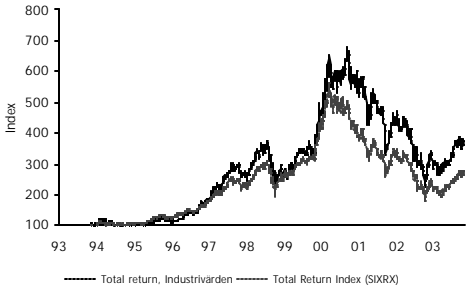


Interim Report

January 1 - September 30, 2003

- **IndustriVärden's net asset value was SEK 29,117 M on October 29, an increase of SEK 4,702 M since the start of the year. Net asset value on September 30 was SEK 26,956 M (22,265).**
- **Net asset value per share was SEK 151 at October 29, an increase of SEK 25 per share since the start of the year. Including reinvested dividend the increase was SEK 31 per share. Net asset value per share at September 30 was SEK 140 per share (115)*. Average annual growth in net asset value over the last ten-year period, including reinvested dividends, was 11%.**
- **The total return for IndustriVärden's stock from January 1 through October 29 was 32%, or two percentage points higher than the Total Return Index. During the last ten-year period the average annual total return was three percentage points higher than the Total Return Index.**

IndustriVärden in summary						
	Development, % Jan. 1-Oct. 29	Average annual development, %				
		5 years, Oct.98-Oct.03	10 years, Oct.93-Oct.03			
Total return						
Total return for IndustriVärden's stock	32	9	14			
Total return index (SIXRX)	30	4	11			
Premium return for IndustriVärden	2	5	3			
Net asset value						
Net asset value	20	-1	8			
Net asset value, dividend payout reinvested at nominal value	24	3	11			
Composition of net asset value	SEK billion			SEK per share		
	2003 Oct. 29	2003 Sept. 30	2002 Dec. 31	2003 Oct. 29	2003 Sept. 30	2002 Dec. 31
Equities portfolio	32.0	29.9	26.4	166	155	136
Net debt	-2.9	-2.9	-2.0	-15	-15	-10
Net asset value	29.1	27.0	24.4	151	140	126

*Earnings per share for the first nine months, which does not take into account unrealized changes in the value of the equities portfolio, were SEK 4.69 (22.99) per share.

IndustriVärden is one of the Nordic region's leading holding companies, with ownership in a concentrated selection of listed Nordic companies with good development potential. IndustriVärden's mission is to create shareholder value based on a professional investment operation and active ownership. The goal is to generate high growth in net asset value over time. High growth in asset values enables IndustriVärden to deliver a total return which, over a long period of time, is higher than the average for the Stockholm Stock Exchange. For more information about IndustriVärden, visit our website: www.industrivarden.net.



CEO's COMMENTS

The recovery that we have seen in the world's stock markets has continued into the autumn, although at a slower pace compared with the very quick upturn that took place from the bottom point in connection with the easing of concerns over the Iraq conflict. It is gratifying to see increasing signs of a recovery in the world economy, even though the EU region is lagging behind, mainly due to poor economic development above all in Germany and France. On the whole, the positive stock market trend currently appears to have stronger support from the improved economic outlook.

There is reason for some concern about a number of factors, however. For example, the Swedish krona has strengthened significantly following the EMU referendum, at the same time that the U.S. dollar continues to weaken. This is putting additional pressure on Swedish companies to be even more competitive. It is therefore satisfying to note the determined efforts being made by our portfolio companies to further improve their productivity.

During the third quarter we only made a handful of minor adjustments in our equities portfolio, at the same time that activity has been high concerning the work on existing holdings as well as analysis of potential new investments. It is also pleasing to note that the derivative transactions that we are continuously carrying out to enhance our portfolio's return have now begun to generate results. Our activities have been built up according to the guidelines that were laid out in the 2001 Annual Report and are being conducted within the framework of our overall strategy. By the close of the reporting period at the end of September, the surplus from these market activities more than amply covered our running management costs.

In conclusion, I am pleased to note that during the third quarter Ericsson achieved its goal of reporting a profit before year-end 2003. Thanks to a determined and sweeping structural program, the company today has favorable conditions for long-term good development.

EQUITIES PORTFOLIO ¹

The market value of Industrivärden's equities portfolio at September 30, 2003, was SEK 29,871 M (SEK 26,413 M at the start of the year), and the surplus value was SEK 10,557 M (SEK 7,801 M at the start of the year). On October 29 the market value was SEK 31,977 M and the surplus value was SEK 12,702 M. Taking into account purchases and sales, the change in value since the start of the year was 21%. A detailed portfolio specification as per September 30 is provided on page 10.

Stock	As per Sept. 30, 2003		Total return,% Period, Jan.03-Sept.03	Average annual total return,%		As per October 29, 2003	
	Number	Market value, SEK M		Five years, Sept.98-Sept.03	Ten years, Sept.93-Sept.03	Number	Market value, SEK M
Handelsbanken	51,755,900	6,806	18	9	20	51,755,900	7,065
SCA	18,982,000	5,366	0	18	13	18,982,000	5,352
Sandvik	21,000,000	4,452	14	20	10	21,000,000	4,904
Ericsson	364,039,276	4,393	66	-15	4	364,039,276	5,376
Indutrade ²		1,732	-	-	-		1,732
Skanska	33,302,756	1,638	1	-1	9	33,302,756	1,798
SSAB	12,065,600	1,345	14	11	11	12,065,600	1,369
Skandia	48,846,800	1,192	6	-13	7	48,846,800	1,373
Munters	2,705,750	455	-11	29	-	2,705,750	430
Isaberg Rapid ²		300	-	-	-		300
Össur	52,000,000	282	-1	-	-	52,000,000	237
Others		1,910					2,041
<i>Total Return Index</i>			19	3	11		
Total		29,871					31,977

No stocks were out on loan as per September 30 and October 29, 2003.

The total return for Ericsson for the period January–September pertains to a weighted average for Industrivärden's holding of Class A and B shares.

Of the above shareholdings, Munters and Össur have been held for less than five years, while Sandvik and Skandia have been held for less than ten years.

¹ Holdings pertain to the Parent Company. Limited asset management is conducted by Nordinvest, which had shareholdings with a market value of SEK 30 M as per September 30.



Handelsbanken's earnings for the first nine months improved. Net interest income increased as a result of higher business volumes and better lending margins. Overheads decreased and loan losses remained very low. The annual survey of customer satisfaction conducted by the Swedish Quality Index showed that Handelsbanken has the most satisfied customers for the fourteenth year in a row.

SCA reported lower earnings after financial items for the first nine months, but with continued good profitability. Operating earnings declined for all three business areas. The Hygiene Products business was affected primarily by currency effects and lower prices for consumer tissue products. Cash flow remained strong.

Sandvik's earnings after financial items decreased slightly during the first nine months, mainly due to currency effects. Profitability remained good. Operating earnings improved for the Tooling business area, were unchanged for Mining & Construction, and decreased for the Materials Technology business areas.

Ericsson's cash flow remained positive during the third quarter and its financial position strengthened. Operating expenses measured on an annual basis have been more than halved since mid-2001 as a result of ongoing structural measures. During the third quarter Ericsson reported a profit after financial items but before restructuring costs. The company believes the market will stabilize and that the industry is in recovery. The company has favorable conditions for long-term growth through capacity expansion of existing telecommunications networks, increased service activities and the continued transition from fixed to mobile communications.

The wholly owned subsidiary *Indutrade*, one of the leading trading companies in the Nordic region, reported earnings after financial items of SEK 144 M (147). Earnings improved in Finland and the Netherlands, but decreased slightly in Sweden, Denmark and Norway. A program has been initiated which is expected to trim approximately SEK 35 M in overhead costs on a yearly basis.

Skanska's earnings after financial items for the first nine months improved, mainly as a result of capital gains from sales of commercial real estate. Together with a good cash generation capacity in the construction activities, this has led to stronger cash flow and an improved financial position. An extensive action program is currently being carried out to further improve operating earnings and to focus on domestic markets, where Skanska has a leading position.

SSAB's earnings after financial items for the first nine months improved, mainly due to higher margins and a better product mix in the steel operations. The company's focus on special products such as quenched steel and ultra high strength sheet steel continued to develop well, with a 15% increase in volume. At the end of September, special products accounted for 43% of total delivery volume.

Skandia's operating result for the first six months decreased slightly. The sale of American Skandia substantially strengthened Skandia's financial position. During the year the company's board has worked together with management in conducting an overview of strategies, plans and overall policies. As a result of this, adjustments have been made in the company's operative work. A one billion kronor cost-cutting program has been completed and a new cost-cutting program has been launched. The interim report for the nine months ended September 30 will be released on November 24.

Munters reported a drop in earnings after financial items for the first nine months. The favorable trend for the company's Moisture Control Services unit did not continue into the second and third quarters. Demand for the Dehumidification and HumiCool units remained weak. Cost-cutting programs worth a total of SEK 120 M on a full-year basis have been initiated during the year.

The wholly owned subsidiary *Isaberg Rapid*, which manufactures and markets staplers, reported earnings after financial items of SEK 26 M (27). Earnings for the third quarter were affected by lower capacity utilization in factories and negative currency effects.

Össur's earnings after financial items decreased slightly, mainly due to higher R&D outlays for the company's new range of orthotic products and lower sales in North America. In September Össur acquired the Generation II Group, an American manufacturer of orthotic knee braces with a high-class product portfolio and focus on product development.

² Standardized valuation of the wholly owned subsidiaries is provided in the net asset value definition on page 10.



Stock Transactions During the Year

During the third quarter, purchases of stocks totaled SEK 119 M and sales totaled SEK 138 M. Major purchases consisted of 1,590,500 shares of Swedish Match. Major sales consisted of 10,000,000 shares of Ericsson B and 200,000 shares of Eniro.

The result of sales of stocks during the first three quarters was a capital gain of SEK 145 M.

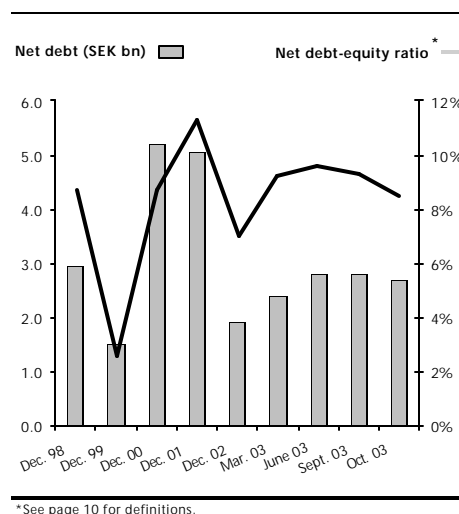
During the third quarter, 5,000,000 Class A shares in Skanska were converted to Class B shares, reducing Industrivärden's share of votes from 31.6% to 27.2%.

January 1 - September 30, 2003		
Purchases	Number	SEK M
Munters	2,505,750	453
Handelsbanken A	3,100,000	372
Swedish Match	1,590,500	94
Ericsson B	7,785,616	49
Others		47
Total		1,015
Sales		
Ericsson B	43,285,616	361
Eniro	1,664,400	109
Others		10
Total		480

INTEREST-BEARING NET DEBT

The Group's net debt increased by SEK 0,9 billion since the start of the year to SEK 3,3 billion at October 29, 2003. Net debt also amounted to SEK 3.3 billion as per September 30, 2003.

From a portfolio perspective (see chart at right), without taking into account interest-bearing liabilities of subsidiaries, net debt increased from SEK 1.9 billion at year-end 2002 to SEK 2,7 billion as per October 29, 2003. The net debt-equity ratio increased from 7% to 9%. The change is mainly attributable to net purchases of stocks and to the fact that dividend income was less than the dividend payout.



*See page 10 for definitions.

EARNINGS³

Consolidated earnings after financial items amounted to SEK 973 M (4,535), including a gain of SEK 804 M from portfolio management (2002: gains of SEK 4,289 M, including SEK 2,334 M from the sale of Besam and SEK 1,498 M from the sale of Lundbeck A/S) and earnings of SEK 169 M (246) from operating companies.

Earnings after financial items for the Parent Company amounted to SEK 774 M (4,609) and included SEK 847 M (817) in dividend income and a gain of SEK 123 M on sales of stocks (2002: gains of SEK 4,090 M, including SEK 2,651 M from Besam and SEK 1,498 M from Lundbeck A/S). The Parent Company's earnings also included SEK -60 M (-66) in management costs (a decrease of 9%), SEK -2 M (-20) in other income and expenses, and SEK -134 M (-212) in net financial items.

³ Industrivärden has ownership stakes in Ericsson, SCA, Skanska, and other companies which amount to at least 20% of the number of votes after full dilution (i.e., associated companies). The consolidated income statement and balance sheet presented in this report have been prepared in accordance with the acquisition value method. Once complete information from all associated companies is available – however, not later than two months after the end of the reporting period – a complementary income statement and balance sheet, prepared in accordance with the equity method, will be available upon request from Industrivärden and on the Company's website.



NOMINATING COMMITTEE FOR ELECTION OF BOARD MEMBERS

At the 2003 Annual General Meeting, the Chairman of the Board was authorized by the Meeting to appoint members from among the shareholders' representatives to serve together with the Chairman of the Board on a nominating committee for future board elections. Accordingly, the following persons have been appointed as members of Industrivärden's nominating committee: Tom Hedelius, chairman, Christer Elmehagen (AMF Pension), Thomas Halvorsen (Fourth National Swedish Pension Fund), Curt Källströmer (Handelsbanken), Ulf Lundahl (L E Lundbergföretagen) and Anders Nyberg (SCA).

ACCOUNTING PRINCIPLES

This interim report has been prepared in accordance with recommendation RR 20, Interim Reporting, of the Swedish Financial Accounting Standards Council. The recommendations of the Swedish Financial Accounting Standards Council that took effect on January 1, 2003, have been applied in this report but have not entailed any impact on the Company's earnings or financial position. In other respects, this report has been prepared using the same accounting principles and calculation methods as in the 2002 Annual Report.

Stockholm, October 31, 2003

Anders Nyrén
President and CEO

AUDITORS' EXAMINATION REPORT

We have conducted a general examination of the interim report for AB Industrivärden (publ) for the period ended September 30, 2003, in accordance with the recommendation issued by FAR (the Swedish Institute of Authorized Public Accountants).

A general examination is limited to discussions with the Company's employees and to an analytical examination of financial information and thus provides a lower level of certainty than an audit. We have not performed an audit of this interim report and thus have not issued an audit opinion.

Nothing has come to our attention that indicates that the interim report does not fulfill the requirements for interim reports as prescribed in the Swedish Annual Accounts Act.

Stockholm, October 31, 2003

Öhrlings PricewaterhouseCoopers AB
Ingvar Pramhäll
Authorized Public Accountant

FINANCIAL CALENDAR

The year-end report for 2003 will be released on February 18, 2004.

The 2003 Annual Report will be published in mid-March 2004.

The Annual General Meeting will be held in Stockholm on March 29, 2004.

The interim report for the period January–March will be released on May 4, 2004.

The interim report for the period January–June will be released on August 5, 2004.

The interim report for the period January–September will be released on October 29, 2004.



Industrivärden Consolidated Income Statement

SEK M	2003 July-Sept.	2002 July-Sept.	2003 Jan.-Sept.	2002 Jan.-Sept.	2002 Jan.-Dec.
PORTFOLIO MANAGEMENT					
Dividend income from stocks	3	21	848	817	820
Result of sales of stocks	59	-50	145	3,776	3,750
Other income and expenses	-1	-24	-3	-32	-73
Earnings from portfolio management	61	-53	990	4,561	4,497
OPERATING COMPANIES					
Net sales	977	935	2,991	3,884	4,890
Cost of goods sold	-662	-624	-1,987	-2,582	-3,261
Development costs	-5	-7	-24	-40	-46
Selling costs	-188	-185	-618	-728	-936
Administrative costs	-51	-48	-180	-282	-347
Other operating income and expenses	-6	3	-3	0	0
Earnings from operating companies	65	74	179	252	300
Management costs	-18	-20	-60	-66	-85
Operating earnings	108	1	1,109	4,747	4,712
Interest income	4	33	29	53	75
Interest expenses	-61	-71	-175	-235	-289
Other financial items	4	-5	10	-30	-22
Earnings after financial items	55	-42	973	4,535	4,476
Tax on earnings for the period	-28	-26	-68	-94	-111
Minority share in earnings for the period	0	0	0	0	0
Net earnings for the period	27	-68	905	4,441	4,365
Costs for depr. included in operating earnings	33	33	101	116	150
Net earnings per share, SEK ⁴	0.14	-0.36	4.69	22.99	22.60

⁴Earnings after tax divided by 193,135,612 shares.



Breakdown by Business Unit

SEK M	2003 July-Sept.	2002 July-Sept.	2003 Jan.-Sept.	2002 Jan.-Sept.	2002 Jan.-Dec.
Net sales					
Indutrade	792	740	2,354	2,287	3,078
Isaberg Rapid	185	195	636	633	848
Besam (sold holding) ⁵	-	-	-	963	963
Other, net	0	0	1	1	1
Total, operating companies	977	935	2,991	3,884	4,890
Earnings after financial items					
Portfolio management⁶	-7	-115	804	4,289	4,185
Indutrade	61	53	144	147	181
Isaberg Rapid	0	17	26	27	32
Besam (sold holding) ⁵	-	-	-	50	50
Other, net	1	3	-1	22	28
Total, operating companies	62	73	169	246	291
Group	55	-42	973	4,535	4,476

Result of Sales of Stocks

SEK M	2003 July-Sept.	2003 Jan.-Sept.
Ericsson B	58	129
Eniro	-5	-62
Derivative transactions	6	76
Other	0	2
	59	145

⁵ Besam, which was sold on June 30, 2002, is included in the consolidated income statement through the first half of 2002.

⁶ Parent company and other portfolio management companies.



Industrivärden Consolidated Balance Sheet

SEK M	Sept. 30 2003	Sept. 30 2002	Dec. 31 2002
Intangible assets	267	231	226
Tangible assets	534	555	561
Shares and participations	18,373	18,097	17,775
Other financial assets	20	33	30
Inventories	756	760	737
Accounts receivable, trade	640	643	585
Other current assets	122	220	134
Cash and cash equivalents	531	1,720	2,127
Total assets	21,243	22,259	22,175
Shareholders' equity	16,414	16,718	16,639
Minority shares	1	1	1
Provisions	250	239	239
Long-term liabilities, noninterest-bearing	-	9	9
Long-term liabilities, interest-bearing	2,196	3,013	2,547
Current liabilities, noninterest-bearing	871	870	932
Current liabilities, interest-bearing	1,511	1,409	1,808
Total shareholders' equity and liabilities	21,243	22,259	22,175

Change in shareholders' equity

SEK M	Capital stock	Restricted reserves	Unrestricted shareholders' equity	Total share- holders' equity
Opening shareholders' equity according to adopted balance sheet as per December 31, 2002	966	1,265	14,408	16,639
Dividend to shareholders	-	-	-1,120	-1,120
Transfers between unrestricted and restricted shareholders' equity	-	-2	2	-
Translation differences	-	0	-10	-10
Net earnings for the period	-	-	905	905
Sept. 30, 2003	966	1,263	14,185	16,414
Opening shareholders' equity according to adopted balance sheet as per December 31, 2001	871	967	11,517	13,355
Conversion of CPNs	95	303	-	398
Dividend to shareholders	-	-	-1,458	-1,458
Transfers between unrestricted and restricted shareholders' equity	-	0	0	-
Translation differences	-	0	-18	-18
Net earnings for the period	-	-	4,441	4,441
Sept. 30, 2002	966	1,270	14,482	16,718



Industrivärden Consolidated Statement of Cash Flows

SEK M	2003 Jan.-Sept.	2002 Jan.-Sept.	2002 Jan.-Dec.
OPERATING ACTIVITIES			
<i>Portfolio management</i>			
Dividend income from stocks	848	817	820
Tax received	-	14	14
Cash flow from changes in working capital	-4	-62	-27
Operating cash flow from portfolio management	844	769	807
<i>Operating companies</i>			
Earnings from operating companies	179	252	300
Adjustment of non-cash items:			
Depreciation	101	116	150
Other non-cash items	11	1	3
Tax paid	-85	-108	-115
Cash flow from changes in working capital	-92	-63	13
Operating cash flow from operating companies	114	198	351
Management costs paid	-59	-80	-97
Interest received	36	63	87
Interest paid	-200	-282	-314
Other financial items	5	-24	-9
NET CASH FLOW FROM OPERATING ACTIVITIES	740	644	825
INVESTING ACTIVITIES			
<i>Portfolio management</i>			
Net purchase/sale of listed stocks	-455 ⁷	701	1,032
Net purchase/sale of other stocks	-2	3,008	3,008
Cash flow from investments in portfolio management	-457	3,709	4,040
<i>Operating companies</i>			
Net purchase/sale of stocks	-64	-2	-2
Net purchase/sale of other fixed assets	-42	-75	-113
Cash flow from investments in operating companies	-106	-77	-115
NET CASH FLOW FROM INVESTING ACTIVITIES	-563	3,632	3,925
FINANCING ACTIVITIES			
Loans raised and amortization of debt	-648	-1,967	-2,034
Dividends and CPN interest paid out	-1,120	-1,620	-1,620
NET CASH FLOW FROM FINANCING ACTIVITIES	-1,768	-3,587	-3,654
NET CASH FLOW FOR THE PERIOD	-1,591	689	1,096
Cash and cash equivalents at beginning of year	2,127	1,034	1,034
Exchange-rate difference in cash and cash equivalents	-5	-3	-3
CASH AND CASH EQUIVALENTS AT END OF PERIOD	531	1,720	2,127

Change in interest-bearing net debt SEK M	Sept. 30 2003	Cash flow	Change in loans	Other changes	Dec. 31 2002
Cash and cash equivalents	531	-1,591	-	-5	2,127
Long-term liabilities, interest-bearing	2,196	-	-351	-	2,547
Current liabilities, interest-bearing	1,511	-	-297	-	1,808
Interest-bearing pension provisions	154	-	-	5	149
Interest-bearing net debt	3,330	1,591	-648	10	2,377

⁷ Of which, Parent Company SEK -482 M and other portfolio management companies SEK 27 M.



Equities Portfolio as per September 30, 2003

Stock	Number	Market value		% of portfolio value	% of capital in company	% of votes in company
		SEK M	SEK/share			
Handelsbanken A	51,755,900	6,806	35	23	7.2	7.9
SCA A	16,982,000	5,366	28	18	8.1	28.4
SCA B	2,000,000					
Sandvik	21,000,000	4,452	23	15	8.0	8.0
Ericsson A	186,000,000	4,393	23	15	2.2	27.7
Ericsson B	178,039,276					
Indutrade		1,732	9	6	100.0	100.0
Skanska A	17,302,756	1,638	8	5	8.0	27.2
Skanska B	16,000,000					
SSAB A	12,065,600	1,345	7	4	12.0	15.6
Skandia	48,846,800	1,192	6	4	4.6	4.6
Scania A	1,875,600	580	3	2	1.5	1.8
Scania B	1,126,600					
Pfizer Inc.	2,017,500	474	2	2	0.0	0.0
Munters	2,705,750	455	2	1	10.8	10.8
Volvo A	1,260,000	309	2	1	0.4	0.8
Volvo B	540,000					
Isaberg Rapid		300	2	1	100.0	100.0
Össur	52,000,000	282	2	1	15.8	15.8
Nokia	1,400,000	169	1	1	0.0	0.0
Eniro	2,335,600	141	1	0	1.3	1.3
Swedish Match	1,590,500	94	0	0	0.5	0.5
Others		143	1	1		
Total		29,871	155	100		

No stocks were out on loan as per September 30, 2003.

Valuation of the wholly owned subsidiaries is provided in the net asset value definition below.

Definitions:

Total return (SIXRX)

Price trend (SAX) plus reinvested dividends.

Net asset value

The actual market value of equities in the listed portfolio, the calculated value of the wholly owned subsidiaries (calculated using a P/E multiple of 13 and current earnings forecasts for 2003), and the book value of other, unlisted holdings, less net debt. In the net asset value calculation net debt is defined as liabilities less non-equity-related assets.

Interest-bearing net debt

Interest-bearing liabilities and pensions less cash and cash equivalents.

Net debt-equity ratio

The Parent Company's interest-bearing net debt in relation to the market value of the equities portfolio.

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