

# Interim Report January-June 2017

## Highlights during the second quarter

- Adjusted net asset value\*, based on estimated market values for the major wholly-owned subsidiaries and partner-owned investments within Patricia Industries, amounted to SEK 376,736 m. (SEK 493 per share) on June 30, 2017. Adjusted for the dividend paid, adjusted net asset value increased by SEK 12,600 m., or 3 percent, during the quarter.
- Reported net asset value<sup>1)</sup>\* amounted to SEK 331,238 m. (SEK 433 per share) on June 30, 2017, an increase of SEK 1,041 m. (SEK 1 per share) during the quarter. Adjusted for the dividend paid, reported net asset value increased by SEK 9,452 m., or 3 percent.
- Listed Core Investments generated a total return\* of 3 percent.
- Within Patricia Industries, reported sales growth for the major wholly-owned subsidiaries was 11 percent. Organic growth was flat.
- 3 Scandinavia distributed SEK 1.7 bn. to Patricia Industries.
- The value change of Investor's investments in EQT was 6 percent in constant currency. Net cash flow from EQT amounted to SEK 745 m.

## Financial information, year to date 2017

- Both adjusted net asset value growth and reported net asset value growth, including dividend added back, amounted to 13 percent.
- Contribution to reported net asset value amounted to SEK 31,161 m. (-12,718), of which: Listed Core Investments SEK 39,360 m. (-6,873), Patricia Industries SEK -226 m. (1,380), and EQT SEK 1,569 m. (1,166). Dividends paid amounted to SEK 8,411 m.
- Leverage\* (net debt/reported total assets) was 4.7 percent as of June 30, 2017 (5.3).
- Consolidated net sales for the period was SEK 17,127 m. (15,124). Consolidated profit/loss for the period, which includes unrealized change in value, was SEK 39,940 m. (SEK 52.25 basic earnings per share), compared to SEK -6,288 m. (SEK -8.25 basic earnings per share) for the same period 2016.

### Overview annual average performance

	NAV (%)**	Total return	
		Investor B (%)	SIXRX (%)
Q2 2017	2.9	10.6	4.1
1 year	31.2	48.5	26.1
5 years	19.7	29.3	16.7
10 years	8.2	12.3	7.3
20 years	8.6	11.0	9.4
**Reported NAV, Incl. dividend added back			
6/30 2017			
Adjusted NAV, SEK per share			493
NAV, SEK per share*			433
Share price (B-share), SEK			406.00

1) In the reported net asset value, the major wholly-owned subsidiaries and partner-owned investments within Patricia Industries are reported according to the acquisition and equity method respectively.

\* Financial measures that are not defined or specified in the applicable financial reporting framework. For more information, see page 16 and 26.

# CEO statement

Dear fellow shareholders,

During the second quarter, our adjusted net asset value, based on estimated market values for the wholly-owned subsidiaries and partner-owned investments within Patricia Industries, increased by 3 percent. Our total shareholder return was 11 percent, while the SIXRX Return Index was up by 4 percent.

We have continued to see higher economic activity in several parts of the world, but the development varies between segments and geographies. The stock market has remained strong, supported by higher economic growth and low interest rates. While this is encouraging, we may well face some stock market headwind in terms of contracting valuation multiples going forward.

## Listed Core Investments

Listed Core Investments generated a total return of 3 percent during the second quarter, with ten of eleven holdings generating positive returns. The activity level remained high in the companies.

Following Leif Johansson's decision not to stand for reelection as Chairperson of Ericsson at the 2018 Annual General Meeting, the Nomination Committee has started the important search for a new Chairperson. While facing a number of challenges, based on the strategy presented earlier this year, we believe that the company should be able to realize its long term potential.

Saab reached an important milestone with the successful completion of the inaugural flight of its next generation smart fighter, Gripen E.

In May, Guido Oelkers was appointed new CEO of Sobi. He has a strong track record and extensive experience in the healthcare industry.

Wärtsilä acquired Greensmith Energy Management Systems, a market leader in the emerging market of grid-scale energy storage software and solutions. The acquisition enables Wärtsilä to position itself as a leading global energy systems integrator.

In Atlas Copco, Ronnie Leten was appointed Chairperson of Epiroc, the part of the company focusing on mining and civil engineering that Atlas Copco plans to dividend out in 2018. In July, Per Lindberg, currently President and CEO of BillerudKorsnäs, was appointed CEO of Epiroc. The preparations for the proposed split of Atlas Copco continues.

## Patricia Industries

During the quarter, performance in the companies was mixed.

Laborie, 3 Scandinavia, and Vectura all reported good organic sales growth with improved profitability. Permobil and BraunAbility were affected by ongoing product launches. Importantly, the new products have been positively received by the customers. In Permobil, order intake exceeded sales, and in BraunAbility, the order backlog was significant at the end of the quarter.

Aleris faces a number of challenges, including subpar performance within Healthcare Sweden and lower utilization in Care Norway. Management's key priorities are to manage these challenges, improve efficiency, decentralize the operations to move decision-making closer to the customer, and continue to build Aleris' offering as a high-quality service provider. We fully support the board and management in these efforts.

Mölnlycke generated organic growth of only 1 percent in constant currency, to some extent explained by a strong second quarter last year. The U.S. continued to grow, but at a slower pace, while Europe contracted. On a positive note, Emerging markets continued to grow strongly. The margin was down, mainly impacted by the reimbursement cut in France, but also increased raw materials prices and currency effects. While the performance in the quarter does not reflect our ambitions, our view of Mölnlycke's attractive long-term prospects remains intact. Capitalizing on growth opportunities and ensuring cost efficiency remain the key priorities.

Distribution from 3 Scandinavia to Patricia Industries amounted to SEK 1.7 bn. during the quarter.

## EQT

The value increase of our investments in EQT was 6 percent in constant currency, and the net cash flow to Investor amounted to SEK 0.7 bn.

## Priorities going forward

Our operating priorities, to grow net asset value, operate efficiently, and pay a steadily rising dividend, remain firm.

Over time, the single-most important driver for our value creation is for our companies to generate sustainable profitable growth. As an engaged owner, we continue to support them in achieving this.

Our strong balance sheet and cash flow generation provide significant investment capacity. Competition for attractive investments is intense and valuations have, in general, increased. That said, our investment ambitions remain, with the objective to create long-term value for you, dear fellow shareholders.



Johan Forssell

# Net asset value overview

	Reported values						Adjusted values <sup>5)</sup>	
	Number of shares 6/30 2017	Ownership capital/votes <sup>1)</sup> (%) 6/30 2017	Share of total assets (%) 6/30 2017	Contribution to net asset value, SEK m. YTD 2017	Value, SEK m. <sup>2)</sup> 6/30 2017	Value, SEK m. <sup>2)</sup> 12/31 2016	Value, SEK m. 6/30 2017	Value, SEK m. 12/31 2016
<b>Listed Core Investments<sup>3)</sup></b>								
Atlas Copco	207 645 611	16.9/22.3	19	10 145	66 877	57 437	66 877	57 437
ABB	232 165 142	10.5/10.5	14	5 490	48 499	44 592	48 499	44 592
SEB	456 198 927	20.8/20.8	13	5 219	46 435	43 725	46 435	43 725
AstraZeneca	51 587 810	4.1/4.1	8	4 631	29 508	25 732	29 508	25 732
Wärtsilä	34 866 544	17.7/17.7	5	3 414	17 454	14 257	17 454	14 257
Sobi	107 594 165	39.6/39.8	4	2 496	13 976	11 480	13 976	11 480
Saab	32 778 098	30.0/39.5	4	2 617	13 626	11 181	13 626	11 181
Electrolux	47 866 133	15.5/30.0	4	2 530	13 197	10 846	13 197	10 846
Ericsson	196 047 348	5.9/21.8	3	1 560	11 743	10 378	11 743	10 378
Nasdaq	19 394 142	11.7/11.7	3	2	11 742	11 842	11 742	11 842
Husqvarna	97 052 157	16.8/32.8	2	1 303	8 123	6 883	8 123	6 883
<b>Total Listed Core Investments</b>			<b>81</b>	<b>39 360<sup>4)</sup></b>	<b>281 181</b>	<b>248 354</b>	<b>281 181</b>	<b>248 354</b>
<b>Patricia Industries</b>								
Subsidiaries								
Mölnlycke		99/99	6	1 394	22 484	21 067	59 163	54 298
Laborie		97/97	1	-388	4 540	4 928	4 657 <sup>6)</sup>	4 657 <sup>6)</sup>
Permobil		94/90	1	108	4 031	3 923	8 366	7 297
Aleris		100/100	1	53	4 004	3 940	4 544	4 686
BraunAbility		95/95	1	-208	2 927	3 136	3 016	2 820 <sup>6)</sup>
Vectura		100/100	1	26	2 188	2 161	2 089	2 156
Grand Group		100/100	0	-6	175	181	539	648
			<b>12</b>	<b>979</b>	<b>40 349</b>	<b>39 336</b>	<b>82 373</b>	<b>76 561</b>
3 Scandinavia		40/40	1	336	4 064	5 446	7 537	8 144
Financial Investments			2	-1 423	7 900	10 024	7 900	10 024
<b>Total Patricia Industries excl. cash</b>			<b>15</b>	<b>-226<sup>4)</sup></b>	<b>52 314</b>	<b>54 806</b>	<b>97 811</b>	<b>94 728</b>
<i>Total Patricia Industries incl. cash</i>					<i>67 074</i>	<i>69 195</i>	<i>112 571</i>	<i>109 117</i>
<b>EQT</b>			<b>4</b>	<b>1 569<sup>4)</sup></b>	<b>14 116</b>	<b>13 996</b>	<b>14 116</b>	<b>13 996</b>
Other Assets and Liabilities			0	-9 5 42 <sup>4,7)</sup>	-157	-327	-157	-327
<b>Total Assets excl. cash</b>								
<b>Patricia Industries</b>			<b>100</b>		<b>347 453</b>	<b>316 829</b>	<b>392 951</b>	<b>356 752</b>
Gross debt*					-30 893	-33 461	-30 893	-33 461
Gross cash*					14 678	16 710	14 678	16 710
<i>Of which Patricia Industries</i>					<i>14 760</i>	<i>14 389</i>	<i>14 760</i>	<i>14 389</i>
<b>Net debt</b>					<b>-16 215</b>	<b>-16 752</b>	<b>-16 215</b>	<b>-16 752</b>
<b>Net Asset Value</b>				<b>31 161</b>	<b>331 238</b>	<b>300 077</b>	<b>376 736</b>	<b>340 000</b>
<b>Net Asset Value per share</b>					<b>433</b>	<b>393</b>	<b>493</b>	<b>445</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 48 m., Patricia Industries SEK 119 m., EQT SEK 4 m. and Groupwide SEK 54 m.
- 5) As supplementary information, major wholly-owned subsidiaries and partner-owned investments within Patricia Industries presented at estimated market values.
- 6) Presented at invested amount as the portfolio company was acquired less than eighteen months ago.
- 7) Including paid dividend of SEK 8,411.

## Valuation overview

Business area	Valuation methodology
<b>Listed Core Investments</b>	Share price (bid) for the class of shares held by Investor.
<b>Patricia Industries</b>	
Subsidiaries	Reported value based on the acquisition method. The estimated market values are mainly based on valuation multiples for relevant listed peers and indices. Other methodologies may also be used, for example relating to real estate assets. New investments are valued at invested amount during the first 18 months following the acquisition.
Partner-owned investments	Reported value based on the equity method. The estimated market values are mainly based on valuation multiples for relevant listed peers and indices. New investments are valued at invested amount during the first 18 months following the acquisition.
Financial investments	Unlisted holdings at multiple or third-party valuation, listed shares at share price (bid).
<b>EQT</b>	Unlisted holdings at multiple or third-party valuation, listed shares at share price (bid).

## Patricia Industries - valuation overview

In addition to reported values, which are in accordance with IFRS, Investor provides estimated market values of the wholly-owned subsidiaries and partner-owned investments within Patricia Industries in order to facilitate the evaluation of Investor's net asset value. This supplementary, non-GAAP, information also increases the consistency between the valuation of Listed Core Investments and our major wholly-owned subsidiaries and 3 Scandinavia.

While the estimated market values might not necessarily reflect our view of the intrinsic values, they reflect how the stock market values similar companies.

The estimated market values are mainly based on valuation multiples, typically Enterprise Value (EV)/LTM\* operating profit, for relevant listed peers and indices. While we focus on EBITA when evaluating the performance of our companies, for valuation purposes, EBITDA multiples are more commonly available, and therefore often used. From the estimated EV, net debt is deducted, and the remaining equity value is multiplied by Patricia Industries' share of capital.

Operating profit is adjusted to reflect, for example, pro forma effects of closed add-on acquisitions and certain non-recurring items. An item is only viewed as non-recurring if it exceeds a certain amount set for each company, is unlikely to affect the company again, and does not result in any future benefit or cost.

Investments made less than 18 months ago are valued at the invested amount.

\*Last twelve months

### Patricia Industries – valuation overview

	Estimated market value, Patricia Industries' ownership, 6/30, 2017	Comments
<b>Subsidiaries</b>		
Mölnlycke	59 163	Implied EV/reported LTM EBITDA 16.8x
Permobil	8 366	Implied EV/reported LTM EBITDA 16.3x
Laborie	4 657	Valued at invested amount as the acquisition was made less than 18 months ago
Aleris	4 544	Adjustments to the reported operating profit during the last 12 months made
BraunAbility	3 016	Adjustments to the reported operating profit during the last 12 months made
Vectura	2 089	Valuation mainly based on the estimated market value of the property portfolio
Grand Group	539	Implied EV/reported LTM EBITDA 11.1x
<b>Partner-owned investments</b>		
3 Scandinavia	7 537	Implied EV/reported LTM EBITDA 7.1x
<b>Financial Investments</b>	7 900	Unlisted holdings at multiple or third-party valuation, listed shares at share price (bid)
<b>Total</b>	<b>97 811</b>	

# Overview

## Net asset value

During the first half of 2017, reported net asset value increased from SEK 300.1 bn. to SEK 331.2 bn. The change in net asset value, with dividend added back, was 13 percent during the period (-2), of which 3 percent during the second quarter (2). The corresponding total return of the Stockholm Stock Exchange (SIXRX) was 11 percent and 4 percent respectively.

For balance sheet items, figures in parentheses refer to year-end 2016 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 16,215 m. on June 30, 2017 (16,752), corresponding to leverage of 4.7 percent (5.3).

### Investor's net debt

SEK m.	2017
<b>Opening net debt</b>	<b>-16 752</b>
<b>Listed Core Investments</b>	
Dividends	6 594
Investments, net of proceeds	-1
Management cost	-48
<b>Total</b>	<b>6 545</b>
<b>Patricia Industries</b>	
Proceeds	2 514
Investments	-104
Internal transfer to Investor	-1 605
Management cost	-119
Other <sup>1)</sup>	-315
<b>Total</b>	<b>371</b>
<b>EQT</b>	
Proceeds (divestitures, fee surplus and carry)	2 209
Draw-downs (investments and management fees)	-756
Management cost	-4
<b>Total</b>	<b>1 449</b>
<b>Investor Groupwide</b>	
Dividends paid	-8 411
Internal transfer from Patricia Industries	1 605
Management cost	-54
Other <sup>2)</sup>	-969
<b>Closing net debt</b>	<b>-16 215</b>

1) Incl. currency related effects and net interest paid.

2) Incl. currency related effects, revaluation of debt and net interest paid.

### Performance by business area in summary

Q2 2017 SEK m.	Listed Core Investments	Patricia Industries	EQT	Investor Groupwide	Total
Dividends	2 585	6	77	0	2 669
Other operating income		7			7
Changes in value	6 962	-595	652	3	7 022
Net sales		8 720			8 720
Management cost	-27	-62	-2	-28	-120
Other profit/loss items		-8 061	-1	-699	-8 761
<b>Profit/loss for the period</b>	<b>9 520</b>	<b>15</b>	<b>725</b>	<b>-725</b>	<b>9 536</b>
Non-controlling interest		4			4
Paid dividend				-8 411	-8 411
Other effects on equity		-529	149	5	-376
<b>Contribution to net asset value</b>	<b>9 520</b>	<b>-242</b>	<b>905</b>	<b>-9 143</b>	<b>1 041</b>
<b>Net asset value by business area 6/30 2017</b>					
Carrying amount	281 181	52 314	14 116	-157	347 453
Investor's net debt/cash		14 760		-30 975	-16 215
<b>Total net assets including net debt/cash</b>	<b>281 181</b>	<b>67 074</b>	<b>14 116</b>	<b>-31 132</b>	<b>331 238</b>
Q2 2016 SEK m.	Listed Core Investments	Patricia Industries	EQT	Investor Groupwide	Total
Dividends	1 877	0	30	1	1 907
Other operating income		11			11
Changes in value	-176	115	837	2	778
Net sales		7 829			7 829
Management cost	-25	-65	-2	-30	-121
Other profit/loss items		-6 784	-1	-218	-7 004
<b>Profit/loss for the period</b>	<b>1 676</b>	<b>1 106</b>	<b>864</b>	<b>-245</b>	<b>3 400</b>
Non-controlling interest		-4			-4
Paid dividend				-7 635	-7 635
Other effects on equity		899	234	-94	1 040
<b>Contribution to net asset value</b>	<b>1 676</b>	<b>2 000</b>	<b>1 099</b>	<b>-7 974</b>	<b>-3 199</b>
<b>Net asset value by business area 6/30 2017</b>					
Carrying amount	212 158	51 221	13 272	-139	276 513
Investor's net debt/cash		14 574		-32 004	-17 430
<b>Total net assets including net debt/cash</b>	<b>212 158</b>	<b>65 795</b>	<b>13 272</b>	<b>-32 143</b>	<b>259 083</b>

# Listed Core Investments

Listed Core Investments contributed to the net asset value with SEK 39,360 m. during the first half of 2017 (-6,873), of which SEK 9,520 m. during the second quarter (1,676).

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

## Contribution to net asset value, Listed Core Investments

SEK m.	Q2 2017	H1 2017	H1 2016
Changes in value	6 962	32 815	-12 357
Dividends	2 585	6 594	5 529
Management cost	-27	-48	-45
<b>Totalt</b>	<b>9 520</b>	<b>39 360</b>	<b>-6 873</b>

The combined total return amounted to 16 percent during the first half of 2017, of which 3 percent during the second quarter.

## Dividends

Dividends received totaled SEK 6,594 m. during the first half of the year (5,529), of which SEK 2,585 m. during the second quarter. In total, we expect to receive approximately SEK 8.3 bn. in dividends during 2017.

## Contribution to net asset value and total return

		Q2 2017		YTD 2017	
	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	66 877	2 292	3.5	10 145	17.7
ABB	48 499	1 607	3.3	5 490	12.3
SEB	46 435	869	1.9	5 219	11.9
AstraZeneca	29 508	748	2.6	4 631	18.0
Wärtsilä	17 454	778	4.7	3 414	23.9
Sobi	13 976	151	1.1	2 496	21.7
Saab	13 626	1 411	11.4	2 617	23.4
Electrolux	13 197	1 249	10.5	2 530	23.3
Ericsson	11 743	142	1.2	1 560	15.0
Nasdaq	11 742	-241	-2.0	2	0.0
Husqvarna	8 123	541	7.1	1 303	18.9
<b>Totalt</b>	<b>281 181</b>	<b>9 547</b>		<b>39 408</b>	

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

## Investments and divestments

### Second quarter

No investments or divestments were made.

### Earlier during the year

No investments or divestments were made.

## 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.sebgroup.com">www.sebgroup.com</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>

Patricia Industries contributed to the net asset value with SEK -226 m. during the first half of 2017 (1,380), of which SEK -242 m. during the second quarter (2,000).

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

During the first half of 2017, reported revenue growth for the major wholly-owned subsidiaries amounted to 13 percent, of which approximately 1 percent organically. During the second quarter, reported revenue growth amounted to 11 percent. Organic growth was flat.

During the first half of 2017, EBITA amounted to SEK 2,377 m. for the major wholly-owned subsidiaries, an increase of 1 percent compared to last year. During the second quarter, EBITA amounted to SEK 1,253 m., a decline of 4 percent compared to last year.

## Investments, divestments and distributions

No major investments were made during the quarter. Divestments were made both in the Nordics, Asia, and in the U.S., amounting to SEK 494 m. in total. 3 Scandinavia distributed SEK 1.7 bn. to Patricia Industries.

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.	Q2 2017	H1 2017	H1 2016
Beginning of period	12 887	14 389	14 616
Net cash flow	2 151	2 410	1 382
Internal transfer to Investor	-	-1 605	-1 259
Other <sup>1)</sup>	-278	-434	-165
<b>End of period</b>	<b>14 760</b>	<b>14 760</b>	<b>14 574</b>

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

## Patricia Industries, net asset value

SEK m.	Q2 2017	H1 2017	H1 2016
Beginning of period	54 630	54 806	51 095
Investments	59	101	310
Divestments	-494	-794	-1 375
Distributions	-1 720	-1 720	-315
Changes in value	-161	-79	1 506
<b>End of period</b>	<b>52 314</b>	<b>52 314</b>	<b>51 221</b>
<b>Total, incl. cash</b>	<b>67 074</b>	<b>67 074</b>	<b>65 795</b>

## Patricia Industries, contribution to net asset value

SEK m.	Q2 2017	H1 2017	H1 2016
Changes in value	-161	-79	1 506
Management cost	-62	-119	-133
Other items	-19	-28	7
<b>Total</b>	<b>-242</b>	<b>-226</b>	<b>1 380</b>

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

Q2 2017								
SEK m.	Mölnlycke	Laborie	Permobil	Aleris	BraunAbility	Vectura	Grand Group	Total
<b>Income statement items</b>								
Sales	3 529	284	905	2 643	1 160	54	170	8 744
EBITDA	964	77	160	146	87	39	15	1 487
EBITDA, %	27	27	18	6	7	72	9	17
EBITA <sup>2)</sup>	874	72	126	85	77	11	8	1 253
EBITA, %	25	25	14	3	7	21	5	14
<b>Cash flow items</b>								
EBITDA	964	77	160	146	87	39	15	1 487
Change in working capital	-277	-4	16	72	-108	-9	-2	-312
Capital expenditures	-133	-7	-25	-70	-13	-67	-21	-337
<b>Operating cash flow</b>	<b>554</b>	<b>67</b>	<b>151</b>	<b>148</b>	<b>-35</b>	<b>-38</b>	<b>-8</b>	<b>839</b>
Acquisitions/divestments	-17	-	-	-31	-	-	-	-49
Shareholder contribution/distribution	-	-	-	-	-	-	-	-
Other	-57	-40	68	-9	-11	-16	-1	-66
<b>Increase (-)/decrease (+) in net debt</b>	<b>479</b>	<b>27</b>	<b>219</b>	<b>107</b>	<b>-45</b>	<b>-53</b>	<b>-9</b>	<b>725</b>

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

H1 2017								
SEK m.	Mölnlycke	Laborie	Permobil	Aleris	BraunAbility	Vectura	Grand Group	Total
<b>Income statement items</b>								
Sales	7 010	588	1 742	5 307	2 141	98	290	17 176
EBITDA	1 900	136	297	301	134	63	7	2 838
EBITDA, %	27	23	17	6	6	64	3	17
EBITA <sup>2)</sup>	1 724	126	231	176	115	12	-6	2 377
EBITA, %	25	21	13	3	5	12	-2	14
<b>Cash flow items</b>								
EBITDA	1 900	136	297	301	134	63	7	2 838
Change in working capital	-668	-7	57	11	-126	21	-8	-721
Capital expenditures	-254	-15	-75	-123	-22	-162	-33	-684
<b>Operating cash flow</b>	<b>979</b>	<b>113</b>	<b>279</b>	<b>188</b>	<b>-14</b>	<b>-78</b>	<b>-33</b>	<b>1 434</b>
Acquisitions/divestments	-62	-48	-	-36	-495	-	-	-641
Shareholder contribution/distribution	-	-	-	-	-	-	-	-
Other	-267	-49	57	-71	-25	-15	0	-370
<b>Increase (-)/decrease (+) in net debt</b>	<b>650</b>	<b>16</b>	<b>336</b>	<b>81</b>	<b>-534</b>	<b>-94</b>	<b>-33</b>	<b>422</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.





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

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

## Activities during the quarter

- Organic sales growth amounted to 1 percent in constant currency, with similar growth in Wound Care and Surgical. Growth was impacted by a strong second quarter last year. Geographically, the U.S. continued to grow, albeit at a slower pace, while Europe contracted. Emerging markets continued to show strong growth.
- The EBITA margin decreased, mainly due to the reimbursement cut in France, but also higher raw materials prices and currency effects. In addition, investments in future growth continued.

### Key figures, Mölnlycke

Income statement items, EUR m.	2017		2016		Last 12 months
	Q2	H1	Q2	H1	
Sales	365	731	361	707	1 453
Sales growth, %	1	3	8	8	
Organic growth, constant currency, %	1	3	10	8	
EBITDA	100	198	110	208	418
EBITDA, %	27	27	30	29	29
EBITA	90	180	101	190	381
EBITA, %	25	25	28	27	26
<b>Balance sheet items, EUR m.</b>	<b>6/30 2017</b>	<b>12/31 2016</b>			
Net debt		841		909	
<b>Cash flow items, EUR m.</b>	<b>Q2</b>	<b>H1</b>	<b>Q2</b>	<b>H1</b>	
EBITDA	100	198	110	208	
Change in working capital	-28	-70	-17	-50	
Capital expenditures	-14	-26	-20	-36	
<b>Operating cash flow</b>	<b>57</b>	<b>102</b>	<b>74</b>	<b>122</b>	
Acquisitions/divestments	-2	-6	-	-45	
Shareholder contribution/distribution	-	-	-	-	
Other <sup>1)</sup>	-6	-28	-10	-29	
<b>Increase (-)/decrease (+) in net debt</b>	<b>50</b>	<b>68</b>	<b>63</b>	<b>48</b>	

### Key ratios

	Last 12 months
Working capital/sales, %	12
Capital expenditures/sales, %	5

	6/30 2017	6/30 2016
Number of employees	7 740	7 560

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



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

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

## Activities during the quarter

- Organic sales growth amounted to 5 percent in constant currency, driven by continued good performance within both urodynamics and the GI diagnostics business.
- Profitability improved. Significant investments in business development and operations were made.

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

Income statement items, USD m.	2017		2016		Last 12 months
	Q2	H1	Q2	H1	
Sales	32	66	30	62	128
Sales growth, %	8	7	10	21	
Organic growth, constant currency, %	5	5	12	14	
EBITDA	9	15	5	13	26
EBITDA, %	27	23	18	20	20
EBITA	8	14	5	11	23
EBITA, %	25	21	16	18	18
<b>Balance sheet items, USD m.</b>	<b>6/30 2017</b>	<b>12/31 2016</b>			
Net debt		65		67	
<b>Cash flow items, USD m.</b>	<b>Q2</b>	<b>H1</b>	<b>Q2</b>	<b>H1</b>	
EBITDA	9	15	5	13	
Change in working capital	0	-1	1	0	
Capital expenditures	-1	-2	-7	-15	
<b>Operating cash flow</b>	<b>8</b>	<b>13</b>	<b>-2</b>	<b>-2</b>	
Acquisitions/divestments	-	-5	-3	-3	
Shareholder contribution/distribution	-	-	-	-	
Other <sup>2)</sup>	-5	-6	-9	-9	
<b>Increase (-)/decrease (+) in net debt</b>	<b>3</b>	<b>2</b>	<b>-14</b>	<b>-15</b>	
<b>Key ratios</b>					Last 12 months
Working capital/sales, %					14
Capital expenditures/sales, %					1
	<b>6/30 2017</b>	<b>6/30 2016</b>			
Number of employees		440		395	

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 advanced mobility and seating rehab solutions

## Activities during the quarter

- Organic sales growth amounted to 1 percent in constant currency. Revenue growth was driven by North America, while Europe declined due to weaker market development.
- The launches of new products progressed well, with positive customer reception.
- Adjusted for some settlement costs related to a legacy product, profitability was slightly higher.

### Key figures, Permobil

Income statement items, SEK m.	2017		2016		Last 12 months
	Q2	H1	Q2	H1	
Sales	905	1 742	820	1 552	3 525
Sales growth, %	10	12	13	24	
Organic growth, constant currency, %	1	3	9	14	
EBITDA	160	297	167	300	679
EBITDA, %	18	17	20	19	19
EBITA	126	231	135	236	547
EBITA, %	14	13	16	15	16
<b>Balance sheet items, SEK m.</b>	<b>6/30 2017</b>		<b>12/31 2016</b>		
Net debt	2 166		2 501		
	2017		2016		
<b>Cash flow items, SEK m.</b>	<b>Q2</b>	<b>H1</b>	<b>Q2</b>	<b>H1</b>	
EBITDA	160	297	167	300	
Change in working capital	16	57	3	84	
Capital expenditures	-25	-75	-20	-56	
<b>Operating cash flow</b>	<b>151</b>	<b>279</b>	<b>149</b>	<b>328</b>	
Acquisitions/divestments	-	-	-	-37	
Shareholder contribution/distribution	-	-	-	-	
Other <sup>1)</sup>	68	57	-230	-231	
<b>Increase (-)/decrease (+) in net debt</b>	<b>219</b>	<b>336</b>	<b>-81</b>	<b>60</b>	
<b>Key ratios</b>					<b>Last 12 months</b>
Working capital/sales, %					17
Capital expenditures/sales, %					3
	6/30 2017		6/30 2016		
Number of employees	1 375		1 345		

1) Includes effects of exchange rate changes, interest and tax. During the first half of 2017, foreign exchange rate-related effects amounted to SEK 152 m. from revaluation of net debt (-44), of which SEK 108 m. during the second quarter (-88). Last year includes SEK 110 m. in an acquisition related add-on payment (relating to Permobil).

A provider of healthcare and care services in Scandinavia

## Activities during the quarter

- Organic sales growth was a negative 2 percent in constant currency, to a large extent impacted by Healthcare Sweden and low utilization within parts of Care Norway.
- The EBITA margin was lower than last year, as the addition of Curato did not fully compensate for the negative impact from Care Norway.
- There is an ongoing tender process for radiology services in Stockholm, an area in which Aleris has a strong business. Prices in the new contracts will be lower than in the existing ones. However, the initial tender outcome has been appealed and the final outcome remains to be seen. Separately, Aleris won the radiology tender in the Västra Götaland region.
- Aleris took over the management of Uppsala's local emergency ward and entered into rental agreements for several new elderly care homes and one agreement for a new hospital in Ängelholm. A number of complementary acquisitions were also made.
- Aleris continued to implement initiatives to improve efficiency.

### Key figures, Aleris

Income statement items, SEK m.	2017		2016		Last 12 months
	Q2	H1	Q2	H1	
Sales	2 643	5 307	2 503	4 879	10 324
Sales growth, %	6	9	15	15	
Organic growth, constant currency, %	-2	0	9	10	
EBITDA	146	301	160	276	519
EBITDA, %	6	6	6	6	5
EBITA	85	176	115	186	278
EBITA, %	3	3	5	4	3
<b>Balance sheet items, SEK m.</b>	<b>6/30 2017</b>		<b>12/31 2016</b>		
Net debt	2 503		2 584		
	2017		2016		
<b>Cash flow items, SEK m.</b>	<b>Q2</b>	<b>H1</b>	<b>Q2</b>	<b>H1</b>	
EBITDA	146	301	160	276	
Change in working capital	72	11	47	30	
Capital expenditures	-70	-123	-34	-78	
<b>Operating cash flow</b>	<b>148</b>	<b>188</b>	<b>173</b>	<b>229</b>	
Acquisitions/divestments	-31	-36	-	-56	
Shareholder contribution/distribution	-	-	-	-	
Other <sup>1)</sup>	-9	-71	-68	-159	
<b>Increase (-)/decrease (+) in net debt</b>	<b>107</b>	<b>81</b>	<b>106</b>	<b>13</b>	
<b>Key ratios</b>					<b>Last 12 months</b>
Working capital/sales, %					-2
Capital expenditures/sales, %					3
	6/30 2017		6/30 2016		
Number of employees	8 755		8 430		

1) Includes effects of exchange rate changes, interest and tax. During the first half of 2017, foreign exchange rate-related effects from revaluation of net debt amounted to SEK 67 m. (-38), of which SEK 48 m. during the second quarter (-22).

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

## Activities during the quarter

- Organic sales growth was a negative 4 percent in constant currency. The consumer Wheelchair Accessible Vehicles (WAV) business was affected by weak industry retail demand as well as the ongoing product launch. Production of the new Chrysler minivan vehicle ramped smoothly and the order backlog is significant. The commercial WAV and lift businesses continued to perform well.
- The EBITA margin declined due to lower volumes, higher operating expenses related to product launches and some acquisition-related costs.
- Performance of the company's joint ventures in the EMEA and Brazil improved through the quarter despite soft demand in both markets.

### Key figures, BraunAbility

Income statement items, USD m.	2017		2016		Last 12 months
	Q2	H1	Q2	H1	
Sales	132	242	114	215	481
Sales growth, %	15	13	1	13	
Organic growth, constant currency, %	-4	-6	1	13	
EBITDA	10	15	12	20	35
EBITDA, %	7	6	11	9	7
EBITA	9	13	12	18	31
EBITA, %	7	5	10	9	6
<b>Balance sheet items, USD m.</b>	<b>6/30 2017</b>		<b>12/31 2016</b>		
Net debt	120		59		
Cash flow items, USD m.	2017		2016		Last 12 months
	Q2	H1	Q2	H1	
EBITDA	10	15	12	20	
Change in working capital	-12	-14	-2	-19	
Capital expenditures	-2	-2	-1	-2	
<b>Operating cash flow</b>	<b>-4</b>	<b>-2</b>	<b>9</b>	<b>-2</b>	
Acquisitions/divestments	-	-56	-	-	
Shareholder contribution/distribution	-	-	-	-	
Other <sup>1)</sup>	-1	-3	-3	-2	
<b>Increase (-)/decrease (+) in net debt</b>	<b>-5</b>	<b>-60</b>	<b>6</b>	<b>-4</b>	
<b>Key ratios</b>					
Working capital/sales, %					16
Capital expenditures/sales, %					1

1) 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

- Sales growth amounted to 8 percent, primarily driven by the new Aleris facility in Botkyrka (from January 2017) and the addition of the Hamlet hospital in Denmark (from October 2016).
- Ongoing construction development projects proceed according to plan, and the pipeline was strengthened with new projects for elderly care homes.
- Gustaf Hermelin was appointed new Chairperson of the Board, effective September, 2017.

### Key figures, Vectura

Income statement items, SEK m.	2017		2016		Last 12 months
	Q2	H1	Q2	H1	
Sales	54	98	49	84	199
Sales growth, %	8	17	20	20	
EBITDA	39	63	31	50	128
EBITDA, %	72	64	62	60	64
EBITA adjusted <sup>1)</sup>	17	23	13	15	49
EBITA adjusted, %	32	23	26	18	25
EBITA	11	12	4	-1	22
EBITA, %	21	12	9	-1	11
<b>Balance sheet items, SEK m.</b>	<b>6/30 2017</b>		<b>12/31 2016</b>		
Net debt	1 549		1 456		
	2017		2016		
<b>Cash flow items, SEK m.</b>	<b>Q2</b>	<b>H1</b>	<b>Q2</b>	<b>H1</b>	
EBITDA	39	63	31	50	
Change in working capital	-9	21	-29	-18	
Capital expenditures	-67	-162	-69	-133	
<b>Operating cash flow</b>	<b>-38</b>	<b>-78</b>	<b>-68</b>	<b>-101</b>	
Acquisitions/divestments	-	-	-	-	
Shareholder contribution/distribution	-	-	-	-	
Other <sup>2)</sup>	-16	-15	6	9	
<b>Increase (-)/decrease (+) in net debt</b>	<b>-53</b>	<b>-94</b>	<b>-63</b>	<b>-92</b>	
	<b>6/30 2017</b>		<b>6/30 2016</b>		
Number of employees	19		15		

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

- Sales growth was a negative 5 percent, in a weak market, partly affected by the April 7 terror attack in Stockholm. Also, Grand Hôtel temporarily closed down parts of the hotel due to refurbishments.
- The EBITA margin declined, mainly due to lower occupancy and higher personnel costs.
- The company is investing significantly in the customer experience and has initiated an extensive renovation of Vinterträdgården, Grand Hôtel's largest conference venue. In addition, the Cadier Bar will undergo a makeover during the summer.

## Key figures, Grand Group

Income statement items, SEK m.	2017		2016		Last 12 months
	Q2	H1	Q2	H1	
Sales	170	290	179	284	641
Sales growth, %	-5	2	16	10	
EBITDA	15	7	24	15	43
EBITDA, %	9	3	14	5	7
EBITA	8	-6	18	2	16
EBITA, %	5	-2	10	1	3
<b>Balance sheet items, SEK m.</b>	<b>6/30 2017</b>		<b>12/31 2016</b>		
Net debt	-56		-89		
Cash flow items, SEK m.	2017		2016		Last 12 months
	Q2	H1	Q2	H1	
EBITDA	15	7	24	15	
Change in working capital	-2	-8	9	4	
Capital expenditures	-21	-33	-9	-21	
<b>Operating cash flow</b>	<b>-8</b>	<b>-33</b>	<b>24</b>	<b>-2</b>	
Acquisitions/divestments	-	-	-	-	
Shareholder contribution/distribution	-	-	-	-	
Other <sup>1)</sup>	-1	0	0	-2	
<b>Increase (-)/decrease (+) in net debt</b>	<b>-9</b>	<b>-33</b>	<b>24</b>	<b>-4</b>	
<b>Key ratios</b>					<b>Last 12 months</b>
Working capital/sales, %					-8
Capital expenditures/sales, %					8
	<b>6/30 2017</b>		<b>6/30 2016</b>		
Number of employees	350		350		

1) Includes interest and tax.

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

## Activities during the quarter

- The subscription base increased by 23,000, driven by Denmark. Service revenue grew 5 percent compared to last year.
- EBITDA grew 22 percent, reflecting good operating leverage and some non-recurring costs in the second quarter last year.
- 3 Sweden launched "roam like home", allowing customers to use voice and data within the EU at the same terms as in Sweden, without increasing the subscription price. 3 Denmark has had similar offerings for several years.
- 3 Scandinavia raised a (non-guaranteed) bank loan of SEK 4.3 bn., allowing continued growth and a SEK 1.7 bn. distribution to Patricia Industries.

## Key figures, 3 Scandinavia

Income statement items	2017		2016		Last 12 months
	Q2	H1	Q2	H1	
Sales, SEK m.	2 804	5 615	2 701	5 833	11 262
Sweden, SEK m.	1 930	3 815	1 804	3 644	7 546
Denmark, DKK m.	672	1 396	713	1 757	2 882
Service revenue <sup>1)</sup> , SEK m.	1 702	3 385	1 626	3 235	6 794
Sweden, SEK m.	1 110	2 221	1 077	2 152	4 454
Denmark, DKK m.	455	902	436	865	1 812
EBITDA, SEK m.	831	1 656	680	1 432	3 287
Sweden, SEK m.	584	1 188	520	1 084	2 359
Denmark, DKK m.	190	362	126	277	718
EBITDA, %	30	29	25	25	29
Sweden	30	31	29	30	31
Denmark	28	26	18	16	25
<b>Balance sheet items, SEK m.</b>	<b>6/30 2017</b>		<b>12/31 2016</b>		
Net debt	4 452		1 372		
	<b>6/30 2017</b>		<b>6/30 2016</b>		
Number of employees	2 075		2 070		
<b>Key ratios</b>					<b>Last 12 months</b>
Capital expenditures/sales, %					12
<b>Other key figures</b>	<b>6/30 2017</b>		<b>6/30 2016</b>		
Subscribers	3 318 000		3 301 000		
Sweden	2 035 000		2 081 000		
Denmark	1 283 000		1 220 000		
Postpaid/prepaid ratio	75/25		78/22		

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

- Only smaller follow-on investments were made.
- Divestitures were made both in the Nordics, Asia, and in the U.S., with total proceeds amounting to SEK 494 m. We fully exited Tangoe and Active Biotech and made minor divestments in NS Focus.

### Change in net asset value, Financial Investments

SEK m.	Q2 2017	H1 2017	H1 2016
Net asset value, beginning of period	9 219	10 024	12 850
Investments	59	101	310
Divestments/distributions	-500	-800	-1 375
Changes in value	-877	-1 424	-1 069
<b>Net asset value, end of period</b>	<b>7 900</b>	<b>7 900</b>	<b>10 717</b>

As of June 30, 2017, European, U.S. and Asian holdings represented 22, 54, and 24 percent of the total value of the Financial Investments.

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

### Five largest Financial Investments, June 30, 2017

Company	Region	Business	Listed/ unlisted	Reported value. SEK m.
NS Focus	Asia	IT	Listed	1 822
Madrague	Europe	Financials	Unlisted	783
Spigit <sup>1)</sup>	U.S.	IT	Unlisted	512
Acquia	U.S.	IT	Unlisted	286
CallFire	U.S.	IT	Unlisted	274
<b>Total</b>				<b>3 677</b>

1) Spigit and Mindjet have merged.

The five largest investments represented 47 percent of the total value of the Financial Investments.

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

	Q2 2017	Q1 2017	FY 2016	Q4 2016	Q3 2016	Q2 2016	Q1 2016	FY 2015	Q4 2015	Q3 2015	Q2 2015
<b>Mölnlycke (EUR m.)</b>											
Sales	365	366	1 429	372	350	361	345	1 353	357	339	335
EBITDA	100	98	428	111	109	110	98	374	95	100	90
EBITDA (%)	27	27	30	30	31	30	28	28	27	29	27
EBITA <sup>2)</sup>	90	89	392	101	100	101	89	337	86	86 <sup>3)</sup>	83
EBITA, %	25	24	27	27	29	28	26	25	24	25	25
Net debt	841	891	909	909	712	807	871	855	855	527	606
Employees	7 740	7 475	7 505	7 505	7 485	7 560	7 555	7 500	7 500	7 360	7 540
<b>Laborie<sup>4)</sup> (USD m.)</b>											
Sales	32	34	123	31	30	30	32	109	30	28	27
EBITDA	9	7	23	5	6	5	7	20	7	7	4
EBITDA (%)	27	19	19	14	20	18	23	18	23	27	15
EBITA <sup>2)</sup>	8	6	20	4	5	5	6	18	6	7	4
EBITA, %	25	18	17	12	18	16	20	17	21	26	13
Net debt	65	68	67	67	-42	205	191	190	190	192	191
Employees	440	435	425	425	410	395	395	385	385	390	390
<b>Permobil (SEK m.)</b>											
Sales	905	837	3 335	939	844	820	732	2 931	862	815	723
EBITDA	160	137	682	206	176	167	133	547	189	171	125
EBITDA (%)	18	16	20	22	21	20	18	19	22	21	17
EBITA <sup>2)</sup>	126	105	552	172	144	135	101	427	146	143	97
EBITA, %	14	13	17	18	17	16	14	15	17	18	13
Net debt	2 166	2 384	2 501	2 501	2 364	2 335	2 254	2 395	2 395	2 536	2 526
Employees	1 375	1 355	1 375	1 375	1 375	1 345	1 330	1 320	1 320	1 330	1 310
<b>Aleris (SEK m.)</b>											
Sales	2 643	2 664	9 896	2 662	2 355	2 503	2 376	8 540	2 311	1 991	2 172
EBITDA	146	155	494	122	96	160	116	492	93	122	140
EBITDA (%)	6	6	5	5	4	6	5	6	4	6	6
EBITA <sup>2)</sup>	85	91	288	63	39	115	71	323	48	82	95
EBITA, %	3	3	3	2	2	5	3	4	2	4	4
Net debt	2 503	2 611	2 584	2 584	2 739	1 402	1 508	1 415	1 415	900	902
Employees	8 755	8 915	8 690	8 690	8 585	8 430	8 205	7 805	7 805	7 300	7 305
<b>BraunAbility<sup>5)</sup> (USD m.)</b>											
Sales	132	110	454	116	123	114	100	399	101	107	113
EBITDA	10	5	40	9	12	12	8	30	2	11	11
EBITDA (%)	7	5	9	7	9	11	8	8	2	10	10
EBITA <sup>2)</sup>	9	4	36	8	10	12	7	27	1	10	10
EBITA, %	7	4	8	7	8	10	7	7	1	9	9
Net debt	120	115	59	59	76	80	86	75	75	52	60
Employees	1 320	1 300	1 075	1 075	1 075	1 040	1 030	1 025	1 025	990	990
<b>Vectura (SEK m.)</b>											
Sales	54	45	184	49	51	49	34	158	43	45	41
EBITDA	39	25	115	30	35	31	20	92	20	30	27
EBITDA (%)	72	55	62	60	68	62	58	58	47	67	66
EBITA <sup>2)</sup>	11	0	10	2	8	4	-5	-10	-6	4	1
EBITA, %	21	1	5	4	17	9	-15	-6	-14	9	2
Net debt	1 549	1 496	1 456	1 456	1 422	1 197	1 135	1 105	1 105	1 388	1 389
Employees	19	18	16	16	17	15	13	13	13	9	8
<b>Grand Group (SEK m.)</b>											
Sales	170	120	635	168	183	179	105	597	160	179	155
EBITDA	15	-7	51	10	26	24	-10	41	10	27	14
EBITDA (%)	9	-6	8	6	14	14	-9	7	6	15	9
EBITA <sup>2)</sup>	8	-14	24	2	20	18	-16	15	3	21	8
EBITA, %	5	-12	4	1	11	10	-15	3	2	12	5
Net debt	-56	-65	-89	-89	-126	-102	-78	-106	-106	-99	-76
Employees	350	330	360	360	360	350	310	360	360	355	340
<b>3 Scandinavia</b>											
Sales	2 804	2 811	11 480	2 933	2 714	2 701	3 133	10 831	2 948	2 575	2 645
Sweden, SEK m.	1 930	1 885	7 374	1 915	1 816	1 804	1 840	7 238	1 951	1 764	1 799
Denmark, DKK m.	672	724	3 242	783	703	713	1 043	2 868	802	638	682
EBITDA	831	825	3 063	821	810	680	752	2 916	754	752	715
Sweden, SEK m.	584	604	2 255	580	591	520	564	2 149	539	566	532
Denmark, DKK m.	190	172	633	185	171	126	151	612	173	146	147
EBITDA, %	30	29	27	28	30	25	24	27	26	29	27
Sweden	30	32	31	30	33	29	31	30	28	32	30
Denmark	28	24	20	24	24	18	14	21	22	23	22
Net debt, SEK m.	4 452	729	1 372	1 372	1 101	1 556	1 386	1 579	1 579	1 525	1 413
Employees	2 075	2 105	2 160	2 160	2 060	2 070	2 085	2 095	2 095	2 120	2 110
<b>Financial Investments (SEK m.)</b>											
Net asset value, beginning of period	9 219	10 024	12 850	10 293	10 717	10 727	12 850	11 714	11 897	14 843	14 606
Investments	59	41	611	155	146	137	173	923	69	201	223
Divestments/distribution	-500	-299	-2 368	-447	-546	-566	-809	-2 908	-368	-1 841	-662
Changes in value	-877	-546	-1 070	21	-23	419	-1 488	3 121	1 252	-1 306	676
Net asset value, end of period	7 900	9 219	10 024	10 024	10 293	10 717	10 727	12 850	12 850	11 897	14 843

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.



Our investments in EQT contributed to the net asset value with SEK 1,569 m. during the first half of 2017 (1,166), of which SEK 905 m. during the second quarter (1,099).

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

- Net cash flow from EQT amounted to SEK 745 m.
- In constant currency, the value change of Investor's investments in EQT was 6 percent. The reported value change was 6 percent.
- Investor's total outstanding commitments to EQT funds amounted to SEK 11.7 bn. as of June 30, 2017 (13.7).
- EQT V divested additional shares in Academedia.
- EQT VI entered into agreements to divest its holdings in Bureau van Dijk and Faerch Plast.
- EQT VII announced an investment in Ottobock.
- EQT Mid Market and Mid Market Europe announced the acquisition of DGC through a public-to-private transaction.
- EQT Expansion Capital II entered into an agreement to divest Roeser.
- EQT Mid Market divested its holding in swiss smile.
- The EQT Mid Market Europe fund was successfully closed at EUR 1.6 bn. An investment in Open Systems AG was announced.
- The EQT Real Estate I fund, with commitments totalling EUR 420 m., was successfully closed.

## Change in net asset value, EQT

SEK m.	Q2 2017	H1 2017	H1 2016
Net asset value, beginning of period	13 956	13 996	13 021
Contribution to net asset value (value change)	905	1 569	1 166
Draw-downs (investments, management fees and management cost)	414	760	946
Proceeds to Investor (divestitures, fee surplus and carry)	-1 160	-2 209	-1 861
<b>Net asset value, end of period</b>	<b>14 116</b>	<b>14 116</b>	<b>13 272</b>

## Investor's investments in EQT, June 30, 2017

	Fund size EUR m.	Investor's share (%)	Investor's remaining commitment SEK m.	Reported value SEK m.
Fully invested funds <sup>1)</sup>	17 561		1 212	10 441
EQT VII	6 817	5	2 111	1 427
EQT Infrastructure II	1 938	8	506	1 024
EQT Infrastructure III	4 000	5	1 993	0
EQT Credit Fund II	845	10	329	488
EQT Ventures <sup>2)</sup>	461	11	429	52
EQT Midmarket US	616	30	1 213	432
EQT Midmarket Europe	1 600	10	1 481	0
EQT Real Estate I	420	16	480	168
EQT new funds			1 986	0
EQT AB		19		84
<b>Total</b>	<b>34 257</b>		<b>11 739</b>	<b>14 116</b>

1) 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.

2) 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.	Q2 2017	Q1 2017	FY 2016	Q4 2016	Q3 2016	Q2 2016	Q1 2016	FY 2015	Q4 2015	Q3 2015	Q2 2015
Reported value	14 116	13 956	13 996	13 996	13 300	13 272	11 905	13 021	13 021	12 623	13 599
Reported value change, %	6	5	15	4	2	9	1	30	10	-2	15
Value change, constant currency, %	6	5	10	4	0	7	0	32	12	-4	16
Draw-downs from Investor	414	345	2 864	976	942	633	313	1 590	133	364	223
Proceeds to Investor	1 160	1 050	3 874	873	1 141	365	1 496	6 086	943	1 034	2 683
<b>Net cash flow to Investor</b>	<b>745</b>	<b>704</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>

# Group

## Net debt

Net debt totaled SEK 16,215 m. on June 30, 2017 (16,752). 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, 6/30 2017

SEK m.	Consolidated balance sheet	Deductions related to Patricia subsidiaries	Investor's net debt
Other financial investments	4 433	-86	4 347
Cash, bank and short-term investments	18 879	-8 549	10 330
Receivables included in net debt	1 827	-	1 827
Loans	-56 420	23 795	-32 625
Provision for pensions	-845	750	-95
<b>Total</b>	<b>-32 125</b>	<b>15 910</b>	<b>-16 215</b>

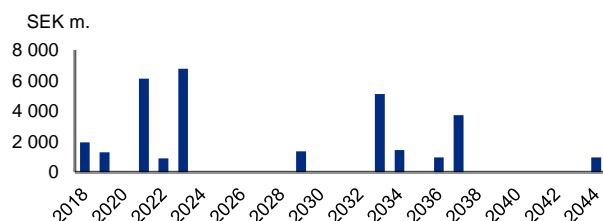
Investor's gross cash amounted to SEK 14,678 m. as of June 30, 2017 (16,710). The short-term investments are invested conservatively, taking into account the risk-adjusted return profile. Gross debt, excluding pensions for Investor, amounted to SEK 30,797 m. as of June 30, 2017 (33,362).

The average maturity of Investor AB's debt portfolio was 10.4 years on June 30, 2017 (10.0), excluding the debt of Mölnlycke, Laborie, Aleris, Permobil, BraunAbility, Grand Group and Vectura.

In May, 2017, Investor AB bought back approximately EUR 100 m. of its EUR 300 m. 2018 bond and SEK 386 m. of its SEK 500 m. 2019 bond respectively. A SEK 1.5 bn. bond matured in June, 2017.

Cash and cash equivalents include an amount of SEK 39 m. (CNY 31 m.) that is only available for use within China. Application has been submitted to SAFE for regulatory approval to transfer the funds out of China.

### Debt maturity profile, 6/30 2017



### Net financial items, 6/30 2017

SEK m.	Group - Net financial items	Deductions related to Patricia subsidiaries	Investor's net financial items
Interest income	19	-10	9
Interest expenses	-762	265	-497
Results from revaluation of loans, swaps and short-term investments	-156	-6	-163
Foreign exchange result	-715	338	-377
Other	-65	23	-41
<b>Total</b>	<b>-1 679</b>	<b>610</b>	<b>-1 069</b>

## The Investor share

The price of the A-share and B-share was SEK 396.70 and SEK 406.00 respectively on June 30, 2017, compared to SEK 336.80 and SEK 340.50 on December 31, 2016.

The total shareholder return amounted to 23 percent during the first half of the year (-7), of which 11 percent during the second quarter (1).

The total market capitalization of Investor, adjusted for repurchased shares, was SEK 307,555 m. as of June 30, 2017 (259,119).

## Parent Company

### Share capital

Investor's share capital amounted to SEK 4,795 m. on June 30, 2017 (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 June 30, 2017, Investor owned a total of 2,511,555 of its own shares (2,793,387). The net decrease in holdings of own shares is attributable to purchase 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 35,456 m. (-7,418). The result is mainly related to Listed Core Investments which contributed to the result with dividends amounting to SEK 6,264 m. (5,064) and value changes of SEK 29,728 m. (-12,163).

During the first half of 2017, the Parent Company invested SEK 259 m. in financial assets (798). The parent company divested SEK 10,290 m. in Group companies (10,065). The parent company bought back outstanding bonds at a total nominal amount of SEK 1.3 bn. and a bond with a nominal value of SEK 1.5 bn. matured in the first half of 2017. By the end of the period, shareholder's equity totaled SEK 277,508 m. (213,657).

## Other

### Paid dividend

The Annual General Meeting 2017 approved the proposal of the Board of Directors of a dividend of SEK 11.00 per share for fiscal year 2016 (10.00). The dividend amounted to SEK 8,411 m. in total and was paid on May 10, 2017.

## Acquisitions (business combinations)

### Acquisition of Laborie

During the first quarter, the purchase price allocation was changed and goodwill and deferred tax liability was reduced with SEK 400 m. due to a finalization of analysis of local tax consequences as a result of the acquisition.



## Other acquisitions

During the year, BraunAbility and Laborie acquired three smaller entities. The aggregated purchase price amounts to SEK 320 m. and goodwill amounts to a total of SEK 283 m.

## Pledged assets and contingent liabilities

Total pledged assets amounts to SEK 9.4 bn. (9.8), of which SEK 6.7 bn. refers to pledged assets in the subsidiaries BraunAbility and Laborie, related to outstanding loans corresponding to SEK 1.0 bn. and SEK 1.0 bn.

No material changes in contingent liabilities during the period.

Three of Investor AB's subsidiaries have historically claimed deduction for certain interest expenses which has been denied by the tax authorities and the Swedish Administrative Court. Investor believes that these deductions have been claimed rightfully and has appealed the denial. Therefore, no provision has been made. If the appeals would not be successful, it would result in an additional tax expense of SEK 530 m. This amount is therefore reported as an other contingent liability.

## 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, financial risks and market risks. 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 Interim 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 2017

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.

### New IFRS regulations to be applied in 2018

The new standards described below will be applied from when application is mandatory. Earlier adoption is not planned.

IFRS 9 Financial Instruments will replace IAS 39 Financial Instruments: Recognition and Measurement with mandatory effective date of January 1, 2018. IFRS 9 presents a model for classification and measurement of financial instruments, an expected loss model for the impairment of financial assets and significant changes to hedge accounting. The changes are not expected to have any substantial effects on amounts reported in the consolidated financial statements since the majority of the Group's financial assets are measured at fair value.

IFRS 15 Revenue from Contracts with Customers is a new standard for revenue that will replace all existing standards and interpretations about revenue with mandatory effective date of January 1, 2018. Revenue shall be recognized to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The quantitative assessment of IFRS 15 indicates that the effects will not be significant neither with regards to the amount recognized as revenues nor the timing of when revenues are recognized.

### 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. For Investor's consolidated accounts, this typically means IFRS. APMs are disclosed when they complement performance measures defined by IFRS. 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.

Definitions of all APMs used are found in the Annual Report 2016 and 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 26. 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 Interim Management Report may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

## Financial calendar

Oct. 17, 2017	Interim Management Statement January-September 2017
Jan. 23, 2018	Year-End Report 2017
April 20, 2018	Interim Management Statement January-March 2018
July 17, 2018	Interim Report January-June 2018

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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 and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 08:15 CET on July 19, 2017.

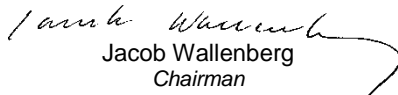
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This Interim Report and additional information is available on [www.investorab.com](http://www.investorab.com).

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

Stockholm, July 18, 2017


  
Jacob Wallenberg  
Chairman

  
Josef Ackermann  
Director

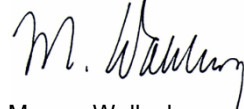
  
Gunnar Brock  
Director

  
Sara Öhrvall  
Director

  
Magdalena Gerger  
Director

  
Tom Johnstone, CBE  
Director

  
Grace Reksten Skaugen  
Director

  
Marcus Wallenberg  
Vice Chairman

  
Hans Stråberg  
Director

  
Lena Treschow Torell  
Director

  
Johan Forssell  
President and Chief Executive Officer  
Director

# Review Report

## Introduction

We have reviewed the interim report of Investor AB (publ), corporate identity number 556013-8298, for the period January 1- June 30, 2017. 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, July 18, 2017

Deloitte AB



Thomas Strömberg

Authorized Public Accountant

## Consolidated Income Statement, in summary

SEK m.	1/1-6/30 2017	1/1-6/30 2016	4/1-6/30 2017	4/1-6/30 2016
Dividends	6 678	5 560	2 669	1 907
Other operating income	14	23	7	11
Changes in value	33 090	-12 857	7 022	778
Net sales	17 127	15 124	8 720	7 829
Cost of goods and services sold	-10 923	-9 628	-5 560	-4 908
Sales and marketing cost	-2 144	-1 780	-1 076	-904
Administrative, research and development and other operating cost	-2 061	-1 574	-1 038	-806
Management cost	-225	-236	-120	-121
Share of results of associates	318	214	151	117
<b>Operating profit/loss</b>	<b>41 873</b>	<b>-5 154</b>	<b>10 775</b>	<b>3 903</b>
Net financial items	-1 679	-874	-1 130	-282
<b>Profit/loss before tax</b>	<b>40 194</b>	<b>-6 028</b>	<b>9 645</b>	<b>3 622</b>
Income taxes	-253	-260	-109	-222
<b>Profit/loss for the period</b>	<b>39 940</b>	<b>-6 288</b>	<b>9 536</b>	<b>3 400</b>
Attributable to:				
Owners of the Parent Company	39 948	-6 291	9 540	3 396
Non-controlling interest	-7	3	-4	4
<b>Profit/loss for the period</b>	<b>39 940</b>	<b>-6 288</b>	<b>9 536</b>	<b>3 400</b>
Basic earnings per share, SEK	52.25	-8.25	12.48	4.45
Diluted earnings per share, SEK	52.20	-8.25	12.46	4.44

## Consolidated Statement of Comprehensive Income, in summary

SEK m.	1/1-6/30 2017	1/1-6/30 2016	4/1-6/30 2017	4/1-6/30 2016
Profit/loss for the period	39 940	-6 288	9 536	3 400
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	30	33	24	-
Remeasurements of defined benefit plans	11	-15	-1	-15
<i>Items that may be recycled to profit/loss for the period</i>				
Cash flow hedges	19	8	9	-7
Foreign currency translation adjustment	-514	867	-187	887
Share of other comprehensive income of associates	25	34	51	66
<b>Total other comprehensive income for the period</b>	<b>-428</b>	<b>927</b>	<b>-102</b>	<b>931</b>
<b>Total comprehensive income for the period</b>	<b>39 512</b>	<b>-5 361</b>	<b>9 434</b>	<b>4 331</b>
Attributable to:				
Owners of the Parent Company	39 521	-5 367	9 439	4 320
Non-controlling interest	-9	6	-5	11
<b>Total comprehensive income for the period</b>	<b>39 512</b>	<b>-5 361</b>	<b>9 434</b>	<b>4 331</b>

## Consolidated Balance Sheet, in summary

SEK m.	6/30 2017	12/31 2016	6/30 2016
<b>ASSETS</b>			
Goodwill	34 389	34 852	29 999
Other intangible assets	15 982	16 423	13 050
Property, plant and equipment	8 490	8 345	6 873
Shares and participations	307 834	276 744	240 283
Other financial investments	4 433	3 709	2 603
Long-term receivables included in net debt	1 827	2 402	3 001
Other long-term receivables	1 122	2 924	3 464
<b>Total non-current assets</b>	<b>374 078</b>	<b>345 399</b>	<b>299 273</b>
Inventories	3 385	3 086	2 765
Shares and participations in trading operation	186	46	35
Other current receivables	5 645	5 098	5 515
Cash, bank and short-term investments	18 879	16 344	16 499
<b>Total current assets</b>	<b>28 094</b>	<b>24 574</b>	<b>24 814</b>
<b>TOTAL ASSETS</b>	<b>402 172</b>	<b>369 973</b>	<b>324 087</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>331 302</b>	<b>300 141</b>	<b>259 300</b>
Long-term interest bearing liabilities	56 269	53 313	50 620
Provisions for pensions and similar obligations	845	838	790
Other long-term provisions and liabilities	6 476	7 220	5 683
<b>Total non-current liabilities</b>	<b>63 590</b>	<b>61 371</b>	<b>57 093</b>
Current interest bearing liabilities	150	1 634	1 647
Other short-term provisions and liabilities	7 129	6 827	6 047
<b>Total current liabilities</b>	<b>7 280</b>	<b>8 461</b>	<b>7 694</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>402 172</b>	<b>369 973</b>	<b>324 087</b>

## Consolidated Statement of Changes in Equity, in summary

SEK m.	1/1-6/30 2017	1/1-12/31 2016	1/1-6/30 2016
Opening balance	300 141	271 977	271 977
Profit for the period	39 940	33 665	-6 288
Other comprehensive income for the period	-428	1 880	927
<b>Total comprehensive income for the period</b>	<b>39 512</b>	<b>35 545</b>	<b>-5 361</b>
Dividends paid	-8 411	-7 635	-7 635
Changes in non-controlling interest	9	37	38
Reclassification of non-controlling interest	-	-150	-
Effect of long-term share-based remuneration	51	367	281
<b>Closing balance</b>	<b>331 302</b>	<b>300 141</b>	<b>259 300</b>
<b>Attributable to:</b>			
Owners of the Parent Company	331 238	300 077	259 083
Non-controlling interest	64	64	217
<b>Total equity</b>	<b>331 302</b>	<b>300 141</b>	<b>259 300</b>

## Consolidated Cash Flow, in summary

SEK m.	1/1-6/30 2017	1/1-6/30 2016
<b>Operating activities</b>		
Dividends received	6 678	5 566
Cash receipts	16 185	14 391
Cash payments	-14 457	-12 477
<b>Cash flows from operating activities before net interest and income tax</b>	<b>8 406</b>	<b>7 480</b>
Interest received/paid	-1 223	-939
Income tax paid	-305	-201
<b>Cash flows from operating activities</b>	<b>6 878</b>	<b>6 340</b>
<b>Investing activities</b>		
Acquisitions	-913	-1 515
Divestments	2 878	3 301
Increase in long-term receivables	0	-3
Decrease in long-term receivables	1 714	315
Acquisitions of subsidiaries, net effect on cash flow	-419	-635
Increase in other financial investments	-6 879	-3 294
Decrease in other financial investments	6 156	7 423
Net change, short-term investments	316	-4 969
Acquisitions of property, plant and equipment	-719	-661
Proceeds from sale of property, plant and equipment	34	17
<b>Net cash used in investing activities</b>	<b>2 168</b>	<b>-21</b>
<b>Financing activities</b>		
New issue Share capital	0	32
Borrowings	5 006	121
Repayment of borrowings	-2 893	-2 460
Dividend paid	-8 411	-7 635
<b>Net cash used in financing activities</b>	<b>-6 298</b>	<b>-9 942</b>
<b>Cash flows for the period</b>	<b>2 748</b>	<b>-3 623</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>11 250</b>	<b>13 180</b>
Exchange difference in cash	-36	185
<b>Cash and cash equivalents at the end of the period</b>	<b>13 962<sup>1)</sup></b>	<b>9 742</b>

1) Cash and cash equivalents include an amount of SEK 39 m. (CNY 31 m.) that is only available for use within China. Application has been submitted to SAFE for regulatory approval to transfer the funds out of China.

## Changes in liabilities arising from financing activities

Group 6/30 2017, SEK m.	Opening balance	Cash flows	Acquisitions	Non-cash changes			Closing balance
				Foreign exchange movements	Fair value changes	Other	
Long-term interest bearing liabilities	52 595	3 619		-274	-368	-6	55 566 <sup>1)</sup>
Current interest bearing liabilities	1 599	-1 493				12	118 <sup>2)</sup>
Long-term financial leases	148	-10		-22		1	117 <sup>1)</sup>
Current financial leases	16	-4		9			20 <sup>2)</sup>
Assets held to hedge long-term liabilities	2 991			142	-705	-3	2 425 <sup>3)</sup>
<b>Total liabilities from financing activities</b>	<b>57 348</b>	<b>2 113</b>		<b>-145</b>	<b>-1 073</b>	<b>3</b>	<b>58 247</b>

Group 12/31 2016, SEK m.	Opening balance	Cash flows	Acquisitions	Non-cash changes			Closing balance
				Foreign exchange movements	Fair value changes	Other	
Long-term interest bearing liabilities	49 243	2 098		1 810	388	-944	52 595 <sup>1)</sup>
Current interest bearing liabilities	2 302	-2 288		76	-18	1 526	1 599 <sup>2)</sup>
Long-term financial leases	120	-10	19	-1		20	148 <sup>1)</sup>
Current financial leases	18	-3	15			-15	16 <sup>2)</sup>
Assets held to hedge long-term liabilities	2 727	-27		-340	615	15	2 991 <sup>3)</sup>
<b>Total liabilities from financing activities</b>	<b>54 410</b>	<b>-230</b>	<b>33</b>	<b>1 546</b>	<b>986</b>	<b>602</b>	<b>57 348</b>

1) Included in Balance sheet item Long-term interest bearing liabilities.

2) Included in Balance sheet item Current interest bearing liabilities.

3) Included in Balance sheet item Long-term receivables included in net debt.



## Operating segment

### PERFORMANCE BY BUSINESS AREA 1/1-6/30 2017

SEK m.	Listed Core Investments	Patricia Industries	EQT	Investor Groupwide	Total
Dividends	6 594	7	77	-	6 678
Other operating income <sup>1)</sup>	-	14	-	-	14
Changes in value	32 815	-1 072	1 349	-2	33 090
Net sales	-	17 127	-	-	17 127
Cost of goods and services sold	-	-10 923	-	-	-10 923
Sales and marketing cost	-	-2 144	-	-	-2 144
Administrative, research and development and other operating cost	-	-2 055	-2	-4	-2 061
Management cost	-48	-119	-4	-54	-225
Share of results of associates	-	318	-	-	318
<b>Operating profit/loss</b>	<b>39 360</b>	<b>1 153</b>	<b>1 420</b>	<b>-60</b>	<b>41 873</b>
Net financial items	-	-610	-	-1 069	-1 679
Income tax	-	-247	-	-7	-253
<b>Profit/loss for the period</b>	<b>39 360</b>	<b>296</b>	<b>1 420</b>	<b>-1 136</b>	<b>39 940</b>
Non-controlling interest	-	7	-	-	7
<b>Net profit/loss for the period attributable to the Parent Company</b>	<b>39 360</b>	<b>303</b>	<b>1 420</b>	<b>-1 136</b>	<b>39 948</b>
Paid dividend	-	-	-	-8 411	-8 411
Other effects on equity	-	-529	149	5	-376
<b>Contribution to net asset value</b>	<b>39 360</b>	<b>-226</b>	<b>1 569</b>	<b>-9 542</b>	<b>31 161</b>
<b>Net asset value by business area 6/30 2017</b>					
Carrying amount	281 181	52 314	14 116	-157	347 453
Investors net debt/-cash	-	14 760	-	-30 975	-16 215
<b>Total net asset value including net debt/-cash</b>	<b>281 181</b>	<b>67 074</b>	<b>14 116</b>	<b>-31 132</b>	<b>331 238</b>

### PERFORMANCE BY BUSINESS AREA 1/1-6/30 2016

SEK m.	Listed Core Investments	Patricia Industries	EQT	Investor Groupwide	Total
Dividends	5 529	-	31	1	5 560
Other operating income <sup>1)</sup>	-	23	-	-	23
Changes in value	-12 357	-1 253	753	-1	-12 857
Net sales	-	15 124	-	-	15 124
Cost of goods and services sold	-	-9 628	-	-	-9 628
Sales and marketing cost	-	-1 780	-	-	-1 780
Administrative, research and development and other operating cost	-	-1 568	-2	-4	-1 574
Management cost	-45	-133	-4	-54	-236
Share of results of associates	-	216	-	-3	214
<b>Operating profit/loss</b>	<b>-6 873</b>	<b>1 001</b>	<b>777</b>	<b>-60</b>	<b>-5 154</b>
Net financial items	-	-222	-	-652	-874
Income tax	-	-269	-	10	-260
<b>Profit/loss for the period</b>	<b>-6 873</b>	<b>510</b>	<b>777</b>	<b>-702</b>	<b>-6 288</b>
Non-controlling interest	-	-3	-	-	-3
<b>Net profit/loss for the period attributable to the Parent Company</b>	<b>-6 873</b>	<b>507</b>	<b>777</b>	<b>-702</b>	<b>-6 291</b>
Paid dividend	-	-	-	-7 635	-7 635
Other effects on equity	-	874	388	-54	1 208
<b>Contribution to net asset value</b>	<b>-6 873</b>	<b>1 380</b>	<b>1 166</b>	<b>-8 391</b>	<b>-12 718</b>
<b>Net asset value by business area 6/30 2016</b>					
Carrying amount	212 158	51 221	13 272	-139	276 513
Investors net debt/-cash	-	14 574	-	-32 004	-17 430
<b>Total net asset value including net debt/-cash</b>	<b>212 158</b>	<b>65 795</b>	<b>13 272</b>	<b>-32 143</b>	<b>259 083</b>

1) Includes interest on loans

## Parent Company Income Statement, in summary

SEK m.	1/1-6/30 2017	1/1-6/30 2016	4/1-6/30 2017	4/1-6/30 2016
Dividends	6 264	5 064	2 525	1 830
Changes in value	29 728	-12 163	6 485	418
Net sales	7	6	5	4
Operating cost	-175	-168	-97	-90
<b>Operating profit/loss</b>	<b>35 824</b>	<b>-7 261</b>	<b>8 918</b>	<b>2 162</b>
<b>Profit/loss from financial items</b>				
Net financial items	-369	-157	-290	-57
<b>Profit/loss after financial items</b>	<b>35 456</b>	<b>-7 418</b>	<b>8 628</b>	<b>2 104</b>
Income tax	-	-	-	-
<b>Profit/loss for the period</b>	<b>35 456</b>	<b>-7 418</b>	<b>8 628</b>	<b>2 104</b>

## Parent Company Balance Sheet, in summary

SEK m.	6/30 2017	12/31 2016	6/30 2016
<b>ASSETS</b>			
Intangible assets and Property, plant and equipment	15	15	15
Financial assets	325 870	306 618	270 697
<b>Total non-current assets</b>	<b>325 885</b>	<b>306 633</b>	<b>270 712</b>
Current receivables	825	599	905
Cash and cash equivalents	0	0	0
<b>Total current assets</b>	<b>825</b>	<b>599</b>	<b>905</b>
<b>TOTAL ASSETS</b>	<b>326 711</b>	<b>307 232</b>	<b>271 618</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	277 508	250 404	213 657
Provisions	325	332	321
Non-current liabilities	43 407	45 389	45 588
<b>Total non-current liabilities</b>	<b>43 732</b>	<b>45 721</b>	<b>45 909</b>
Current liabilities	5 470	11 107	12 052
<b>Total current liabilities</b>	<b>5 470</b>	<b>11 107</b>	<b>12 052</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>326 711</b>	<b>307 232</b>	<b>271 618</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 2016.

### Valuation techniques, level 3

Group 6/30 2017	Fair value, SEK m.	Valuation technique	Input	Range
Shares and participations	19 431	Last round of financing	n.a.	n.a.
		Comparable companies	EBITDA multiples	n.a.
		Comparable companies	Sales multiples	1.5 – 4.3
		Comparable transactions	Sales multiples	0.3 – 5.7
		NAV	n.a.	n.a.
Long-term receivables included in net debt	1 468	Discounted cash flow	Market interest rate	n.a.
Long-term interest bearing liabilities	45	Discounted cash flow	Market interest rate	n.a.
Other long-term provisions and liabilities	1 618	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 65 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 150 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 6/30 2017, SEK m.	Level 1	Level 2	Level 3	Other <sup>1)</sup>	Total carrying amount
<i>Financial assets</i>					
Shares and participations	281 354	2 839	19 431	4 211	307 834
Other financial investments	4 383			50	4 433
Long-term receivables included in net debt		360	1 468		1 827
Shares and participations in trading operation	186				186
Other current receivables		2		5 644	5 645
Cash, bank and short-term investments	18 879				18 879
<b>Total</b>	<b>304 802</b>	<b>3 200</b>	<b>20 899</b>	<b>9 904</b>	<b>338 805</b>
<i>Financial liabilities</i>					
Long-term interest bearing liabilities		541	45	55 684	56 269 <sup>2)</sup>
Other long-term provisions and liabilities			1 618	4 858	6 476
Short-term interest bearing liabilities		12		138	150
Other short-term provisions and liabilities	153	110		6 865	7 129
<b>Total</b>	<b>153</b>	<b>663</b>	<b>1 663</b>	<b>67 545</b>	<b>70 025</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. Fair value on long-term loans amounts to SEK 60,673 m.

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

Group 6/30 2017, 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	19 367	1 948	47	1 624
Total gain or losses in profit or loss statement				
in line Changes in value	1 680			
In line Net financial items		-480	-2	8
Reported in other comprehensive income				
in line Foreign currency translation adjustment	-122			-13
Acquisitions	829			
Divestments	-2 348			
Transfer into Level 3	25			
<b>Carrying amount at end of period</b>	<b>19 431</b>	<b>1 468</b>	<b>45</b>	<b>1 618</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>1 205</b>			
<b>Net financial items</b>		<b>-480</b>	<b>2</b>	<b>-8</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 complement performance measures defined by IFRS. 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) and in the Annual Report 2016. 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 6/30 2017, SEK m.	Consolidated balance sheet	Deductions related to Patricia subsidiaries	Investor's gross cash	Group 12/31 2016, SEK m.	Consolidated balance sheet	Deductions related to Patricia subsidiaries	Investor's gross cash
Other financial investments	4 433	-86	4 347	Other financial investments	3 709	-91	3 618
Cash, bank and short-term investments	18 879	-8 549	10 330	Cash, bank and short-term investments	16 344	-3 253	13 092
<b>Gross cash</b>	<b>23 312</b>	<b>-8 634</b>	<b>14 678</b>	<b>Gross cash</b>	<b>20 054</b>	<b>-3 344</b>	<b>16 710</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 6/30 2017, SEK m.	Consolidated balance sheet	Deductions related to Patricia subsidiaries	Investor's gross debt	Group 12/31 2016, SEK m.	Consolidated balance sheet	Deductions related to Patricia subsidiaries	Investor's gross debt
Receivables included in net debt	1 827	-	1 827	Receivables included in net debt	2 402	-	2 402
Loans	-56 420	23 795	-32 625	Loans	-54 946	19 182	-35 764
Provision for pensions	-845	750	-95	Provision for pensions	-838	738	-99
<b>Gross debt</b>	<b>-55 437</b>	<b>24 545</b>	<b>-30 893</b>	<b>Gross debt</b>	<b>-53 382</b>	<b>19 921</b>	<b>-33 461</b>

### Net debt

Gross debt less gross cash at Balance Sheet date.

Group 6/30 2017, SEK m.	Investor's net asset value	Net debt ratio	Group 12/31 2016, SEK m.	Investor's net asset value	Net debt ratio
Investor's gross cash	-14 678		Investor's gross cash	-16 710	
Investor's gross debt	30 893		Investor's gross debt	33 461	
<b>Investor's net debt</b>	<b>16 215</b>		<b>Investor's net debt</b>	<b>16 752</b>	

### Total assets

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

Group 6/30 2017, SEK m.	Consolidated balance sheet	Deductions related to non- controlling interest	Investor's net asset value	Group 12/31 2016, SEK m.	Consolidated balance sheet	Deductions related to non- controlling interest	Investor's net asset value
Equity	331 302	-64	331 238	Equity	300 141	-64	300 077
Investor's net debt			16 215	Investor's net debt			16 752
<b>Total assets</b>			<b>347 453</b>	<b>Total assets</b>			<b>316 829</b>

### Net debt ratio (leverage)

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

Group 6/30 2017, SEK m.	Investor's net asset value	Net debt ratio	Group 12/31 2016, SEK m.	Investor's net asset value	Net debt ratio
Investor's net debt	<u>16 215</u>	= 4.7%	Investor's net debt	<u>16 752</u>	= 5.3%
Total assets	347 453		Total assets	316 829	

### 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 6/30 2017, SEK m.	Investor's net asset value	Net asset value/ SEK per share	Group 12/31 2016, SEK m.	Investor's net asset value	Net asset value/ SEK per share
Investor's net asset value	<u>331 238</u>	= 433	Investor's net asset value	<u>300 077</u>	= 393
Number of shares, excluding own shares	764 663 475		Number of shares, excluding own shares	764 381 643	