984	1,725	206	-	7,915
Hans Stråberg ⁶⁾	250	250	-	500	-	-29	-	471	-	1,725	-	-	1,725
Peter Wallenberg Jr. ³⁾	250	250	125	625	-66	-29	_	530	5,984	1,725	206	-	7,915
Total	3,687	2,688	938	7,313	-588	-307	-10	6,408	53,089	18,543	1,830	-3,172	70,290

- 1) Based on weighted average stock price for Investor B in the period April 14 to April 20, 2011: SEK 144,95.
- 2) Member of the Board until 3/31 2009.
 3) Additional remunerations of SEK 994 t. to Gunnar Brock and SEK 104 t. to Peter Wallenberg Jr. have been expensed in subsidaries.
- 4) Member of the Board until 4/12 2011.
- 5) Member of the Board until 4/14 2010
- 6) Member of the Board as of 4/12 2011.

Total remuneration for 2010 SEK t.	Cash	Value of synthetic shares as at grant date	Commit- tee fee	Total Board fee as at grant date	Effect from change in market value of previous years syntethic shares issued	Effect from change in market value of syntethic shares issued 2010	Total fee, actual cost	Number of synthetic shares at the beginning of the year	Number of synthetic shares granted 2010 ¹⁾	Adjustment for dividend	Number of synthetic shares on December 31, 2010
Jacob Wallenberg	938	937	312	2,187	232	49	2,468	15,160	6,838	443	22,441
Anders Scharp ²⁾	-	_	-	_	_	_	_	1,916	_	56	1,972
Gunnar Brock ³⁾	250	250	-	500	61	12	573	2,127	1,823	62	4,012
Sune Carlsson	250	250	187	687	61	12	760	4,043	1,823	118	5,984
Börje Ekholm	-	_	_	_	_	_	_	_	_	_	_
Sirkka Hämäläinen	500	_	63	563	_	_	563	_	_	_	_
Tom Johnstone ⁴⁾	250	250	_	500	_	12	512	_	1,823	_	1,823
Carola Lemne ⁴⁾	250	250	-	500	_	12	512	_	1,823	_	1,823
Håkan Mogren⁵)	-	_	-	_	46	_	46	2,979	_	87	3,066
Grace Reksten Skaugen	500	_	125	625	_	_	625	_	-	_	_
O. Griffith Sexton	500	_	63	563	_	_	563	_	-	_	_
Lena Treschow Torell	250	250	63	563	61	12	636	4,043	1,823	118	5,984
Peter Wallenberg Jr. ³⁾	250	250	125	625	61	12	698	4,043	1,823	118	5,984
Total	3,938	2,437	938	7,313	522	121	7,956	34,311	17,776	1,002	53,089

- 1) Based on weighted average stock price for Investor B in the period April 16 to April 22, 2010: SEK 137.10.
- 2) Member of the Board until 3/31 2009.
- 3) Additional remunerations of SEK 85 t. to Gunnar Brock and SEK 104 t. to Peter Wallenberg Jr. have been expensed in subsidaries. 4) Member of the Board as of 4/14 2010.
- 5) Member of the Board until 4/14 2010.

whether certain financial goals related to the total return of the Investor share are met during the vesting period. The Performance-Based Share Program for 2011 is the same as it was in 2010 and 2009. Two parts of the 2009 Performance-Based Share Program were amended compared to the program approved by the 2008 Annual General Meeting. Firstly, the price at which Performance Shares can be acquired was increased from 50 to 100 percent of the Acquisition Price (for the 2006 and 2007 programs, the price per Performance Share was SEK 10). Due to that increase, the theoretical value of the possibility to receive a Performance Share fell below what it was before. For that reason, the number of Performance Shares that it was possible to receive needed to be increased in order to correspond to the same value that they had via the 2008 program. Secondly, the two financial goals, (which, in the programs for 2006-2008 determined the number of Performance Shares that Senior Management were entitled to purchase in the future), were replaced by one goal, the total return on the Investor share (for the programs during 2006-2008 the financial goals were related to the development of Investor's net asset value (NAV) and the relative total return (relative TSR) of the Investor share).

Total return is measured over a three-year qualification period. The average annual total return (including reinvested dividends) must exceed the interest on 10-year government bonds by more than 10 percentage points in order for Senior Management to be entitled to acquire the maximum number of Performance Shares that they were allotted. If the total return does not exceed the 10-year interest on government bonds by at least 2 percentage points, then Senior Management is not entitled to acquire any shares. If the total return is between the 10-year interest on government bonds plus 2 percentage points and the 10-year interest on government bonds plus 10 percentage points, then a proportional (linear) calculation of the number of shares that may be acquired is made.

The theoretical value of a Performance Share takes into account, such things as the likelihood for meeting the performance criteria and it is based on the Black & Scholes valuation model. The likelihood, calculated from historical data (that has been verified by external advisors), of meeting the performance criteria has been estimated at nearly 50 percent. The final number of Performance Shares that may be acquired is dependent on the outcome of the performance requirements. However, it may not exceed the maximum number (limit) that had been decided for each respective allotment year. For these programs, the President is entitled to exercise Performance Shares during

a period 12 months from the earlier of (i) seven years (ten years for 2006 and 2007 year's programs) from the date of allocation and (ii) two months from the expiry of the year during which the President terminates his employment. At the time when Matching Shares and Performance Shares are acquired, employees are entitled to remuneration for dividends paid during the vesting period and up until the acquisition date. This is done so that the program will not be affected by dividends and to avoid the risk that a decision on dividends is affected by the long-term variable remuneration program.

Employee stock option program 2005

In the employee stock option program for 2005, Investor issued call options giving the option holder the right to purchase an equivalent number of shares at a predetermined price. The term of each program was seven years and the vesting period was linked to continued employment for another three years. The employee stock options were granted free of charge, but they were part of the total remuneration package for employees. In general, the options can only vest and be exercised during the time the holder is employed with the company and for a short period of time after employment has been terminated (with the exception of former employees who have a Board assignment from Investor). The principle applied when granting options was to keep the total number of options granted in proportion with the company's current total payroll amount. For the program in 2005, the final number of granted stock options was determined after year-end, and it depended on the extent to which each employee had fulfillment the established goals, using the same criteria as described in "Variable Salary" on page 73.

Participation program in Core Investments - subsidiaries

Board members and senior executives of unlisted investments, including Mölnlycke Health Care and Aleris, are offered the opportunity to invest in the companies through management participation programs. The terms of the programs are based on market valuations and are designed to yield lower returns to the participants than what owners receive if the investment plan is not achieved. Conversely, the participants obtain a higher return than the owners if the plan's targets are exceeded. Board members employed by Investor AB may not invest in these programs.

The calculation of the fair value on the grant date, according to IFRS 2, was based on the following conditions:

	2011		2010			
Matching Share	Matching Option	Performance Share	Matching Share	Matching Option	Performance Share	
		_				
150.32	150.32	150.32	137.19	137.19	137.19	
10.00	180.30	150.32	10.00	164.60	137.19	
30%	30%	30%	30%	30%	30%	
5 years	5 years	5 years	5 years	5 years	5 years	
0%	3.84%	0%	0%	3.84%	0%	
2.88%	2.88%	2.88%	2.43%	2.43%	2.43%	
	150.32 10.00 30% 5 years 0%	Matching Share Matching Option 150.32 150.32 10.00 180.30 30% 30% 5 years 5 years 0% 3.84%	Matching Share Matching Option Performance Share 150.32 150.32 150.32 10.00 180.30 150.32 30% 30% 30% 5 years 5 years 5 years 0% 3.84% 0%	Share Option Share Share 150.32 150.32 150.32 137.19 10.00 180.30 150.32 10.00 30% 30% 30% 30% 5 years 5 years 5 years 5 years 0% 3.84% 0% 0%	Matching Share Matching Option Performance Share Matching Share Matching Option 150.32 150.32 150.32 137.19 137.19 10.00 180.30 150.32 10.00 164.60 30% 30% 30% 30% 5 years 5 years 5 years 5 years 0% 3.84% 0% 0% 3.84%	

¹⁾ The assumed volatility was based on future forecasts based on the historical volatility of Investor B shares, in which the term of the instrument is an influencing factor. The historical volatility has been in the interval of 15 to 30 percent

²⁾ The assumption of average term for the instruments at grant is based on historical exercise patterns and the actual term of the instruments within each remuneration program.

³⁾ The dividend for Matching Shares and Performance Shares is compensated for by increasing the number of shares.

Summary of terms for the 2006–2011 long-term variable remuneration programs Matching Shares 2006-2011

Year issued	Holder ¹⁾	Number of Matching Shares granted	Number at the beginning of the year	Adjust- ment for dividend	Matching Shares forfeited in 2011	Matching Shares exercised in 2011	Weighted average share price on exercise day	Number of Matching Shares on December 31, 2011	Theoretical value ²⁾	Fair value ³⁾	Strike price	Maturity date	Vesting period (years)4)
2006	MG	31,038	33,242	1,235	-	1,679	140.34	32,798	109.19	121.34	10.00	12/31 2012	3
2006	OE	64,459	31,560	1,061	59	7,955	140.11	24,607	109.19	121.34	10.00	12/31 2012	3
2007	MG	23,845	22,367	812	-	77	142.63	23,102	150.91	168.48	10.00	12/31 2013	3
2007	OE	46,349	30,023	1,007	502	5,420	143.41	25,108	150.91	168.48	10.00	12/31 2013	3
2008	MG	30,725	33,082	1,131	-	4,015	138.60	30,198	116.71	130.40	10.00	12/31 2014	3
2008	OE	57,350	54,981	1,788	722	17,247	142.90	38,800	116.71	130.40	10.00	12/31 2014	3
2009	MG	48,362	49,860	1,822	-	-	-	51,6825)	97.64	109.01	10.00	12/31 2015	3
2009	OE	86,178	85,226	2,918	5,527	11,195	134.10	71,4225)	97.64	109.01	10.00	12/31 2015	3
2010	MG	47,533	47,533	1,734	-	-	-	49,2675)	114.91	128.33	10.00	12/31 2016	3
2010	OE	77,010	77,010	2,798	10,215	5,625	127.25	63,9685)	114.91	128.33	10.00	12/31 2016	3
2011	MG	33,258	-	-	-	-	-	33,2585)	127.15	141.66	10.00	12/31 2017	3
2011	OE	55,266	-	-	314	85	127.25	54,8675)	127.15	141.66	10.00	12/31 2017	3
Total		601,373	464,884	16,306	17,339	53,298		499,077					

1) MG = Management Group, OE = Other employees.

2) The value of Matching Shares on the grant date was based on a theoretical value calculated in accordance with the Black & Scholes valuation model.

3) The fair value on the grant date was calculated in accordance with IFRS 2, which was also used for calculating recognized values.

See above for specification of the basis of calculation. See page 77 for specification of the basis of calculation.

4) If employment ends, Matching Shares that have already vested must be exercised within three months from the date employment was terminated if the holder has been employed less than four years. If the holder has been employed more than four years the Matching Shares must be exercised within 12 months.

5) Matching Shares not available for exercise at year-end.

Matching Options 2006–2011

Year issued	Holder ¹⁾	Number of Matching Options granted	Number at the beginning of the year	Matching Options forfeited in 2011	Number of Matching Options exercised in 2011	Weighted average share price on exercise day	Number of Matching Options on December 31, 2011	Theoretical value ²⁾	Fair value³)	Strike price	Maturity date	Vesting period (years) ⁴⁾
2006	MG	62,076	62,076	-	-	-	62,076	15.62	12.47	155.90	12/31 2012	3
2006	OE	128,918	92,054	8,816	532	157.00	82,706	15.62	12.47	155.90	12/31 2012	3
2007	MG	47,690	47,690	-	_	-	47,690	22.80	18.84	212.00	12/31 2013	3
2007	OE	92,698	72,056	7,188	_	-	64,868	22.80	18.84	212.00	12/31 2013	3
2008	MG	61,450	61,450	-	_	-	61,450	16.41	18.98	166.20	12/31 2014	3
2008	OE	114,700	104,406	10,618	_	-	93,788	16.41	18.98	166.20	12/31 2014	3
2009	MG	96,724	96,724	-	_	-	96,7245)	14.52	16.68	141.50	12/31 2015	3
2009	OE	172,356	167,248	12,812	10,721	147.50	143,7155)	14.52	16.68	141.50	12/31 2015	3
2010	MG	95,066	95,066	-	_	-	95,066 ⁵⁾	17.44	19.73	164.60	12/31 2016	3
2010	OE	154,020	154,020	25,356	_	-	128,6645)	17.44	19.73	164.60	12/31 2016	3
2011	MG	66,516	-	-	_	-	66,516 ⁵⁾	19.78	22.82	180.30	12/31 2017	3
2011	OE	110,532	-	798	_	-	109,7345)	19.78	22.82	180.30	12/31 2017	3
Total		1,202,746	952,790	65,588	11,253		1,052,997					

1) MG = Management Group, OE = Other employees.

2) The value of Matching options on the grant date was based on a theoretical value calculated in accordance with the Black & Scholes valuation model.

3) The fair value on the grant date was calculated in accordance with IFRS 2, which was also used for calculating recognized values.

See above for specification of the basis of calculation. See page 77 for specification of the basis of calculation.

4) If employment ends, Matching Options that have already vested must be exercised within three months from the date employment was terminated if the holder has been employed less than four years. If the holder has been employed more than four years the Matching Options must be exercised within 12 months.

5) Matching Options not available for exercise at year-end.

Performance	Sharas	2006-2011

Year issued	Component and holder ¹⁾	Maximum number of Performance Shares granted	Number at the beginning of the year	Adjustment for divi- dend	Perfor- mance Shares for- feited in 2011	Performance Shares exer- cised in 2011	Weighted average share price on exercise day	Number of Perfor- mance Shares on December 31, 2011	Theore- tical value ²⁾	Fair value ³⁾	Strike price	Maturity date	Vesting period (years)
2006	NAV MG	88,270	_	-	-	-	-	_	52.35	121.34	10.00	12/31 2012	3
2006	NAV OE	35,613	_	-	_	_	-	_	52.35	121.34	10.00	12/31 2012	3
2006	TSR MG	45,116	23,667	842	-	1,199	140.15	23,310	52.35	57.03	10.00	12/31 2012	3
2006	TSR OE	18,199	4,060	142	28	88	149.68	4,086	52.35	57.03	10.00	12/31 2012	3
2007	NAV MG	63,449	_	-	-	_	-	-	77.78	168.48	10.00	12/31 2013	3
2007	NAV OE	26,958	_	-	-	_	-	-	77.78	168.48	10.00	12/31 2013	3
2007	TSR MG	34,371	13,829	505	-	48	142.58	14,286	77.78	82.55	10.00	12/31 2013	3
2007	TSR OE	14,602	3,626	132	20	277	149.29	3,461	77.78	82.55	10.00	12/31 2013	3
2008	NAV MG	121,560	145,129	_	145,129	_	_	_	40.98	81.88	69.29	12/31 2014	3
2008	NAV OE	53,914	57,941	-	57,941	_	-	_	40.98	81.88	69.29	12/31 2014	3
2008	TSR MG	65,236	77,886	1,966	47,364	3,098	143.30	29,390	38.18	42.98	69.29	12/31 2014	3
2008	TSR OE	28,930	31,091	732	18,911	4,332	145.90	8,580	38.18	42.98	69.29	12/31 2014	3
2009	TSR MG	590,946	608,778	20,478	-	_	-	629,2564)	15.45	17.26	110.78	12/31 2015	3
2009	TSR OE	279,427	277,768	9,258	12,059	_	_	274,9674)	15.45	17.26	110.78	12/31 2015	3
2010	TSR MG	584,105	584,105	19,647	_	_	_	603,7524)	18.34	20.34	132.73	12/31 2016	3
2010	TSR OE	215,092	215,092	7,234	20,647	_	_	201,679 ⁴⁾	18.34	20.34	132.73	12/31 2016	3
2011	TSR MG	446,855	_	-	_	_	_	446,855 ⁴⁾	20.56	23.14	150.32	12/31 2017	3
2011	TSR OE	216,929	_	_	_	_	_	216,929 ⁴⁾	20.56	23.14	150.32	12/31 2017	3
Total		2,929,572	2,042,972	60,936	302,099	9,042		2,456,551					

1) MG = Management Group, OE = Other employees, NAV = Net Asset Value, TSR = Total Shareholder Return.

1) MG = Management Gloup, OE = Other employees, MAV = MCLASSEL Value, 15K = 10tal 3nateholder heturn.

2) The value of Performance Shares on the grant date was based on a theoretical Value calculated in accordance with the Black & Scholes valuation model.

3) The fair value on the grant date was calculated in accordance with IFRS 2, which was also used for calculating recognized values. See page 77 for specification

of the basis of calculation.

4) Performance Shares not available for exercise at year-end.

The difference between the theoretical value and fair value is mainly due to the fact that the anticipated personnel turnover is taken into consideration when determining the theoretical value. When estimating the fair value in accordance with IFRS 2, personnel turnover is not taken into account; instead the anticipated number of vested shares or options is adjusted. The adjustment is based on average historical outcome. According to the definition in IFRS 2 Share-based Payment, the NAV component is a so-called non-market

condition and TSR component is a so-called market condition. There is a difference between the fair value (IFRS 2) and theoretical value of shares granted on the basis of the NAV component because the theoretical value takes into consideration the probability of full allocation in the valuation. When estimating in accordance with IFRS 2, the corresponding probability is taken into account by adjusting the anticipated number of vested shares.

Summary of terms for long-term restricted stock programs 2004–2005

Year issued	Holder ¹⁾	Number of granted shares	Number at the beginning of the year	Fair value ²⁾	Number of shares exercised in 2011	Number of shares on December 31, 2011	Maturity date ³⁾	Vesting period (years)
2004	MG	74,000	3,200	77.00	-	3,200	1/20 2009	5
2005	MG	58,331	9,612	97.04	-	9,612	1/21 2010	5
Total		132,331	12,812		_	12,812		

1) MG = Management Group.

2) The fair value on the grant date was calculated in accordance with IFRS 2, which was also used for calculating recognized values.

3) The President is entitled to exercise the Shares during a period 12 months from the earlier of (i) 10 years from the date of allocation and (ii) two months from the expiry of the year during which the President terminates his employment.

Summary of terms for long-term employee stock option program 2005

Year issued	Holder¹)	Number of options granted	Number of options at the beginning of the year	Options exercised during 2011	Weighted average share price on exercise	Options expired dur- ing 2011	Number of options on December 31, 2011	Theoretical value ²⁾	Fair value ³⁾	Strike price	Maturity date	Vesting period (year)
2005	MG	164,565	145,997	145,997	130.69	_	-	19.00	15.20	106.70	1/20 2012	3
2005	OE	1,008,469	419,379	412,829	129.33	-	6,550	19.00	15.20	106.70	1/20 2012	3
Total		1,173,034	565,376	558,826		_	6,550					

1) MG = Management Group, OE = Other Employees.
2) The value of options on the grant date was based on a theoretical value calculated in accordance with the Black & Scholes valuation model.

The volatility parameter has been adjusted to take into account the special limitations to disposal rights that are valid for long-term employee stock option programs.
3) The fair value of options on the grant date was calculated in accordance with IFRS 2, which was also used for calculating recognized values.

Accounting effects of share-based payment transactions

(SEK t.)	2011	2010
Group Payroll costs relating to Share-based payment transactions		
Costs relating to equity-settled share-based payment transactions	29,965	24,794
Costs relating to cash-settled share-based payment transactions	1,783	3,080
Social security and other costs relating to share-based payment transactions	1,416	9,454
Total	33,164	37,328
(SEK t.)	2011	2010
Parent Company Payroll costs relating to Share-based payment transactions		
Costs relating to equity-settled share-based payment transactions (IFRS 2) Costs relating to cash-settled share-based payment	27,211	19,091
transactions (IFRS 2) Social security and other costs relating to share-based	1,783	3,080
payment transactions	2,070	8,484
Total	31,064	30,655
(SEK t.)	2011	2010
Group and Parent Company Effect on equity relating to stock-options		
exercised by employees Carrying amount of liability relating to share-based	-19,902	-29,502
payment transactions Effect on net financial items relating to share-based	9,433	7,640
payment transactions Weighted average price in outstanding hedging	-18,347	10,711
contracts	127.52	127.52

Hedge contracts for employee stock option and share programs

Investor's policy is to implement measures to minimize the effects of an increase in Investor's share price. For programs up to and including 2005, Investor has used share swaps and share options as hedging instruments that are recognized at fair value according to the rules for derivatives (IAS 39) because such swaps and share options do not qualify for hedge accounting. With the hedging solution, employee stock option and share programs do not affect the actual number of outstanding shares in Investor; instead, there is a theoretical dilution effect because of the programs.

For programs implemented in 2006 and later, Investor has been repurchasing its own shares in order to guarantee delivery.

Note 7 Auditor's fees and expenses

	2011	2010
Group		
KPMG		
Auditing assignment	12	9
Other audit activities	3	1
Tax advice	1	1
Other assignment	61)	0
Deloitte		
Auditing assignment	9	1
Total	31	12
Of which:		
Investing activities		
Auditing assignment	7	7
Other audit activities	2	1
Tax advice	0	1
Other assignment	0	0
Total investing activities	9	9
	2011	2010

	2011	2010
Parent Company		
KPMG		
Auditing assignment	4	4
Other audit activities	2	1
Total	6	5

¹⁾ Including cost related to acquisition of subsidiaries.

Note 8 Operating leases

Non-cancellable lease payments		
	2011	2010
Group		
Not later than one year	373	245
Later than one year and not later than five years	794	511
Later than five years	407	286
Total	1,574	1,042
Costs for the year		
Minimum lease payments	-424	-104
Contingent rent	-4	-1
Total	-428	-105
	2011	2010
Parent Company		
Not later than one year	1	1
Later than one year and not later than five years	3	4
Later than five years	_	_
Total	4	5
Costs for the year		
Minimum lease payments	-	_
Contingent rent	-2	-2
Total	-2	-2

Operating leases mainly consists of rent of premises, leasing of company cars and office furniture.

Of total non-cancellable lease payments, SEK 37 m. is attributable to investing activities (80) and of total operating leases costs for the year SEK 6 m. is attributable to investing activities (8).

Note 9 Shares and participation in associates

Specification of carrying amount using the equity method

	12/31 2011	(Restated) 12/31 2010	(Restated) 1/1 2010
Group			
At the beginning of the year	2,015	4,231	6,8791)
Acquisitions	231	335	79
Divestments	-1	_	-3
Reclassifications	0	-1,627	_
Share of results of associates ^{2) 3)}	5,240	-717 ¹⁾	-2,492 ¹⁾
Exchange rate differences, etc.	-217	-2071)	-2321)
Carrying amount at end of period	7,268	2,015	4,231

¹⁾ Restatement attributable to change in accounting policy, for further information see

Note 1, Accounting policies.

2) Profit/loss for the year refers to the participating interest in the company's results after tax for the year and after adjustments in accordance with Investor's accounting policies and evaluation principles.

^{3) 2010} includes results from Mölnlycke Health Care amounting to SEK –334 m. for the period ending November 30, 2010.

Note 9, cont'd Shares and participation in associates

Specification	of investments in associates
12/21 2011	

12/31 2011					In	vestor's share of		
Company, Registered office, Registration number	Number of shares	Share of voting power %	Proportion of equity%	Assets ¹⁾	Liabilities ¹⁾	Equity ²⁾	Revenue ³⁾	Profit/loss for the year ⁴⁾
Group								
Indap Sweden AB, Stockholm, 556678-41115) 6)	490,000	49	49	11,847	6,682	5,165	6,009	3,657
Lindorff First Holding AB, Stockholm,								
556714-9413 ⁵⁾	109,493,255	50	51	7,230	6,849	381	2,020	-83
Hi3G Holdings AB, Stockholm, 556619-6647 ⁵⁾	40,000	40	40	7,112	5,842	1,270	3,564	1,805
Hi3G Enterprise AB, Stockholm, 556782-9329 ⁵⁾	40,000	40	40	4,229	4,203	26	-	-167
Kunskapsskolan Education Sweden AB,								
Stockholm, 556691-3066 ⁵⁾	17,099	32	40	228	172	56	262	-5
EQT Partners AB, Stockholm, 556233-7229	1,550	31	31	107	74	33	253	30
Novare Holding AB, Stockholm, 556694-6066	200	50	50	21	14	7	36	2
Sternwood Investment Ltd, Guernsey, 42893	15	50	50	15	0	15	17	1
Blasieholmen 54 SPA AB,								
Stockholm, 556768-7362	500	50	50	9	9	0	10	-3
SamSari Act Group AB, Stockholm, 556812-4431	498,500	50	50	7	2	5	9	0
Blasieholmen 54 Restaurang AB,								
Stockholm, 556706-6963	500	50	50	5	4	1	18	0
Makula AS, Oslo, 986 756 752	34,000	34	34	4	1	3	7	3
MR-Enheden Esbjerg Privathopital A/S, 22 52 66 05	250	50	50	1	0	1	2	0
EFIN S.à.r.l., Luxemburg, B 145.168	30,756	50	50	1	1	0	-	0
Eira Nordic Skillslab Århus I/S, 30 82 38 85	n.a.	50	50	0	0	0	0	0
Total investments in associates				30,816	23,853	6,963	12,207	5,240

Specification of investments in associates

12/31 2010					In	vestor's share of	·	
Company, Registered office, Registration number	Number of shares	Share of voting power %	Proportion of equity%	Assets1)	Liabilities ¹⁾	Equity ²⁾	Revenue ³⁾	Profit/loss for the year4
Group								
Indap Sweden AB, Stockholm, 556678-41115) 6)	490,000	49	49	17,690	15,950	1,740	7,748	-172
Lindorff First Holding AB, Stockholm,								
556714-9413 ⁵⁾	109,493,255	50	51	6,794	6,528	266	1,474	-77
Hi3G Holdings AB, Stockholm, 556619-6647 ^{5) 7)}	40,000	40	40	5,399	5,907	-508	2,806	-33
Hi3G Enterprise AB, Stockholm, 556782-9329 ⁵⁾	40,000	40	40	4,239	4,203	36	-	-143
Kunskapsskolan Education Sweden AB,								
Stockholm, 556691-3066 ⁵⁾	13,115	33	33	161	143	18	235	11
EQT Partners AB, Stockholm, 556233-7229	1,550	31	31	86	57	29	235	27
Novare Holding AB, Stockholm, 556694-6066	200	50	50	22	16	6	38	3
Sternwood Investment Ltd, Guernsey, 42893	15	50	50	14	0	14	10	0
Blasieholmen 54 SPA AB,								
Stockholm, 556768-7362	500	50	50	7	6	1	9	-3
SamSari Act Group AB, Stockholm, 556812-44315)	498,500	50	50	7	2	5	2	0
Blasieholmen 54 Restaurang AB,								
Stockholm, 556706-6963	500	50	50	6	5	1	18	1
Makula AS, Oslo, 986 756 752	34,000	34	34	4	1	3	6	3
EFIN S.à.r.l., Luxemburg, B 145.168	166,996	50	50	3	1	2	0	0
MR-Enheden Esbjerg Privathopital A/S, 22 52 66 05	250	50	50	2	1	1	1	0
Total investments in associates				34,434	32,820	1,614	12,582	-383

¹⁾ Refers to the ownership interest in the assets and liabilities of the company after adjustments in accordance with Investor's accounting policies and evaluation principles.

2) Refers to the ownership interest in the equity of the company including the equity component in untaxed reserves and after adjustments in accordance with Investor's accounting and evaluation principles.

3) Refers to the ownership interest of the company's net sales.

4) Profit/loss for the year refers to the participating interest in the company's results after tax including the equity component in the change in untaxed reserves for the year and after adjustments in accordance with Investor's accounting policies and evaluation principles.

5) Reported with one month's delay.

6) The investment in Gambro is included in Indap Sweden AB.

7) Restatement attributable to change in accounting policy, for further information see Note 1, Accounting policies.

Note 10 Net financial items

	2011		2	010
	Income	Expense	Income	Expense
Group				
Interest				
Items valued at fair value:				
Assets recognized at fair value – fair value option	263		117	
Derivatives used in hedge accounting	203	-104	- 117	433
Assets/liabilities held for trading	_	-125	23	-240
	263	-229	140	193
Items not valued at fair value:				
Other liabilities	_	-2,126	_	-1,108
Other items	0	-45	_	-6
	0	-2,171	_	-1,114
Total interest	263	-2,400	140	-921
Other financial items				
Assets recognized at				
fair value – fair value option	50	-	13	-
Derivatives used in hedge accounting	-	1,237	-	410
Assets/liabilities held for trading	-	-573	88	-
Other liabilities	-	-1,268	_	-415
From sale of subsidiaries	_	-4	_	-8
Exchange rate changes effecting items				
valued at fair value	259	-	-	-1,151
Other exchange rate effects	-	-121	705	-47
Other items	0	-9	5	-5
Total other financial items	309	-738	811	-1,216
Total financial income and expenses	572	-3,138	951	-2,137
Net financial items		-2,566		-1,186

Other financial items consists of unrealized market value changes and realized results of financial items excluding interest. Net financial items include the
changes in value of derivatives relating to economic hedges of employee stock
options by SEK –18 m. (11) and revaluations established with valuation tech-
niques totaling –442 m. (120). Liabilities accounted for as hedges have been
revalued by SEK –1,268 m. (–415) and the associated hedging instruments
have been revalued by SEK 1,237 m. (410). Derivatives included in cash flow
hedges are not recognized in the Income Statement but have affected other
comprehensive income by SEK –275 m. (233).

Of which:	2011		20	010
	Income	Expense	Income	Expense
Investing activities				
Interest				
Items valued at fair value:				
Assets recognized at fair value – fair value option	251		112	
Derivatives used in hedge accounting	251	- 176	113	452
Assets/liabilities held for trading	_	-110	_	-240
7 to see shi admittees field for trading	251	66	113	212
the man make wall and and facility wall was	231	00	113	212
Items not valued at fair value:		4.450		0.40
Other liabilities	_	-1,150	_	-940
Other items	1			-6
	1	-1,150		-946
Total interest	252	-1,084	113	-734
Other financial items				
Assets recognized at			4.5	
fair value – fair value option	50	_	13	
Derivatives used in hedge accounting	-	1,237	_	410
Assets/liabilities held for trading	-	-515	88	
Other liabilities	-	-1,268	-	-415
From sale of subsidiaries	-	-5	-	-8
Exchange rate changes effecting items	25.4			4.450
valued at fair value	254	_	_	-1,138
Other exchange rate effects	-	-121	705	-
Other items	2		5	
Total other financial items	306	-672	811	-1,151
Total financial income and expenses	558	-1,756	924	-1,885
Net financial items, investing activities		-1,198		-961

Note 11 Income tax

Income tax for the year 2011 2010 Group -156 -223 Current tax expense Deferred tax expense relating to changes in temporary differences and losses carry-forward 449 182 293 -41

Parent Company

The Parent Company reported no tax expenses for 2011 and 2010, for further information see Note 1, Accounting policies.

Information about the connection between tax expense for the period and reported income before tax

	2011 (%)	2011	2010 (%)	2010
Group				
Reported loss/profit before taxes		-9,581		30,652
Tax according to applicable tax rate, 26.3%	26.3	2,520	26.3	-8,061
Effect of other tax rates for foreign subsidiaries	2.0	189	1.1	-329
Tax from previous years	0.0	1	-0.1	26
Tax effect of non-taxable income and status as				
an industrial holding company ¹⁾	51.3	4,919	-38.5	11,805
Non-deductible expenses	-75.7	-7,257	12.7	-3,888
Standard interest on tax allocation reserves	0.0	-4	0.0	-3
Current year loss, not recognized as deferred				
tax asset	-1.8	-172	0.0	-4
Recognition and utilization of prior years not				
recognized losses carry-forward	1.1	102	-0.9	282
Other	-0.1	-5	-0.4	131
Reported tax expense	3.1	293	0.1	-41

¹⁾ For tax purposes, industrial holding companies may deduct the dividend approved at the subsequent Annual General Meeting. Capital gains on shares are not taxable while capital losses are not deductible. Industrial holding companies are instead taxed for a standard income based on the market value of certain listed holdings.

Deferred taxes

Deferred taxes refers to the following assets and liabilities

beterred taxes refers to the following assets and habilities	Deferred tax	asset	Deferred ta	v liahilty	Net	
	2011	2010	2011	2010	2011	2010
Group						
Property, plant and equipment	29	43	-372	-303	-343	-260
Intangible assets	24	21	-2,871	-3,143	-2,847	-3,122
Financial assets	2	2	-62	-108	-60	-106
Inventory	92	76	0	-126	92	-50
Trade receivables	3	4	-2	-3	1	1
Interest bearing liabilities	14	-	_	-7	14	-7
Pension provisions	74	89	5	-29	79	60
Share based payment transactions	3	1	_	_	3	1
Provisions	14	9	-4	-1	10	8
Other	282	437	-77	-96	205	341
Losses carry-forward	244	116	_	_	244	116
Tax allocation reserves	-	-	-211	-245	-211	-245
Total deferred tax assets and liabilities	781	798	-3,594	-4,061	-2,813	-3,263
Net of deferred tax assets and liabilities ¹⁾	-94	-331	94	331	_	-
Net deferred tax	687	467	-3,500	-3,730	-2,813	-3,263

¹⁾ Deferred tax assets and liabilities are offset if a legal right exists for this.

Unrecognized deferred tax assets

Taxes relating to deductible, temporary differences for which deferred tax assets have not been recognized in the Income Statement and Balance Sheet amounted to SEK 1,049 m. on December 31, 2011 (1,034). The amount refers to unrecognized losses carry-forward and pension provisions. Part of the losses carry forward relating to Mölnlycke Health Care are subject to litigation due to a decision from the Swedish Tax Agency. The amount does not include the Parent Company due to its status as an industrial holding company for tax purposes.

Note 11, cont'd Income tax

Change in deferred taxes related to temporary differences and losses carry-forward

Change in deferred taxes related to temporary differer	nces and losses carry-forward				
2011	Amount at the beginning of the year	Business combinations	Recognized in the Income Statement	Recognized in other compre- hensive income	Amount at year-end
Group					
Property, plant and equipment	-260	-1	-14	-68	-343
Intangible assets	-3,122	-43	295	23	-2,847
Financial assets	-106	1	45	0	-60
Inventory	-50	-7	147	2	92
Trade receivables	1	0	1	-1	1
Interest bearing liabilities	-7	-	21	-	14
Pension provisions	60	-44	-6	69	79
Share based payment transactions	1	0	2	0	3
Provisions	8	12	-10	0	10
Other	341	-3	-165	32	205
Losses carry-forward	116	35	95	-2	244
Tax allocation reserves	-245	-4	38	-	-211
Total	-3,263	-54	449	55	-2,813
2010	Amount at the beginning of the year	Business combinations	Recognized in the Income Statement	Recognized in other compre- hensive income	Amount at year-end
Group					,
Property, plant and equipment	-228	-38	1	5	-260
Intangible assets		-3,191	54	15	-3,122
Financial assets	-152	-3	49	0	-106
Inventory	132	-63	13	0	-50
Trade receivables	_	1	0	0	1
Interest bearing liabilities	_	3	-10	_	-7
Pension provisions	_	60	-	_	60
Share based payment transactions	_	1	_	_	1
Share based payment transactions			_		

0

6

-188

-562

281

110

-41

-2,876

According to Investor's assessment, the disclosure requirements in IAS 1.52 regarding maturity dates do not apply to deferred tax assets/deferred tax liabilities since it is usually uncertain when a deferred tax will result in a payment. These are considered non-current assets and liabilities.

Note 12 Earnings per share

Basic earnings per share

Provisions

Losses carry-forward

Tax allocation reserves

Other

The calculation of earnings per share for 2011 is based on profit for the year attributable to the holders of ordinary shares in the Parent Company amounting to SEK –9,229 m. (30,631), and on a weighted average number of outstanding shares amounting to 760,494,199 during 2011 (761,174,674).

	2011	2010
Group		
Profit/loss for the year attributable to the holders		
of ordinary shares in the Parent Company, SEK m.	-9,229	30,631
Weighted average number of ordinary shares		
outstanding during the year, millions	760.5	761.2
Basic earnings per share, SEK	-12.14	40.24
Change in the number of outstanding shares, before dilution,	2011	2010
Total number of outstanding shares at beginning		
of the year, millions	760.5	762.5
Repurchases of own shares during the year, millions	0.0	-2.0
Total number of outstanding shares at year-end	760.5	760.5

Diluted earnings per share

The calculation of diluted earnings per share for 2011 was based on profit for the year attributable to the holders of ordinary shares in the Parent Company amounting to SEK -9,229 m. (30,631), and on a weighted average number of shares amounting to 761,133,855 during 2011 (761,861,641).

	2011	2010
Group		
Profit/loss for the year attributable to the holders of ordinary shares in the Parent Company, SEK m.	-9,229	30,631
Profit for the year attributable to the holders of ordinary shares in the Parent Company, diluted, SEK m.	-9,229	30,631
Weighted average number of outstanding ordinary shares, millions Effect of issued: Employee share and stock option programs, millions	760.5 –	761.2 0.7
Number of shares used for the calculation of diluted earnings per share, millions	760.5	761.9
Diluted earnings per share, SEK	-12.14	40.20

89

9

-16

182

11

341

116

-245

-3,263

-35

-3

-7

Instruments that are potentially dilutive in the future and changes after the Balance Sheet date

Outstanding options and shares in long-term share-based programs are to be considered dilutive only if earnings per share was less after than before dilution. Some options are out of money due to a lower average share price (SEK 136,76) compared to exercise price and potential value per option to be expensed in accordance to IFRS 2. Finally there are Performance Shares for which performance terms and conditions are to be met before they can be dilutive. There have been no changes in the number of outstanding shares after the Balance Sheet date. See Note 6, Employees and payroll costs, for exercise price and a description of performance terms and conditions.

Note 13	Intangib	IA SCCATC
14016 13	IIItaliqib	ie assets

			Capitalized developmen				
12/31 2011	Goodwill	Trademarks	expenditures and software		Customer contracts	Technology and other	Total
Group							
Accumulated costs							
At the beginning of the year	23,194	4,870	205	,	3,777	915	34,046
Business combinations	1,564	-	-		196	7	1,725
Internally generated intangible assets	-	_	62		_	-	62
Other acquisitions Disposals	_	1 -1	-		_	39 -6	44 -7
Reclassifications	_		C		_	2	2
Exchange rate differences	-139	-26	C		-26	_5	-209
At year-end	24,619	4,844	267	1,034	3,947	952	35,663
Accumulated amortization and impairment losses							
At the beginning of the year	_	_	-8	-8	-127	-13	-156
Disposals	-	_	-		_	6	6
Reclassifications	-	-	-	-	-	2	2
Amortizations	-	-	-33		-979	-97	-1,166
Exchange rate differences	_	_		2	18	0	20
At year-end	_		-41	-63	-1,088	-102	-1,294
Carrying amount at year-end	24,619	4,844	226	971	2,859	850	34,369
Allocation of amortization and impairment in Income Statement							
Cost of goods and services sold	_	_	_	- 0	-142	-5	-147
Sales and marketing costs	_	_	-	-57	-829	-2	-888
Administrative, research and development and							
other operating costs Management costs	-	-	-28 -5		-8 -	-90 -	–126 –5
Total	_		-33		-979	-97	-1,166
				. J.			.,
				Capitalized			.,,.55
		1	rademarks,	Capitalized development		Technology	.,,.55
12/31 2010		T Goodwill		Capitalized	Customer contracts	Technology and other	Total
12/31 2010 Group			rademarks, Patent and	Capitalized development expenditures	Customer		·
12/31 2010 Group Accumulated costs			rademarks, Patent and	Capitalized development expenditures and software	Customer	and other	Total
12/31 2010 Group Accumulated costs At the beginning of the year		Goodwill –	Frademarks, Patent and licenses	Capitalized development expenditures and software	Customer contracts	and other	Total 21
12/31 2010 Group Accumulated costs At the beginning of the year Business combinations		Goodwill – 23,514	Frademarks, Patent and licenses	Capitalized development expenditures and software	Customer contracts - 3,848	and other - 915	Total 21 34,501
12/31 2010 Group Accumulated costs At the beginning of the year Business combinations Internally generated intangible assets		Goodwill – 23,514 –	Frademarks, Patent and licenses	Capitalized development expenditures and software	Customer contracts	and other - 915 -	Total 21 34,501 14
12/31 2010 Group Accumulated costs At the beginning of the year Business combinations		Goodwill – 23,514	Frademarks, Patent and licenses	Capitalized development expenditures and software	Customer contracts - 3,848	and other - 915	Total 21 34,501
12/31 2010 Group Accumulated costs At the beginning of the year Business combinations Internally generated intangible assets Other acquisitions		Goodwill – 23,514 – 21	Frademarks, Patent and licenses	Capitalized development expenditures and software	Customer contracts - 3,848	and other - 915 - 12	Total 21 34,501 14 33
12/31 2010 Group Accumulated costs At the beginning of the year Business combinations Internally generated intangible assets Other acquisitions Exchange rate differences		- 23,514 - 21 -341	Frademarks, Patent and licenses - 6,054 99	Capitalized development expenditures and software 21 170 14	Customer contracts - 3,84871	915 - 12 -12	Total 21 34,501 14 33 -523
12/31 2010 Group Accumulated costs At the beginning of the year Business combinations Internally generated intangible assets Other acquisitions Exchange rate differences At year-end Accumulated amortization and impairment losses At the beginning of the year		- 23,514 - 21 -341	Frademarks, Patent and licenses	Capitalized development expenditures and software 21 170 14 - 205	Customer contracts - 3,848 71 3,777	and other - 915 - 12 -12 915	Total 21 34,501 14 33 -523 34,046
12/31 2010 Group Accumulated costs At the beginning of the year Business combinations Internally generated intangible assets Other acquisitions Exchange rate differences At year-end Accumulated amortization and impairment losses At the beginning of the year Amortizations		- 23,514 - 21 -341	Frademarks, Patent and licenses - 6,054 99 5,955	Capitalized development expenditures and software 21 170 14 205	Customer contracts - 3,848 71 3,777	915 - 12 -12 915	Total 21 34,501 14 33 -523 34,046
12/31 2010 Group Accumulated costs At the beginning of the year Business combinations Internally generated intangible assets Other acquisitions Exchange rate differences At year-end Accumulated amortization and impairment losses At the beginning of the year Amortizations Exchange rate differences		- 23,514 - 21 -341	Frademarks, Patent and licenses	Capitalized development expenditures and software 21 170 14	Customer contracts - 3,84871 3,777154 27	and other - 915 - 12 -12 915 - 13 13	Total 21 34,501 14 33 -523 34,046 -5 -184 33
12/31 2010 Group Accumulated costs At the beginning of the year Business combinations Internally generated intangible assets Other acquisitions Exchange rate differences At year-end Accumulated amortization and impairment losses At the beginning of the year Amortizations Exchange rate differences At year-end		- 23,514 - 21 -341 23,194	Frademarks, Patent and licenses	Capitalized development expenditures and software 21 170 14 205 -5 -38	Customer contracts - 3,84871 3,777 -154 27 -127	915 - 12 -12 915 - 13 13	21 34,501 14 33 -523 34,046 -5 -184 33 -156
12/31 2010 Group Accumulated costs At the beginning of the year Business combinations Internally generated intangible assets Other acquisitions Exchange rate differences At year-end Accumulated amortization and impairment losses At the beginning of the year Amortizations Exchange rate differences		23,514 - 21 -341 23,194	Frademarks, Patent and licenses	Capitalized development expenditures and software 21 170 14	Customer contracts - 3,84871 3,777154 27	and other - 915 - 12 -12 915 - 13 13	Total 21 34,501 14 33 -523 34,046
12/31 2010 Group Accumulated costs At the beginning of the year Business combinations Internally generated intangible assets Other acquisitions Exchange rate differences At year-end Accumulated amortization and impairment losses At the beginning of the year Amortizations Exchange rate differences At year-end Carrying amount at year-end Allocation of amortization and impairment		- 23,514 - 21 -341 23,194	Frademarks, Patent and licenses	Capitalized development expenditures and software 21 170 14 205 -5 -38	Customer contracts - 3,84871 3,777 -154 27 -127	915 - 12 -12 915 - 13 13	21 34,501 14 33 -523 34,046 -5 -184 33 -156
12/31 2010 Group Accumulated costs At the beginning of the year Business combinations Internally generated intangible assets Other acquisitions Exchange rate differences At year-end Accumulated amortization and impairment losses At the beginning of the year Amortizations Exchange rate differences At year-end Carrying amount at year-end Allocation of amortization and impairment in Income Statement		- 23,514 - 21 -341 23,194	Frademarks, Patent and licenses	Capitalized development expenditures and software 21 170 14 205 -5 -38	Customer contracts	915 - 12 -12 915 - 13 13	Total 21 34,501 14 33 -523 34,046 -5 -184 33 -156 33,890
12/31 2010 Group Accumulated costs At the beginning of the year Business combinations Internally generated intangible assets Other acquisitions Exchange rate differences At year-end Accumulated amortization and impairment losses At the beginning of the year Amortizations Exchange rate differences At year-end Carrying amount at year-end Allocation of amortization and impairment		- 23,514 - 21 -341 23,194	Frademarks, Patent and licenses	Capitalized development expenditures and software 21 170 14 205 -5 -38	Customer contracts - 3,84871 3,777 -154 27 -127 3,650	915 - 12 -12 915 - 13 13	Total 21 34,501 14 33 -523 34,046 -5 -184 33 -156 33,890
12/31 2010 Group Accumulated costs At the beginning of the year Business combinations Internally generated intangible assets Other acquisitions Exchange rate differences At year-end Accumulated amortization and impairment losses At the beginning of the year Amortizations Exchange rate differences At year-end Carrying amount at year-end Allocation of amortization and impairment in Income Statement Cost of goods and services sold		- 23,514 - 21 -341 23,194	Frademarks, Patent and licenses 6,054 99 5,955 14 6 -8 5,947	Capitalized development expenditures and software 21 170 14 205 -5 -38	Customer contracts	915 - 12 -12 915 131313	Total 21 34,501 14 33 -523 34,046 -5 -184 33 -156 33,890
12/31 2010 Group Accumulated costs At the beginning of the year Business combinations Internally generated intangible assets Other acquisitions Exchange rate differences At year-end Accumulated amortization and impairment losses At the beginning of the year Amortizations Exchange rate differences At year-end Carrying amount at year-end Allocation of amortization and impairment in Income Statement Cost of goods and services sold Sales and marketing costs Administrative, research and development and other operating costs		- 23,514 - 21 -341 23,194	Frademarks, Patent and licenses 6,054 99 5,955 14 6 -8 5,947	Capitalized development expenditures and software 21	Customer contracts	915	Total 21 34,501 14 33 -523 34,046 -5 -184 33 -156 33,890 -47 -123 -13
12/31 2010 Group Accumulated costs At the beginning of the year Business combinations Internally generated intangible assets Other acquisitions Exchange rate differences At year-end Accumulated amortization and impairment losses At the beginning of the year Amortizations Exchange rate differences At year-end Carrying amount at year-end Allocation of amortization and impairment in Income Statement Cost of goods and services sold Sales and marketing costs Administrative, research and development and other		- 23,514 - 21 -341 23,194	Frademarks, Patent and licenses 6,054 99 5,955 14 6 -8 5,947	Capitalized development expenditures and software 21 170 14 205 -5 -3 8 197	Customer contracts - 3,84871 3,777 154 27 -127 3,650 -47 -107	915 - 12 -12 91513132	70tal 21 34,501 14 33 -523 34,046 -5 -184 33 -156 33,890

All intangible assets except goodwill and trademarks are amortized. Capitalized expenditures, and contracts are amortized over estimated useful life, and Licenses are amortized over life of agreement. See Note 1, Accounting principles for information regarding amortization. Of intangible assets, SEK 16 m. is attributable to investing activities (20).

Note 13, cont'd Intangible assets

	Capitalized software			
	12/31 2011	12/31 2010		
Parent Company				
Accumulated costs				
Opening balance	26	21		
Additions	1	5		
At year-end	27	26		
Accumulated amortization and impairment losses				
Opening balance	-6	-5		
Amortizations	-5	-1		
At year-end	-11	-6		
Carrying amount at year-end	16	20		
Allocation of amortization				
in Income Statement				
Operating costs	-5	-1		
Total	-5	-1		

See Note 1, Accounting principles for information regarding amortization.

Goodwill and other intangible assets with an indefinite useful life originating from acquisitions are divided between two cash-generating entities, Mölnlycke Health Care and Aleris. Investor makes continuous tests to determine that the carrying values of these assets do not exceed the value in use. The method for impairment testing is based on a discounted cash flow forecast to determine the value in use, which is compared to the carrying value. Various assumptions are used to suit the different companies and its business.

Value in use is calculated as Investors share of present value of future estimated cash flow generated from the subsidiaries. The estimate of future cash flows is based upon reasonable assumptions and best knowledge of the company and future economic conditions. The base for the estimate is an assumption of the future growth rate, budgets and forecasts. The calculated value in use shall be compared with the carrying value. Investor has chosen a discount factor after tax since future cash flows include tax. The discount factor reflects specific risks that are assignable to the asset and marketable assessments of the time value of money. The base for calculation of the discount rate is the company's weighted average cost of capital, where the assumption of the risk free interest rate, market risk premium, leverage, cost of debt and relevant tax rate are important components. The ambition is to use a weighted average cost of capital which is not dependent on short term market sentiment, but instead reflects a long-term cost of capital corresponding to Investor's long term investment horizon.

Mölnlycke Health Care

Impairment testing of goodwill and trade names for Mölnlycke Health Care is based on a calculation of value in use in which assumptions of future growth and gross margins are important components. The estimated value is based on the budget up until 2012 and financial forecasts up until 2015. A growth rate of 4-6 percent has been used to extrapolate the cash flows for the years beyond budgets and forecasts, which is considered reasonable given the company's historical growth. Estimated cash flows have been discounted using a discount rate of 8 percent after tax (10 percent pre tax). No impairment requirement has been identified since the carrying value is lower than calculated value in use.

Intangible assets assignable to Mölnlycke Health Care consist of SEK 2,107 m. in customer contracts with a remaining useful life of three years, technology of SEK 833 m. with a remaining useful life of 19 years and trade names and brands of SEK 4,843 m. These trade names and brands have an indefinite useful life as Mölnlycke Health Care has a strong position on all core markets and will continue to actively use them. All of the trade names and brands have a long history and will continue to grow across the board with increasing net margins. Consolidated goodwill attributable to Mölnlycke Health Care amounts to SEK 19,444 m.

Impairment testing of goodwill for Aleris is based on the calculation of value in use in which assumptions of future growth and gross margins are important components. The estimated value is based on the budget up until 2012 and financial forecasts up until 2015. The estimate is taking the integration, future long term potential and fundamental value of the recent acquisitions of Proxima and Hamlet into account. A growth rate of 3-5 percent has been used to extrapolate the cash flows for the years beyond budgets and forecasts, which is considered reasonable given the company's historical growth. Estimated cash flows have been discounted using a discount rate of 8 percent after tax (10 percent pre tax). No impairment requirement has been identified since the carrying value is lower than calculated value in use.

Intangible assets assignable to Aleris consist of SEK 752 m. in customer contracts with a remaining useful life of four years. Consolidated goodwill attributable to Aleris amounts to SEK 5,175 m.

Note 14 Buildings and land

The revaluation model has been applied for properties owned by Swedish and foreign subsidiaries. Property valuations are regularly conducted by external appraisers. Fair value has been determined based on current market prices for comparable property and by using a return model based on a calculation of the present value of future cash flows.

The discount rate has been estimated at 6.8-7 percent and consists of an estimated long-term inflation rate of 2 percent, a risk-free long-term real rate of interest of 4 percent and a risk premium of about 0.8 percent. Payments for operations and maintenance have been assessed following the rate of inflation during the calculation period.

The residual value has been assessed by the long-term, normalized net operating income for the year after the calculation period divided by an estimated long-term yield. The long-term yield requirement has been assessed to be in a span of 4.75 percent to 4.85 percent. Value determined on an earnings basis nominal development during the calculation period will then be

Part of the properties was revalued during 2010. The Hotel properties have been revalued by June 30, 2011 and some office properties by December 31,

	12/31 2011				12/31 2010	
	Buildings	Land	Total	Buildings	Land	Total
Group						
Revalued cost						
Opening balance	2,151	526	2,677	1,651	491	2,142
Business combinations	_	-	-	437	36	473
Other acquisitions	15	-	15	4	-	4
Sales and disposals	-31	-8	-39	-3	_	-3
Reclassifications	84	-	84	-1	-	-1
Effect of revaluations on revaluation reserve	318	-	318	-	-	_
Exchange rate differences	-5	0	-5	-13	-1	-14
At year-end	2,532	518	3,050	2,075	526	2,601
Accumulated depreciation						
Opening balance	-449	_	-449	-345	_	-345
Sales and disposals	5	-	5	1	-	1
Depreciation for the year	-52	_	-52	-33	_	-33
Effect of revaluations on revaluation reserve	-60	_	-60	_	_	_
Exchange rate differences	0	-	0	4	-	4
At year-end	-556	_	-556	-373	-	-373
Carrying amount at year-end	1,976	518	2,494	1,702	526	2,228
Carrying amount if acquisition						
cost method had been used	1,219	521	1,740	1,193	528	1,721

The Group's buildings and land are mainly attributable to operating subsidiaries.

Note 15 Machinery and equipment

		12/31	2011			12/31	2010	
	Machinery	Furniture, fixtures and fittings	Expenditure on leased property	Total	Machinery	Furniture, fixtures and fittings	Expenditure on leased property	Total
Group								
Accumulated costs								
Opening balance	502	1,216	53	1,771	-	785	_	785
Business combinations	-	121	23	144	461	443	45	949
Other acquisitions	170	279	18	467	59	48	10	117
Sales and disposals	-37	-64	-2	-103	-12	-44	-1	-57
Reclassifications	-67	-48	_	-115	5	-4	_	1
Exchange rate differences	-5	-4	-1	-10	-11	-12	-1	-24
At year-end	563	1,500	91	2,154	502	1,216	53	1,771
Accumulated depreciation and impairment								
Opening balance	-32	-411	-3	-446	_	-414	_	-414
Sales and disposals	33	53	2	88	12	42	1	55
Reclassifications	-3	4	_	1	_	_	_	_
Depreciation for the year	-123	-158	-20	-301	-48	-45	-5	-98
Exchange rate differences	3	0	2	5	4	6	1	11
At year-end	-122	-512	-19	-653	-32	-411	-3	-446
Carrying amount at year-end	441	988	72	1,501	470	805	50	1,325

In machinery and equipment, SEK 22 m. (26) is attributable to investing activities. Expenditure on leased property in the Group is attributable to Aleris.

	Furniture, fixtures and fittings		
-	12/31 2011	12/31 2010	
Parent Company			
Accumulated costs			
Opening balance	44	45	
Other acquisitions	8	3	
Sales and disposals	-2	-4	
At year-end	50	44	
Accumulated depreciation and impairment			
Opening balance	-25	-25	
Sales and disposals	2	4	
Depreciation for the year	-5	-4	
At year-end	-28	-25	
Carrying amount at year-end	22	19	

Note 16 Shares and participations recognized at fair value

Core Investments 118,019 10 118,029	Financial Investments 1,223 21,377	Total 119,242
10	,	119,242
10	,	
118.029		21,387
•	22,600	140,629
	Financial	
Core Investments	Investments	Total
134,314	1,400	135,714
10	18,445	18,455
134,324	19,845	154,169
	Financial	
Core Investments	Investments	Total
134,324	19,845	154,169
7,586	3,676	11,262
-1,967		-7,387
- -21 914		35 –17,450
118,029	22,600	140,629
	Financial	
Core Investments	Investments	Total
107,203	18,871	126,074
3,226	3,308	6,534
-	-3,811	-3,811
-	-316	-316
23,895	1,793	25,688
	Core Investments 107,203 3,226 -	- 35 -21,914 4,464 118,029 22,600 Core Investments Investments 107,203 18,871 3,226 3,308 3,811 316

In addition to the above holdings of securities, there are commitments for add-on investments amounting to SEK 4,763 m. (3,727). The tables above include interests in associates recognized at fair value in accordance with IAS 39.

For shares and participations recognized at fair value, SEK 140,624 m. (154,163) is attributable to investing activities.

Note 17 Long-term receivables and other receivables

	12/31 2011	12/31 2010
Group Long-term receivables		
Receivables from associates ¹⁾	4.943	4,806
Derivatives	796	484
Other	306	241
Total	6,045	5,531
Of which: Investing activities Long-term receivables		
Receivables from associates ¹⁾	4,943	4,806
Derivatives	796	484
Other	46	50
Total investing activities	5,785	5,340

¹⁾ Refers to shareholder loans including capitalized interest.

	12/31 2011	12/31 2010
Group		
Other receivables		
Receivables from associates	0	3
Derivatives	108	150
Incoming payments	23	143
Other	133	446
Total	264	742
Of which:		
Investing activities		
Other receivables		
Receivables from associates	0	3
Derivatives	61	1
Incoming payments	23	143
Other	100	290
Total investing activities	184	437

Note 18 Inventories

	12/31 2011	12/31 2010
Group		
Raw materials and consumables	300	289
Work in progress	48	56
Finished goods	793	1,100
Supplies	-	20
Total	1,141	1,465

The Group's inventories are attributable to activities in operating subsidiaries. Of total inventories SEK 1,141 m. (309) is valued at cost and SEK 0 m. (1,156) at net realizable value.

Note 19 Prepaid expenses and accrued income

	12/31 2011	12/31 2010
Group		
Interest	564	575
Other financial receivables	27	14
Other	285	173
Total	876	762
Of which:		
Investing activities		
Interest	563	567
Other financial receivables	-	14
Other	14	16
Total investing activities	577	597
	12/31 2011	12/31 2010
Parent Company		
Interest	23	_
Other	11	12
Total	34	12

Note 20 Shares and participations in trading operation

	12/31 2011	12/31 2010
Group		
Shares	1,094	3,866
Options	_	26
Forward contracts	-	134
Total	1,094	4,026

The Group's shares and participations are attributable to investing activities. Active Portfolio Management was wound up during the first half of 2011, although a limited trading operation is remaining.

Note 21 Short-term investments and other financial investments

Excess liquidity is to be invested for maximum return within the framework of given limits for foreign exchange, interest rate, credit and liquidity risks see Note 31, Risk exposure and risk management.

· ·		_			
Group				To	tal
	3-6	7-12	13-24	Carrying	Nominal
12/31 2011	months	months	months	amount	value
Group					
Short-term investments	6,071	2,689	-	8,760	8,783
Other financial investments	-	-	1,967	1,967	1,724
Total	6,071	2,689	1,967	10,727	10,507
Of which:					
Investing activities					
Short-term investments	6,071	2,689	-	8,760	8,783
Other financial investments	-	-	1,943	1,943	1,700
Total investing activities	6,071	2,689	1,943	10,703	10,483
Group				To	tal
	3-6	7–12	13-24	Carrying	Nominal
12/31 2010	months	months	months	amount	value
Group					
Short-term investments	8,996	299	-	9,295	9,285
Other financial investments	-	-	665	665	660
Totalt	8,996	299	665	9,960	9,945
Of which:					
OT WINCIL.					
Investing activities					
	8,996	299	_	9,295	9,285
Investing activities	8,996 –	299 –	– 665	9,295 665	9,285 660
Investing activities Short-term investments	8,996 - 8,996	299 - 299	- 665		

Short-term investments and other financial investments consist of interestbearing securities.

Total funds available for investments amounted to SEK 13.1021 m. and include cash and cash equivalents, as specified in Note 22, Statement of Cash Flows.

Note 22 Statement of Cash Flows

Cash and cash equivalents		
	12/31 2011	12/31 2010
Group		
Cash and cash equivalents include:		
Short-term investments equivalent to cash	1,247	2,018
Cash on hand and balances with banks	3,065	666
Total	4,312	2,684

Of cash and cash equivalents, 2,399 (2,164) is attributable to investing activities.

Short-term investments with a maturity of three months or less from the date of acquisition have been classified as cash and cash equivalents on the basis that:

- there is an insignificant risk of changes in value
- they are readily convertible to cash

The Parent Company does not report cash and cash equivalents since liquidity needs are covered by funds in the joint bank account for the Group. These funds are reported as balances with the Group's internal bank, AB Investor Group Finance.

¹⁾ Cash and cash equivalents attributable to core investments subsidiaries and Investor Growth Capital have been excluded.

Note 23 Equity

Specification of reserves in equity			
	12/31 2011	(Restated) 12/31 2010	(Restated) 1/1 2010
Group			
Translation reserve			
Opening balance	-168	395	314
Translation differences for the year,	26	0.51	10.4
subsidiaries Less: hedging of exchange risk	-36	-951	-184
in foreign operations	41	458	222
Less: translation differences attributed	• • • • • • • • • • • • • • • • • • • •	150	222
to divested operations	_	_	3
Change for the year, associates	-186	-70	40
	-349	-168	395
Revaluation reserve			
Opening balance	377	385	550
Revaluation of non-current assets			
for the year	258	_	-212
Tax relating to revaluations for the year	-68	-	56
Release of Revaluation reserve due to			
depreciation of revalued amount	-9	-8	-9
	558	377	385
Hedging reserve			
Opening balance	-273	-747	-299
Cash flow hedges			
Change in fair value of cash flow	476	210	257
hedges for the year Change in Income Statement	-476 231	210 15	-357
Tax relating to changes in fair value of	231	13	_
cash flow hedges for the year	29	-21	_
Change for the year, associates	-3	270	-91
	-492	-273	-747
Total reserves			
Opening balance	-64	33	565
Change in reserves for the year:	٥.	33	303
Translation reserve	-181	-563	81
Revaluation reserve	181	-8	-165
Hedging reserve	-219	474	-448
Carrying amount at year-end	-283	-64	33

Share capital

Share capital in the Parent Company.

Other contributed equity

Refers to equity contributed by shareholders. It also includes premiums paid in connection with new stock issues.

Translation reserve

The translation reserve includes all foreign exchange differences arising on the translation of financial statements from foreign operations reported in a currency different from the reporting currency of the Group. The translation reserve also comprises exchange rate differences arising in conjunction with the translation of swap contracts reported as hedging instruments of a net investment in a foreign operation. Changes in translation reserve had no impact on reported tax.

Revaluation reserve

The revaluation reserve includes changes in value relating to owner-occupied property and related taxes.

Hedging reserve

The hedging reserve includes the effective component of the accumulated net change of fair value and related taxes, of an instrument used for a cash flow hedge, relating to hedging transactions not yet accounted for in the Profit and loss. Changes in the hedging reserve has had an impact on reported tax, see Note 1, Accounting policies, under the heading Accounting policies of the Parent Company.

Retained earnings, including profit/loss for the year

Retained earnings, including profit/loss for the year, consist of accumulated profits in the Parent Company and its subsidiaries and associates. Previous provisions to the statutory reserve, less transferred share premium reserves, are included in this item under equity.

Non-controlling interest

Non-controlling interest includes the portion of equity not owned by the Parent Company.

Repurchased shares

Repurchased shares include the cost of acquiring own shares held by the Parent Company. On December 31, 2011, the Group held 6,669,158 of its own shares (6,683,800).

Repurchased shares included in retained earnings under equity, including profit/loss for the year

	Number of shares		Amounts equity,	
	2011	2010	2011	2010
Opening balance, repurchased own shares Sales/purchases for the year	6,683,800 -14,642	4,683,800 2,000,000	-891 2	-628 -263
Balance at year-end, repurchased own shares	6,669,158	6,683,800	-889	-891

Dividend

Investor's distribution policy is to declare dividends attributable to a high percentage of dividends received from listed core investments, as well as to make a distribution from other net assets corresponding to a yield in line with the equity market. Investor's goal is also to generate a steadily rising annual dividend

After the Balance Sheet date, the Board of Directors proposed a dividend for 2011 amounting to SEK 4,603 m. (SEK 6.00 per share). The dividend is subject to the approval of the annual General Meeting on April 17, 2012. The dividend for 2010 amounted to SEK 3,802 m. (SEK 5.00 per share) and the dividend for 2009 amounted to 3,050 m. (SEK 4.00 per share). Dividends paid out per share for 2010 and 2009 corresponds to proposed dividend per share.

Capital management

In order to be able to act upon business opportunities at any point in time, it is vital for Investor to maintain financial flexibility. The Group's goal is to have a leverage (net debt as a percentage of total assets) of 5-10 percent over an economic cycle. The ceiling for Investor's leverage has been set at a maximum of 25 percent, which may only be exceeded on a short-term basis. Leverage at the opening balance was 6.3 percent and at the end of 2011 9.8 percent. The change is mainly due to cash flows arising from acquisition, additional investments in Aleris, ABB, Electrolux, Ericsson, Husqvarna, NASDAQ OMX and Sobi as well as dividends paid to shareholders.

The Group's total shareholder return objective (sum of the share price change and dividend) is to exceed the risk-free interest rate plus a risk premium. The return objective for the Core Investments business area is currently 8-9 percent and for the Financial Investments business area an annual return of 15 percent. Capital is defined as total recognized equity.

The subsidiaries within business area Core Investments have their financing from external banks that are linked to certain credit conditions, the conditions have been met during the year. Neither the Parent Company nor any of the subsidiaries within investing activities are subject to external capital demands.

Equity	12/31 2011	12/31 2010
Attributable to shareholders		
of the Parent Company	156,070	169,386
Attributable to minority interest	649	665
Total	156,719	170,051

Effect of changes in accounting policies

The associate 3 Scandinavia has changed the accounting policy for customer acquisition (CAC), and customer retention costs (CRC) see Note 1, Accounting policies.

Note 23, cont'd Equity

Effect of changes in accounting policies		2010
Group		
Profit for the year according to previous		
accounting policies		30,693
Effect on Shares of results of associates		-82
Profit for the year according to new		
accounting policies		30,611
	12/31 2010	1/1 2010
Group		
Shares and participations in associates		
according to previous accounting policies	2,576	4,718
Effect on Shares and participations in		
associates ¹⁾	-561	-487
Shares and participations in associates		
according to new accounting policies	2,015	4.231
according to new accounting policies	2,013	4,231

1) Effect on retained earnings as well.

Parent Company Restricted equity

Restricted equity may not be reduced through profit distribution.

Unrestricted equity Hedging reserve

Investor applies the regulations of the Swedish Annual Accounts Act concerning the valuation of financial instruments at fair value in accordance with chapter 4, Section 14a-e. The hedging reserve includes the effective component of the accumulated net change of fair value of an instrument used for a cash flow hedge, relating to hedging transactions not yet accounted for in the Profit and loss. The change in value is recognized in other Comprehensive income. Changes in the hedging reserve have no effect on the reported tax expense since the Parent Company is taxed in accordance with the regulations for industrial holdings in Sweden.

Retained earnings

Retained earnings consist of the preceding year's unrestricted equity after any dividend payment. Retained earnings, together with net income for the year, comprise the total unrestricted equity in the company – the funds available for the dividend to shareholders.

Distribution of share capital

The Parent Company's share capital on December 31, 2011, as well as on December 31, 2010 consists of the following numbers of shares with a quota of SEK 6.25 per share:

Share class	Number of shares	Number of votes	Capital	Votes
A 1 vote B 1/10 vote	311,690,844 455,484,186	311,690,844 45,548,418	40.6 59.4	87.2 12.8
Total	767.175.030	357.239.262	100.0	100.0

Note 24 Interest-bearing liabilities

Investor's funding is primarily done through long-term loan programs in the Swedish and European capital markets. Investor has a European Medium Term Note Program (EMTN), which is a loan program intended for long-term financing. The program is for EUR 5.0 bn. (SEK 44.7 bn.), of which EUR 3.0 bn. (SEK 27.0 bn.) has been utilized. For short-term financing Investor has an uncommitted Swedish and a European Commercial Paper program (CP/ECP) for SEK 10.0 bn. and USD 1.5 bn. (SEK 10.4 bn.), respectively. None of the Commercial Paper programs have been utilized during 2011. Investor also has a committed syndicated bank loan facility of SEK 10.0 bn. until July 2016, with an option of another two years additional extension, which can be used for financing and as a liquidity reserve. This facility was unutilized at year-end. In contrast to an uncommitted credit facility, a committed loan program is a formalized commitment from the credit grantor. There are no financial covenants in any of Investor AB's loan contracts, meaning that Investor does not have to meet special requirements with regard to key financial ratios for the loans it has obtained.

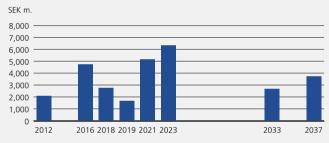
Derivative instruments (currency/interest swap contracts) are used to manage exposure against fluctuating exchange rates and interest rates.

See Note 31, Risk exposure and risk management for more information about currency and interest rate risk management in the debt portfolio.

At year-end, the average maturity of the debt portfolio was 11.2" years (12.1).

The following chart shows the maturity profile of the loans (nominal value).

Maturity profile



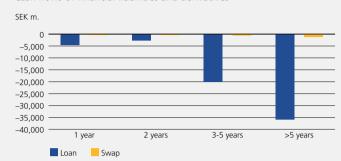
 The average maturity calculated excluding debt attributed to Mölnlycke Health Care, Aleris and Grand Hotel.

	12/31 2011	12/31 2010
Group		
Long-term interest-bearing liabilities		
Bond loans with hedged portion valued at fair value	17,891	18,402
Related interest rate derivatives with negative value	1,181	1,731
Bond loans valued at amortized cost	9,478	3,370
Bank loans valued at amortized cost	16,087	17,009
Finance lease liabilities	54	19
Other long-term interest-bearing liabilities	2	5
	44,693	40,536
Short-term interest-bearing liabilities		
Bond loans with hedged portion valued at fair value	1,935	-
Related interest rate derivatives with negative value	950	756
Bond loans valued at amortized cost	134	90
Bank loans valued at amortized cost	412	75
Finance lease liabilities	23	7
Other short-term interest-bearing liabilities	25	20
	3,479	948
Total	48,172	41,484

Note 24, cont'd Interest-bearing liabilities

Of which: Investing activities		
Long-term interest-bearing liabilities		
Bond loans with hedged portion valued at fair value	17,891	18,402
Related interest rate derivatives with negative value	1,130	1,731
Bond loans valued at amortized cost	9,478	3,370
	28,499	23,503
Short-term interest-bearing liabilities		
Bond loans with hedged portion valued at fair value	1,935	-
Related interest rate derivatives with negative value	24	_
Bond loans valued at amortized cost	134	90
	2,093	90
Total investing activities	30,592	23,593
	12/31 2011	12/31 2010
Parent Company		
Long-term interest-bearing liabilities		
Bond loans with hedged portion valued at fair value Bond loans valued at amortized cost	2,464	2,182
Bond loans valued at amortized cost	22,911	18,742
	25,375	20,924
Short-term interest-bearing liabilities	2.056	0.0
Bond loans valued at amortized cost	2,056	90
	2,056	90
Total	27,431	21,014
	12/31 2011	12/31 2010
Group, carrying amounts		
Maturity, less than 1 year from Balance Sheet date	2,529	192
Maturity, 1–5 years from Balance Sheet date	15,938	10,914
Maturity, more than 5 years from Balance Sheet date	27,574	27,891
Total	46,041	38,997
Total	40,041	30,997
Of which:		
Investing activities, carrying amounts	2.060	00
Maturity, less than 1 year from Balance Sheet date Maturity, 15 years from Balance Sheet date	2,069 4,832	90 2,149
Maturity, more than 5 years from		
Balance Sheet date	22,537	19,623
Total investing activities	29,438	21,862
	12/31 2011	12/31 2010
Parent Company, carrying amounts	2.055	0.0
Maturity, less than 1 year from Balance Sheet date Maturity, 1–5 years from Balance Sheet date	2,056	90 2,067
ivialully, 1-3 years from palatice street date		
	4,449	2,007
Maturity, more than 5 years from Balance Sheet date	20,926	18,857

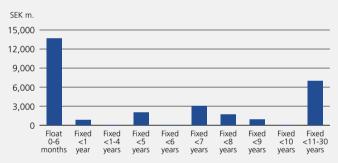
Cash flows of financial liabilities and derivatives 1)



1) Interest payments included.

Taking into account existing interest swaps, the average effective interest rate on loans was 4.26 percent (3.69). The average interest rate fixing tenor was 4.7 years at year-end (3.7).

Interest rate tenor¹⁾



1) Excluding interest rate tenor attributed to Mölnlycke Health Care, Aleris and Grand Hôtel.

Group, Finance lease liabilities

Group, rinarice lease habilities						
	12/31 2011			12/31 2010		
	Future mini- mum lease payments	Interest	Present value of minimum lease pay- ments	Future mini- mum lease payments	Interest	Present value of minimum lease pay- ments
Maturity, less than 1 year from Balance Sheet date	25	-2	23	8	-1	7
Maturity, 1–5 years from Balance Sheet date	57	-3	54	20	-1	19
Maturity, more than 5 years from						
Balance Sheet date	-	_			-	
Total	82	-5	77	28	-2	26

Note 25 Provisions for pensions and similar obligations

Provisions for defined benefit plans

Investor offers its employees pension benefits under various plans. Pension benefits are in the form of defined benefit plans and defined contribution plans, in which the company makes either cash payments to retirement benefit plans or obtains pension insurance policies.

Provisions for pensions and similar obligations	12/31 2011	12/31 2010
Group		
Present value of funded or partly funded obligations	758	459
Present value of unfunded obligations	324	420
Total present value of defined benefit plans	1,082	879
Fair value plan assets	-475	-338
Restriction in accounting of surplus in the benefit plan		_
regarding asset ceiling	3	3
Net of present value of obligation and		
fair value of plan assets	610	544
Provision for payroll tax on pension obligation	63	58
Net obligations for defined benefit plans		
recognized in the Balance Sheet.		
Pensions and similar obligations	673	602
Net amount in the Balance Sheet	673	602
Net amount in the Balance Sheet	0,3	002
Net amount in the Balance Sheet attributable		
to investing activities	215	245
Changes in the obligations for defined benefit plans		
recognized in the Balance Sheet	12/31 2011	12/31 2010
Group Group		
Defined benefit plan obligations per January 1	879	404
Acquired/sold obligations, this year	0,5	441
Benefits paid	-35	-28
Expense for service within current period	49	7
nterest expense on obligations	40	20
Adjustment amount	-14	-11
Additional pension obligations	142	7
Actuarial gains and losses	26	40
Exchange rate differences	-5	-1
Obligations for defined benefit plans	1,082	879
per December 31	.,032	3,3
Changes in fair value of plan assets	12/31 2011	12/31 2010
Group		
Fair value of plan assets per January 1	338	170

Changes in fair value of plan assets	12/31 2011	12/31 2010
Group		
Fair value of plan assets per January 1	338	170
Fair value of acquired obligations, this year	0	139
Fees from employer	48	17
Paid compensations	-9	-7
Expected returns on plan assets	22	10
Adjustment amount	-7	0
Additional pension obligations	99	3
Difference in expected and real return		
(actuarial gain or loss)	-9	6
Exchange rate differences	-7	0
Fair value of plan assets per December 311)	475	338

¹⁾ Plan assets comprise 50 percent government bonds and 50 percent equity securities.

Group Expense for service within current					2010
Expense for service within curren					_
				49	7
Expense for service within previous	ous period	S		-7 40	-11 20
Interest expense on obligations Expected returns on plan assets				40 –22	20 –10
Additional pension obligations				-22 43	-10 4
Restriction in accounting of surp	dus in			43	4
the benefit plan regarding ass				1	1
Exchange rate differences				2	1
Change of provision payroll tax				5	4
Total net expense in the Inco	me Stater	nent		111	16
The expense is recognized in the	e following	lines			
in the Income Statement	_			2011	2010
Group					
Operating costs				78	6
Financial income				-18	-10
Financial expenses				51	20
Obligations for employee ber	nefits			111	16
Actuarial gains and losses recognicomprehensive income statem		her			
•					
Group					
Group Accumulated per January 1				139	106
				139 35	106 33
Accumulated per January 1	31				
Accumulated per January 1 Recognized during the period	31			35	33
Accumulated per January 1 Recognized during the period Accumulated per December 3	2011	2010	2009	35	33
Accumulated per January 1 Recognized during the period Accumulated per December 3 1) The amount includes payroll tax.		2010	2009	35 174	33 139
Accumulated per January 1 Recognized during the period Accumulated per December 3 1) The amount includes payroll tax. Historical information ¹⁾ Present value of defined benefit plans		2010	2009	35 174	33 139
Accumulated per January 1 Recognized during the period Accumulated per December 3 1) The amount includes payroll tax. Historical information ¹⁾ Present value of defined	2011			35 174 2008	33 139 2007
Accumulated per January 1 Recognized during the period Accumulated per December 3 1) The amount includes payroll tax. Historical information ¹⁾ Present value of defined benefit plans	2011	879	404	35 174 2008	33 139 2007
Accumulated per January 1 Recognized during the period Accumulated per December 3 1) The amount includes payroll tax. Historical information ¹⁾ Present value of defined benefit plans Fair value of plan assets Deficit/surplus (+/-) in plan	2011 1,082 -472	879 -335	404 -168	35 174 2008 423 –162	33 139 2007 192 –
Accumulated per January 1 Recognized during the period Accumulated per December 3 1) The amount includes payroll tax. Historical information ¹⁾ Present value of defined benefit plans Fair value of plan assets Deficit/surplus (+/-) in plan Experience adjustments arising	1,082 -472 610	879 –335 544	404 –168 236	2008 2008 423 -162 261	33 139 2007 192 –
Accumulated per January 1 Recognized during the period Accumulated per December 3 1) The amount includes payroll tax. Historical information ¹⁾ Present value of defined benefit plans Fair value of plan assets Deficit/surplus (+/-) in plan	2011 1,082 -472	879 -335	404 -168	35 174 2008 423 –162	33 139 2007 192 –
Accumulated per January 1 Recognized during the period Accumulated per December 3 1) The amount includes payroll tax. Historical information ¹⁾ Present value of defined benefit plans Fair value of plan assets	2011 1,082 -472	879 -335	404 -168	35 174 2008 423 –162	33 139 2007 192 –

¹⁾ Information for valuation of defined benefit plans regarding BTP as well as information regarding experience adjustments available as of 2008.

The group estimates that SEK 11 m. will be paid to defined benefit plans during 2012.

Provisions for pensions and similar obligations	12/31 2011	12/31 2010
Parent Company		
Present value of funded or partly funded obligations	197	184
Present value of unfunded obligations	136	141
Total present value of defined benefit plans	333	325
Fair value plan assets Restriction in accounting of surplus in the benefit	-183	-167
plan regarding asset ceiling	3	3
Net of present value of obligation		
and fair value of plan assets	153	161
Provision for payroll tax on pension obligation	50	51
Net obligations for defined benefit plans recognized in the Balance Sheet.		
Provisions for pensions and similar obligations	203	212
Net amount in the Balance Sheet	203	212

	4.6	B 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		and the second second
Note 25	, cont'd	Provisions	tor	pensions

Changes in the obligations for defined benefit plans		
recognized in the Balance Sheet	12/31 2011	12/31 2010
Parent Company		
Defined benefit plan obligations per January 1	325	333
Benefits paid	-25	-24
Expense for service within current period	6	. 7
Interest expense on obligations	12	12
Adjustment amount	2	2
Additional pension obligations	12	-5
Actuarial gains and losses Exchange rate differences	12	-5 -2
		-2
Obligations for defined benefit plans	222	225
per December 31	333	325
Changes in fair value of plan assets	12/31 2011	12/31 2010
Parent Company		
Fair value of plan assets per January 1	167	146
Fees from employer	11	10
Paid compensations	-6	-6
Future returns on plan assets	8	7
Additional pension obligations	0	3
Difference in expected and real return	3	7
(actuarial gain or loss)	3	/
Fair value of plan assets per December 311)	183	167

1) Plan assets comprise 50 percent government bonds and 50 percent equity securities.

Expense recognized in the Income Statement	2011	2010
Parent Company		
Expense for service within current period	6	7
Expense for service within previous periods	1	1
Interest expense on obligations	12	12
Future returns on plan assets	-9	-7
Additional pension obligations	0	0
Recognized actuarial gains (–) and losses (+)	10	-12
Restriction in accounting of surplus in the benefit		
plan regarding asset ceiling	0	1
Exchange rate differences	1	-2
Change of provision, payroll tax	6	1
Total net expense in the Income Statement	27	1
The expense is recognized in the following lines in		
The expense is recognized in the following lines in the Income Statement	2011	2010
the Income Statement	2011	2010
	2011	2010 -2
the Income Statement Parent Company		
the Income Statement Parent Company Operating costs	17	-2
the Income Statement Parent Company Operating costs Interest income and similar items	17 -8	-2 -7
the Income Statement Parent Company Operating costs Interest income and similar items Interest expenses and similar items	17 -8 18	-2 -7 10
the Income Statement Parent Company Operating costs Interest income and similar items Interest expenses and similar items Total net expense in the Income Statement Assumptions for defined benefit obligations The most significant actuarial assumptions on the	17 -8 18	-2 -7 10
the Income Statement Parent Company Operating costs Interest income and similar items Interest expenses and similar items Total net expense in the Income Statement Assumptions for defined benefit obligations	17 -8 18	-2 -7 10
the Income Statement Parent Company Operating costs Interest income and similar items Interest expenses and similar items Total net expense in the Income Statement Assumptions for defined benefit obligations The most significant actuarial assumptions on the Balance Sheet date (expressed as weighted	17 -8 18 27	-2 -7 10 1
the Income Statement Parent Company Operating costs Interest income and similar items Interest expenses and similar items Total net expense in the Income Statement Assumptions for defined benefit obligations The most significant actuarial assumptions on the Balance Sheet date (expressed as weighted averages):	17 -8 18 27	-2 -7 10 1
the Income Statement Parent Company Operating costs Interest income and similar items Interest expenses and similar items Total net expense in the Income Statement Assumptions for defined benefit obligations The most significant actuarial assumptions on the Balance Sheet date (expressed as weighted averages): Group and Parent Company	17 -8 18 27	-2 -7 10 1
the Income Statement Parent Company Operating costs Interest income and similar items Interest expenses and similar items Total net expense in the Income Statement Assumptions for defined benefit obligations The most significant actuarial assumptions on the Balance Sheet date (expressed as weighted averages): Group and Parent Company Discount rate on December 31	17 -8 18 27 12/31 2011 3.75%	-2 -7 10 1 12/31 2010

Note 26 Other provisions

	12/31 2011	12/31 2010
 Group	12/31 2011	12/31 2010
Provisions expected to be paid within 12 months Other	89	14
Total	89	14
Of which: Investing activities Provisions expected to be paid within 12 months		
Other	46	12
Total investing activities	46	12
	12/31 2011	12/31 2010
Group Provisions expected to be paid after more than 12 months		
Provision for social security contributions for long-term share-based remuneration	26	29
Other	222	49
Total	248	78
Of which: Investing activities Provision for social security contributions		
for long-term share-based remuneration Other	25 22	29 12
Total investing activities	47	41
Total Other provisions	337	92
Of which investing activites	93	53
	12/31 2011	12/31 2010
Group Provision for social security contributions for long-term share-based remuneration	20	20
Opening balance Provisions for the year	29 2	28 4
Reversals for the year	-5	-3
Carrying amount at year-end	26	29
	12/31 2011	12/31 2010
Group Other Opening balance Provisions for the year	63 363	33 49
Reversals for the year Total	-115 311	-19 63
Total Other provisions	337	92
Of which: Investing activities Other	337	32
Opening balance	24	33
Provisions for the year Reversals for the year	77 –33	10 –19
Carrying amount at year-end, investing activities	68	24

Expenses for defined contribution plans 278 22 19 14

Defined contribution plans

 Group
 Parent Company

 2011
 2010
 2011
 2010

Note 26, cont'd Other provisions

	12/31 2011	12/31 2010
Parent Company		
Provisions expected to be paid within 12 months		
Other	43	12
Total	43	12
Provisions expected to be paid after more		
than 12 months		
Provisions for social security contributions		2.5
for long-term share-based remuneration	25	26
Other	22	12
	47	38
Total	90	50
Provision for social security contributions for long-term share-based remuneration		
Opening balance	26	26
Provisions for the year	2	3
Reversals for the year	-3	-3
Carrying amount at year-end	25	26
Other		
Opening balance	24	33
Provisions for the year	66	10
Reversals for the year	-25	-19
Carrying amount at year-end	65	24
Total	90	50

Note 27 Other liabilities

	12/31 2011	12/31 2010
Group		
Shares on loan	24	859
Forward contracts	53	19
Incoming payments	26	97
Personnel-related	116	77
Derivatives	7	78
Other	358	340
Total	584	1,470
Of which:		
Investing activities		
Shares on loan	24	859
Forward contracts	0	19
Incoming payments	26	97
Personnel-related	7	12
Derivatives	3	0
Other	130	114
Total investing activities	190	1,101

Note 28 Accrued expenses and deferred income

	12/31 2011	12/31 2010
Group		
Interest	1,042	869
Invoiced but not performed services	21	_
Personnel-related expenses	882	669
Other	320	485
Total	2,265	2,023
Of which:		
Investing activities		
Interest	974	787
Personnel-related expenses	116	40
Other	24	159
Total investing activities	1,114	986
	12/31 2011	12/31 2010
Parent Company		
Interest	660	482
Personnel-related expenses	72	37
Other	8	44
Total	740	563

Note 29 Financial assets and liabilities

The following is a description of the methods and assumptions used to determine the fair value of financial assets and liabilities shown in this annual report.

SHARES AND PARTICIPATIONS IN INVESTING ACTIVITIES Listed holdings

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

Unlisted holdings and fund holdings

Unlisted holdings are measured 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.

For directly owned holdings (i.e. those owned directly by a company in the Investor Group), an overall evaluation is made to determine the measurement 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 deduction for individually determined adjustments as a consequence of, for example, the size difference between the company being valued and the sample of comparable companies. In those cases when other measurement methods better reflect the fair value of a holding, this value is used, which means that certain holdings are measured with methods other than the ones described above. Method of how the credit risk is calculated is presented in Note 31, Risk exposure and risk management.

Unlisted holdings in funds are measured at Investor's share of the value that the fund manager reports for all unlisted holdings in the fund and is normally updated when a new valuation is received. If Investor'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. Listed holdings in funds are measured in the same way as listed holdings, as described above.

SHARES AND PARTICIPATIONS IN TRADING OPERATION

All holdings are listed and are valued on the basis of their share price (bid price, if there is one quoted) on the Balance Sheet date.

Short-term investments

The fair value of short-term investments is determined on the basis of their quoted bid price on the Balance Sheet date. The fair value of other short-term investments is determined by discounting the estimated future cash flows in accordance with the terms and expiration of the contract, based on the market interest rates for the similar instruments on the Balance Sheet date.

Derivative instruments

The fair value of foreign exchange contracts is determined on the basis of quoted rates, if such rates are available. If the rates are not available, the fair value is determined by discounting the difference between the contracted forward rate and the forward rate that can be contracted on the Balance Sheet date for the remaining contract period. The discount is made at a risk-free interest rate based on the rate for government bonds.

The fair value of interest rate swaps is based on a discount of the estimated future cash flows in accordance with the terms and expiration date of the contract, based on the market interest rates for similar instruments on the Balance Sheet date.

Options

Total

The fair value of options is determined on the basis of quoted rates, if such rates are available. The value of unlisted options is calculated in accordance with the Black & Scholes valuation model.

Loans

The fair value is based on market prices and generally accepted methods, in which future cash flows have been discounted at the current interest rate.

Interest-bearing liabilities

The fair value is based on market prices and generally accepted methods, in which future cash flows have been discounted at the current interest rate, including Investor's current credit rating, for the remaining life.

Trade receivables and trade payables

The carrying amounts of trade receivables and trade payables with remaining life less than six months are considered to reflect their fair value. Trade receivables and trade payables with a life longer than six months are discounted when the fair value is determined.

Interest rates used to determine fair value

When discounting financial instruments on December 31, 2011, Investor used the market rate and relevant interest spread for each instrument.

48,676

50,866

50.713

Financial assets and liabilities by valuation category

		rofit or loss						
Group 12/31 2011	Fair value option	Held for trading	Derivatives used in hedge accounting	Loans and receivables	Available-for- sale financial assets	Other liabilities	Total carrying amount	Fair value
Financial assets								
Shares and participations								
recognized at fair value	140,624	-	-	-	5	-	140,629	140,629
Other financial investments	1,943	-	-	24	-	-	1,967	1,967
Long-term receivables	-	_	796	5,249	_	_	6,045	6,045
Accrued interest income	-	_	_	564	_	_	564	564
Trade receivables	-	_	-	1,848	_	-	1,848	1,848
Other receivables	-	99	9	156	_	_	264	264
Shares and participations in								
trading operation	-	1,094	_	_	_	-	1,094	1,094
Short-term investments	8,760	_	_	_	_	_	8,760	8,760
Cash and cash equivalents	4,312	_	_	_	_	-	4,312	4,312
Total	155,639	1,193	805	7,841	5	-	165,483	165,483
Financial liabilities								
Long-term interest-bearing								
liabilities	_	472	709	_	_	43,512	44,693	44,556
Current interest-bearing liabilities	_	9	940	_	_	2,530	3,479	3,463
Trade payables	_	_	_	_	_	1,067	1,067	1,067
Accrued interest expenses	-	_	_	_	_	1,043	1,043	1,043
Other liabilities	-	29	31	-	_	524	584	584

510

1,680

Financial assets and liabilities

Financial assets and liabilities by valuation category

Financial assets and liabilities valued at fair value through profit or loss

Group 12/31 2010	Fair value option	Held for trading	Derivatives used in hedge accounting	Loans and receivables	Available-for- sale financial assets	Other liabilities	Total carrying amount	Fair value
Financial assets								
Shares and participations								
recognized at fair value	154,164	-	_	-	5	_	154,169	154,169
Other financial investments	665	-	_	-	_	_	665	665
Long-term receivables	_	179	305	5,047	_	_	5,531	5,531
Accrued interest income	_	-	-	575	-	_	575	575
Trade receivables	_	-	-	1,340	-	_	1,340	1,340
Other receivables	_	68	82	592	-	_	742	742
Shares and participations in								
trading operation	-	4,026	-	-	-	_	4,026	4,026
Short-term investments	9,295	-	-	-	-	_	9,295	9,295
Cash and cash equivalents	2,684	-	_	_	-	-	2,684	2,684
Total	166,808	4,273	387	7,554	5		179,027	179,027
Financial liabilities								
Long-term interest-bearing								
liabilities	_	144	1,587	_	_	38,805	40,536	39,305
Current interest-bearing liabilities	_	_	756	_	_	192	948	948
Trade payables	_	_	_	_	_	907	907	907
Accrued interest expenses	_	_	_	_	_	869	869	869
Other liabilities	-	1,027	26	-	-	417	1,470	1,470
Total	-	1,171	2,369	-	-	41,190	44,730	43,499

Financial assets and liabilities valued at fair value through profit or loss

	through profit or loss					
Parent Company 12/31 2011	Fair value option	Derivatives used in hedge accounting	Loans and receivables	Other liabilities	Total carrying amount	Fair value
Financial assets						
Other long-term holdings of						
securities	39,492	-	_	_	39,492	39,492
Participations in associates	75,311	-	_	_	75,311	75,311
Receivables from Group companies						
(non-current)	-	178	25,065	_	25,243	25,243
Trade receivables	_	-	3	_	3	3
Receivables from Group companies						
(current)	_	-	3,196	-	3,196	3,196
Receivables from associates	_	_	0	_	0	0
Other receivables	-	-	1	-	1	1
Total	114,803	178	28,265	-	143,246	143,246
Financial liabilities						
Loans (non-current)	_	_	_	25,375	25,375	28,018
Liabilities to Group companies						
(non-current)	_	1,169	_	0	1,169	1,169
Loans (current)	_	-	_	2,056	2,056	2,074
Trade payables	_	-	_	20	20	20
Liabilities to Group companies						
(current)	_	_	_	13,503	13,503	13,503
Accrued interest expenses	_	-	_	660	660	660
Other liabilities	3	-	_	_	3	3
Total	3	1,169	-	41,614	42,786	45,447

Financial assets and liabilities by valuation category

Financial assets and liabilities valued at fair value through profit or loss

Parent Company 12/31 2010	Fair value option	Derivatives used in hedge accounting	Loans and receivables	Other liabilities	Total carrying amount	Fair value
Financial assets						
Other long-term holdings of						
securities	41,038	_	_	_	41,038	41,038
Participations in associates	93,276	_	_	_	93,276	93,276
Receivables from Group companies						
(non-current)	_	_	26,024	_	26,024	26,024
Trade receivables	_	_	2	_	2	. 2
Receivables from Group companies						
(current)	_	_	1,185	_	1,185	1,185
Receivables from associates	_	_	0	_	0	0
Other receivables	-	-	1	_	1	1
Total	134,314	_	27,212	-	161,526	161,526
Financial liabilities						
Loans (non-current)	_	_	_	20,924	20,924	21,832
Liabilities to Group companies						
(non-current)	_	9291)	_	4,501	5,430	5,430
Loans (current)	_	-	_	90	90	91
Trade payables	_	-	_	11	11	11
Liabilities to Group companies						
(current)	-	-	-	7,838	7,838	7,838
Accrued interest expenses	-	-	-	482	482	482
Total	-	929	-	33,846	34,775	35,684

¹⁾ The allocation between assets and liabilities have been changed for 2010 for comparability with the current year.

Result from financial assets and liabilities by valuation category

Financial assets and liabilities valued at fair value through profit or loss

Group 2011	Fair value option	Held for trading	Derivatives used in hedge accounting	Loans and receivables	Other liabilities	Total
Operating profit/loss						
Dividends	4,316	14	_	_	_	4,330
Other operating income	480	_	_	_	_	480
Changes in value, including currency	-17,791	95	-	131	-	-17,565
Cost of sales, distribution expenses	-	68	-	-88	-	-20
Net financial items						
Interest	263	-125	-104	_	-2,171	-2,137
Changes in value	50	-573	1,237	_	-1,268	-554
Exchange rate changes	-	108	145	-77	-38	138
Total	-12,682	-413	1,278	-34	-3,477	-15,328

Result from financial assets and liabilities by valuation category

Financial assets and liabilities valued at fair value through profit or loss

			Derivatives used in hedge	Loans and		
Group 2010	Fair value option	Held for trading	accounting	receivables	Other liabilities	Total
Operating profit/loss						
Dividends	3,561	61	_	_	_	3,622
Other operating income	994	_	_	_	_	994
Changes in value, including currency	25,021	1,016	_	_	_	26,037
Cost of sales, distribution expenses		14		-27		-13
Net financial items						
Interest	117	-217	433	_	-1,108	-775
Changes in value	13	88	410	_	-415	96
Exchange rate changes	-1	609	-1,797	-1,150	1,847	-492
Total	29,705	1,571	-954	-1,177	324	29,469

Result from financial assets and liabilities by valuation category

Financial assets and liabilities valued at fair value through profit or loss

Parent Company 2011	Fair value option	Derivatives used in hedge accounting	Loans and receivables	Other liabilities	Total
Operating profit/loss					_
Dividends	3,998	_	-	_	3,998
Changes in value, including currency	-22,063	-	-	-	-22,063
Net financial items					
Interest	_	-44	1,969	-1,814	111
Changes in value	-	-46	153	-105	2
Exchange rate changes	_	0	81	59	140
Total	-18,065	-90	2,203	-1,860	-17,812

Financial assets and li-abilities valued at fair value through profit or loss

Parent Company 2010	Fair value option	Derivatives used in hedge accounting	Loans and receivables	Other liabilities	Total
Operating profit/loss					
Dividends	3,203	_	_	_	3,203
Changes in value, including currency	23,970	-	-	-	23,970
Net financial items					
Interest	-	-38	1,802	-1,526	238
Changes in value	-	13	55	-108	-40
Exchange rate changes		0	-2,894	3,216	322
Total	27,173	-25	-1,037	1,582	27,693

Assets and liabilities measured at fair value

The table below indicates how fair value is measured for the financial instruments recognized at fair value in the Balance Sheet. The financial instruments are placed in categories on three levels, depending on how the fair value is measured:

Level 1: According to quoted prices (unadjusted) in active markets for identical instruments Level 2: According to directly or indirectly observable inputs that are not included in Level 1

Level 3: According to inputs that are unobservable in the market

Financial assets and liabilities by level

Group 12/31 2011	Level 1	Level 2	Level 3	Total
Financial assets				
Shares and participations				
recognized at fair value	118,160	1,082	21,387	140,629
Other financial investments	1,943	_	_	1,943
Long-term receivables	1	434	361	796
Other receivables	_	108	_	108
Shares and participations in				
trading operation	1,094	_	_	1,094
Short-term investments	7,390	1,370	_	8,760
Cash and cash equivalents	4,312	-	-	4,312
Total	132,900	2,994	21,748	157,642
Financial liabilities				
Long-term interest-bearing liabilities	_	1,135	46	1,181
Short-term interest-bearing liabilities	_	950	_	950
Other liabilities	77	7	-	84
Total	77	2,092	46	2,215
Group 12/31 2010	Level 1	Level 2	Level 3	Total
Financial assets				
Shares and participations				
recognized at fair value	133,769	1,945	18,455	154,169
Other financial investments	665	-	-	665
Long-term receivables	21	463	_	484
Other receivables	_	1	_	1
Shares and participations in				
trading operation	4,026	_	_	4,026
Short-term investments	8,367	928	_	9,295
Cash and cash equivalents	2,684	_	_	2,684
Total	149,532	3,337	18,455	171,324
Financial liabilities				
Long-term interest-bearing liabilities	_	1,180	551	1,731
Short-term interest-bearing liabilities	_	756	_	756
Other liabilities	878	_	_	878
Total	878	1,936	551	3,365

The table below shows a reconciliation between opening and closing balance for the financial instruments recognized at fair value in the Balance Sheet derived from a valuation technique of unobservable input (level 3).

Shares and participations Long-term

Change of financial assets and liabilities in level 3

Group	12/31	2011
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Financial assets	recognized at fair value	receivables	Total
Opening balance Total gains or losses	18,455	-	18,455
in profit or loss	4,733	631	5,364
in other comprehensive income	-36	-270	-306
Acquisitions	3,447	_	3,447
Divestments	-5,035	_	-5,035
Transfers to Level 1	-177	-	- 177
Carrying amount at year-end	21,387	361	21,748
Total gains or losses for the period included in			
profit or loss for assets held at the end of the period	4.605	361	1.066
Changes in value	4,605		4,966
Total	4,605	361	4,966
		Long-term	
Financial liabilities		interest-bearing liabilities	Total
Opening balance		551	551
Total gains or losses			
in profit or loss		-263	-263
in other comprehensive income		-242	-242
Carrying amount at year-end		46	46
Total gains or losses for the period included in			
profit or loss for assets held at the end of the period			
Changes in value		-505	-505
Total		-505	-505
Craum 12/21 2010			
Group 12/31 2010			
Financial assets	Shares and participations recognized at fair value		Total
			Total 17,945
Financial assets Opening balance Total gains or losses	recognized at fair value		
Opening balance	recognized at fair value		
Opening balance Total gains or losses	recognized at fair value 17,945		17,945
Opening balance Total gains or losses in profit or loss in other comprehensive income Acquisitions	recognized at fair value 17,945 1,253 -304 3,129		17,945 1,253 –304 3,129
Opening balance Total gains or losses in profit or loss in other comprehensive income Acquisitions Divestments	17,945 1,253 -304 3,129 -3,596		17,945 1,253 -304 3,129 -3,596
Opening balance Total gains or losses in profit or loss in other comprehensive income Acquisitions Divestments Transfers to Level 1	17,945 1,253 -304 3,129 -3,596 -185		17,945 1,253 -304 3,129 -3,596 -185
Opening balance Total gains or losses in profit or loss in other comprehensive income Acquisitions Divestments	17,945 17,945 1,253 -304 3,129 -3,596 -185 213		17,945 1,253 -304 3,129 -3,596 -185 213
Opening balance Total gains or losses in profit or loss in other comprehensive income Acquisitions Divestments Transfers to Level 1	17,945 1,253 -304 3,129 -3,596 -185		17,945 1,253 -304 3,129 -3,596 -185
Opening balance Total gains or losses in profit or loss in other comprehensive income Acquisitions Divestments Transfers to Level 1 Transfers to Level 3	17,945 17,945 1,253 -304 3,129 -3,596 -185 213		17,945 1,253 -304 3,129 -3,596 -185 213
Opening balance Total gains or losses in profit or loss in other comprehensive income Acquisitions Divestments Transfers to Level 1 Transfers to Level 3 Carrying amount at year-end Total gains or losses for the period included in profit or loss for assets held at the end of the period	17,945 1,253 -304 3,129 -3,596 -185 213 18,455		17,945 1,253 -304 3,129 -3,596 -185 213 18,455
Opening balance Total gains or losses in profit or loss in other comprehensive income Acquisitions Divestments Transfers to Level 1 Transfers to Level 3 Carrying amount at year-end Total gains or losses for the period included in profit or loss for assets held at the end of the period Changes in value	17,945 1,253 -304 3,129 -3,596 -185 213 18,455		17,945 1,253 -304 3,129 -3,596 -185 213 18,455
Opening balance Total gains or losses in profit or loss in other comprehensive income Acquisitions Divestments Transfers to Level 1 Transfers to Level 3 Carrying amount at year-end Total gains or losses for the period included in profit or loss for assets held at the end of the period	17,945 1,253 -304 3,129 -3,596 -185 213 18,455		17,945 1,253 -304 3,129 -3,596 -185 213 18,455
Opening balance Total gains or losses in profit or loss in other comprehensive income Acquisitions Divestments Transfers to Level 1 Transfers to Level 3 Carrying amount at year-end Total gains or losses for the period included in profit or loss for assets held at the end of the period Changes in value	17,945 1,253 -304 3,129 -3,596 -185 213 18,455	Long-term Long-term	17,945 1,253 -304 3,129 -3,596 -185 213 18,455
Opening balance Total gains or losses in profit or loss in other comprehensive income Acquisitions Divestments Transfers to Level 1 Transfers to Level 3 Carrying amount at year-end Total gains or losses for the period included in profit or loss for assets held at the end of the period Changes in value	17,945 1,253 -304 3,129 -3,596 -185 213 18,455	Long-term interest-bearing	17,945 1,253 -304 3,129 -3,596 -185 213 18,455
Opening balance Total gains or losses in profit or loss in other comprehensive income Acquisitions Divestments Transfers to Level 1 Transfers to Level 3 Carrying amount at year-end Total gains or losses for the period included in profit or loss for assets held at the end of the period Changes in value Total Financial liabilities	17,945 1,253 -304 3,129 -3,596 -185 213 18,455	interest-bearing liabilities	17,945 1,253 -304 3,129 -3,596 -185 213 18,455 1,243 1,243
Opening balance Total gains or losses in profit or loss in other comprehensive income Acquisitions Divestments Transfers to Level 1 Transfers to Level 3 Carrying amount at year-end Total gains or losses for the period included in profit or loss for assets held at the end of the period Changes in value Total Financial liabilities Opening balance	17,945 1,253 -304 3,129 -3,596 -185 213 18,455	interest-bearing	17,945 1,253 -304 3,129 -3,596 -185 213 18,455
Opening balance Total gains or losses in profit or loss in other comprehensive income Acquisitions Divestments Transfers to Level 1 Transfers to Level 3 Carrying amount at year-end Total gains or losses for the period included in profit or loss for assets held at the end of the period Changes in value Total Financial liabilities Opening balance Total gains or losses	17,945 1,253 -304 3,129 -3,596 -185 213 18,455	interest-bearing liabilities 696	17,945 1,253 -304 3,129 -3,596 -185 213 18,455 1,243 1,243 Total 696
Opening balance Total gains or losses in profit or loss in other comprehensive income Acquisitions Divestments Transfers to Level 1 Transfers to Level 3 Carrying amount at year-end Total gains or losses for the period included in profit or loss for assets held at the end of the period Changes in value Total Financial liabilities Opening balance Total gains or losses in profit or loss	17,945 1,253 -304 3,129 -3,596 -185 213 18,455	interest-bearing liabilities 696	17,945 1,253 -304 3,129 -3,596 -185 213 18,455 1,243 1,243 Total 696 4
Opening balance Total gains or losses in profit or loss in other comprehensive income Acquisitions Divestments Transfers to Level 1 Transfers to Level 3 Carrying amount at year-end Total gains or losses for the period included in profit or loss for assets held at the end of the period Changes in value Total Financial liabilities Opening balance Total gains or losses in profit or loss in other comprehensive income	17,945 1,253 -304 3,129 -3,596 -185 213 18,455	interest-bearing liabilities 696 4 -149	17,945 1,253 -304 3,129 -3,596 -185 213 18,455 1,243 1,243 Total 696 4 -149
Opening balance Total gains or losses in profit or loss in other comprehensive income Acquisitions Divestments Transfers to Level 1 Transfers to Level 3 Carrying amount at year-end Total gains or losses for the period included in profit or loss for assets held at the end of the period Changes in value Total Financial liabilities Opening balance Total gains or losses in profit or loss in profit or loss in ther comprehensive income Carrying amount at year-end	17,945 1,253 -304 3,129 -3,596 -185 213 18,455	interest-bearing liabilities 696	17,945 1,253 -304 3,129 -3,596 -185 213 18,455 1,243 1,243 Total 696 4
Opening balance Total gains or losses in profit or loss in other comprehensive income Acquisitions Divestments Transfers to Level 1 Transfers to Level 3 Carrying amount at year-end Total gains or losses for the period included in profit or loss for assets held at the end of the period Changes in value Total Financial liabilities Opening balance Total gains or losses in profit or loss in other comprehensive income Carrying amount at year-end Total gains or losses for the period included in	17,945 1,253 -304 3,129 -3,596 -185 213 18,455	interest-bearing liabilities 696 4 -149	17,945 1,253 -304 3,129 -3,596 -185 213 18,455 1,243 1,243 Total 696 4 -149
Opening balance Total gains or losses in profit or loss in other comprehensive income Acquisitions Divestments Transfers to Level 1 Transfers to Level 3 Carrying amount at year-end Total gains or losses for the period included in profit or loss for assets held at the end of the period Changes in value Total Financial liabilities Opening balance Total gains or losses in profit or loss in other comprehensive income Carrying amount at year-end Total gains or losses for the period included in profit or loss for assets held at the end of the period	17,945 1,253 -304 3,129 -3,596 -185 213 18,455	interest-bearing liabilities 696 4 -149 551	17,945 1,253 -304 3,129 -3,596 -185 213 18,455 1,243 1,243 Total 696 4 -149 551
Opening balance Total gains or losses in profit or loss in other comprehensive income Acquisitions Divestments Transfers to Level 1 Transfers to Level 3 Carrying amount at year-end Total gains or losses for the period included in profit or loss for assets held at the end of the period Changes in value Total Financial liabilities Opening balance Total gains or losses in profit or loss in other comprehensive income Carrying amount at year-end Total gains or losses for the period included in	17,945 1,253 -304 3,129 -3,596 -185 213 18,455	interest-bearing liabilities 696 4 -149	17,945 1,253 -304 3,129 -3,596 -185 213 18,455 1,243 1,243 Total 696 4 -149

Financial assets and liabilities by level				
Parent Company 12/31 2011	Level 1	Level 2	Level 3	Total
Financial assets				
Participations in associates	75,311	-	-	75,311
Receivables from Group companies (non-current)	_	178	-	178
Other long-term holdings of securities	39,492			39,492
Total	114,803	178	-	114,981
	Level 1	Level 2	Level 3	Total
Financial liabilities				
Liabilities to Group companies (non-current)	-	1,169	-	1,169
Other liabilities	-	3	_	3
Total	-	1,172	-	1,172
Parent Company 12/31 2010	Level 1	Level 2	Level 3	Total
Financial assets				
Participations in associates	93,276	_	_	93,276
Other long-term holdings of securities	41,038	-	_	41,038
Total	134,314	-	-	134,314
	Level 1	Level 2	Level 3	Total
Financial liabilities				
Liabilities to Group companies (non-current)	-	929	-	929
Total	-	929	_	929

Note 30 Pledged assets and contingent liabilities

GROUP

Pledged assets

Operating subsidiaries

Credit facilities granted to the Group's operating subsidiaries totaled SEK 18,692 m. (20,283). A floating charge and real estate mortgages were provided as security. In addition, shares and assets in Group companies have been pledged. The amount of utilized credit was SEK 16,834 m. (17,111).

In the event that signed banking agreements are not honored, the agent is entitled to confiscate and realize the value of any pledged assets. The company is deemed negligent of fulfilling its obligation if it does not meet the agreed covenants, or if it violates the restrictions on pledging or selling assets. The same applies if collateral is pledged to secure other financing or if the company makes any acquisitions or mergers that deviate from its business strategy.

In addition to this, there was a real estate mortgage associated with a third-party sale and lease-back agreement amounting to SEK 155 m. (156).

Funds amounting to SEK 42 m. were also used as collateral for factoring agreements (39).

The credit facilities above are subject to financial covenants.

Investing activities

As of December 31, 2011 asset pledged as securities regarding bank deposits, bonds and other securities amounted to SEK 25 m. within investing activities (1,525).

Contingent liabilities

Operating subsidiaries

As of December 31, 2011 there were contingent liabilities in the form of guarantee commitments to FPG/PRI and other pension plans totaling SEK 1 m. (1). Other contingent liabilities amounted to SEK 156 m. (156).

Investing activities

As of December 31, 2011 guarantees on behalf of associates amounted to SEK 4,208 m. (4,236).

	12/31 2011	12/31 2010
Parent Company Assets pledged as securities In the form of pledged securities for the Parent Company's liabilities and provisions		
Bonds and other securities	23	931
Total	23	931
Contingent liabilities		
Guarantees on behalf of Group companies	6,000	6,000
Guarantees on behalf of associates	4,208	4,236
Total	10,208	10,236

Note 31 Risk exposure and risk management

INVESTING ACTIVITIES

Risk management

Risk management is part of the Board's and management's governance and follow-up of the business operations. Its purpose is to secure the organization's means for following strategies and working towards set objectives. The Board is responsible for ensuring that the company's risks are identified and managed. The Board decides on risk levels, mandates and limits for Investor's different business areas. The framework for risk levels are documented in Investor's Risk policy.

Investor's Risk policy sets measurement and mandates for market risks for the short trading, the excess liquidity and financing activities. The policy also outlines principles for foreign exchange risk management in connection with investments and cash flows in foreign currency, measurements and limits for credit risks and principles to minimize legal, regulatory and operational risks in the business. The Board follows and monitors continuously Investor's risk exposure and limits.

The CEO is responsible for ensuring that the organization complies with the Risk policy and for the continuous management of all risks within the business. Together with the management group the CEO ensures that action plans for identified risks are performed.

The Board's and the CEO's support function for managing and identifying risks and activities required, is the Risk Control Function. The overarching purpose of the function is, within the framework of the Risk Policy, to manage and control the risks within the Investor business to ensure that the Group's ability to fulfill its mission and obligations is not compromised. The Risk Control Function is responsible for coordinating risk management work in the business, developing awareness of different types of risk and contributing to the creation of a healthy culture in connection with risks and risk management. The Function is also responsible for identifying and controlling the risks that arise in the Group's financial activities, for continuously developing and improving risk measurement methodology and for ensuring accurate and fit-for-purpose risk reporting. The Risk Control Function reports back regularly on its work to the Finance- and Risk Committee.

At Investor, risk management is an integral part of the Group's processes, which means that control and responsibility for control is close to the business operations. Every year, the organization carries out risk assessments and adopts appropriate action plans. Regarding Treasury and trading, risk measurement is performed daily.

The risk analysis is compiled by the Risk Control Function and conclusions are reported to the Board and management.

The main identified risks that the Investor Group is exposed to are commercial risks, financial risks (market, credit, liquidity and financing risks), operational risks, legal risks and regulatory risks.

The wholly-owned subsidiaries: Mölnlycke Health Care, Aleris and Grand Hôtel are independent legal entities within the Group. They have their own risk policies and organizational structures with their own Boards, management groups and control functions for managing risks. These subsidiaries also have ring-fenced structures¹⁾. Investor's risks associated with these companies concern the investments as such. Therefore, the description of risk exposure in this note has been divided into the following two categories: investing activities and operating subsidiaries.

Apart from this change, there have been no significant changes in the measurement and follow-up of risks compared with the preceding year.

Commercial risks

Investor's business activities expose the company to various types of risk. Maintaining long-term ownership in Core Investments and a flow of investments and divestments Financial Investments involves commercial risks. These risks include having a high exposure to a certain sector or an individual holding, changed market conditions for finding attractive investment candidates and barriers that arise and prevent exits from a holding at the chosen time. The main factors that help control risks in Investor's business activities are described below.

Diversification – Diversification, with regard to sector, industry, investment horizon, ownership stake, type of company, region and degree of maturity of the companies, represents an important tool for risk control. Diversification of Investor's portfolio maintains a balance between companies in different sectors, of different sizes and at different stages of development. Core

 A ring-fenced structure limits the owner's ability to transfer values (unless the other lenders provide their approval) of the subsidiary's assets. At the same time, it also prevents other lenders from placing demands on the assets of the owner above the subsidiary. Investments have international operations and are therefore exposed, only to a limited extent, to the economic and political developments in a single country. The same is also true for a significant portion of operating subsidiaries and partner-owned financial investments. Investor Growth Capital's business activities extend over Asia, Europe and the USA. The portfolio spans a number of divergent sectors and industries such as finance, technology, telecom, medicine/healthcare, manufacturing, knowledge and services, etc. The ownership share varies, depending on the investment strategy, and the investment horizon, from long-term (Core Investments) to short-term. Core Investments and Financial Investments that are listed and have high liquidity. This provides Investor with a great deal of financial flexibility.

Network – Over its nearly 100-year history, Investor has built up a major national and international network of industrialists and entrepreneurs, as well as sector and market specialists. In this context, the network to which Investor has access by virtue of its portfolio companies is also an important resource. This is not only an important asset in facilitating the sharing of knowledge and experience, but also as a source of suggestions and advice in identifying investment opportunities.

Expertise – The fund of knowledge, experience and expertise that the Company has accumulated over the decades is an important asset in managing commercial risks. This fund of expertise is constantly growing via the experience gained by the Company from every investment that is either realized or contemplated. Because the Company has been operating in a number of distinct markets for nearly a century, fluctuations in the economic cycle, as well as technological, economic, political and global events have played a part in developing this asset. Expertise and presence where the investments are implemented play an important role in the management of commercial risks.

Processes – For a company to be considered as an investment candidate, it must undergo a series of structured processes involving not only the investment manager but also various committees and boards. These processes and every individual business process are well documented in investment instructions. External experts of high repute are also engaged, for example, in analyzing the companies concerned. Out of the many attractive investment opportunities considered, only a few survive right through to the end of the process. Thorough preparation plays an important role in the management of commercial risks. Once a company is brought into the portfolio, it is managed as part of the Group's active ownership. At Investor, active ownership means supporting the company in its development and critically examining and exercising influence over its activities to prevent loss of focus on profitability. This work is continuously reviewed, evaluated and documented.

Financial risks

The main financial risks that the Investor Group is exposed to are market risks. These are primarily risks associated with fluctuations in share prices, as well as interest rate risks and foreign exchange rate risks. Other financial risks that the Investor Group is exposed to are credit risks, liquidity risks and financing risks.

Market risks

Market risks refer to the risk of a change in value of a financial instrument because of changes in share prices, exchange rates or interest rates

Share price risks

Core Investments

Major part of Investor's share price risk exposure is concentrated to Core Investments. At year-end 2011, Core Investments accounted for 69 (72) percent of total assets. For further information about listed Core Investments see page 2 and 14-18. The companies and their share prices are analyzed and continuously monitored by Investor's analysts. Through committed ownership, which is exercised through Board representation and in other ways, Investor influences a company's strategy and decisions. Thus, a large portion of share price exposure in a Core Investment does not necessarily lead to any action. It is the long-term commitment that lays the groundwork for Investor's strategic measures. Investor does not have defined goals for share price risks, as share prices are affected by short term fluctuations. In 2011, share prices for the majority of Core Investments fell sharply.

Subsidiaries within Core Investments accounted for 10 percent of total assets. Their profit/loss and changes in equity have an impact on Investor's net asset value. The result of the companies therefore have a direct effect on Investor's assets. There is no share price risk associated with the wholly owned subsidiaries. If the value of Listed Core investments was to decline by 10 percent (generally, simultaneously and holding all other factors constant),

Note 31, cont'd Risk exposure and risk management

the impact on income and equity would be approximately SEK -11.8 bn. if the value of Core investment subsidiaries was to decline by 10 percent (generally, simultaneously and holding all other factors constant), the impact on income and equity would be approximately SEK -1.8 bn.

Financial Investments

Financial Investments comprise of investments in EQT, Investor Growth Capital and partner owned companies consolidated as associates

EQT and Investor Growth Capital investments are exposed to share price risk. Compared with Core Investments, there is a higher risk exposure within this area. Investor Growth Capital is mainly exposed to smaller unlisted companies and new technologies and markets, although there is also a higher potential return on these investments. Venture Capital investments comprise around 100 companies operating in Asia, Europe and the USA and contribute considerably to diversity in the portfolio. Investor Growth Capital investments are valued in accordance with the guidelines of the International Private Equity and Venture Capital Association. Investor also takes an active role in these companies through Board work. At year-end 2011, EQT and Investor Growth Capital investments accounted for 14 percent of total assets.

The Partner owned investments accounted for 6 percent of Investor's total assets by the end of 2011. The effect on Investor's net asset value comes through the companies results and change in equity. The results of the companies therefore have a direct effect on Investor's assets and there isn't any share price risk.

By the end of 2011 the Financial Investments accounted for 21 percent of the total assets. If the value of Financial investments would decline by 10 percent (generally, simultaneously and holding all other factors constant) the effect on result and equity would be SEK –3.8 bn

To execute Core Investment transactions and to get market information Investor has a trading operation. After the winding down of Active Portfolio Management a limited trading operation, a size of a 1/10 of previous trading, has been set up. The new trading operation conducts short-term equity trading and deals in equity derivatives (primarily in order to hedge the market risk in the portfolio). The market risk in this activity is measured and monitored in terms of cash delta. Limits on gross-, net- and maximum position size are measured as well as liquidity risk. At year-end 2011, trading operation accounted for 0 percent of total assets (1.7). If the value of the assets belonging to trading operation were to decline by 10 percent (generally, simultaneously and holding all other factors constant), the impact on income and equity would be SEK 0 m. (-315).

Listed holdings in all business areas

If the value of listed holdings in all business areas were to decline by 10 percent (generally, simultaneously and holding all other factors constant), the impact on income and equity would be approximately SEK -12 bn. (-14), which equals 7.7 percent of Investor's Net asset value (8.3). Market risks associated with listed stocks constitutes the greatest risk.

Exchange rate risk

Currency exposure in investments

Since the majority of Core Investments are listed in Swedish kronor, there is no direct exchange rate risk that affects Investor's Balance Sheet. On the other hand, Investor can be indirectly exposed to exchange rate risks in Core Investments that are listed on foreign stock exchanges or that have foreign currency as their pricing currency. In addition, there are indirect exchange rate risks since the majority of the companies in the Core Investments business area are active in several markets. These risks have a direct impact on the company's Balance Sheet and Income Statement, which indirectly affects the valuation of the shares.

Investor Growth Capital, EQT, the operating subsidiaries and the partner owned companies are exposed to exchange rate risks in investments made in foreign companies. There is no regular hedging of foreign currency since the investment horizon is more than three years and currency fluctuations are expected to equal out over time. This hedging policy is subject to continuous evaluation and deviations from the policy may be allowed if judged beneficial in a market-economic perspective.

Exchange rate risks for investments in the trading operation are minimized through currency derivative contracts at the portfolio level

Total currency exposure for the Investor Group as of 31 December 2011 for its investments in foreign currency is provided in the table, below. If the SEK were to appreciate 10 percent against both the USD and EUR (holding all other factors constant), the impact on income and equity would be approximately SEK -3.5 bn. (-2.2).

Total investments in foreign currency, SEK m.:

	12/31 2011	12/31 2010
USD	12,485	7,770
EUR	22,798	13,828
Other European currencies (CHF, DKK, GBP, NOK)	3,951	2,611
Asia (HKD, JPY)	9	92
Total	39,243	24,301

The increase of exposure in USD relates mainly to investmenst in EQT-funds and the investment in NASDAQ OMX. The primary reasons for the increase in the EUR currency exposure are as follows: the closure of several currency swaps for holdings in for Mölnlycke Healt Care and additional investments within the framework of Investor's commitments in existing EQT funds. The Group's liabilities in EUR (see below) match a significant portion of the holdings' asset values.

Currency exposure in excess liquidity and the debt portfolio Exchange rate risk in excess liquidity resulting from investments in foreign currency is managed through currency derivative contracts.

Exchange rate risk arising in connection with loans in foreign currency is managed by, among other things, exchanging the loans to SEK through currency swap contracts. The objective is to minimize the exchange rate risk in excess liquidity and the debt portfolio. This strategy is applied if there is a high level of net exposure, having considered the holdings in foreign currency. Gross exposure to foreign currency risk in the loan portfolio at year-end 2011 was SEK 20.6 bn. (14.1) for EUR, SEK 4.0 bn. (3.4) for GBP, SEK 1.9 bn. (1.7) for JPY, SEK 1.2 bn. (1.2) for NOK and SEK 0.6 bn. (0.5) for USD.

Currency exposure in transactions

Investor's guideline is that future known cash flows in foreign currency that exceed the equivalent of SEK 50 m. are to be hedged through forward exchange contracts, currency options or currency swaps. This is valid for forecast or contracted flows for Core Investments and Financial Investments.

The operating costs of the company are somewhat exposed to exchange rate risks through costs generated in operations in the United States and Asia. There is no regular currency hedging of these transactions since they are minor in scope.

Currency exposure due to net investments in foreign operations Currency exposure in investments made in independent foreign entities is considered as a translation risk and not an economic risk. The exposure arises when the foreign net investment is recalculated in SEK on the Balance Sheet date in the Group and is recognized in the translation reserve under equity. Net investments are partly neutralized by loans in foreign currencies. The currency exposure arising from net investments in foreign subsidiaries is shown in the following table (expressed in the investment currency).

	12/31 2011	12/31 2010
USD m.	17	14
EUR m.	1,059	1,0301)
HKD m.	540	117

1) Of which EUR 271 m. (367) hedged via currency swaps.

The changed exposure in HKD is due to the increased value of investments. If the USD, EUR and HKD would decrease with 10 percent against SEK the equity would decrease by SEK 1.4 bn. due to translation effects of currency exposure in net investments in foreign subsidiaries.

Interest rate risk

Excess liquidity and debt portfolio

The Treasury function manages interest rate risks, exchange rate risks, liquidity risks and financing risks associated with the administration of the excess liquidity portfolio and financing activities.

For excess liquidity exposed to interest rate risks, the goal is to limit interest rate risks while maximizing return within the established guidelines of the risk policy. High financial flexibility is also strived for in order to satisfy future liquidity needs. Investments are therefore made in interest-bearing securities of short duration and high liquidity. For further information, see Note 21, Short-term investments and other financial investments. A 1 percent parallel movement upward of the yield curve would reduce the value of the portfolio and affect the Income Statement with approximately SEK -55 m.(-28).

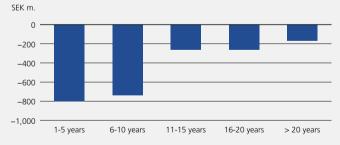
On the liability side, Investor strives to manage interest rate risks by having an interest rate fixing tenor (within the established limits and instructions of the Risk Policy. For more information, see the description of interest rate fixing periods in Note 24, Interest-bearing liabilities) which is considered to provide flexibility to change the loan portfolio in step with investment activities and to minimize loan costs and volatility in the cash flow over time. A parallel movement of the yield curve downwards with 1 percent would increase the accounted value of the hedged part of the loans with SEK 1.79 bn. (1.7) Including the hedge derivatives such a change is reduced to net SEK 20 m. (400) The interest cost effect for the non-secured loans would be SEK –0.9 bn. (–0.2), with a movement of the yield curve downwards with 1 percent.

Investor uses derivatives to hedge against interest rate risks (related to both fair value and cash flow fluctuations) in the debt portfolio. Some derivatives do not qualify for hedge accounting but are still grouped together with loans since the intention of the derivative is to achieve the desired fixed interest term for each loan. The distribution between hedged and non-hedged loans is shown in the table below.

	12/31 2011	12/31 2010
Outstanding amount divided into hedged loans and non-hedged loans - SEK m.	Carrying amount	Carrying amount
Hedged loans	19,826	18,402
 related foreign exchange/interest rate derivatives with positive value related foreign exchange/interest rate 	-795	-284
derivatives with negative value	724	1,587
Non-hedged loans	9,612	3,460
 related foreign exchange/interest rate derivatives with positive value related foreign exchange/interest rate 	0	-179
derivatives with negative value	429	144
Total short-term/long-term loans	29,438	21,862
Total foreign exchangelinterest rate derivatives	358	1,268

In the case of cash flow hedges, hedging instruments are valued on each Balance Sheet date and the change in value is recognized in other comprehensive income. The remaining maturities for cash flow hedges are between 8 and 25 years. During the year, cash flow hedges had an impact on liabilities and other comprehensive income with the amount of SEK –44 m. (160) With a parallel movement of the yield curve by 1 percent the cash-flow hedges effect on other comprehensive income would be SEK 10 m.

Future cash flows from cash flow hedged loans



The effect of fair value hedges is recognized in the Income Statement. The remaining maturities of fair value hedges vary between 0 and 25 years. For further information on the maturity structure see Note 24, Interest-bearing liabilities.

Liquidity and financing risk

Liquidity risk refers to the risk that a financial instrument cannot be divested without considerable extra costs, and to the risk that liquidity will not be available to meet payment commitments.

Liquidity risks are minimized in Treasury operations by keeping the maturity of short-term cash investments to less than two years and by always main-

taining a higher than 1:1 ratio between cash and credit commitments/current liabilities. Liquid funds are invested in overnight markets and short-term interest-bearing securities with low risk and high liquidity. In other words, they are invested in a well-functioning second-hand market, allowing conversion to cash when needed.

Liquidity risk in the trading operations is restricted via limits established by the Board. $\,$

Financing risks are defined as the risk that financing cannot be obtained, or can only be obtained at increased costs as a result of changed conditions in the capital market. In order to minimize financing risks, the Treasury function works actively to ensure financial preparedness by establishing loan and credit limits for both long-term and short-term borrowing. Financing risks are further reduced by allocating loan maturities evenly over time (please refer to the chart with information on the maturity profile, in Note 24, Interest-bearing liabilities) and by diversifying sources of capital. An important aspect in this context is the ambition to have a long borrowing profile. Furthermore, proactive liquidity-planning efforts also help limit both liquidity and financing risk.

Investor's liquidity and financing risks are considered to be low. With an equity/assets ratio of 73 percent at year-end (77), Investor has considerable financial flexibility since leverage is very low and most assets are very liquid.

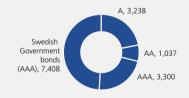
Credit risk

Credit risk is the risk of a counterparty or issuer being unable to repay a liability to Investor.

Investor is exposed to credit risks primarily through investments of excess liquidity in interest-bearing securities. Credit risks also arise as a result of positive market values in derivative instruments (mainly interest rate and currency swaps as well as a minor portion in OTC derivatives). In order to limit credit risks, there are specified limits for exposure to counterparties. According to the Company's credit risk policy, Investor may only be exposed to credit risks towards counterparties with high creditworthiness, based on ratings by highly-reputable rating institutions, for a limited amount and for a limited duration. Investor applies a wide-ranging limit structure with regard to maturities, issuers and counterparties in order to control credit risks. With a view to further limiting credit risks in interest rate and currency swaps, and other derivative transactions, agreements are established with counterparties in accordance with the International Swaps and Derivatives Association, Inc. (ISDA), as well as netting agreements. Credit risk is closely monitored each day and the agreements with various counterparties are continuously analyzed. Despite the highly level of turbulence in world financial markets, Investor has not recorded any credit losses during the past three years

The following diagram shows the credit risk exposure in interest-bearing securities, by rating category, as of December 31, 2011:

S&Ps/Moodys/Fitchs main rating categories (nom. SEK m.)



	Average remaining maturity, months	Number of issuers	Percentage of the liquidity portfolio's total nominal value
Swedish Government bonds			
(AAA)	5.6	1	49
AAA	8.6	8	22
AA	0.8	8	7
A	0.2	8	22
Total	4.7	25	100

As of December 31, 2011, the credit risks resulting from positive market values for derivatives amounted to SEK 633 m. (633).

The total credit risk exposure related to the fair value reported items at the end of 2011 amounted to SEK 14,983 m. (12,964).

All counterparties to these transactions have a primary rating category corresponding to A or higher.

Concentrations of credit risks

Concentrations of risk are defined as individual positions or areas accounting for a significant portion of the total exposure to each area of risk (see the table, above).

Regarding credit risk, frameworks are specified for exposure to individual counterparties, with the exception of exposure to government-guaranteed debt instruments in the OECD (with a rating of AAA/Aaa).

The secured bonds issued by Swedish mortgage institutions have the primary rating category of AAA. The proportion of secured bonds accounted for 61 (94) percent of the total nominal value of the existing AAA class and 13 (26) percent of the total portfolio's nominal value.

Operational risks

Operational risks are defined as the risk of loss due to inadequacies in internal routines, processes or systems, or the risk of disruptions to operations from external events. In addition to the high level of awareness of operational risks in the organization, policies and instructions are in place in every unit and at the Group level, which govern how activities are to be conducted. These policies and instructions apply to system and personnel issues, administrative processes, information security, legal issues and more. The process is followed up on an ongoing basis to determine and strengthen appropriate control measures. Even if Risk Control, Internal Control and Compliance functions are in place, control of operational risks depends on the efforts of all employees. The annual risk assessment process is an important tool for identifying operational risks and other types of risks. One important aspect of this is the Group's endeavor to maintain a high level of professionalism and sound ethics. These ambitions, along with the strict policies and effective control procedures, help to significantly reduce operational risks.

Legal and regulatory risks

The Compliance function monitors commitments that must comply with external regulations and laws, contract-related commitments and internal company rules. Awareness of legal and regulatory risks in the Group is high. The work of the Legal and Compliance function focuses on minimizing these risks. The Group ensures that its activities comply with existing laws, regulations and other external requirements that are imposed, for example, by its auditors.

Other risks

Work is actively carried out in the area of security to protect Investor against internal and external threats. Investor's Security Committee evaluates security risks that can have short-term or long-term implications for Investor and it also takes necessary measures to minimize the negative effects of such risks. The Security Committee works for establishing effective procedures for IT and information security to prevent unauthorized access to Investor's information sources. The committee is also responsible for disaster and continuity planning.

OPERATING SUBSIDIARIES

Aleris and Mölnlycke Health Care are Investor's significant essentially wholly owned operating subsidiaries. Therefore, the risks associated with the activities of these companies are reported in detail. The definition of risks is the same as what has been described above for investing activities.

Aleris and Mölnlycke Health Care Risk management

Through their business activities, the Groups are exposed to various types of risks. The risks that have been identified consist primarily of commercial risks, financial risks, legal/regulatory risks, operational risks and political risks.

The Groups' financial policies consist of regulations and guidelines for managing the financial risks generated by commercial activities. They also include rules on how financial activities are to be run both centrally and locally. Each year, the Board of each company establishes the financial policy.

The financial activities in each group are centralized in order to take advantage of economies of scale, collect risk exposures and provide the best conditions for monitoring and control. Financial activities are run by the Group Treasury Unit (internal bank) of each unit. All of the financial transactions are managed and coordinated by the internal banks. The managers in charge of these units report to the Board of Directors for their company.

Commercial risks

The Groups' business units compete in a variety of geographic markets, product markets and service markets. New products and services are continually being developed and introduced. In order to remain competitively strong, all of the Groups' business units must continue to develop innovative products and services that satisfy the needs and desires of customers in a cost-effective manner. It will not be possible to launch the product or service if it does not function as intended, does not meet regulatory requirements, does not have a competitive price level, infringes a patent or other intellectual property rights, or if it is unable to keep up with consumer demands. In addition, new products, services or technologies developed and marketed by competitors could also impact the ability to achieve business plans and goals.

The continued growth of the Groups depends on such things as their ability to employ and retain qualified staff with top expertise. This is also necessary in order to achieve strategic business goals.

One important component of the Groups' strategies for achieving continued growth is to make strategic acquisitions and enter into strategic alliances in order to supplement the existing organizations. Not being able to identify suitable acquisition candidates or failing to successfully integrate the newly acquired companies would have a negative impact on competitiveness and profitability.

Financial risks

The main financial risks consist of market, refinancing and credit risks.

Financial risks are dealt with centrally by the Group Treasury units of each Group.

The Groups use derivatives as one method of managing financial risks. All derivative transactions are conducted in accordance with the guidelines that exist in the financial policy of each Group.

In general, Mölnlycke Health Care strives to use hedge accounting to minimize volatility in the Income Statement, which can result from adjustments to fair value.

Aleris does not use hedge accounting.

The financial assets of each Group primarily consist of trade receivables from public hospitals/care institutions resulting from the delivery of health-care products and services. Each Group also has financial assets that are cash equivalents. The Groups' financial liabilities primarily consist of loans from credit institutes that were taken in order to finance acquisitions or for other reasons.

Market risks

Exchange rate risk

Currency exposure arises from the following: cash flows in foreign currencies (transaction exposure), the translation of Balance Sheet items to foreign currencies (Balance Sheet exposure) and from the translation of foreign subsidiaries' balance sheets and income statements to the accounting currency (translation exposure).

Aleris

The Group's main currency risk is associated with the translation of Norwegian and Danish subsidiaries' assets and liabilities to the Parent Company's functional currency.

The businesses in Norway and Denmark have very limited cash flow exposure since income and expenses are in the local currency. The sale of services across national borders does not exist. Neither are there any foreign purchases of significance.

In the case of Balance Sheet exposure, as of 31 December 2011 a weakening of the SEK by 10 percent against both the NOK and DKK would result in an increase in value of approximately SEK 90 m. (–7) and the impact on income would be SEK –93 m. (–84).

The total currency risk associated with translation exposure is as follows: A strengthening of the SEK by 10 percent against both the NOK and DKK would impact equity by SEK 9 m. (–7) and income by SEK 7 m. (–6).

Mölnlycke Health Care

The Group is exposed to currency risk due to its international operations. EUR is the Group's reporting currency.

Transaction exposure associated with future cash flows: The Groups operational cash flows in foreign currency are estimated at the equivalent of EUR 348 m. for the next 12 months (310). The Group's financial transaction exposure consists of future interest payments and repayments in foreign currency. This exposure is estimated at approximately EUR 198 m. for the next 12 months (175) and it primarily consists of transactions in EUR against SEK.

As of December 31, 2011, 66 percent of the forecasted net transaction flows in foreign currency for the next 12 months were hedged (72). Hedge accounting is used for derivate instruments that are related to the Group's operational cash flows.

Derivatives that are used to hedge the Group's financial transaction exposure are not recognized in hedge accounting. Changes in fair value are reported in net financial items.

For outstanding currency hedging as of December 31, an immediate 10 percent rise in the value of each currency against the EUR would impact net income by EUR 1.2 m. during the next 12 month period (1.3). The impact on equity from valuation of the financial derivatives that are recognized in hedge accounting would be EUR 8.3 m. (9.5).

Balance sheet exposure: Currency exposure in Balance Sheet items is comprised of financial and operating assets and liabilities in foreign currency that could have a negative impact on income as a result of exchange rate fluctuations.

In accordance with the Group's financial policy, the only exposures that are hedged are those that are expected to generate a cash transaction within 12 months.

Translation exposure: Translation exposure is not hedged.

Interest rate risk

The Groups' interest rate risk is primarily associated with long-term borrowings. In order to minimize the effects of interest rate fluctuations, limits and instructions have been established for such things as interest rate fixing periods. This information can be found in the financial policy for each Group.

Aleris

Derivative instruments, such as interest swap contracts are used to manage interest rate risk. Hedge accounting is not applied. Derivatives are used to hedge the cash flows.

The total interest rate risk exposure associated with assets amounts to SEK 201 m. (206). A parallel movement of the yield curve upwards by 1 percent would reduce value by approximately SEK 2 m. (2). Interest rate risk exposure associated with liabilities amounts to SEK 2,695 m. (2,038). A parallel movement downward of the yield curve by 1 percent would impact income and the equity by approximately SEK 20 m. (21).

Mölnlycke Health Care

Interest rate derivatives are used to achieve longer interest rate fixing periods. A 1 percent increase in interest rates for all currencies, calculated on the Group's net debt as of December 31, 2011 would impact income during the subsequent 12 month period by EUR –3.1 m. (–6.4). A 1 percent decrease in all of the Group's interest rate derivatives that are classified as cash flow hedges, would have an impact on equity of EUR –28.4 m. (–50.9).

As of December 31, 2011, the Group's long-term interest-bearing liabilities, including interest rate derivatives, amounted to EUR 1,632 m. (1,702).

Liquidity and financing risk

In order to minimize the effects of refinancing risks, limits and instructions have been established for such things as the average maturities on gross borrowings. This information can be found in the financial policy for each Group.

Aleris

The Group has credit facilities in the form of a bank overdraft and a credit limit that have been established for business acquisitions. This is to ensure that there is financial preparedness should there be a need for working capital or for making minor acquisitions. Aleris has a total credit facility of SEK 3,315 m. (2,591), of which SEK 2,663 m. has been utilized (2,107).

Aleris has a strategy of not owning property and not committing itself unnecessarily to long rental contracts in cases where the company is responsible for facilities. In many instances, business activities are conducted in facilities owned by the municipality or county council. Expansion or increased sales typically require additional working capital. Any surplus funds that arise are to be invested in interest-bearing securities that have low risk and high liquidity. No such investments were made in 2011.

The maturity schedule for contractual payment obligations and financial receivables in terms of the remaining term as per the contract are as follows:

		Remaining term						
	-6	6-12						
	months	months	1-2 years	2-5 years	> 5 years	Total		
Liabilities								
Secured bank loans	150	148	346	1,082	1,673	3,399		
Financial leases	8	9	13	29	-	59		
Accounts payable &								
other liabilities	254	-	-	-	-	254		
Interest rate hedge								
(outflow)	0	-	-	5	47	52		
Total	412	157	359	1,116	1,720	3,764		
Receivables								
Cash, bank	_	_	-	-	-	0		
Accounts receivable	505	_	-	14	-	519		
Frozen bank funds	-	1	74	126	-	201		
Total	505	1	74	140	-	720		

Exposure from guarantees that have been made and other contingent liabilities is low, see Note 30, Pledged assets and contingent liabilities. During the year, Aleris also met the key figure requirements for covenants associated with bank loans.

Mölnlycke Health Care

As of December 31, 2011, the Group had guaranteed credit facilities of EUR 1,658 m. (1,972). The main portion of the Groups financing is comprised of a syndicated credit facility. The total credit facility amounts to EUR 1,646 m. (1,890). As of 31 December 2011, EUR 1,548 m. of the credit facility had been utilized (1,643). Among other things, the terms of the credit facility require the company to meet a number of key financial ratios. For 2011, all such requirements on key financial ratios had been fulfilled.

The maturity schedule for contractual payment obligations and financial receivables that applies to the remaining term as per the contract is as follows (EUR m.):

		Remaining term						
	-6 months	6-12 months	1-2 years	2-5 years	> 5 years	Total		
Liabilities Secured bank loans Unsecured bank	18	50	96	1,153	-	1,317		
loans Financial leases	9 0	10 0	18 –1	53 –1	528 -	618 -2		
Accounts payable & other liabilities Interest rate hedge	86	3	-	-	-	89		
(outflow)	31	29	49	63	-	172		
Total	144	92	162	1,268	528	2,194		
Receivables								
Cash, bank	31	-	-	-	-	31		
Accounts receivable	19	-	-	-	-	19		
Frozen bank funds Interest rate hedge	152	-	-	-	-	152		
(inflow)	14	13	20	24	-	71		
Total	216	13	20	24	_	273		

Guarantees that have been made and other contingent liabilities may also involve liquidity risk. For exposures as of December 31, 2011 see Note 30, Pledged assets and contingent liabilities.

Credit risk

Each Group's credit risks are limited due to the fact that a significant portion of customers consists of public hospitals/care institutions.

Credit risks related to the banks that are the Group's counterparties in derivative transactions are limited by the requirements pertaining to counterparties, which is information that is stated in the financial policy of each Group. All counterparties must have a Standard & Poor's rating of at least A. There are also requirements on ISDA agreements that are in place. The rating classification also applies to the banks where cash and cash equivalents are being held.

The maximum exposure related to commercial credit risk corresponds to the carrying amount of trade receivables.

As of December 31, 2011, the total carrying amount for Aleris' overdue trade receivables was SEK 133 m. (46). As of that same date, the associated provisions amounted to SEK 31 m. (10).

As of December 31, 2011, the total carrying amount for Mölnlycke Health Care's overdue trade receivables was EUR 47 m. (28). As of that same date, the associated provisions amounted to EUR 3 m. (3).

Legal and regulatory risks

Healthcare companies must comply with the laws and regulations of each country where they conduct business. Examples of such laws are the Health and Medical Service Act, the Social Services Act and environmental legislation. In other words, activities are heavily regulated.

Operational risks

Aleris

Risks associated with selling and operating healthcare services are dealt with by the different levels of management for each area of operations.

Aleris has a generic organization for quality and environmental management

Aleris pursues continuous quality improvement in accordance with ISO 9001. All of its activities are ISO certified, with the exception of a very small number of units.

Property risks, liability risks and interruption risks are covered by insurance policies. This far, very few incidents have occurred.

Mölnlycke Health Care

The Group applies Enterprise Risk Management. That framework is used to address all risks within the business. This also includes risks related to operations, strategic planning, financial control and cash management, process and product development, project management and human capital management.

Property risks, liability risks and interruption risks are covered by insurance policies. This far, very few incidents have occurred.

Other risks

To a large extent, spending on healthcare products and services is regulated by various governments. This applies to most markets around the world. Funds are made available or withdrawn from healthcare budgets due to different types of political decisions. In most of the major markets, pricing of the Groups' products and services is controlled by decisions made by government authorities. Therefore, the Groups are exposed to political risks.

Note 32 Related party transactions

The following additional information about related parties is being provided in addition to what has been reported in other sections of the Annual Report.

Relations with related parties with significant influence

The Wallenberg foundations have significant influence over Investor (in accordance with the definition in IAS 24 Related Party Disclosures). The largest of these foundations are the Knut and Alice Wallenberg Foundation, the Marianne and Marcus Wallenberg Foundation and the Marcus and Amalia Wallenberg Memorial Fund.

Investor's support functions provide a limited scope of services for Foundation Asset Management Sweden AB and Foundation Administration Management Sweden AB, which are owned by the Wallenberg foundations. Transactions with these companies are priced according to market terms.

Companies with common board members

In addition to the above-noted relations with related parties, there are a number of companies in which Investor and the company have common board members. Information has not been provided in this note because these situations are either not considered to involve influence of the type described in IAS 24, or the transactions refer to intangible amounts.

Related party transactions

Group	Year	Sales of products/ services	Purchase of products/ services	Financial expences	Financial income	Dividend/ redemption	Capital contribution	Receivable	Liability
Associates	2011	11	9	133	445	3,949	416	6,414	2,078
Associates	2010	5	13	82	-	2,686	-	1,214	1,699
Other related party ¹⁾	2011	2	_	_	_	_	_	_	_
Other related party ¹⁾	2010	2	_	_	_	_	_	_	_

¹⁾ Wallenberg foundations

Parent Company	Year	Sales of products/ services	Purchase of products/ services	Financial expences	Financial income	Dividend/ redemption	Capital contribution	Receivable	Liability
Group companies	2011	14	8	_	_	_	_	28,193	53
Group companies	2010	2	7	-	-	-	-	27,050	4,556
Associates	2011	11	8	9	_	3,438	416	_	3
Associates	2010	5	11	7	-	1,692	-	-	-
Other related party ¹⁾	2011	2	_	_	_	_	_	_	_
Other related party ¹⁾	2010	2	_	_	_	-	-	_	-

1) Wallenberg foundations

Note 32, cont'd Related party transactions

The Parent Company is related with its subsidiaries and associated companies, see Note 40, Participation in Group companies and Note 41, Participations in associates

In addition to the above stated information, guarantees on behalf on the associate 3 Scandinavia amounts to SEK 4,208 m. (4,236).

With key persons

See Note 6, Employees and payroll costs for information about salaries and other compensations, costs and commitments regarding pensions and similar benefits, and severance payment agreements for the board, President and other senior executives.

Investment programs Carried interest plans

In the Private Equity Investments business area, selected senior staff and other senior executives have had the opportunity for a number of years to make parallel investments to some extent with Investor. The plans are designed in accordance with market practice in the venture capital market and are evaluated periodically against similar programs in Europe, the U.S. and Asia. Carried interest plans provide an economic incentive for managers and encourage personal commitment to analysis and investment work since the result is directly connected to the financial performance of the business.

Carried interest plans are linked to realized growth in the value of holdings, after deduction for costs, seen as a portfolio. This means that when an investment is realized with a profit, each parallel investor receives his or her share of the profit, after provisions for any unrealized declines in value or write-downs of other investments.

The plans allow a maximum share of 16 percent that can be given to parallel investors, which is in line with practice in the venture capital market.

Co-investment plans

Key persons, including board members, senior executives and certain selected employees, are offered the opportunity to invest in, or make parallel investments with, the funds that EQT establishes. These investments are made in accordance with the same terms and conditions as for other investors.

Management Participation Programs

Board members and senior executives in unlisted investments, including Mölnlycke Health Care and Aleris, are offered the opportunity to invest in the companies through management participation programs. The terms of the programs are based on market valuations and are designed to yield lower return to the participants than that of the owners if the investment plan is not reached but higher return to the participants than that of the owners if the plan is exceeded. In connection with the position as Chairman of the Board of Mölnlycke Health Care in 2007, prior to election to the Board of Directors of Investor, Gunnar Brock acquired shares under the program. No other members of the Board of Directors of Investor AB participate in these programs.

Note 33 Subsequent events

No events to report.

Note 34 Critical estimates and key judgement

Investor's financial reports are prepared in accordance with IFRS. Valuation principles applied are described in Note 1, Accounting policies and Note 29, Financial assets and liabilities. The choice of valuation principle requires, in certain cases, that management evaluates and selects the principle giving the truest and fairest view. Developments within the accounting field, and the choice of principles, are discussed with the company's Audit Committee.

The following are the most important areas where key judgements have been used when applying the valuation principles of the Group, together with other key sources of uncertainties in estimates, and the sections where they are described.

Associates

The accounting policy relating to shares and participations in associates depends on the way the investment is managed and followed by Investor. For associates which are evaluated based on fair values, usually listed investments, the fair value option is used and changes in value are recognized in profit or loss in accordance with IAS 28 p 1.

Associates, in which Investor has a large ownership stake and a significant influence in the companies underlying business activities are accounted for and evaluated based on the equity method.

Important sources of uncertainty in estimates

When applying the measurement principles, assumptions and estimates are made of factors that are uncertain at the time the estimates are made. Changes to assumptions may have a significant effect on financial reports during the periods when the assumptions are changed. The following is a description of the measurement principles that require assumptions and estimates.

Unlisted holdings and fund holdings are recognized at fair value according to the methods described in Note 29, Financial assets and liabilities. Market information is used to the greatest extent possible. When this information is not transparent in the market, changes to assumptions may affect the reported fair value of financial instruments. The Group applies its models in a consistent manner between periods, although estimates of fair value always require a significant degree of assumption. Based on the controls and security procedures that are applied, Investor considers the fair value recognized in the Balance Sheet, and the changes in fair value recognized in the Income Statement, to be cautious and weighted and reflecting the underlying economic values.

Note 31, Risk exposure and risk management, provide a detailed analysis of how interest-bearing liabilities and related derivatives are managed and assessed. Note 16, Shares and participations recognized at fair value, shows the value of un-listed holdings and participations recognized at fair value. At the impairment testing of surplus values that have aroused in con-

At the impairment testing of surplus values that have aroused in conjunction with business combinations, estimates of the development of the respective cash generating units' future cash flows. These estimates are in turn based on assumptions regarding for instance; development of interest rates and growth rate. The estimates extend in the long-term future and are associated with uncertainty. The carrying values are directly influenced by how these estimates are done. For further information about impairment testing see Note 1, Accounting policies and Note 13, Intangible assets.

Note 35 Information about the Parent Company

Investor AB is a corporation registered in Sweden and has its registered office in Stockholm. The shares in the Parent Company are listed on NASDAQ OMX Stockholm. The address of the company's headquarters is Arsenalsgatan 8C, SE-103 32, Stockholm, Sweden.

The consolidated financial statements for 2011 consist of both the Parent Company and its subsidiaries, together designated the Group.

Note 36 Results from participations in Group companies

	2011	2010
Parent Company		
Liquidation of Group company	_	7,695
Impairment losses, participations in Group		
companies	-	-520
Reversal of impairment losses, participations in		
Group companies	520	3
Total	520	7,178

The reversal of previous impairment losses in participations in Group companies was due to the fact that the value of shares and participations held by these companies developed positively during 2011. The recoverable amount has been determined at the net realizable value.

Note 37 Results from other receivables that are non-current assets

	2011	2010
Parent Company		
Interest income from Group companies	1,977	1,904
Changes in value	-58	55 ¹⁾
Exchange rate differences	615	-2,896 ¹⁾
Total	2,534	-937

1) The allocation between these items and Note 39 has been changed for 2010 for comparability with the current year.

Note 38 Interest income and similar items

	2011	2010
Parent Company		
Interest income from Group companies	126	6
Changes in value	_	0
Changes in value, hedges of long-term		
share-based remuneration	2	1
Other interest income	2	12
Exchange rate differences	-1	2
Total	129	21

Note 39 Interest expenses and similar items

	2011	2010
Parent Company		
Interest expenses to Group companies	-486	-234
Changes in value	58	-97 ¹⁾
Net financial items, internal bank ²⁾	-353	-504
Interest expenses, other borrowings	-1,132	-929
Exchange rate differences	-475	3,2171)
Other	-22	-17
Total	-2,410	1,436

- 1) The allocation between these items and Note 37 has been changed for 2010 for comparability with the current year.
- Settlement of net financial items between the Parent Company and the internal bank company, AB Investor Group Finance.

Note 40 Participations in Group companies

	12/31 2011	12/31 2010
Parent Company		
Accumulated costs		
Opening balance	37,138	29,862
Acquisitions and capital contributions	4,036	8,059
Liquidation of Group company	_	-783
Divestments	-	0
	41,174	37,138
Accumulated impairment losses		
Opening balance	-520	-3
Impairment losses	_	-520
Reversed impairment losses for the year	520	3
	-	-520
Carrying amount at year-end	41,174	36,618

Specification of the Parent Company's direct holdings of participations in Group companies

		Ownership i	Ownership interest in %1)		amount
Subsidiary/Registered office/Registration number	Number of participations	12/31 2011	12/31 2010	12/31 2011	12/31 2010
Investor Holding AB, Stockholm, 556554–1538	1,000	100.0	100.0	20,783	8
Invifed 2 AB, Stockholm, 556752-6057	100,000	100.0	100.0	6,563	395
Rotca AB, Stockholm, 556693–6661	1,000	100.0	100.0	4,825	4,825
Indap Invest AB, Stockholm, 556690-7084	1,000	100.0	100.0	4,246	4,246
Patricia Holding AB, Stockholm, 556619-6753	1,000	100.0	100.0	2,669	0
Indif AB, Stockholm, 556733-9915	11,000	100.0	100.0	1,056	1,056
The Grand Group AB, Stockholm, 556302–9650	10,000	100.0	100.0	577	577
AB Vectura, Stockholm, 556012–1575	50,000	100.0	100.0	393	393
AB Investor Group Finance, Stockholm, 556371–9987 ²⁾	100,000	100.0	100.0	54	54
AB Cator, Stockholm, 556619–6811	1,000	100.0	100.0	6	6
Duba AB, Stockholm, 556593–5508	1,000	100.0	100.0	2	2
Investor Growth Capital AG, Zug, CH-170.3.021.811-3	-	-	100.0	-	12,461
Investor Growth Capital Holding B.V., Amsterdam, 33218354	-	-	100.0	-	7,353
Instoria AB, Stockholm, 556270-6308	-	-	100.0	-	3,665
Aleris First Holding AB, Stockholm, 556812-2633	-	-	100.0	-	1,522
Investor Investments Holding AB, Stockholm, 556598–2815	-	_	100.0	_	55
Carrying amount at year-end				41,174	36,618

Other material indirect holdings in subsidiaries

	Ownership interest in %1)			
Subsidiary/Registered office	12/31 2011	12/31 2010		
Investor Growth Capital AB, Stockholm ²⁾ Investor Investment Northern Europe Ltd,	100.0	100.0		
Guernsey ³⁾	100.0	100.0		
Mölnlycke Health Care AB, Gothenburg	90.2	91.6		
Aleris Group AB, Stockholm	93.0	90.3		

¹⁾ Refers to share of equity, which also corresponds to the share of voting power. 2) The Group's internal bank.

Refers to share of equity.
 Holding company of Investor Growth Capital.
 The business of the company is share portfolio management.

Note 41 Participations in associates

Specification of carrying amount for participations

in associates valued at cost method		
	12/31 2011	12/31 2010
Parent Company		
Accumulated costs		
Opening balance	5,723	5,583
Acquisitions	157	140
	5,880	5,723
Accumulated impairment losses		
Opening balance	-5,634	-5,381
Impairment losses for the year	_	-253
Reversed impairment losses for the year	1,054	_
	-4,580	-5,634
Carrying amount at year-end	1,300	89

Specification of carrying amount for participations in associates valued at fair value

	12/31 2011	12/31 2010
Parent Company		
Opening balance	93,276	67,006
Acquisitions	2,058	3,141
Divestments	-1,027	-
Revaluations disclosed in Income Statement	-18,996	23,129
Carrying amount at year-end	75.311	93.276

Reversed impairment loss refers to the holdings in Hi3G Holdings AB and Hi3G Enterprise AB. The reversed impairment loss was due to the companies positive value development during 2011.

Specification of participations in associates

12/31 2011					Investor's share of			
Company, Registered office, Registration number	Number of shares	Share of voting power %	Proportion of equity %	Equity ¹⁾	Profit/loss for the year ²⁾	Carrying amount ³⁾	Fair value	
Parent Company								
Financial Investments:								
Hi3G Holdings AB, Stockholm, 556619-66474)	40,000	40	40	1,270	1,805	1,221	1,221	
Hi3G Enterprise AB, Stockholm, 556782-93294)	40,000	40	40	26	-167	79	79	
Total participations in associates valued at cost						1,300	1,300	
Core Investments:								
Atlas Copco, Stockholm, 556014-2720	206,895,611	22	17	4,852	2,185	30,366	30,366	
SEB, Stockholm, 552032-9081	456,089,264	21	21	22,690	2,316	18,282	18,282	
Ericsson, Stockholm, 556016-0680	173,728,702	21	5	7,709	667	12,112	12,112	
Electrolux, Stockholm, 556009-4178	47,866,133	30	15	3,182	320	5,237	5,237	
Saab, Linköping, 556036-0793	32,778,098	40	30	3,925	666	4,638	4,638	
Husqvarna, Jönköping, 556000-5331	97,052,157	30	17	2,086	168	3,062	3,062	
Swedish Orphan Biovitrum, Stockholm, 556038-9321	107,594,165	41	40	1,998	7	1,614	1,614	
Total participations in associates valued at fair value						75,311	75,311	
Total participations in associates						76,611	76,611	

¹⁾ Equity refers to the ownership interest in the equity of a company including the equity component in untaxed reserves and after adjustments to

Investor's accounting policies and evaluation principles.

2) Profit/loss for the year refers to the share of the company's results after tax including the equity component in the change for the year in untaxed

reserves after adjustments to Investor's accounting policies and evaluation principles.

3) Carrying amount includes acquisition cost, additional investments and divestments for the period and value changes due to write-downs to correspond with the fair value of the investments valued at cost and fair value for participations in associates valued at fair value, respectively.

⁴⁾ Reporting from Hi3G Holdings AB and Hi3G Enterprise AB is received with one month's delay.

Note 41, cont'd Participations in associates

Specification of participations in associates 12/31 2010							
Company, Registered office, Registration number	Number of shares	Share of voting power %	Proportion of equity %	Equity ¹⁾	Profit/loss for the year ²⁾	Carrying amount ³⁾	Fair value
Parent Company							
Financial Investments:							
Hi3G Holdings AB, Stockholm, 556619-6647 ⁴⁾	40,000	40	40	-508	-33	53	53
Hi3G Enterprise AB, Stockholm, 556782-9329 ⁴⁾	40,000	40	40	36	-143	36	36
Total participations in associates valued at cost						89	89
Core Investments:							
Atlas Copco, Stockholm, 556014-2720	205,471,326	22	17	4,900	1,662	34,671	34,671
SEB, Stockholm, 552032-9081	456,089,264	21	21	20,691	1,413	25,579	25,579
Ericsson, Stockholm, 556016-0680	164,078,702	19	5	7,358	563	12,396	12,396
Electrolux, Stockholm, 556009-4178	42,166,133	30	14	2,814	546	8,054	8,054
Husqvarna, Jönköping, 556000-5331	90,667,692	31	16	1,920	275	5,058	5,058
Saab, Linköping, 556036-0793	32,778,098	40	30	3,437	136	4,032	4,032
Swedish Orphan Biovitrum, Stockholm, 556038-9321	86,075,332	41	40	1,745	-42	3,486	3,486
Total participations in associates valued at fair value						93,276	93,276
Total participations in associates						93,365	93,365

Note 42 Other long-term holdings of securities

	12/31 2011	12/31 2010
Parent Company		
Opening balance	41,038	40,197
Acquisitions	1,547	2
Divestments	-	-2
Revaluations disclosed in Income Statement	-3,093	841
Carrying amount at year-end	39,492	41,038

Note 43 Receivables from Group companies

	12/31 2011	12/31 2010
Parent Company		
Opening balance	26,024	27,179
Effect of changed classification	-	6221)
Restated opening balance	26,024	27,801
New lending	1,006	1,140
Divestments/due/redeemed	-168	_
Reclassifications	-2,078	-91
Unrealized change in value	459	-2,826 ¹⁾
Carrying amount at year-end	25,243	26,024

¹⁾ The classification between this item and corresponding in liabilities to Group companies has been changed for 2010 for comparability with the current year.

¹⁾ Equity refers to the ownership interest in the equity of a company including the equity component in untaxed reserves and after adjustments to Investor's accounting policies and evaluation principles.

2) Profit/loss for the year refers to the share of the company's results after tax including the equity component in the change for the year in untaxed reserves after adjustments to Investor's accounting policies and evaluation principles.

3) Carrying amount includes acquisition cost, additional investments and divestments for the period and value changes due to write-downs to correspond with the fair value of the investments valued at cost and fair value for participations in associates valued at fair value, respectively.

4) Reporting from Hi3G Holdings AB and Hi3G Enterprise AB is received with one month's delay.

Auditor's report

To the annual meeting of the shareholders of Investor AB (publ.)

Report on the annual accounts and consolidated accounts

We have audited the annual accounts and the consolidated accounts of Investor AB (publ) for the year 2011. The annual accounts and the consolidated accounts are included in the printed version of this document on pages 29-115.

Responsibilities of the Board of Directors and the President for the annual accounts and consolidated accounts

The Board of Directors and the President are responsible for the preparation and fair presentation of these annual accounts and consolidated accounts in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act, and for such internal control as the Board of Directors and the President determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the President, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Parent Company as of 31 December 2011 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act, and the consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2011 and of their financial performance and cash flows in accordance with International Financial

Reporting Standards, as adopted by the EU, and the Annual Accounts Act. A Corporate Governance Report has been prepared. The Statutory administration report and the Corporate Governance Report are consistent with the other parts of the annual accounts and the consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the Income Statement and Balance Sheet for the Parent Company and the group.

Report on other legal and regulatory requirements

In addition to our audit of the annual accounts and consolidated accounts, we have examined the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the President of Investor AB (publ) for the year 2011.

Responsibilities of the Board of Directors and the President

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the President are responsible for administration under the Companies Act.

Auditor's responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the President is liable to the company. We also examined whether any member of the Board of Directors or the President has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinions

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the President are discharged from liability for the financial year.

Stockholm, March 13, 2012 KPMG AB

Signed on the orginal document

Helene Willberg

Authorized Public Accountant

This Auditor's report is a translation of the original Auditor's report in Swedish.

History

Investor has operated with the same business philosophy since the company was founded in 1916 – to invest in companies and actively contribute to their long-term success. Over the years, we have steadily evolved in step with boom times, depressions and recessions, with globalization trends and with constantly changing capital markets, all to capture new opportunities and create value. We have invested in new, exciting companies and industries, and left others along the way. Over the years, we have built expertise, a unique international network and a strong reputation, which together form our competitive edge as we enter the future with an eye for long-term ownership.

1900s

1916 Investor is established. The equity shareholdings of Stockholms Enskilda Bank are transferred to the industrial holding company Investor. Atlas Copco, SEB and Scania are part of the original portfolio.

1917-25 Investor is listed on the Stockholm Stock Exchange in 1917. Shares are acquired in Astra and ASEA.

1937-46 Investor acquires shares in the newly founded military aircraft company Saab. Stockholms Enskilda Bank forms the investment company Providentia. Jacob Wallenberg (1892-1980) is elected Chairman of Investor.

1950-56 Investor acquires shares in Ericsson and Electrolux.

1971-72 Stockholms Enskilda Bank and Skandinaviska Banken merge. The investment company Export-Invest is established in connection with the merger.

1978 Marcus Wallenberg (1899-1982) is elected Chairman of Investor. Claes Dahlbäck is appointed President and CEO.

1982 Peter Wallenberg is elected Chairman of Investor.

1984-91 Kema Nobel is sold and the following companies are merged: STORA/Billerud, STORA/Papyrus, STORA/ Swedish Match, ASEA/Brown Boveri, STORA/Feldmühle Nobel and Tetra Pak/Alfa Laval. Saab-Scania and GM form the jointly owned company Saab Automobile, and OM Gruppen is formed.

1991-92 Investor and Providentia acquire Saab-Scania. Incentive is listed on the Stockholm Stock Exchange following its demerger from ASEA/ABB. In 1992, Investor and Providentia merge.

1994-95 Investor acquires Export-Invest. Investor forms EQT together with SEB and AEA. Saab-Scania is divided into two independent companies, Scania AB and Saab AB. Venture capital-arm Novare Kapital is formed, later renamed Investor Growth Capital.

1996-99 Investor sells 55 percent of its holding in Scania and the company becomes listed. An option agreement is reached between Investor and GM to regulate long-term ownership of Saab Automobile. Investor's holding in TV4 is sold. OM Gruppen and the Stockholm Stock Exchange merge as well as S-E-Banken and Trygg-Hansa. Percy Barnevik is elected Investor's Chairman. Stora Enso is formed through a merger between STORA and Enso. Investor reaches an agreement with Volvo to sell its entire holding in Scania, but the planned merger is rejected by the EU. Astra and Zeneca merged. Marcus Wallenberg is appointed President and CEO of Investor.

2000s

2000-04 Investor sells shares in Scania to Volkswagen AG, which becomes a leading shareholder. 3 Scandinavia, co-owned with Hutchison Whampoa is founded. Investor increases its ownership in ABB, Electrolux, Ericsson and SEB and sells its holdings in Stora Enso, SKF and SAS. Investor relinquishes its remaining interest in Saab Automobile. Claes Dahlbäck becomes Chairman of Investor AB and Investor participates in Ericsson's new rights issue. Investor participates in ABB's new rights issue and sells its entire holding in Volvo. Investor sells part of its holding in AstraZeneca.

2005 Investor sells part of its holding in ABB, AstraZeneca, Scania and SEB to restore strong financial flexibility. The Private Equity business area finalizes a number of successful transactions, such as the divestment of Bredbandsbolaget and Tessera. Jacob Wallenberg becomes Investor's Chairman and Börje Ekholm is appointed President and CEO.

2006-08 Investor and EQT take Gambro private. Husqvarna is spun out of Electrolux. WM-data is sold to LogicaCMG (U.K.). MAN makes a hostile bid for Scania that Investor, and later Volkswagen, rejects. Mölnlycke Health Care is acquired. Gambro Healthcare is sold. Positions are increased in a number of Core Investments. Investor divests OMX to NASDAQ/Borse Dubai and Scania to Volkswagen. Lindorff is acquired.

2009 Investor invests in Biovitrum and supports the merger between Biovitrum and Swedish Orphan International (previously owned by Investor Growth Capital). Investor aquires additional shares in Atlas Copco, SEB and Husqvarna and participates in SEB's and Husqvarna's new issues.

2010 Investor adds two subsidiaries through the acquisition of Aleris and by acquiring additional shares in Mölnlycke Health Care. Investor acquires additional shares in Saab from BAE Systems and makes add-ons in Atlas Copco, Electrolux and Husqvarna. Shares are acquired in NASDAQ OMX. Throughout 2009-2010, Investor makes investments totaling approximately SEK 23 bn.

2011 Investor updates its strategy, presenting a new business structure – Core Investments and Financial Investments. In addition, Investor Growth Capital is launched as a stand-alone entity of Investor. A platform for healthy future cash flow generation is created and substantial cost savings are initiated. The updated business strategy is strongly focused on Core Investments. Investor further strengthens its position in ABB, Atlas Copco, Electrolux, Ericsson, Husqvarna and NASDAQ OMX. CaridianBCT is divested.

Ten-Year Summary

Investor Group¹⁾

											Annual average growth 5/10 years
SEK m.	2002	2003	2004	20051)	2006	2007	2008	2009	2010	2011	
Net asset value ²⁾											
Core Investments Listed	63,304	85,841	87,408	115,419	135,274	127.293	73.272	106,231	134,314	118,016	
Subsidiaries	1,075	1,075	1,425	1,505	1,477	7,066	7,335	7,436	17,111	17,986	
Financial Investments											
EQT	4,947	4,605	6,313	9,134	8,898	10,221	7,352	9,166	10,858	13,214	
IGC Partner–owned investments	7,942 1,421	8,169 1,631	7,612 1,003	6,372 615	6,309 4,151	7,518 4,228	7,968 8,067	9,197 6,630	8,468 6,642	10,188 12,151	
Other investments	1,421	1,750	1,142	1,754	3,335	3,074	1,934	5,118	4,068	2,070	
Other assets and liabilities	-1,353	585	3,265	-631	-540	-613	-432	-517	-603	-645	
Total assets	79,227	103,656	108,168	134,168	158,904	158,787	105,496	143,261	180,858	172,980	
Net debt (-)/Net cash (+)	-16,358	-20,593	-16,082	-223	416	-3,583	9,737	-588	-11,472	-16,910	
Net asset value Change in net asset value with	62,869	83,063	92,086	133,945	159,320	155,204	115,233	142,673	169,386	156,070	
dividend added back, %	-43	36	13	47	21	0	-23	26	21	-6	2%/6%
Condensed Balance Sheet											
Shares and participations ³⁾	79,836	102,981	104,008	133,521	157,481	153,781	97,628	134,728	160,210	148,991	
Other	8,000	14,411	21,366	28,612	23,459	23,450	43,031	35,496	60,557	64,616	
Balance Sheet total ³⁾	87,836	117,392	125,374	162,133	180,940	177,231	140,659	170,224	220,767	213,607	
Profit and loss											
Profit/loss for the year attributable to Parent Company shareholders	-1,379	-169	8,736	43,842	28,468	-365	-36,708	31,379	30,631	-9,229	
Comprehensive income ⁴⁾	-1,579	-103	0,730	45,042	20,400	-505	-36,708 -36,093	30,858	30,510	-9,553	
Dividends								· ·		· ·	
Dividends received	2,003	1,846	1,710	2,415	3,171	3,474	4,147	2,866	3,622	4,330	
of which from Core Investments Listed	1,741	1,665	1,574	2,163	2,852	3,161	3,803	2,358	3,203	3,998	7%/5%
Contribution to NAV ²⁾											
Contribution to NAV, Core Investments Listed ⁵⁾	-47 227	24 131	9 416	39 587	30 112	-4 376	-31 466	31 942	27 098	-17 889	
Total return, Core Investments, % Contribution to NAV, Core Investments Subsidiaries	–41 6	41 –81	13 –48	48 –43	29 –31	–1 –17	–22 329	47 204	29 2,346	–10 87	
Contribution to NAV, Financial Investments,	O	-01	-40	-45	-51	-17	323	204	2,540	07	
Partner–owned	0	0	-574	-1,516	-2,063	-1,013	-375	-1,607	-304	5,475	
Contribution to NAV, IGC and EQT	-2,071	202	1,204	6,053	583	5,907	-3,582	396	1,201	4,201	
Transactions ²⁾	2.005	1.001	7 722	40.570	40.530	6.045	20.002	450		4.057	
Divestments & redemptions, Core Investments Listed Investments, Core Investments Listed	2,995 4,749	1,891 1,962	7,733 1,509	10,570 1,157	10,530 3,125	6,015 5,571	20,902 2,150	450 3,825	1,693	1,057 5,104	
Divestments, Core Investments Subsidiaries	-,,-5	1,502	- 1,303	- 1,137	5,125	- 5,571	2,130	J,025 -	- 1,055	3,104	
Investments, Core Investments Subsidiaries	_	_	_	.	, -	5,702	166	17	7,198	1,019	
Divestments, Partner-owned Investments	1,090	1,830	2,090	4,202 1,340	11 5,585	- 1,286	- 4,507	5 247	16 568	- 55	
Investments, Partner–owned Investments Divestments, IGC and EQT	1,030	2,364	4,448	9,268	5,630	7,401	2,937	563	3,811	4,193 ⁶⁾	
Investments, IGC and EQT	4,364	1,914	1,818	4,580	4,490	3,627	3,729	2,921	3,308	3,6526)	
Key figures per share											
Net asset value per share, SEK	82	108	120	175	208	203	150	187	223	205	
Basic earnings per share, SEK	-1.80	-0.22	11.39	57.15	37.13	-0.48	-47.98 47.00	41.12	40.24	-12.14	
Diluted earnings per share, SEK Equity per share, SEK	–1.80 69	-0.22 64	11.37 120	57.02 175	37.03 208	-0.48 203	-47.98 150	41.08 187	40.20 224	–12.14 206	
				.,,							
Key ratios Leverage, %	21	20	15	0	0	2	-9	0	6	10	
Equity/assets ratio, %	72	71	73	83	88	88	82	84	77	73	
Return on equity, %	-2	0	10	39	19	0	-27	24	20	-6 20	
Discount to net asset value, % Management costs as a % of net asset value	37 0.7	36 0.7	30 0.5	21 0.4	20 0.4	28 0.4	24 0.5	29 0.4	37 0.3	39 0.3	
					0.7	J. T		· · · ·			
Share data Total number of shares, m.	767.2	767.2	767.2	767.2	767.2	767.2	767.2	767.2	767.2	767.2	
Holding of own shares, m.	_	-	_	_	0.7	1.4	2.5	4.7	6.7	6.7	
Share price on December 31, SEK ⁷⁾	52.00	69.50	84.50	139.00	168.00	147.00	117.00	132.90	143.9	128.4	-5%/1%
Market capitalization on December 31 Dividend paid to Parent Company shareholders	39,893 2,608 ⁸⁾	53,007 1,726	64,826 1.726	106,326 2,685	127,950 3,449	111,244 3,637	88,066 3,059	100,992 3,050	107,907 3,802	96,028 4,603 ⁹⁾	10)
Dividend paid to Parent Company snareholders Dividend per share, SEK	3.40	1,726 2.25	1,726 2.25	3.50	4.50	3,637 4.75	4.00	4.00	5.00	4,603 ³⁷ 6.00 ⁹⁾	
Dividend payout ratio, %	150	104	110	124	121	115	80	130	119	115 ⁹⁾	
Dividend yield, %	6.5	3.2	2.7	2.5	2.7	3.2	3.4	3.0	3.5	4.7	
Total annual turnover rate, Investor shares, % ⁶⁾ Total return, Investor shares, % ⁶⁾	101 –52	168 43	121 25	130 68	146 24	165 –10	135 –18	117 18	100 11	112 –8	-2%/5%
SIXRX (return index), %	-32 -36	34	21	36	28	-10 -3	-18 -39	53	27	-6 -14	0%/6%
OMXS30 index, %	-42	29	17	29	20	-6	-39	44	21	-15	-3%/2%
Foreign ownership, capital, %	30	19	19	20	28	28	31	29	31	33	

¹⁾ As a result of reclassifications and changes in accounting policies, comparative figures have been restated for the year preceding the year when the change was implemented, if not stated otherwise. In accordance comparative figures for 2004 have been restated in connection with the transition to IFRS in 2005. Detailed information about the transition to IFRS is available in the 2005 Annual Report.

²⁰⁰³ Alfiliad Report.

2) The present business area reporting was implemented in 2011. For 2002-2010 a reallocation of values has been made in order to, as far as possible, resemble the present reporting.

3) Periods up to and including 2003 (before the transition to IFRS) include surplus value items.

⁴⁾ New statement from 2009, comparative from 2008 have been restated.

 ⁽⁴⁾ New statement from 2009, comparative from 2008 have been restated.
 (5) For 2001-2003 changes in value have been calculated on carrying amounts and surplus values.
 (6) From July 1, 2011, invested includes a capital contribution from Investor to IGC of SEK 1,137 m. (2011). Divested includes dividends from IGC to Investor of SEK 674 m. for 2011.
 (7) Pertains to class B shares.
 (8) 2002: A definitive dividend of SEK 3.40/share, of which SEK 1.15 was an extra dividend.
 (9) Proposed dividend of SEK 6.00/share.
 (10) Based on the total number of registered shares.

Definitions

Basic earnings per share

Profit/loss for the year attributable to the Parent Company's shareholders in relation to the weighted average number of shares outstanding.

Basic net asset value per share

Net asset value per share in relation to the total number of shares on the Balance Sheet date.

Cash conversion

Proportion of profits converted to cash flow.

Change in value, Core Investments

Change in value as a percentage of opening value.

Core Tier 1 ratio

Core capital as a percentage of the risk-weighted assets. Core capital consists of shareholders' equity, adjusted according to the capital adequacy rules.

Diluted earnings per share

Profit/loss for the year attributable to the Parent Company's shareholders, plus interest expenses after tax related to convertible debenture loans, in relation to the weighted average number of shares outstanding after full conversion and adjusted for the effect of share-based payments.

Discount to net asset value

The difference between net asset value and market capitalization as a percentage of net asset value. If market capitalization is lower than net asset value, the share is traded at a discount. If market capitalization is higher, it is traded at a premium.

Dividend payout ratio

Dividends paid in relation to dividends received from Core Investments.

Dividend yield

Dividend per share in relation to share price on the Balance Sheet date.

FRITDA

Earnings before interest, taxes, depreciation and amortization.

EBITdA

EBITDA after portfolio depreciation.

Equity/assets ratio

Shareholders' equity and convertible debenture loans as a percentage of the Balance Sheet total.

Equity per share

Equity including convertible debenture loans in relation to the number of shares on the Balance Sheet date after full conversion.

Investing activities

Investing activities include parent company operations, Investor's internal bank, Trading operations and Investor Growth Capital. Investor Growth Capital is only included in investing activities up until June 30, 2011.

Investment company

A company that offers shareholders the possibility to spread their risks and get attractive returns through long-term ownership of a well-distributed holdings of securities. Its shares are typically owned by a large number of individuals.

Leverage

Net debt/Net cash as a percentage of total assets.

Management costs

General expenses for running investment operations.

Market cost of capital

Risk-free interest rate plus the market's risk premium.

Multiple valuation

A method for determining the current value of a company by examining and comparing the financial ratios of relevant peer groups.

Net asset value

The market value of total assets less net debt (corresponds to equity).

Net debt/Net cash

Interest-bearing current and long-term liabilities, including pension liabilities, less cash and cash equivalents, short-term investments and interest-bearing current and long-term receivables.

Normalized EBITDA

EBITDA adjusted for extraordinary items, such as restructuring costs, certain amortization and impairment items, and specific investments.

OMX Stockholm 30, OMXS30

A share index that is calculated for the 30 most actively traded shares on the Stockholm Stock Exchange (Stockholmsbörsen).

Profit/loss for the year

Profit/loss after tax.

Return on equity

Profit/loss for the year as a percentage of average shareholders' equity.

Risk-free interest rate

The interest earned on an investment in government bonds. In calculations, Investor has used SSVX 90 days.

Risk premium

The surplus yield above the risk-free interest rate that an investor requires to compensate for the higher risk in an investment in shares.

SIX's Return Index. SIXRX

A Swedish all shares total return index calculated on share price change and reinvested dividends.

STOXX Europe 600 Index

With a fixed number of 600 components, the index represents the total return of large, mid and small capitalization companies across 18 countries of the European region.

Third-party valuation

External valuation from the most recent financing round.

Total assets

All assets and liabilities not included in net debt or net cash, which is the same as the Balance Sheet total less asset items included in net debt or net cash and less non-interest-bearing liabilities.

Total comprehensive income for the year

Change in equity during the period resulting from transactions and other events, other than those changes resulting from transactions with the owners in their capacity as owners.

Total return

Sum of share price changes including reinvested dividends.

Total return, Core Investments

Change in market value plus dividends received as a percentage of opening market value.

Turnover rate

Number of shares traded during the year as a percentage of the total number of shares outstanding.

Volatility

A measure of the variability in an asset's return. Volatility is usually measured as a standard deviation in the return of an asset during a certain given period of time.

Shareholder information

Annual General Meeting

Investor AB invites shareholders to participate in the Annual General Meeting on Tuesday, April 17, 2012, at 4 p.m. at the City Conference Centre, Barnhusgatan 12-14, in Stockholm. Registration for the Meeting commences at 2.30 p.m. Light refreshments will be served before the Meeting.

PARTICIPATION

Shareholders who would like to attend the Annual General Meeting must be recorded in the register of shareholders maintained by Euroclear Sweden AB on Wednesday, April 11, 2012, and must notify the Company of their intention to attend the Meeting no later than Wednesday, April 11, 2012.

NOTICE OF PARTICIPATION IN THE ANNUAL GENERAL MEETING

Shareholders can give their notice of participation by:

- registering on Investor AB's website, www.investorab.com or
- calling +46 8 611 2910, weekdays, between 9:00 a.m. and 5:00 p.m. CET.

NOMINEE-REGISTERED SHARES

In order to be entitled to participate in the Meeting, shareholders whose shares are registered in the name of a nominee through the trust department of a bank or similar institution must request that their shares are temporarily re-registered in their own names in the register of shareholders maintained by Euroclear Sweden AB. Such registration must be completed no later than Wednesday, April 11, 2012. Shareholders are requested to inform their nominees well in advance of this date.

PROXIES, ETC.

Shareholders who are represented by proxy must authorize such proxy by issuing a power of attorney. If such power of attorney is issued by a legal entity, an attested copy of the certificate of registration evidencing the authority to issue the power of attorney must be attached. The original power of attorney and the certificate of registration, where applicable, are to be sent to Investor AB, Annual General Meeting, SE-103 32 Stockholm, Sweden, well in advance of the Meeting. The form to use for a power of attorney is available on Investor's website: www.investorab.com.

REPRESENTATIVES

Shareholders or proxies for shareholders at the Annual General Meeting may take a maximum of two representatives with them to the Meeting. Representatives may be brought to the Meeting only if the shareholder of Investor AB gives notice of their attendance as described above for notification of participation of shareholders. If you have any questions about the Annual General Meeting, call +46 8 611 2910, weekdays, between 9:00 a.m. and 5:00 p.m. CET.

Dividend

The Board and President propose a dividend to the shareholders of SEK 6.00 per share for fiscal year 2011. Friday, April 20, 2012, has been proposed as the record date. If the proposal is approved by the Annual General Meeting, the dividend is expected to be distributed by Euroclear Sweden AB on Wednesday, April 25, 2012.

Calendar of events 2012

- Annual General Meeting: April 17
- Interim Report, January-March: April 24
- Interim Report, January-June: July 17
- Interim Report, January-September: October 17
- Interim Report, January-December: January 24, 2013

Information channels

Financial information about Investor can be accessed and ordered (information by mobile web, sms, e-mail or printed annual report) on www.investorab.com, or by calling +46 8 614 2800.

Information materials

Printed annual reports are distributed to shareholders that have requested it. All new shareholders will receive a letter asking how they would like to receive information.

Investor relations

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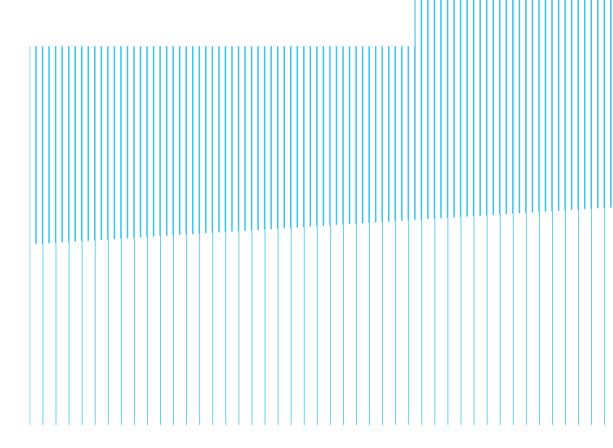
IR Group: +46 8 614 2800

Corporate website

www.investorab.com



Our vision is to be recognized as a premier investor, supporting the development of our portfolio companies to become best-in-class



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