

# Year-End Report 2016

## Highlights during the fourth quarter

- Net asset value\* amounted to SEK 300,077 m. (SEK 393 per share) on December 31, 2016, an increase of SEK 9,394 m. (SEK 13 per share) during the quarter, corresponding to a change of 3 percent.
- Listed Core Investments generated a total return\* of 3 percent. Shares in Ericsson were purchased for SEK 1,011 m., increasing our ownership to 5.9 percent of the capital and 21.8 percent of the votes.
- On January 16, 2017, Atlas Copco proposed a split of the Group into two market-leading companies. As the main owner of Atlas Copco, Investor fully supports this proposal.
- The value change of Investor's investments in EQT was 4 percent in constant currency. Investor paid a net SEK 104 m. to EQT.
- Distribution to Patricia Industries totaled SEK 4,226 m., including SEK 860 m. from the refinancing of Laborie.
- The Board of Directors proposes a dividend per share of SEK 11.00 (10.00).

## Financial information, 2016

- Net asset value growth, including dividend added back, amounted to 13.4 percent.
- Listed Core Investments contributed SEK 30,936 m. to the growth of net asset value (8,804).
- EQT contributed SEK 1,986 m. to the growth of net asset value (3,995).
- Patricia Industries contributed SEK 4,438 m. to the growth of net asset value (4,855).
- Leverage\* (net debt/total assets) was 5.3 percent as of December 31, 2016 (5.5).
- Consolidated net sales for the period was SEK 31,742 m. (25,365).
- Consolidated profit/loss for the year, which includes unrealized change in value, was SEK 33,665 m. (SEK 44.09 basic earnings per share), compared to SEK 17,434 m. (SEK 22.89 basic earnings per share) for 2015.

### Overview annual average performance

	NAV (%)**	Total return	
		Investor B (%)	SIXRX (%)
Q4 2016	3.2	8.5	3.4
1 year	13.4	12.9	9.6
5 years	17.2	25.9	15.9
10 years	8.8	11.0	7.6
20 years	9.5	11.7	10.2
**Incl. dividend added back			
12/31 2016			
NAV, SEK per share*			393
Share price (B-share), SEK			340.50

\* Financial measures that are not defined or specified in the applicable financial reporting framework. For more information, see page 16 and 25.



# CEO statement

Dear fellow shareholders,

During the fourth quarter, our net asset value grew by 3 percent. Our total shareholder return was 9 percent, compared to 3 percent for the SIXRX Return Index. For the full year 2016, both our net asset value, with the dividend added back, and our total shareholder return grew by 13 percent, compared to 10 percent for the SIXRX.

Last year offered some significant surprises for pollsters and investors, with both the Brexit vote and the U.S. Presidential election going against predictions. In recent months, we have seen some signs of an improved economic outlook. At the same time, political uncertainty remains high. Exactly how all of this will affect the overall world economy remains to be seen. From a business perspective, the key is as always to stay agile, work relentlessly to improve efficiency, increase focus on serving the customer and to innovate for the future.

For Investor, 2016 was another active year. In line with our strategy, we continued to strengthen our ownership in selected listed core investments by investing a total of SEK 1.5 bn. in Ericsson, Wärtsilä and Atlas Copco. Within Patricia Industries, we invested approximately SEK 5 bn. in the new subsidiary Laborie. We also paid a dividend to our shareholders of SEK 7.6 bn. At the same time, cash flow generation was strong, driven by dividends received from Listed Core Investments, net cash flow from EQT and distributions from several of the companies within Patricia Industries. Due to the strong cash flow generation, our leverage remained more or less unchanged, despite these significant investments and increased dividend payout.

## Listed Core Investments

Listed Core Investments generated a total return of 3 percent during the quarter, and 14 percent for the full year. The full year performance was mainly driven by Atlas Copco and ABB, while Ericsson was the largest negative contributor.

During the fourth quarter, we invested SEK 1 bn. in Ericsson, as we believe that the new CEO Börje Ekholm and his team will be able to gradually realize the long-term potential of the company.

In January 2017, Atlas Copco proposed a split of the group into one industrially focused company and one focusing on mining and civil engineering. We believe that this is a natural and logical next step, creating two focused, market-leading companies with strong platforms for continued profitable growth and long-term value creation. Assuming approval of the proposed split at the 2018 Annual General Meeting, both companies will be listed core investments in our portfolio.

## EQT

The value of our EQT investments grew by 4 percent in constant currency during the quarter, while net cash flow to Investor was slightly negative. For the full year, the value increased by 10 percent in constant currency and net cash inflow to Investor amounted to SEK 1 bn. Activity within EQT remained high, with several new funds launched and a multitude of new investments and exits being completed. Given the strong track record and attractive return potential, we will continue to invest in EQT funds.

## Patricia Industries

Mölnlycke grew 4 percent organically during the fourth quarter, with improved profitability. Revenue grew 6 percent for the full year, while profits grew significantly faster. Cash flow remained strong, allowing for both continued growth investments and a EUR 300 m. distribution to Patricia Industries. Given the attractive return potential, continued growth, both organic and non-organic, remains the key priority for Mölnlycke.

Laborie performed well, with organic growth of 6 percent during the quarter and 10 percent for the full year, with solid underlying profitability.

Aleris grew 3 percent organically during the fourth quarter, and 7 percent for the full year, with margins more or less in line with last year. Most of the operations are performing in line with expectations. However, the performance of Healthcare Sweden remains unsatisfactory.

Permobil reported organic growth of 1 percent during the quarter. While U.S. sales were somewhat lower, European sales continued to grow. For 2016, organic growth was 6 percent and profitability more or less unchanged. Cash flow was strong throughout the year, and in addition to investing in several complementary acquisitions, Permobil distributed almost SEK 200 m. to Patricia Industries.

BraunAbility performed strongly, with organic growth of 13 percent both for the fourth quarter and the full year, with stable underlying profitability, despite significant investments in productivity improvements and R&D.

3 Scandinavia grew service revenue by 7 percent during the quarter and 5 percent during the year. Margins remained stable and cash flow strong, enabling continued distribution to the owners.

## Financial strength

At year-end, our leverage was 5.3 percent, at the lower end of our 5-10 percent target range. This, in combination with the strong cash flow generation in our portfolio, gives us ample financial flexibility to act on attractive opportunities.

Our dividend policy of distributing a large share of the dividends we receive from our listed core investments and to make a distribution from other net assets corresponding to a yield in line with the equity market remains. For 2016, our Board of Directors proposes a dividend of SEK 11.00 per share, an increase of 10 percent from last year.

## Our way of creating long-term value

Entering 2017, our strategic direction remains firm. We will continue to strengthen our ownership in selected listed core investments, invest in EQT and add more subsidiaries within Patricia Industries, both in the Nordics and in North America. As a strategic owner of our companies, we will continue to drive and support initiatives to strengthen their long-term competitiveness with the ultimate goal of achieving best-in-class performance. As always, this is our way of creating attractive long-term value for you, dear fellow shareholders.

Johan Forssell

# Net asset value overview

	Number of shares 12/31 2016	Ownership capital/votes <sup>1)</sup> (%) 12/31 2016	Share of total assets (%) 12/31 2016	Value, SEK/share 12/31 2016	Value, SEK m. <sup>2)</sup> 12/31 2016	Contribution to net asset value 2016	Value, SEK m. <sup>2)</sup> 12/31 2015
<b>Listed Core Investments<sup>3)</sup></b>							
Atlas Copco	207 645 611	16.9/22.3	18	75	57 437	15 521	43 100
ABB	232 165 142	10.5/10.5	14	58	44 592	10 671	35 424
SEB	456 198 927	20.8/20.8	14	57	43 725	5 293	40 826
AstraZeneca	51 587 810	4.1/4.1	8	34	25 732	-2 896	29 869
Wärtsilä	34 866 544	17.7/17.7	5	19	14 257	1 208	13 077
Nasdaq	19 394 142	11.7/11.7	4	15	11 842	2 610	9 423
Sobi	107 594 165	39.6/39.8	4	15	11 480	-3 034	14 515
Saab	32 778 098	30.0/39.5	4	15	11 181	2 809	8 535
Electrolux	47 866 133	15.5/30.0	3	14	10 846	1 297	9 860
Ericsson	196 047 348	5.9/21.8	3	14	10 378	-4 070	14 086
Husqvarna	97 052 157	16.8/32.8	2	9	6 883	1 616	5 428
<b>Total Listed Core Investments</b>			<b>78</b>	<b>325</b>	<b>248 354</b>	<b>30 936<sup>4)</sup></b>	<b>224 143</b>
<b>EQT</b>			<b>5</b>	<b>18</b>	<b>13 996</b>	<b>1 986<sup>4)</sup></b>	<b>13 021</b>
<b>Patricia Industries</b>							
Subsidiaries							
Mölnlycke		99/99	7	28	21 067	3 944	20 050
Laborie		97/97	2	6	4 928	271	-
Aleris		100/100	1	5	3 940	58	3 869
Permobil		94/90	1	5	3 923	140	3 963
BraunAbility		95/95	1	4	3 136	366	2 781
Vectura		100/100	1	3	2 161	365	1 795
Grand Group		100/100	0	0	181	5	175
			<b>13</b>	<b>51</b>	<b>39 336</b>	<b>5 150</b>	<b>32 634</b>
3 Scandinavia		40/40	2	7	5 446	619	5 611
Financial Investments			3	13	10 024	-1 068	12 850
<b>Total Patricia Industries excl. cash</b>			<b>17</b>	<b>72</b>	<b>54 806</b>	<b>4 438<sup>4)</sup></b>	<b>51 095</b>
<i>Total Patricia Industries incl. cash</i>					69 195		65 711
Other Assets and Liabilities			0	0	-327	-9 084 <sup>4,5)</sup>	-565
<b>Total Assets excl. cash Patricia Industries</b>			<b>100</b>	<b>414</b>	<b>316 829</b>		<b>287 695</b>
Gross debt*					-33 461		-34 954
Gross cash*					16 710		19 062
<i>Of which Patricia Industries</i>					14 389		14 616
<b>Net debt</b>				<b>-22</b>	<b>-16 752</b>		<b>-15 892</b>
<b>Net Asset Value</b>				<b>393</b>	<b>300 077</b>	<b>28 276</b>	<b>271 801</b>

- 1) Calculated in accordance with the disclosure regulations of Sweden's Financial Instruments Trading Act (LHF). ABB, AstraZeneca, Nasdaq and Wärtsilä in accordance with Swiss, British, U.S. and Finnish regulations.
- 2) Includes market value of derivatives related to investments if applicable. The subsidiaries and the partner-owned investments within Patricia Industries are reported according to the acquisition method and equity method respectively.
- 3) Valued according to the class of share held by Investor, with the exception of Saab and Electrolux, for which the most actively traded class of share is used.
- 4) Including management costs, of which Listed Core Investments SEK 89 m., EQT SEK 8 m., Patricia Industries SEK 263 m., and Groupwide SEK 105 m.
- 5) Including paid dividends of SEK 7,635 m.

# Overview

## Net asset value

During 2016, net asset value increased from SEK 271.8 bn. to SEK 300.1 bn. The change in net asset value, with dividend added back, was 13 percent (7), of which 3 percent during the fourth quarter (6). The corresponding total return of the Stockholm Stock Exchange (SIXRX) was 10 percent and 3 percent respectively.

For balance sheet items, figures in parentheses refer to year-end 2015 figures. For income statement items and cash flow items, the figures in parentheses refer to the same period last year.

## Net debt

Net debt\* totaled SEK 16,752 m. on December 31, 2016 (15,892), corresponding to leverage of 5.3 percent (5.5).

### Investor's net debt

SEK m.	2016
<b>Opening net debt</b>	<b>-15 892</b>
<b>Listed Core Investments</b>	
Dividends	8 307
Investments, net of proceeds <sup>1)</sup>	-1 488
<b>Total</b>	<b>6 818</b>
<b>EQT</b>	
Proceeds (divestitures, fee surplus and carry)	3 874
Draw-downs (investments and management fees)	-2 864
<b>Total</b>	<b>1 010</b>
<b>Patricia Industries</b>	
Proceeds	7 124
Investments	-6 118
Internal transfer to Investor	-1 259
Other <sup>2)</sup>	27
<b>Total</b>	<b>-227</b>
<b>Investor Groupwide</b>	
Dividends paid	-7 635
Internal transfer from Patricia Industries	1 259
Other <sup>3)</sup>	-2 086
<b>Closing net debt</b>	<b>-16 752</b>

1) Incl. currency related effects on investments in foreign currency.

2) Incl. currency related effects, net interest and management cost.

3) Incl. revaluation of debt, net interest and management cost excl. Patricia Industries.

### Performance by business area in summary

Q4 2016 SEK m.	Listed Core Investments	EQT	Patricia Industries	Investor Groupwide	Total
Dividends	819	0	-1	0	819
Other operating income			8		8
Changes in value	6 545	657	-526	2	6 679
Net sales			8 747		8 747
Management cost	-23	-2	-68	-30	-123
Other profit/loss items		-2	-7 490	544	-6 948
<b>Profit/loss for the period</b>	<b>7 341</b>	<b>653</b>	<b>670</b>	<b>517</b>	<b>9 181</b>
Non-controlling interest			3		3
Other effects on equity		-60	927	-656	211
<b>Contribution to net asset value</b>	<b>7 341</b>	<b>593</b>	<b>1 601</b>	<b>-140</b>	<b>9 395</b>
<b>Net asset value by business area 12/31 2016</b>					
Carrying amount	248 354	13 996	54 806	-327	316 829
Investor's net debt/cash			14 389	-31 141	-16 752
<b>Total net assets including net debt/cash</b>	<b>248 354</b>	<b>13 996</b>	<b>69 195</b>	<b>-31 468</b>	<b>300 077</b>

Q4 2015 SEK m.	Listed Core Investments	EQT	Patricia Industries	Investor Groupwide	Total
Dividends	765		1		767
Other operating income			12		12
Changes in value	10 688	1 564	1 570		13 821
Net sales			7 246		7 246
Management cost	-19	-2	-70	-66	-157
Other profit/loss items		-1	-6 790	-181	-6 973
<b>Profit/loss for the period</b>	<b>11 434</b>	<b>1 561</b>	<b>1 969</b>	<b>-248</b>	<b>14 716</b>
Non-controlling interest			-3		-3
Other effects on equity		-352	-522	443	-431
<b>Contribution to net asset value</b>	<b>11 434</b>	<b>1 208</b>	<b>1 444</b>	<b>195</b>	<b>14 281</b>
<b>Net asset value by business area 12/31 2015</b>					
Carrying amount	224 143	13 021	51 095	-565	287 695
Investor's net debt/cash			14 616	-30 508	-15 892
<b>Total net assets including net debt/cash</b>	<b>224 143</b>	<b>13 021</b>	<b>65 711</b>	<b>-31 073</b>	<b>271 801</b>

# Listed Core Investments

Listed Core Investments contributed to the net asset value with SEK 30,936 m. during 2016 (8,804), of which SEK 7,341 m. during the fourth quarter (11,434).

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

## Contribution to net asset value, Listed Core Investments

SEK m.	Q4 2016	2016	2015
Changes in value	6 545	22 719	1 209
Dividends	819	8 307	7 681
Management cost	-23	-89	-86
<b>Total</b>	<b>7 341</b>	<b>30 936</b>	<b>8 804</b>

The combined total return amounted to 14 percent during 2016, of which 3 percent during the fourth quarter.

## Dividends

Dividends received totaled SEK 8,307 m. during 2016 (7,681), of which SEK 819 m. during the fourth quarter.

## Contribution to net asset value and total return

	Q4 2016			2016	
	Value, SEK m.	Contribution to net asset value, SEK m.	Total return, Investor <sup>1)</sup> (%)	Contribution to net asset value, SEK m.	Total return, Investor <sup>1)</sup> (%)
Atlas Copco	57 437	4 930	9.3	15 521	36.0
ABB	44 592	-209	-0.5	10 671	30.1
SEB	43 725	4 501	11.5	5 293	13.0
AstraZeneca	25 732	-3 467	-11.9	-2 896	-9.7
Wärtsilä	14 257	840	6.3	1 208	9.2
Nasdaq	11 842	610	5.4	2 610	27.7
Sobi	11 480	54	0.5	-3 034	-20.9
Saab	11 181	1 193	11.9	2 809	32.9
Electrolux	10 846	589	5.7	1 297	13.2
Ericsson	10 378	-1 409	-13.1	-4 070	-28.9
Husqvarna	6 883	-267	-3.7	1 616	29.8
<b>Total</b>	<b>248 354</b>	<b>7 364</b>		<b>31 025</b>	

1) Calculated as the sum of share price changes and dividends added back, including add-on investments and/or divestments.

## Investments and divestments

### Fourth quarter

21,000,000 shares were purchased in Ericsson for SEK 1,011 m.

### Earlier during the year

750,000 shares were purchased in Atlas Copco for SEK 125 m. 1,000,000 shares in Wärtsilä were purchased for SEK 353 m.

## Listed Core Investments

	A provider of power and automation technologies for utility and industry customers	<a href="http://www.abb.com">www.abb.com</a>
	A global, innovation-driven, integrated biopharmaceutical company	<a href="http://www.astrazeneca.com">www.astrazeneca.com</a>
	A provider of compressors, vacuum and air treatment systems, construction and mining equipment, power tools and assembly systems	<a href="http://www.atlascopco.com">www.atlascopco.com</a>
	A provider of household appliances and appliances for professional use	<a href="http://www.electrolux.com">www.electrolux.com</a>
	A provider of communication technologies and services	<a href="http://www.ericsson.com">www.ericsson.com</a>
	A provider of outdoor power products, consumer watering products, cutting equipment and diamond tools	<a href="http://www.husqvarnagroup.com">www.husqvarnagroup.com</a>
	A provider of trading, exchange technology, information and public company services	<a href="http://www.nasdaq.com">www.nasdaq.com</a>
	A provider of products, services and solutions for military defense and civil security	<a href="http://www.saabgroup.com">www.saabgroup.com</a>
	A financial services group with the main focus on the Nordic countries, Germany and the Baltics	<a href="http://www.seb.se">www.seb.se</a>
	A specialty healthcare company developing and delivering innovative therapies and services to treat rare diseases	<a href="http://www.sobi.com">www.sobi.com</a>
	A provider of complete lifecycle power solutions for the marine and energy markets	<a href="http://www.wartsila.com">www.wartsila.com</a>



Our investments in EQT contributed to the net asset value with SEK 1,986 m. during 2016 (3,995), of which SEK 593 m. during the fourth quarter (1,208).

Read more at [www.eqt.se](http://www.eqt.se) >>

A private equity group with portfolio companies in Europe, Asia and the U.S.

## Activities during the quarter

- Investor paid a net of SEK 104 m. to EQT.
- In constant currency, the value change of Investor's investments in EQT was 4 percent. The reported value change was 4 percent.
- Investor's total outstanding commitments to EQT funds amounted to SEK 13.7 bn. as of December 31, 2016 (8.5).
- EQT V agreed to sell SAG Group and divested shares in Scandic Hotels Group and Dometic.
- EQT VI divested BSN Medical and Automic and acquired Independent Vetcare.
- EQT VII acquired AutoStore and completed the acquisition of Press Ganey.
- EQT Infrastructure acquired GlobalConnect, Delta Comfort and entered a strategic partnership with GETEC.
- EQT Infrastructure II acquired CHEP Aerospace Solutions and GB Railfreight.
- EQT Mid Market acquired Adamo Telecom Iberia and invested in Fertin Pharma and Utimaco.
- EQT Mid Market US closed successfully.

## Change in net asset value, EQT

SEK m.	Q4 2016	2016	2015
Net asset value, beginning of period	13 300	13 021	13 522
Contribution to net asset value (value change)	593	1 986	3 995
Draw-downs (investments and management fees)	976	2 864	1 590
Proceeds to Investor (divestitures, fee surplus and carry)	-873	-3 874	-6 086
<b>Net asset value, end of period</b>	<b>13 996</b>	<b>13 996</b>	<b>13 021</b>

## Investor's investments in EQT, December 31, 2016

	Fund size EUR m.	Investor's share (%)	Investor's remaining commitment SEK m.	Reported value SEK m.
Terminated funds <sup>1)</sup>	1 633			-
Fully invested funds <sup>2)</sup>	17 561		1 356	10 936
EQT VII	6 817	5	2 246	1 103
EQT Infrastructure II	1 938	8	595	876
EQT Credit Fund II	845	10	328	655
EQT Ventures <sup>3)</sup>	461	11	459	14
EQT Midmarket US	616	30	1 585	237
EQT new funds			7 127	142
EQT AB		19		33
<b>Total</b>	<b>29 871</b>		<b>13 697</b>	<b>13 996</b>

1) EQT I, EQT II, EQT Denmark, EQT Finland, EQT Asia.

2) EQT III, EQT IV, EQT V, EQT VI, EQT Expansion Capital I and II, EQT Greater China II, EQT Infrastructure, EQT Credit Fund, EQT Opportunity, EQT Mid Market.

3) Fund commitment excluding the EQT Ventures Co-Investment Schemes and the EQT Ventures Mentor Funds.

## Investor's investments in EQT, key figures overview

SEK m.	FY 2016	Q4 2016	Q3 2016	Q2 2016	Q1 2016	FY 2015	Q4 2015	Q3 2015	Q2 2015	Q1 2015	FY 2014	Q4 2014
Reported value	13 996	13 996	13 300	13 272	11 905	13 021	13 021	12 623	13 599	13 991	13 522	13 522
Reported value change, %	15	4	2	9	1	30	10	-2	15	8	38	10
Value change, constant currency, %	10	4	0	7	0	32	12	-4	16	8	30	6
Draw-downs from Investor	2 864	976	942	633	313	1 590	133	364	223	870	2 397	389
Proceeds to Investor	3 874	873	1 141	365	1 496	6 086	943	1 034	2 683	1 426	4 854	1 714
<b>Net cash flow to Investor</b>	<b>1 010</b>	<b>-104</b>	<b>199</b>	<b>-268</b>	<b>1 183</b>	<b>4 496</b>	<b>810</b>	<b>670</b>	<b>2 460</b>	<b>556</b>	<b>2 457</b>	<b>1 325</b>

Patricia Industries contributed to the net asset value with SEK 4,438 m. during 2016 (4,855), of which SEK 1,601 m. during the fourth quarter (1,444).

Read more at [www.patriciaindustries.com](http://www.patriciaindustries.com) >>

## Investments, divestments and distributions

No major investments were made during the quarter. Divestments amounted to SEK 447 m., of which the largest divestment was the exit in Venda. Distributions amounted to SEK 4,226 m., including distributions from Mölnlycke, Permobil and 3 Scandinavia as well as refinancing of Laborie.

For information regarding Alternative Performance Measures related to Patricia Industries and its investments, see page 16. Definitions can be found on Investors website.

## Patricia Industries, net cash

SEK m.	Q4 2016	2016	2015
Beginning of period	9 602	14 616	10 380
Net cash flow	4 525	1 006	4 198
Internal transfer to Investor	-	-1 259	-
Other <sup>1)</sup>	262	27	38
<b>End of period</b>	<b>14 389</b>	<b>14 389</b>	<b>14 616</b>

1) Includes currency related effects, net interest and management cost.

## Patricia Industries, net asset value

SEK m.	Q4 2016	2016	2015
Beginning of period	57 656	51 095	49 759
Investments	155	6 127	4 176
Divestments	-447	-2 360	-2 896
Distributions	-4 226	-4 763	-5 089
Changes in value	1 669	4 706	5 145
<b>End of period</b>	<b>54 806</b>	<b>54 806</b>	<b>51 095</b>
<b>Total, incl. cash</b>	<b>69 195</b>	<b>69 195</b>	<b>65 711</b>

## Patricia Industries, contribution to net asset value

SEK m.	Q4 2016	2016	2015
Changes in value	1 669	4 706	5 145
Management cost	-68	-263	-268
Other items	-	-5	-21
<b>Total</b>	<b>1 601</b>	<b>4 438</b>	<b>4 855</b>

## Major subsidiaries, performance<sup>1)</sup>

Q4 2016								
SEK m.	Mölnlycke	Laborie <sup>3)</sup>	Aleris	Permobil	BraunAbility	Vectura	Grand Group	Total
<b>Income statement items</b>								
Sales	3 628	284	2 662	939	1 048	49	168	8 778
EBITDA	1 086	42	137	206	79	30	10	1 589
EBITDA, %	30	14	5	22	7	60	6	18
EBITA <sup>2)</sup>	987	36	78	172	70	2	2	1 347
EBITA, %	27	12	3	18	7	4	1	15
<b>Cash flow items</b>								
EBITDA	1 086	42	137	206	79	30	10	1 589
Change in working capital	315	-183	68	1	134	37	-23	348
Capital expenditures	-300	12	-65	-23	-7	-78	-9	-470
<b>Operating cash flow</b>	<b>1 102</b>	<b>-130</b>	<b>140</b>	<b>184</b>	<b>206</b>	<b>-12</b>	<b>-23</b>	<b>1 466</b>
Acquisitions/divestments	-	-	-13	-2	-	-18	-	-32
Shareholder contribution/distribution	-2 925	-860	-	-200	-	-	-	-3 985
Other	-25	101	28	-120	-67	-4	-14	-102
<b>Increase (-)/decrease (+) in net debt</b>	<b>-1 849</b>	<b>-889</b>	<b>155</b>	<b>-138</b>	<b>139</b>	<b>-34</b>	<b>-38</b>	<b>-2 653</b>

## Major subsidiaries, performance<sup>1)</sup>

2016								
SEK m.	Mölnlycke	Laborie <sup>3)</sup>	Aleris	Permobil	BraunAbility	Vectura	Grand Group	Total
<b>Income statement items</b>								
Sales	13 535	1 054	9 896	3 335	3 885	184	635	32 524
EBITDA	4 054	196	513	682	344	115	51	5 955
EBITDA, %	30	19	5	20	9	62	8	18
EBITA <sup>2)</sup>	3 708	175	306	552	309	10	24	5 084
EBITA, %	27	17	3	17	8	5	4	16
<b>Cash flow items</b>								
EBITDA	4 054	196	513	682	344	115	51	5 955
Change in working capital	68	16	6	91	21	7	-14	195
Capital expenditures	-847	-130	-219	-86	-38	-264	-36	-1 621
<b>Operating cash flow</b>	<b>3 276</b>	<b>81</b>	<b>299</b>	<b>687</b>	<b>327</b>	<b>-142</b>	<b>1</b>	<b>4 529</b>
Acquisitions/divestments	-463	-27	-1 188	-140	-59	-203	-	-2 080
Shareholder contribution/distribution	-2 925	998	-	-200	-	-	-	-2 127
Other	-392	4	-281	-454	-129	-6	-18	-1 276
<b>Increase (-)/decrease(+) in net debt</b>	<b>-504</b>	<b>1 056</b>	<b>-1 169</b>	<b>-107</b>	<b>138</b>	<b>-351</b>	<b>-17</b>	<b>-955</b>

1) This table presents the performance of the major subsidiaries within Patricia Industries. Smaller subsidiaries and internal eliminations not included.

2) EBITA is defined as operating profit before acquisition-related amortizations.

3) Consolidated as of September 16, 2016. Historical pro forma figures presented for information purposes.



A provider of advanced products for treatment and prevention of wounds and single-use surgical solutions

### Activities during the quarter

- Organic growth amounted to 4 percent in constant currency.
- Both Wound Care and Surgical contributed to growth. The U.S. and Europe continued to grow, and Emerging Markets showed strong growth. Within Surgical, growth was driven by Procedure Pak™ trays and Gloves. Mölnlycke continued to benefit from the expected ban on powdered gloves in the U.S. that came into effect on January 19, 2017.
- The EBITA margin increased driven by mix and operating leverage.
- The increase in capex continues to be driven by the investments in the Procedure Pak™ trays assembly facility in the Czech Republic.
- Mölnlycke distributed EUR 300 m. to Patricia Industries.

### Key figures, Mölnlycke

Income statement items, EUR m.	2016		2015	
	Q4	YTD	Q4	YTD
Sales	372	1 429	357	1 353
Sales growth, %	4	6	10	12
Organic growth, constant currency, %	4	6	4	5
EBITDA	111	428	95	374
EBITDA, %	30	30	27	28
EBITA	101	392	86	337 <sup>1)</sup>
EBITA, %	27	27	24	25
<b>Balance sheet items, EUR m.</b>	<b>12/31 2016</b>		<b>12/31 2015</b>	
Net debt	909		855	
Cash flow items, EUR m.	2016		2015	
	Q4	YTD	Q4	YTD
EBITDA	111	428	95	374
Change in working capital	34	7	46	-4
Capital expenditures	-31	-89	-16	-57
<b>Operating cash flow</b>	<b>114</b>	<b>346</b>	<b>125</b>	<b>313</b>
Acquisitions/divestments	-	-50	-	-
Shareholder contribution/distribution	-300	-300	-425	-440
Other <sup>2)</sup>	-11	-50	-28	-85
<b>Increase (-)/decrease (+) in net debt</b>	<b>-197</b>	<b>-54</b>	<b>-328</b>	<b>-212</b>
<b>Key ratios</b>				
Working capital/sales, %	12			
Capital expenditures/sales, %	6			
	<b>12/31 2016</b>		<b>12/31 2015</b>	
Number of employees	7 505		7 500	

1) Including a EUR 5 m. write-down of capitalized R&D.

2) Includes effects of exchange rate changes, interest and tax. During 2016, foreign exchange rate-related effects from revaluation of net debt amounted to EUR -7 m. (-36), of which EUR -2 m. during the fourth quarter (-12).

A leading provider of innovative capital equipment and consumables for the diagnosis and treatment in urologic and gastrointestinal (GI) disorders

### Activities during the quarter

- Organic growth amounted to 6 percent in constant currency, mainly driven by continued strong performance of the urodynamics business.
- The EBITA margin was impacted by significant non-recurring costs, including administrative costs related to the refinancing. Adjusted for these non-recurring costs, the EBITA margin was 25 percent.
- Significant investments were made in regulatory and quality assurance functions. Several key recruitments were also made.
- A refinancing, including USD 120 m. in debt, was completed, of which USD 100 m. was distributed to Patricia Industries.

### Key figures, Laborie

Income statement items, USD m.	2016 <sup>1)</sup>		2015 <sup>1)</sup>	
	Q4	YTD	Q4	YTD
Sales	31	123	30	109
Sales growth, %	5	13	28	25
Organic growth, constant currency, %	6	10	3	3
EBITDA	5	23	7	20
EBITDA, %	14	19	23	18
EBITA	4	20	6	18
EBITA, %	12	17	21	17
<b>Balance sheet items, USD m.</b>	<b>12/31 2016</b>		<b>12/31 2015</b>	
Net debt	67		190	
Cash flow items, USD m.	2016		2015	
	Q4	YTD	Q4	YTD
EBITDA	5	23	7	20
Change in working capital	-22	2	2	6
Capital expenditures	1	-15	-2	0
<b>Operating cash flow</b>	<b>-16</b>	<b>10</b>	<b>7</b>	<b>26</b>
Acquisitions/divestments	-	-3	-	-30
Shareholder contribution/distribution	-100	121	-	-
Other <sup>2)</sup>	8	-4	-5	-63
<b>Increase (-)/decrease (+) in net debt</b>	<b>-109</b>	<b>123</b>	<b>2</b>	<b>-67</b>
<b>Key ratios</b>				
Working capital/sales, %	11			
Capital expenditures/sales, %	12			
	<b>12/31 2016</b>		<b>12/31 2015</b>	
Number of employees	425		385	

1) Consolidated as of September 16, 2016. Historical pro forma figures presented for information purposes.

2) Includes effects of exchange rate changes, interest and tax.



A provider of healthcare and care services in Scandinavia

## Activities during the quarter

- Organic growth amounted to 3 percent in constant currency, mainly driven by Care in both Norway and Denmark.
- The increase in the EBITA margin is largely explained by the addition of Curato. The margin improved in Care Norway, while profitability within Healthcare Sweden remained weak.
- Once again, two of Aleris' hospitals were selected top 4 in Dagens Medicin's annual ranking of Sweden's best hospitals. The ranking is based on a combination of quality, availability and financial stability.

### Key figures, Aleris

Income statement items, SEK m.	2016		2015	
	Q4	YTD	Q4	YTD
Sales	2 662	9 896	2 311	8 540
Sales growth, %	15	16	16	13
Organic growth, constant currency, %	3	7	10	10
EBITDA	137	513	93	492
EBITDA, %	5	5	4	6
EBITA	78	306	48	323
EBITA, %	3	3	2	4
<b>Balance sheet items, SEK m.</b>	<b>12/31 2016</b>		<b>12/31 2015</b>	
Net debt	2 584		1 415	
Cash flow items, SEK m.	2016		2015	
	Q4	YTD	Q4	YTD
EBITDA	137	513	93	492
Change in working capital	68	6	134	21
Capital expenditures	-65	-219	-84	-182
<b>Operating cash flow</b>	<b>140</b>	<b>299</b>	<b>142</b>	<b>330</b>
Acquisitions/divestments	-13	-1 188	-695	-786
Shareholder contribution/distribution	-	-	-	-
Other <sup>1)</sup>	28	-281	37	9
<b>Increase (-)/decrease (+) in net debt</b>	<b>155</b>	<b>-1 169</b>	<b>-516</b>	<b>-447</b>
<b>Key ratios</b>				
Working capital/sales, %	-2			
Capital expenditures/sales, %	2			
	<b>12/31 2016</b>		<b>12/31 2015</b>	
Number of employees	8 690		7 805	

1) Includes effects of exchange rate changes, interest and tax. During 2016, foreign exchange rate-related effects from revaluation of net debt amounted to SEK -90 m. (25), of which SEK 3 m. during the fourth quarter (10).

A provider of advanced mobility and seating rehab solutions

## Activities during the quarter

- Organic growth amounted to 1 percent in constant currency. Sales in the U.S. were somewhat lower than last year, while sales in Europe continued to grow.
- The EBITA margin was largely unchanged compared to last year. However, adjusting for a pension scheme-related change, the margin was slightly lower, reflecting investments in OPEX.
- Permobil acquired the U.S. based custom seating manufacturer Prairie Seating Corp., strengthening its offering within seating and positioning for wheelchair users.
- Permobil distributed SEK 200 m. to its owners, of which SEK 194 m. to Patricia Industries.

### Key figures, Permobil

Income statement items, SEK m.	2016		2015	
	Q4	YTD	Q4	YTD
Sales	939	3 335	862	2 931
Sales growth, %	9	14	44	43
Organic growth, constant currency, %	1	6	15	8
EBITDA	206	682	188	547
EBITDA, %	22	20	22	19
EBITA	172	552	146	427
EBITA, %	18	17	17	15
<b>Balance sheet items, SEK m.</b>	<b>12/31 2016</b>		<b>12/31 2015</b>	
Net debt	2 501		2 395	
Cash flow items, SEK m.	2016		2015	
	Q4	YTD	Q4	YTD
EBITDA	206	682	188	547
Adjustments to EBITDA <sup>1)</sup>	-	-	11	29
Change in working capital	1	91	-7	-80
Capital expenditures	-23	-86	-29	-164
<b>Operating cash flow</b>	<b>184</b>	<b>687</b>	<b>163</b>	<b>331</b>
Acquisitions/divestments	-2	-140	-	-1 053
Shareholder contribution/distribution	-200	-200	-	-
Other <sup>2)</sup>	-120	-454	-21	-222
<b>Increase (-)/decrease (+) in net debt</b>	<b>-138</b>	<b>-107</b>	<b>141</b>	<b>-944</b>
<b>Key ratios</b>				
Working capital/sales, %	18			
Capital expenditures/sales, %	3			
	<b>12/31 2016</b>		<b>12/31 2015</b>	
Number of employees	1 375		1 320	

1) Acquisition related inventory adjustment that effects EBITDA negatively but has no effect on cash flow.

2) Includes effects of exchange rate changes, interest and tax. During 2016, foreign exchange rate-related effects amounted to SEK -196 m. from revaluation of net debt (-78), of which SEK -111 m. during the fourth quarter (20). It also includes SEK 110 m. in an acquisition-related add-on payment (relating to Permobil).

A world-leading manufacturer of wheelchair accessible vehicles and wheelchair lifts

## Activities during the quarter

- Organic growth amounted to 13 percent in constant currency, primarily driven by strong demand for commercial wheelchair accessible vans (WAVs) and domestic lifts.
- Adjusted for transaction-related non-recurring costs in the year-ago quarter, the EBITA margin was slightly higher, despite significant investments in operational improvements, growth initiatives and R&D.
- Plant operations continued to run smoothly with quality, productivity and safety metrics all showing significant improvement compared to last year.
- Outside of North America, the company's joint venture in EMEA continued to be challenged by weak market demand.

## Key figures, BraunAbility

Income statement items, USD m.	2016		2015 <sup>1)</sup>	
	Q4	YTD	Q4	YTD
Sales	116	454	101	399
Sales growth, %	15	14	2	2
Organic growth, constant currency, %	13	13	2	2
EBITDA	9	40	2	30
EBITDA, %	7	9	2	8
EBITA	8	36	2	27
EBITA, %	7	8	2	7
<b>Balance sheet items, USD m.</b>	<b>12/31 2016</b>		<b>12/31 2015</b>	
Net debt	59		75	
Cash flow items, USD m.	2016		2015	
	Q4	YTD	Q4	YTD
EBITDA	9	40	2	30
Change in working capital	16	2	11	-3
Capital expenditures	-1	-4	-1	-1
<b>Operating cash flow</b>	<b>24</b>	<b>38</b>	<b>13</b>	<b>26</b>
Acquisitions/divestments	-	-7	-	-
Shareholder contribution/distribution	-	-	-	-
Other <sup>2)</sup>	-8	-15	-37	-50
<b>Increase (-)/decrease (+) in net debt</b>	<b>16</b>	<b>16</b>	<b>-23</b>	<b>-24</b>
<b>Key ratios</b>				
Working capital/sales, %	16			
Capital expenditures/sales, %	1			
	<b>12/31 2016</b>		<b>12/31 2015</b>	
Number of employees	1 075		1 025	

1) Consolidated as of October 30, 2015. Historical pro forma figures presented for information purposes.

2) Includes effects of exchange rate changes, interest and tax.

Develops and manages real estate, including Grand Hôtel and Aleris-related properties

## Activities during the quarter

- Growth amounted to 16 percent, driven by revenue-based rental income from Grand Hôtel, the new Aleris facility in Solna (from February), and the addition of the Hamlet hospital in Denmark (from October).
- Vectura initiated the construction of a new Aleris elderly care facility in Partille.
- Vectura continued to strengthen its organization with additional recruitments, and has built a strong platform for continued growth.

## Key figures, Vectura

Income statement items, SEK m.	2016		2015	
	Q4	YTD	Q4	YTD
Sales	49	184	42	158
Sales growth, %	16	17	24	21
EBITDA	30	115	20	92
EBITDA, %	60	62	48	58
EBITA adjusted <sup>1)</sup>	9	41	1	19
EBITA adjusted, %	18	22	3	12
EBITA	2	10	-6	-10
EBITA, %	4	5	-15	-7
<b>Balance sheet items, SEK m.</b>	<b>12/31 2016</b>		<b>12/31 2015</b>	
Net debt	1 456		1 105	
Cash flow items, SEK m.	2016		2015	
	Q4	YTD	Q4	YTD
EBITDA	30	115	20	92
Change in working capital	37	7	36	19
Capital expenditures	-78	-264	-56	-139
<b>Operating cash flow</b>	<b>-12</b>	<b>-142</b>	<b>0</b>	<b>-28</b>
Acquisitions/divestments	-18	-203	-9	-28
Shareholder contribution/distribution	-	-	367	367
Other <sup>2)</sup>	-4	-6	-75	-53
<b>Increase (-)/decrease (+) in net debt</b>	<b>-34</b>	<b>-351</b>	<b>283</b>	<b>258</b>
	<b>12/31 2016</b>		<b>12/31 2015</b>	
Number of employees	16		13	

1) EBITA adjusted for depreciation of surplus values related to properties.

2) Includes interest and tax.

The Grand Group offers Lodging, Food & Beverage as well as Conference & Banqueting, and consists of Scandinavia's leading hotels Grand Hôtel and Lydmar Hotel

## Activities during the quarter

- Growth amounted to 5 percent. All segments contributed to growth, primarily Lodging at both Grand Hôtel and Lydmar Hotel.
- The EBITDA margin declined somewhat due to higher costs in the quarter.
- Lydmar was ranked as the most popular hotel in Stockholm, reaching #1 on TripAdvisor.

## Key figures, Grand Group

Income statement items, SEK m.	2016		2015	
	Q4	YTD	Q4	YTD
Sales	168	635	160	597
Sales growth, %	5	6	3	10
EBITDA	10	51	9	41
EBITDA, %	6	8	6	7
EBITA	2	24	3	15
EBITA, %	1	4	2	3
<b>Balance sheet items, SEK m.</b>	<b>12/31 2016</b>		<b>12/31 2015</b>	
Net debt	-89		-106	
Cash flow items, SEK m.	2016		2015	
	Q4	YTD	Q4	YTD
EBITDA	10	51	9	41
Change in working capital	-23	-14	-8	-12
Capital expenditures	-9	-36	-4	-13
<b>Operating cash flow</b>	<b>-23</b>	<b>1</b>	<b>-3</b>	<b>16</b>
Acquisitions/divestments	-	-	-	-
Shareholder contribution/distribution	-	-	-	-
Other <sup>1)</sup>	-14	-18	10	5
<b>Increase (-)/decrease (+) in net debt</b>	<b>-38</b>	<b>-17</b>	<b>7</b>	<b>21</b>
<b>Key ratios</b>	<b>12/31 2016</b>		<b>12/31 2015</b>	
Working capital/sales, %	-8			
Capital expenditures/sales, %	6			
Number of employees	360		360	

1) Includes interest and tax.

A provider of mobile voice and broadband services in Sweden and Denmark

## Activities during the quarter

- The subscriber base decreased by 10,000 in the quarter. Compared to last year, service revenue grew by 7 percent. The offerings from Hallon and Oister continued to develop well.
- EBITDA grew 9 percent, reflecting operating leverage.
- In Sweden, 3 Scandinavia acquired 2 x 5 MHz of spectrum in the 1800 MHz band for SEK 100 m. The spectrum provides a foundation for maintaining the high quality network with a growing subscriber base and data usage.
- 3 Sweden rolled out 4G+/LTE-A in more than 70 cities and towns across the country.
- Cash flow was strong, and SEK 623 m. was distributed to the owners, of which SEK 249 m. to Patricia Industries.

## Key figures, 3 Scandinavia

Income statement items	2016		2015	
	Q4	YTD	Q4	YTD
Sales, SEK m.	2 933	11 480	2 948	10 831
Sweden, SEK m.	1 915	7 374	1 952	7 238
Denmark, DKK m.	783	3 242	802	2 868
Service revenue <sup>1)</sup> , SEK m.	1 702	6 644	1 590	6 313
Sweden, SEK m.	1 110	4 385	1 056	4 176
Denmark, DKK m.	453	1 775	429	1 703
EBITDA, SEK m.	821	3 063	754	2 916
Sweden, SEK m.	580	2 255	539	2 149
Denmark, DKK m.	185	633	173	612
EBITDA, %	28	27	26	27
Sweden	30	31	28	30
Denmark	24	20	22	21
<b>Balance sheet items, SEK m.</b>	<b>12/31 2016</b>		<b>12/31 2015</b>	
Net debt	1 372		1 579	
Number of employees	2 160		2 095	
<b>Key ratios</b>	<b>12/31 2016</b>		<b>12/31 2015</b>	
Capital expenditures/sales, %	13			
<b>Other key figures</b>	<b>12/31 2016</b>		<b>12/31 2015</b>	
Subscribers	3 304 000		3 190 000	
Sweden	2 068 000		2 016 000	
Denmark	1 236 000		1 174 000	
Postpaid/prepaid ratio	78/22		79/21	

1) Mobile service revenue excluding interconnect revenue.

## Financial Investments

Financial Investments consists of investments in which the investment horizon has not yet been defined. Our objective is to maximize the value and use realized proceeds for investments in existing and new subsidiaries. We are also evaluating if some holdings could become long-term investments.

### Activities during the quarter

- A number of follow-on investments were made.
- An exit was made in Venda. Parts of the holdings in Active Biotech, Alligator Bioscience, Tobii and Corcept were divested. Total proceeds amounted to SEK 447 m.

### Change in net asset value, Financial Investments

SEK m.	Q4 2016	2016	2015
Net asset value, beginning of period	10 293	12 850	11 714
Investments	155	611	923
Divestments/distributions	-447	-2 368	-2 908
Changes in value	21	-1 070	3 121
<b>Net asset value, end of period</b>	<b>10 023</b>	<b>10 023</b>	<b>12 850</b>

As of December 31, 2016, European, U.S. and Asian holdings represented 24, 46, and 30 percent of the total value of the Financial Investments.

48 percent of the net asset value of the Financial Investments is represented by investments in publicly listed companies.

### Five largest Financial Investments, December 31, 2016

Company	Region	Business	Listed/ unlisted	Reported value. SEK m.
NS Focus	Asia	IT	Listed	3 029
Madrague	Europe	Financials	Unlisted	836
Tobii	Europe	IT	Listed	557
Mindjet	U.S.	IT	Unlisted	543
Newron	Europe	Healthcare	Listed	326
<b>Total</b>				<b>5 291</b>

The five largest investments represented 53 percent of the total value of the Financial Investments.

**Patricia Industries – key figures overview<sup>1)</sup>**

	FY 2016	Q4 2016	Q3 2016	Q2 2016	Q1 2016	FY 2015	Q4 2015	Q3 2015	Q2 2015	Q1 2015	FY 2014	Q4 2014
<b>Mölnlycke (EUR m.)</b>												
Sales	1 429	372	350	361	345	1 353	357	339	335	321	1 213	325
EBITDA	428	111	109	110	98	374	95	100	90	89	349	101
EBITDA (%)	30	30	31	30	28	28	27	29	27	28	29	31
EBITA <sup>2)</sup>	392	101	100	101	89	337	86	86 <sup>3)</sup>	83	82	322	94
EBITA, %	27	27	29	28	26	25	24	25	25	26	27	29
Net debt	909	909	712	807	871	855	855	527	606	628	643	643
Employees	7 505	7 505	7 485	7 560	7 555	7 500	7 500	7 360	7 540	7 515	7 425	7 425
<b>Laborie<sup>4)</sup> (USD m.)</b>												
Sales	123	31	30	30	32	109	30	28	27	24		
EBITDA	23	5	6	5	7	20	7	7	4	1		
EBITDA (%)	19	14	20	18	23	18	23	27	15	6		
EBITA <sup>2)</sup>	20	4	5	5	6	18	6	7	4	1		
EBITA, %	17	12	18	16	20	17	21	26	13	5		
Net debt	67	67	-42	205	191	190	190	192	191	162		
Employees	425	425	410	395	395	385	385	390	390	300		
<b>Permobil (SEK m.)</b>												
Sales	3 335	939	844	820	732	2 931	862	815	723	531	2 053	597
EBITDA	682	206	176	167	133	547	189	171	125	62	426	122
EBITDA (%)	20	22	21	20	18	19	22	21	17	12	21	20
EBITA <sup>2)</sup>	552	172	144	135	101	427	146	143	97	41	351	99
EBITA, %	17	18	17	16	14	15	17	18	13	8	17	17
Net debt	2 501	2 501	2 364	2 335	2 254	2 395	2 395	2 536	2 526	1 592	1 451	1 451
Employees	1 375	1 375	1 375	1 345	1 330	1 320	1 320	1 330	1 310	1 050	1 015	1 015
<b>Aleris (SEK m.)</b>												
Sales	9 896	2 662	2 355	2 503	2 376	8 540	2 311	1 991	2 172	2 066	7 527	1 999
EBITDA	513	137	98	162	116	492	93	122	140	137	355	60
EBITDA (%)	5	5	4	6	5	6	4	6	6	7	5	3
EBITA <sup>2)</sup>	306	78	41	117	71	323	48	82	95	98	199	20
EBITA, %	3	3	2	5	3	4	2	4	4	5	3	1
Net debt	2 584	2 584	2 739	1 402	1 508	1 415	1 415	900	902	986	969	969
Employees	8 690	8 690	8 585	8 430	8 205	7 805	7 805	7 300	7 305	6 960	6 645	6 645
<b>BraunAbility<sup>5)</sup> (USD m.)</b>												
Sales	454	116	123	114	100	399	101	107	113	77	391	
EBITDA	40	9	12	12	8	30	2	11	11	6	34	
EBITDA (%)	9	7	9	11	8	8	2	10	10	8	9	
EBITA <sup>2)</sup>	36	8	10	12	7	27	1	10	10	6	31	
EBITA, %	8	7	8	10	7	7	1	9	9	7	8	
Net debt	59	59	76	80	86	75	75	52	60	59	52	
Employees	1 075	1 075	1 075	1 040	1 030	1 025	1 025	990	990	950	950	
<b>Vectura (SEK m.)</b>												
Sales	184	49	51	49	34	158	43	45	41	28	130	34
EBITDA	115	30	35	31	20	92	20	30	27	15	73	15
EBITDA (%)	62	60	68	62	58	58	47	67	66	54	56	44
EBITA <sup>2)</sup>	10	2	8	4	-5	-10	-6	4	1	-8	-23	-26
EBITA, %	5	4	17	9	-15	-6	-14	9	2	-29	-18	-76
Net debt	1 456	1 456	1 422	1 197	1 135	1 105	1 105	1 388	1 389	1 354	1 363	1 363
Employees	16	16	17	15	13	13	13	9	8	7	7	7
<b>Grand Group (SEK m.)</b>												
Sales	635	168	183	179	105	597	160	179	155	103	541	155
EBITDA	51	10	26	24	-10	41	10	27	14	-11	30	13
EBITDA (%)	8	6	14	14	-9	7	6	15	9	-10	6	8
EBITA <sup>2)</sup>	24	2	20	18	-16	15	3	21	8	-17	5	6
EBITA, %	4	1	11	10	-15	3	2	12	5	-17	1	4
Net debt	-89	-89	-126	-102	-78	-106	-106	-99	-76	-60	-85	-85
Employees	360	360	360	350	310	360	360	355	340	310	350	350
<b>3 Scandinavia</b>												
Sales	11 480	2 933	2 714	2 701	3 133	10 831	2 948	2 575	2 645	2 663	10 387	2 994
Sweden, SEK m.	7 374	1 915	1 816	1 804	1 840	7 238	1 951	1 764	1 799	1 724	6 633	1 813
Denmark, DKK m.	3 242	783	703	713	1 043	2 868	802	638	682	746	3 063	940
EBITDA	3 063	821	810	680	752	2 916	754	752	715	696	2 662	691
Sweden, SEK m.	2 255	580	591	520	564	2 149	539	566	532	512	1 868	486
Denmark, DKK m.	633	185	171	126	151	612	173	146	147	146	649	163
EBITDA, %	27	28	30	25	24	27	26	29	27	26	26	23
Sweden	31	30	33	29	31	30	28	32	30	30	28	27
Denmark	20	24	24	18	14	21	22	23	22	20	21	17
Net debt, SEK m.	1 372	1 372	1 101	1 556	1 386	1 579	1 579	1 525	1 413	1 116	1 118	1 118
Employees	2 160	2 160	2 060	2 070	2 085	2 095	2 095	2 120	2 110	2 120	2 185	2 185
<b>Financial Investments (SEK m.)</b>												
Net asset value, beginning of period	12 850	10 293	10 717	10 727	12 850	11 714	11 897	14 843	14 606	11 714		
Investments	611	155	146	137	173	923	69	201	223	430		
Divestments/distribution	-2 368	-447	-546	-566	-809	-2 908	-368	-1 841	-662	-39		
Changes in value	-1 070	21	-23	419	-1 488	3 121	1 252	-1 306	676	2 501		
Net asset value, end of period	10 023	10 023	10 293	10 717	10 727	12 850	12 850	11 897	14 843	14 606		

1) For information regarding Alternative Performance Measures in the table, see page 16. Definitions can be found on Investor's website.

2) EBITA is defined as operating profit before acquisition-related amortizations.

3) Including a EUR 5 m. write-down of capitalized R&D.

4) Consolidated as of September 16, 2016. Historical pro forma figures presented for information purposes. Previously announced EBITDA of USD 29 m. for fiscal year 2016 (ending March 2016) excluded non-recurring costs of USD 4 m., included in the above historical quarters. The adjusted EBITDA for fiscal year 2016 amounts to USD 38 m. as previously communicated.

5) Consolidated as of October 30, 2015. Historical pro forma figures presented for information purposes.

# Group

## Net debt

Net debt totaled SEK 16,752 m. on December 31, 2016 (15,892). Debt financing of the subsidiaries within Patricia Industries is arranged on an independent, ring-fenced basis and hence not included in Investor's net debt. Within Patricia Industries, Investor guarantees SEK 0.7 bn. of 3 Scandinavia's external debt, but this is not included in Investor's net debt.

### Net debt, 12/31 2016

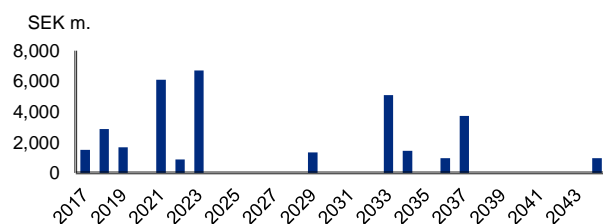
SEK m.	Consolidated balance sheet	Deductions related to Patricia subsidiaries	Investor's net debt
Other financial investments	3 709	-91	3 618 <sup>1)</sup>
Cash, bank and short-term investments	16 344	-3 253	13 092 <sup>1)</sup>
Receivables included in net debt	2 402	-	2 402
Loans	-54 946	19 182	-35 764
Provision for pensions	-838	738	-99
<b>Total</b>	<b>-33 329</b>	<b>16 577</b>	<b>-16 752</b>

1) Included in cash and readily available placements.

Investor's cash and readily available placements (gross cash\*) amounted to SEK 16,710 m. as of December 31, 2016 (19,062). The short-term investments are invested conservatively, taking into account the risk-adjusted return profile. Gross debt\*, excluding pensions for Investor, amounted to SEK 33,362 m. as of December 31, 2016 (34,859). The reduction in gross debt compared to year-end 2015 is primarily due to the redemption of a EUR 2016 bond.

The average maturity of Investor AB's debt portfolio was 10.0 years on December 31, 2016 (10.3), excluding the debt of Mölnlycke, Laborie, Aleris, Permobil, BraunAbility, Grand Group and Vectura.

### Debt maturity profile, 12/31 2016



### Net financial items, 12/31 2016

SEK m.	Group - Net financial items	Deductions related to Patricia subsidiaries	Investor's net financial items
Interest income	40	-11	29
Interest expenses	-1 470	422	-1 048
Realized result from loans and swaps	16	-	16
Unrealized result from revaluation of loans, swaps and short-term investments	-11	27	16
Foreign exchange result	900	-288	612
Other	-337	258	-79
<b>Total</b>	<b>-862</b>	<b>408</b>	<b>-454</b>

## The Investor share

The price of the A-share and B-share was SEK 336.80 and SEK 340.50 respectively on December 31, 2016, compared to SEK 306.60 and SEK 312.60 on December 31, 2015.

The total shareholder return amounted to 13 percent during 2016 (13), of which 9 percent during the fourth quarter (9).

The total market capitalization of Investor, adjusted for repurchased shares, was SEK 259,119 m. as of December 31, 2016 (236,301).

## Parent Company

### Share capital

Investor's share capital amounted to SEK 4,795 m. on December 31, 2016 (4,795).

### Share structure

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

On December 31, 2016, Investor owned a total of 2,793,387 of its own shares (5,270,322). The net decrease in holdings of own shares is attributable to repurchase of own shares and transfer of shares and options within Investor's long-term variable remuneration program.

## Results and investments

The Parent Company's result after financial items was SEK 29,275 m. (8,360). The result is mainly related to Listed Core Investments which contributed to the result with dividends amounting to SEK 7,731 m. (7,182) and value changes of SEK 19,388 m. (-2,582).

During 2016, the Parent Company invested SEK 18,286 m. in financial assets (21,292), of which SEK 17,084 m. in Group companies (15,677) and purchases in listed core investments of SEK 1,135 m. (5,613). The parent company divested SEK 22,644 m. in Group companies (15,580). By the end of the period, shareholder's equity totaled SEK 250,404 m. (228,433).

## Other

### Events after the end of the quarter

#### Extension of Revolving Credit Facility

In January 2017, the SEK 10 bn. revolving credit facility was refinanced and its maturity extended by five years, with an option of another two years additional extension. The facility remains undrawn.

#### Patricia Industries Co-heads join Investor AB's Extended Management Group

As previously communicated, Christian Cederholm and Noah Walley have been appointed Co-heads of Patricia Industries, a separate business area within Investor AB. As of January 17, 2017, Investor decided to establish an Extended Management Group, which in addition to the



members of Investor's Management Group, will include the two Patricia Industries Co-heads.

## Proposed dividends

The Board of Directors and the President propose a dividend to the shareholders of SEK 11.00 per share for fiscal year 2016 (10.00). The dividend level proposed is based on the stated dividend policy 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 AB's goal is also to generate a steadily rising dividend.

## Annual General Meeting

Investor AB's Annual General Meeting will be held at 3:00 p.m. on Wednesday, May 3, 2017, at the City Conference Centre, Barnhusgatan 12-14, Stockholm. The registration commences at 1:30 p.m.

Notification of participation in the Annual General Meeting can be given starting March 29, 2017, until April 26, 2017. Notification can be given on Investor's website ([www.investorab.com](http://www.investorab.com)), or by phoning +46 8 611 2910. Additional information about Investor's Annual General Meeting is available on Investor's website.

Investor's audited Annual Report in Swedish will be made available at the company's head office and website no later than April 12, 2017.

## Options agreement with Börje Ekholm

Ericsson's Board of Directors appointed Börje Ekholm as new CEO, effective January 16, 2017. In order to further align the CEO's interests with the shareholders', Investor has entered into an option agreement with Börje Ekholm. The option agreement was entered into on market terms and Investor has issued 1,000,000 call options in the Ericsson Class B share. Each option entitles the purchase of one Ericsson B share at a strike price of SEK 80 per share during one year after a seven-year period. The strike price will be adjusted if dividends deviate from market expectations at the time of entering the contract, in order to ensure that the option is dividend neutral. The valuation has been conducted, using the Black & Scholes model, by an independent third party.

## Acquisitions (business combinations)

### Acquisition of Laborie

On September 16, 2016, Patricia Industries, a part of Investor AB, acquired 97 percent of the Canadian medical technology company Laborie. Laborie is a leading provider of innovative capital equipment and consumables for the diagnosis and treatment of urologic and gastrointestinal (GI) disorders. With its long-term value creation objectives and experience within both healthcare products and services, Patricia Industries is well positioned to support Laborie in its progress.

In the purchase price allocation, goodwill amounts to SEK 3,180 m. The goodwill recognized for the acquisition corresponds to Laborie's position to accelerate the continued expansion outside the North American market benefiting from Patricia Industries infrastructure. The goodwill recognized is not expected to be deductible for income tax purposes.

### Identifiable assets acquired and liabilities assumed

<b>Laborie</b>	
<b>SEK m.</b>	<b>Purchase Price Allocation</b>
Intangible assets	2 927
Property, plant and equipment	62
Financial assets	36
Inventory	96
Accounts receivables	144
Other current assets	28
Cash and cash equivalents	48
Non-current liabilities and provisions	-9
Deferred tax liabilities	-982
Current liabilities	-109
<b>Net identifiable assets and liabilities</b>	<b>2 241</b>
Consolidated goodwill	3 180
<b>Consideration</b>	<b>5 421</b>

Transaction related costs amounted to SEK 94 m. and derive from external legal fees and due diligence expenses. The costs have been included in the item Administrative, research and development and other operating cost in the Group's consolidated income statement.

For the 3.5 month-period from the acquisition date until December 31, 2016, Laborie contributed net sales of SEK 327 m. and profit of SEK 107 m. to the Group's result. If the acquisition had occurred on January 1, 2016, management estimates that consolidated net sales for the Investor Group would have increased by SEK 726 m. and consolidated profit for the period would have decreased by SEK 723 m. The consolidated profit for the period includes significant sellers' costs related to Patricia Industries' acquisition of Laborie.

### Mölnlycke's acquisition of Sundance Solutions

On February 12, 2016, Mölnlycke acquired Sundance Solutions, offering proprietary solutions for the safe positioning and turning of patients to help prevent pressure ulcers, based in the U.S. The company's products complement Mölnlycke's portfolio of advanced dressing solutions – offering clinicians a more complete and unique range of tools to ensure better patient outcomes. The consideration amounted to SEK 724 m. whereof SEK 427 m. was paid in cash and SEK 297 m. relates to a potential earnout, of a maximum USD 60 m., depending on net revenue and gross contribution between closing date and June 30, 2018.

In the purchase price allocation, goodwill amounts to SEK 151 m. The goodwill recognized for the acquisition corresponds to the complementary strengths of the two companies in the field of pressure ulcer prevention. The goodwill recognized is not expected to be deductible for income tax purposes.

### Identifiable assets acquired and liabilities assumed

<b>Sundance Solutions</b>	
<b>SEK m.</b>	<b>Purchase Price Allocation</b>
Intangible assets	547
Property, plant and equipment	1
Inventory	9
Accounts receivables	27
Current liabilities	-10
<b>Net identifiable assets and liabilities</b>	<b>573</b>
Consolidated goodwill	151
<b>Consideration</b>	<b>724</b>



Transaction related costs amounted to SEK 6 m. and derive from external legal fees and due diligence expenses. The costs have been included in the item Administrative, research and development and other operating cost in the Group's consolidated income statement.

For the 10,5 month period from the acquisition date until December 31, 2016, Sundance contributed net sales of SEK 171 m. and profit of SEK 52 m. to the Group's result. If the acquisition had occurred on January 1, 2016, management estimates that consolidated net sales for the Investor Group would have increased by SEK 27 m. and consolidated profit for the period would have decreased by SEK 38 m. The consolidated profit for the period includes significant sellers' costs related to Mölnlycke's acquisition of Sundance.

### **Other acquisitions**

On August 2, 2016, Aleris acquired Curato, the Norwegian market leader in radiology. The acquisition enables Aleris to strengthen its platform of healthcare services within Norway. The acquisition was financed by cash and debt. Aleris also acquired a number of smaller entities. In the purchase price allocations, the aggregated purchase price amounts to SEK 796 m. and goodwill amounts to a total of SEK 920 m. For the five month period from the acquisition date until December 31, 2016, Curato contributed net sales of SEK 224 m. and profit of SEK -51 m. to the Group's result. If the acquisition had occurred on January 1, 2016, management estimates that consolidated net sales for the Investor Group would have increased by SEK 325 m. and consolidated profit for the period would have increased by SEK 7 m.

### **Pledged assets and contingent liabilities**

Total pledged assets amounts to SEK 9.8 bn. of which SEK 7.3 bn. refers to pledged assets in the subsidiaries BraunAbility and Laborie, related to outstanding loans corresponding to SEK 1.0 bn. and SEK 1.1 bn.

No material changes in contingent liabilities during the period.

## **Risks and Risk management**

The main risks that the Group and the Parent Company are exposed to are primarily related to the value changes of the listed assets due to market price fluctuations. The development of the global economy is an important uncertainty factor in assessment of near-term market fluctuations. The development of the financial markets also affects the various unlisted holdings' businesses and opportunities for new investments and divestments.

Investor and its subsidiaries are exposed to commercial risks as well as financial risks such as shareprice risk, interest rate risk and currency risk. In addition, the subsidiaries, through their business activities within respective sector, also are exposed to legal/regulatory risks and political risks, for example political decisions on healthcare budgets and industry regulations.

Whatever the economic situation in the world, operational risk management requires a continued high level of awareness and focused work to mitigate current risks in line with stated policies and instructions.

Investor's risk management, risks and uncertainties are described in detail in the Annual Report, (Administration report and Note 3). No significant changes have been assessed subsequently, aside from changes in current macro economy and thereto related risks.

## **Accounting policies**

For the Group, this Year-End Report was prepared in accordance with IAS 34 Interim Financial Reporting and applicable regulations in the Swedish Annual Accounts Act, and for the Parent Company in accordance with Sweden's Annual Accounts Act, chapter 9 Interim report. Unless otherwise specified below, the accounting policies that have been applied for the Group and Parent Company are in agreement with the accounting policies used in the preparation of the company's most recent annual report.

### **New and changed accounting policies in 2016**

New or revised IFRSs and interpretations from the IFRS Interpretations Committee have had no effect on the profit/loss, financial position or disclosures for the Group or Parent Company.

### **Esma Guidelines on Alternative Performance Measures**

From July 3, 2016 Investor applies the Esma Guidelines on Alternative Performance Measures (APM). An APM is a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework. In all regulated information disclosed to the market, used APMs should be defined and a reconciliation of the APM to the financial statements should be disclosed, separately identifying and explaining the material reconciling items.

Investor discloses the definitions of all APMs used on [www.investorab.com/investors-media/investor-in-figures/definitions](http://www.investorab.com/investors-media/investor-in-figures/definitions).

Reconciliations to the financial statements for the APMs that are not directly identifiable from the financial statements and considered significant to specify, are disclosed on page 25. Reconciliation of APMs for individual subsidiaries or business areas are not disclosed, since the purpose with these are to give deeper financial information without being directly linked to the financial information for the Group that is presented according to applicable financial reporting framework.

### **Roundings**

Due to rounding, numbers presented throughout this Year-End Report may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

## Financial calendar

March 30, 2017 Capital Markets Day  
April 25, 2017 Interim Management Statement  
January-March 2017  
May 3, 2017 Annual General Meeting  
July 19, 2017 Interim Report January-June 2017  
Oct. 27, 2017 Interim Management Statement  
January-September 2017

Stockholm, January 31, 2017



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President and Chief Executive Officer

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Ticker codes:

INVEB SS in Bloomberg  
INVEb.ST in Reuters  
INVE B in NASDAQ OMX

This information is information that Investor AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 08:15 CET on January 31, 2017.

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This Year-End Report and additional information is available on [www.investorab.com](http://www.investorab.com).

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# Review Report

## Introduction

We have reviewed the interim report of Investor AB (publ), corporate identity number 556013-8298, for the period January 1- December 31, 2016. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

## Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA) and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit.

Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

## Conclusion

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

Stockholm, January 31, 2017

Deloitte AB



Thomas Strömberg

Authorized Public Accountant

## Consolidated Income Statement, in summary

SEK m.	1/1-12/31 2016	1/1-12/31 2015	7/1-12/31 2016	7/1-12/31 2015	10/1-12/31 2016	10/1-12/31 2015
Dividends	8 351	7 821	2 790	1 555	819	767
Other operating income	40	58	17	25	8	12
Changes in value	22 057	8 538	34 915	-10 305	6 679	13 821
Net sales	31 742	25 365	16 618	13 454	8 747	7 246
Cost of goods and services sold	-20 102	-15 985	-10 475	-8 435	-5 504	-4 636
Sales and marketing cost	-3 802	-3 147	-2 022	-1 712	-1 073	-847
Administrative, research and development and other operating cost	-3 357	-2 880	-1 782	-1 577	-963	-884
Management cost	-465	-483	-230	-264	-123	-157
Share of results of associates	516	360	303	130	152	1
<b>Operating profit/loss</b>	<b>34 980</b>	<b>19 647</b>	<b>40 134</b>	<b>-7 129</b>	<b>8 741</b>	<b>15 323</b>
Net financial items	-862	-1 473	12	-796	507	-402
<b>Profit/loss before tax</b>	<b>34 118</b>	<b>18 174</b>	<b>40 146</b>	<b>-7 925</b>	<b>9 248</b>	<b>14 921</b>
Income taxes	-453	-740	-193	-183	-67	-205
<b>Profit/loss for the period</b>	<b>33 665</b>	<b>17 434</b>	<b>39 953</b>	<b>-8 108</b>	<b>9 181</b>	<b>14 716</b>
Attributable to:						
Owners of the Parent Company	33 665	17 433	39 956	-8 110	9 183	14 713
Non-controlling interest	0	1	-3	2	-3	3
<b>Profit/loss for the period</b>	<b>33 665</b>	<b>17 434</b>	<b>39 953</b>	<b>-8 108</b>	<b>9 181</b>	<b>14 716</b>
Basic earnings per share, SEK	44.09	22.89	52.30	-10.65	12.02	19.31
Diluted earnings per share, SEK	44.02	22.82	52.21	-10.65	12.00	19.26

## Consolidated Statement of Comprehensive Income, in summary

SEK m.	1/1-12/31 2016	1/1-12/31 2015	7/1-12/31 2016	7/1-12/31 2015	10/1-12/31 2016	10/1-12/31 2015
Profit/loss for the period	33 665	17 434	39 953	-8 108	9 181	14 716
Other comprehensive income for the period, including tax						
<i>Items that will not be recycled to profit/loss for the period</i>						
Revaluation of property, plant and equipment	428	190	395	166	348	166
Remeasurements of defined benefit plans	-39	84	-24	8	-14	-6
<i>Items that may be recycled to profit/loss for the period</i>						
Cash flow hedges	13	145	5	89	10	113
Foreign currency translation adjustment	1 410	-201	543	29	-219	-701
Share of other comprehensive income of associates	68	-48	34	18	22	-24
<b>Total other comprehensive income for the period</b>	<b>1 880</b>	<b>170</b>	<b>953</b>	<b>310</b>	<b>147</b>	<b>-452</b>
<b>Total comprehensive income for the period</b>	<b>35 545</b>	<b>17 604</b>	<b>40 906</b>	<b>-7 798</b>	<b>9 327</b>	<b>14 264</b>
Attributable to:						
Owners of the Parent Company	35 544	17 603	40 911	-7 800	9 336	14 261
Non-controlling interest	1	1	-5	2	-9	3
<b>Total comprehensive income for the period</b>	<b>35 545</b>	<b>17 604</b>	<b>40 906</b>	<b>-7 798</b>	<b>9 327</b>	<b>14 264</b>

## Consolidated Balance Sheet, in summary

SEK m.	12/31 2016	12/31 2015
<b>ASSETS</b>		
Goodwill	34 852	29 062
Other intangible assets	16 423	12 386
Property, plant and equipment	8 345	6 483
Shares and participations	276 744	254 036
Other financial investments	3 709	6 665
Long-term receivables included in net debt	2 402	1 894
Other long-term receivables	2 924	3 657
<b>Total non-current assets</b>	<b>345 399</b>	<b>314 183</b>
Inventories	3 086	2 509
Shares and participations in trading operation	46	18
Short-term receivables included in net debt	-	16
Other current receivables	5 098	4 803
Cash, bank and short-term investments	16 344	15 061
<b>Total current assets</b>	<b>24 574</b>	<b>22 407</b>
<b>TOTAL ASSETS</b>	<b>369 973</b>	<b>336 590</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>	<b>300 141</b>	<b>271 977</b>
Long-term interest bearing liabilities	53 313	50 120
Provisions for pensions and similar obligations	838	743
Other long-term provisions and liabilities	7 220	5 365
<b>Total non-current liabilities</b>	<b>61 371</b>	<b>56 228</b>
Current interest bearing liabilities	1 634	2 413
Other short-term provisions and liabilities	6 827	5 972
<b>Total current liabilities</b>	<b>8 461</b>	<b>8 385</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>369 973</b>	<b>336 590</b>

## Consolidated Statement of Changes in Equity, in summary

SEK m.	1/1-12/31 2016	1/1-12/31 2015
Opening balance	271 977	260 993
Profit for the period	33 665	17 434
Other comprehensive income for the period	1 880	170
<b>Total comprehensive income for the period</b>	<b>35 545</b>	<b>17 604</b>
Dividends paid	-7 635	-6 856
Changes in non-controlling interest	37	145
Reclassification of non-controlling interest	-150	-
Effect of long-term share-based remuneration	367	91
<b>Closing balance</b>	<b>300 141</b>	<b>271 977</b>
<b>Attributable to:</b>		
Owners of the Parent Company	300 077	271 801
Non-controlling interest	64	176
<b>Total equity</b>	<b>300 141</b>	<b>271 977</b>

## Consolidated Cash Flow, in summary

SEK m.	1/1-12/31 2016	1/1-12/31 2015
<b>Operating activities</b>		
Dividends received	8 352	7 953
Cash receipts	31 741	25 672
Cash payments	-25 643	-21 522
<b>Cash flows from operating activities before net interest and income tax</b>	<b>14 450</b>	<b>12 103</b>
Interest received/paid	-1 752	-1 275
Income tax paid	-437	-325
<b>Cash flows from operating activities</b>	<b>12 261</b>	<b>10 503</b>
<b>Investing activities</b>		
Acquisitions	-4 729	-8 370
Divestments	6 185	10 113
Increase in long-term receivables	-	-46
Decrease in long-term receivables	950	987
Acquisitions of subsidiaries, net effect on cash flow	-7 175	-4 543
Increase in other financial investments	-5 446	-8 429
Decrease in other financial investments	8 387	4 973
Net change, short-term investments	-3 321	905
Acquisitions of property, plant and equipment	-1 545	-1 046
Proceeds from sale of property, plant and equipment	48	7
<b>Net cash used in investing activities</b>	<b>-6 648</b>	<b>-5 449</b>
<b>Financing activities</b>		
New issue Share capital	189	-
Borrowings	1 585	7 978
Repayment of borrowings	-1 815	-6 405
Dividends paid	-7 635	-6 856
<b>Net cash used in financing activities</b>	<b>-7 676</b>	<b>-5 283</b>
<b>Cash flows for the period</b>	<b>-2 062</b>	<b>-229</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>13 180</b>	<b>13 443</b>
Exchange difference in cash	132	-34
<b>Cash and cash equivalents at the end of the period</b>	<b>11 250</b>	<b>13 180</b>

## Operating segment

### PERFORMANCE BY BUSINESS AREA 1/1-12/31 2016

SEK m.	Listed Core Investments	EQT	Patricia Industries	Investor Groupwide	Total
Dividends	8 307	33	10	1	8 351
Other operating income <sup>1)</sup>	-	-	40	-	40
Changes in value	22 719	1 374	-2 029	-7	22 057
Net sales	-	-	31 742	-	31 742
Cost of goods and services sold	-	-	-20 102	-	-20 102
Sales and marketing cost	-	-	-3 802	-	-3 802
Administrative, research and development and other operating cost	-	-6	-3 343	-7	-3 357
Management cost	-89	-8	-263	-105	-465
Share of results of associates	-	-	521	-5	516
<b>Operating profit/loss</b>	<b>30 936</b>	<b>1 393</b>	<b>2 774</b>	<b>-123</b>	<b>34 980</b>
Net financial items	-	-	-408	-454	-862
Income tax	-	-	-509	56	-453
<b>Profit/loss for the period</b>	<b>30 936</b>	<b>1 393</b>	<b>1 857</b>	<b>-521</b>	<b>33 665</b>
Non-controlling interest	-	-	0	-	0
<b>Net profit/loss for the period attributable to the Parent Company</b>	<b>30 936</b>	<b>1 393</b>	<b>1 857</b>	<b>-521</b>	<b>33 665</b>
Dividends paid	-	-	-	-7 635	-7 635
Other effects on equity	-	592	2 582	-928	2 246
<b>Contribution to net asset value</b>	<b>30 936</b>	<b>1 986</b>	<b>4 438</b>	<b>-9 084</b>	<b>28 276</b>
<b>Net asset value by business area 12/31 2016</b>					
Carrying amount	248 354	13 996	54 806	-327	<b>316 829</b>
Investors net debt/-cash	-	-	14 389	-31 141	<b>-16 752</b>
<b>Total net asset value including net debt/-cash</b>	<b>248 354</b>	<b>13 996</b>	<b>69 195</b>	<b>-31 468</b>	<b>300 077</b>

### PERFORMANCE BY BUSINESS AREA 1/1-12/31 2015

SEK m.	Listed Core Investments	EQT	Patricia Industries	Investor Groupwide	Total
Dividends	7 681	116	20	3	7 821
Other operating income <sup>1)</sup>	-	-	58	-	58
Changes in value	1 209	4 407	2 926	-3	8 538
Net sales	-	-	25 365	-	25 365
Cost of goods and services sold	-	-	-15 985	-	-15 985
Sales and marketing cost	-	-	-3 147	-	-3 147
Administrative, research and development and other operating cost	-	-7	-2 864	-8	-2 880
Management cost	-86	-8	-268	-121	-483
Share of results of associates	-	-5	364	1	360
<b>Operating profit/loss</b>	<b>8 804</b>	<b>4 503</b>	<b>6 469</b>	<b>-128</b>	<b>19 647</b>
Net financial items	-	-	-576	-897	-1 473
Income tax	-	-	-680	-59	-740
<b>Profit/loss for the period</b>	<b>8 804</b>	<b>4 503</b>	<b>5 212</b>	<b>-1 085</b>	<b>17 434</b>
Non-controlling interest	-	-	-1	-	-1
<b>Net profit/loss for the period attributable to the Parent Company</b>	<b>8 804</b>	<b>4 503</b>	<b>5 211</b>	<b>-1 085</b>	<b>17 433</b>
Dividends paid	-	-	-	-6 856	-6 856
Other effects on equity	-	-507	-356	1 125	262
<b>Contribution to net asset value</b>	<b>8 804</b>	<b>3 995</b>	<b>4 855</b>	<b>-6 816</b>	<b>10 838</b>
<b>Net asset value by business area 12/31 2015</b>					
Carrying amount	224 143	13 021	51 095	-565	<b>287 695</b>
Investors net debt/-cash	-	-	14 616	-30 508	<b>-15 892</b>
<b>Total net asset value including net debt/-cash</b>	<b>224 143</b>	<b>13 021</b>	<b>65 711</b>	<b>-31 073</b>	<b>271 801</b>

1) Includes interest on loans



## Parent Company Income Statement, in summary

SEK m.	1/1-12/31 2016	1/1-12/31 2015	7/1-12/31 2016	7/1-12/31 2015
Dividends	7 731	7 182	2 667	1 457
Changes in value	19 388	-2 582	31 551	-12 761
Net sales	11	9	6	3
Operating cost	- 334	-347	-165	-198
Result from participations in Group companies	2 628	4 083	2 628	-
Result from participations in associated companies	-	-	-	-
<b>Operating profit/loss</b>	<b>29 425</b>	<b>8 345</b>	<b>36 686</b>	<b>-11 499</b>
<b>Profit/loss from financial items</b>				
Net financial items	-150	15	7	35
<b>Profit/loss after financial items</b>	<b>29 275</b>	<b>8 360</b>	<b>36 693</b>	<b>-11 464</b>
Income tax	-	-	-	-
<b>Profit/loss for the period</b>	<b>29 275</b>	<b>8 360</b>	<b>36 693</b>	<b>-11 464</b>

## Parent Company Balance Sheet, in summary

SEK m.	12/31 2016	12/31 2015
<b>ASSETS</b>		
Intangible assets and Property, plant and equipment	15	15
Financial assets	306 618	290 291
<b>Total non-current assets</b>	<b>306 633</b>	<b>290 306</b>
Current receivables	599	2 918
Cash and cash equivalents	0	0
<b>Total current assets</b>	<b>599</b>	<b>2 918</b>
<b>TOTAL ASSETS</b>	<b>307 232</b>	<b>293 224</b>
<b>EQUITY AND LIABILITIES</b>		
Equity	250 404	228 433
Provisions	332	356
Non-current liabilities	45 389	45 166
<b>Total non-current liabilities</b>	<b>45 721</b>	<b>45 522</b>
<b>Total current liabilities</b>	<b>11 107</b>	<b>19 269</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>307 232</b>	<b>293 224</b>

## Financial instruments

The numbers below are based on the same accounting and valuation policies as used in the preparation of the company's most recent annual report. For information regarding financial instruments in level 2 and level 3, see Note 29 in Investor's Annual Report 2015.

### Valuation techniques, level 3

Group 12/31 2016	Fair value, SEK m.	Valuation technique	Input	Range
Shares and participations	19 367	Last round of financing	n.a.	n.a.
		Comparable companies	EBITDA multiples	n.a.
		Comparable companies	Sales multiples	1.5 – 3.6
		Comparable transactions	Sales multiples	0.4 – 5.7
		NAV	n.a.	n.a.
Long-term receivables included in net debt	1 948	Discounted cash flow	Market interest rate	n.a.
Long-term interest bearing liabilities	47	Discounted cash flow	Market interest rate	n.a.
Other long-term provisions and liabilities	1 624	Discounted cash flow		n.a.

All valuations in level 3 are based on assumptions and judgments that management consider to be reasonable based on the circumstances prevailing at the time. Changes in assumptions may result in adjustments to reported values and the actual outcome may differ from the estimates and judgments that were made.

The unlisted part of Financial Investments portfolio companies, corresponds to 52 percent of the portfolio value. Part of the unlisted portfolio is valued based on comparable companies, and the value is dependent on the level of the multiples. The multiple ranges provided in the note show the minimum and maximum value of the actual multiples applied in these valuations. A 10 percent change of the multiples would have an effect on the Financial Investments portfolio value of approximately SEK 200 m. For the derivatives, a parallel shift of the interest rate curve by one percentage point would affect the value by approximately SEK 1,100 m.

### Financial assets and liabilities by level

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 presented in three categories, depending on how the fair value is measured:

Level 1: According to quoted prices 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 instruments - fair value

Group 12/31 2016, SEK m.	Level 1	Level 2	Level 3	Other <sup>1)</sup>	Total carrying amount
<i>Financial assets</i>					
Shares and participations	251 164	2 332	19 367	3 882	276 744
Other financial investments	3 618			91	3 709
Long-term receivables included in net debt		454	1 948		2 402
Shares and participations in trading operation	46				46
Other current receivables		10		5 088	5 098
Cash, bank and short-term investments	16 344				16 344
<b>Total</b>	<b>271 172</b>	<b>2 796</b>	<b>21 314</b>	<b>9 061</b>	<b>304 343</b>
<i>Financial liabilities</i>					
Long-term interest bearing liabilities		523	47	52 743 <sup>2)</sup>	53 313 <sup>3)</sup>
Other long-term provisions and liabilities			1 624	5 596	7 220
Short-term interest bearing liabilities		19		1 615	1 634
Other short-term provisions and liabilities	13	9		6 806	6 827
<b>Total</b>	<b>13</b>	<b>551</b>	<b>1 671</b>	<b>66 759</b>	<b>68 994</b>

1) To enable reconciliation with balance sheet items, financial instruments not valued at fair value as well as other assets and liabilities that are included within balance sheet items have been included within Other.

2) The Group's loans are valued at amortized cost.

3) Fair value on loans amounts to SEK 58,464 m.

### Changes in financial assets and liabilities in Level 3

Group 12/31 2016, SEK m.	Shares and participations	Long-term receivables included in net debt	Long-term interest bearing liabilities	Other long-term provisions and liabilities
Opening balance	19 406	1 640	38	1 194
Total gain or losses in profit or loss statement				
in line Changes in value	1 095			-12
in line Net financial items		308	9	232
Reported in other comprehensive income				
in line Foreign currency translation adjustment	1 067			52
Acquisitions	2 740			272
Divestments	-4 854			-115
Transfers from Level 3	-87			
<b>Carrying amount at end of period</b>	<b>19 367</b>	<b>1 948</b>	<b>47</b>	<b>1 624</b>
<i>Total gains/losses for the period included in profit/loss for instruments held at the end of the period (unrealized results)</i>				
<b>Changes in value</b>	<b>-1 028</b>			<b>0</b>
<b>Net financial items</b>	<b>2</b>	<b>308</b>	<b>-9</b>	<b>-232</b>

## Reconciliations of significant Alternative Performance Measures

In the financial statements issued by Investor, Alternative Performance Measures (APMs) are disclosed, which complete measures that are defined or specified in the applicable financial reporting framework, such as revenue, profit or loss or earnings per share.

APMs are disclosed when they in the context give a more clear or deeper information than measures that are defined or specified in the applicable financial reporting framework. The basis for disclosed APMs are that they are used by management to evaluate the financial performance and in so believed to give analysts and other stakeholders valuable information.

Investor AB discloses the definitions of all APMs used on [www.investorab.com/investors-media/investor-in-figures/definitions](http://www.investorab.com/investors-media/investor-in-figures/definitions). Below reconciliations of significant APMs to the most directly reconcilable line item, subtotal or total presented in the financial statements of the corresponding period are disclosed.

### Gross cash

Gross cash or Investor's cash and readily available placements are defined as the sum of cash and cash equivalents, short-term investments and interest-bearing current and long-term receivables. Deductions are made for items related to subsidiaries within Patricia Industries.

Group 12/31 2016, SEK m.	Consolidated balance sheet	Deductions related to Patricia subsidiaries	Investor's gross cash	Group 12/31 2015, SEK m.	Consolidated balance sheet	Deductions related to Patricia subsidiaries	Investor's gross cash
Other financial investments	3 709	-91	3 618	Other financial investments	6 665	-18	6 648
Cash, bank and short-term investments	16 344	-3 253	13 092	Cash, bank and short-term investments	15 061	-2 646	12 414
<b>Gross cash</b>	<b>20 054</b>	<b>-3 344</b>	<b>16 710</b>	<b>Gross cash</b>	<b>21 726</b>	<b>-2 664</b>	<b>19 062</b>

### Gross debt

Gross debt is defined as interest-bearing current and long-term liabilities, including pension liabilities, less derivatives with positive value related to the loans. Deductions are made for items related to subsidiaries within Patricia Industries.

Group 12/31 2016, SEK m.	Consolidated balance sheet	Deductions related to Patricia subsidiaries	Investor's gross debt	Group 12/31 2015, SEK m.	Consolidated balance sheet	Deductions related to Patricia subsidiaries	Investor's gross debt
Receivables included in net debt	2 402	-	2 402	Receivables included in net debt	1 909	-	1 909
Loans	-54 946	19 182	-35 764	Loans	-52 532	15 764	-36 769
Provision for pensions	-838	738	-99	Provision for pensions	-743	648	-95
<b>Gross debt</b>	<b>-53 382</b>	<b>19 921</b>	<b>-33 461</b>	<b>Gross debt</b>	<b>-51 366</b>	<b>16 412</b>	<b>-34 954</b>

### Net debt

Gross debt less gross cash at Balance Sheet date.

Group 12/31 2016, SEK m.	Group 12/31 2015, SEK m.
Investor's gross cash	Investor's gross cash
Investor's gross debt	Investor's gross debt
<b>Investor's net debt</b>	<b>Investor's net debt</b>
-16 710	-19 062
33 461	34 954
<b>16 752</b>	<b>15 892</b>

### Total assets

The net of all assets and liabilities not included in net debt.

Group 12/31 2016, SEK m.	Consolidated balance sheet	Deductions related to non- controlling interest	Investor's net asset value	Group 12/31 2015, SEK m.	Consolidated balance sheet	Deductions related to non- controlling interest	Investor's net asset value
Equity	300 141	-64	300 077	Equity	271 977	-176	271 801
Investor's net debt			16 752	Investor's net debt			15 892
<b>Total assets</b>			<b>316 829</b>	<b>Total assets</b>			<b>287 695</b>

### Net debt ratio (leverage)

Net debt ratio or leverage is defined as Net debt/Net cash as a percentage of total assets.

Group 12/31 2016, SEK m.	Investor's net asset value	Net debt ratio	Group 12/31 2015, SEK m.	Investor's net asset value	Net debt ratio
Investor's net debt	<u>16 752</u>	<b>= 5.3%</b>	Investor's net debt	<u>15 892</u>	<b>= 5.5%</b>
Total assets	316 829		Total assets	287 695	

### Net asset value/SEK per share

Equity attributable to shareholders of the Parent Company in relation to the number of shares outstanding at the Balance Sheet date.

Group 12/31 2016, SEK m.	Investor's net asset value	Net asset value/SEK per share	Group 12/31 2015, SEK m.	Investor's net asset value	Net asset value/SEK per share
Investor's net asset value	<u>300 077</u>	<b>= 393</b>	Investor's net asset value	<u>271 801</u>	<b>= 357</b>
Number of shares, excluding own shares (millions)	764.381643		Number of shares, excluding own shares (millions)	761.904708	