

Communiqué from Industrivärden's Annual General Meeting on March 29, 2004

Industrivärden's Annual General Meeting was held on March 29, 2004, at the Grand Hotel in Stockholm. The decisions made included the following:

- The Annual General Meeting approved the dividend of SEK 5.50 per share (preceding year: ordinary dividend of SEK 5.00 plus a bonus dividend of SEK 0.80). The record date for payment of the dividend was set at April 1, and thus dividends are expected to be paid via VPC on April 6.
- Boel Flodgren, Tom Hedelius, Finn Johnsson, Sverker Martin-Löf, Arne Mårtensson, Lennart Nilsson and Anders Nyrén were reelected as directors on Industrivärden's board, and Fredrik Lundberg was elected as a new director. Clas Reuterskiöld declined reelection.
Fredrik Lundberg, 52, D.Econ. h.c., is President and CEO of Lundbergföretagen. He also serves as Chairman of Cardo, Holmen and Hufvudstaden, and is a director on the boards of Svenska Handelsbanken, Lundbergföretagen, NCC and Stadium. As of March 8, 2004, Fredrik Lundberg and Lundbergföretagen held shares in Industrivärden corresponding to approximately 15 percent of the voting rights and 11 percent of the share capital.
- The Annual General Meeting resolved to authorize the Chairman of the Board to appoint at least four members from among the major shareholders' representatives, who are not directors on the Company's board, to form with the Chairman a nominating committee for future board elections, with the Committee chairman to be appointed from within the Committee. The composition of the Nominating Committee shall be announced in the Company's third-quarter interim report.
- The Annual General Meeting resolved that Industrivärden, as an owner of Class A and B shares in Ericsson, will approve the proposal set forth by a group of major Class A and Class B shareholders of Ericsson at an Extraordinary General Meeting of Ericsson on a change in the voting power for Class B shares issued by Ericsson.

Decisions at the statutory meeting.

- At the statutory board meeting on the same day, in addition to approval at Ericsson's Extraordinary General Meeting of the proposal outlined above, the decision was made to exercise all the conversion rights for conversion of Class B shares to Class A shares. If this occurs, Industrivärden's current share of voting rights in Ericsson will decrease from 27.7 percent to 13.3 percent.
- Also at the statutory board meeting, Tom Hedelius was appointed Chairman and Sverker Martin-Löf Vice Chairman of Industrivärden's board.

CEO Anders Nyrén's address to Industrivärden's Annual General Meeting 2004

Distinguished shareholders, ladies and gentlemen:

This is the third time in my capacity as CEO that I have the privilege to address the Annual General Meeting of Industrivärden, but it is the first time that I have the pleasure to report that your investment in Industrivärden has grown during the year. Our net asset value increased by SEK 5.7 billion in 2003, or by 24%. At the same time, our total return – which includes the dividend – was 28%. And although these are pleasing numbers, unfortunately we did not reach the average total return for the stock market as a whole in 2003, which was 34%.

However, as I have said on many occasions, one shouldn't take such a short-term perspective in assessing Industrivärden's stock as an investment alternative. At seminars for private investors and meetings with analysts, the media, and others, I usually point to our favorable total return over longer periods of time, such as 5 and 10 years. For both of these time frames our total return is better than the stock market average.

You should also keep in mind that our management costs of SEK 80 M in 2003 work out to a management fee of approximately 0.25% of managed assets, which is very cost effective compared with a mutual fund, for example. Moreover, we covered these costs in 2003 with profits earned from derivative transactions, totaling SEK 101 M.

Today, however, I will not dwell on such short-term comparison horizons, but would instead like to note that Industrivärden has just celebrated its 60 year jubilee. We celebrated our birthday on February 21 – for it was namely on that day, in 1944, that the company was registered. Following a short period of informal trading, Industrivärden became listed for trading on the A:1 list of the Stockholm Stock Exchange, on March 21, 1945. Taking into account new issues and bonus issues since that time, the share price on that first day was SEK 1.50! It is worth pointing out that the discount to net asset value at that time was estimated at approximately 25%, compared with today's level of approximately 20%. In a changing world, some things are still surprisingly constant.

If we look at the past 60 years we can see that a shareholder who kept his or her holding during this entire period would have received a return that widely exceeds the stock market average. The reason for this can be credited to Industrivärden's consistent investment philosophy:

- having large stakes in industrially and financially sound companies with good development potential, and
- creating opportunities to be an active owner through a long-term investment horizon.

Today we work according to the express strategy that we will invest primarily in listed Nordic companies in which we can attain a large enough stake that will allow us to exercise active ownership. This emphasis of Industrivärden's basic philosophy has entailed that, during the last two years we have been quite active in changing our portfolio, as the picture behind me shows.

As a result of this, we have achieved a lower level of debt and a more concentrated portfolio, which gives us a good starting point for future transactions.

Allow me to briefly comment on two transactions during the past year:

Based on our investment criteria, around the turn of the year 2002/2003 and in the early spring we began acquiring stock in Munters, and as per February 16 of this year we owned 11% of the votes and capital in the company. Although Munters had relatively weak performance in 2003, we believe in the company's long-term potential. Moreover, it fits well in to our portfolio.

Prior to year-end we decided to exit Skandia. With a holding corresponding to 5% of the votes in Skandia, we did not have the position we prefer to have in a company. So it boiled down to a choice of increasing or exiting. We came to the conclusion that Skandia's business model does not measure up to the expectations we have on the potential of an investment, which is why we chose to sell. Instead, we used the proceeds to increase our holdings in companies that we know well and believe in over the long term.

What really drives our value development is the performance of our major holdings. And in this respect I feel it is very gratifying that Industrivärden is a major owner with active ownership in some of Sweden's finest and best-managed companies, such as Handelsbanken, SCA and Sandvik. Further, it is with great satisfaction that we can note that Ericsson is on track again. Ericsson is now once again profitable and has a sound financial base following the radical restructuring of its operations and the SEK 30 billion rights issue that Industrivärden helped guarantee. Our SEK 0.8 billion investment in the rights issue is today worth SEK 3.5 billion.

Finally, a couple of words on the year's dividend. The Board's proposed dividend of SEK 5.50 per share represents both an increase and a decrease in the dividend, which I will try to explain. For the past couple of years, Industrivärden's principle has rightly been to not pay any tax. However, the method of calculating the tax of a holding company has been a bit complicated, since 1.5% of the market value of the shares at the start of the year must be declared as a so-called standard-calculated level if income. In a world of wildly fluctuating stock prices, this has a bearing on Industrivärden's taxation.

The way to lower this tax is through the dividend. This is why for many years Industrivärden has paid a dividend consisting of two components: the ordinary dividend, which indicates what is commercially justified, and a bonus dividend, which addresses the tax aspect of the standard earnings calculation. The rules are now changing, however, which is why we can focus on paying what we consider to be a reasonable dividend, given the dividends we've received and the transactions we've carried out.

Consequently, the Board's proposed dividend this year represents an increase of the ordinary dividend by SEK 0.50, to SEK 5.50, at the same time that the bonus dividend has been done away with entirely, lowering the total payout from SEK 5.80 to SEK 5.50. This still means that we have achieved our goal of paying a dividend yield that is higher than the average for the Stockholm Stock Exchange.

Allow me to conclude by saying that the development of our net asset value in the early part of this year has been favorable and gives me reason to believe that Industrivärden will continue to be the fine investment that it has been for long-term investors over the last 60 years.

Thank you, Mr. Chairman.