

Interim Report

January 1 – March 31, 2001

■ *Listed portfolio*

Value at April 30, 2001:	SEK 45,331 M
Change in value since start of year:	-17%, General Index -10%
Value at March 31, 2001:	SEK 40,826 M
Value at December 31, 2000:	SEK 54,961 M

■ *Net asset value*

As per April 30, 2001:	SEK 237 per share and CPN
As per March 31, 2001:	SEK 214 per share and CPN
As per December 31, 2000:	SEK 283 per share and CPN

■ *The stock*

Price trend as per April 30, 2001:	-7%, General Index -10%
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NET SALES AND EARNINGS¹

Consolidated net sales amounted to SEK 1,433 M (1,094), which for comparable units represents an increase of 9 percent compared with the corresponding period in 2000. Net financial items amounted to SEK -94 M (-19). Earnings after financial items totaled SEK 189 M (347). Earnings included capital gains of SEK 181 M (270) on sales of listed stocks.

FINANCING AND EQUITY RATIO

Interest-bearing net debt increased by SEK 194 M, to SEK 5,857 M.

The visible equity ratio was 63 percent (65 percent at the start of the year), while the adjusted equity ratio, which includes surplus values of listed stocks, was 82 percent (87).

¹Industrivärden has ownership stakes in Ericsson, SCA, Skanska, and other companies which amount to at least 20 percent of the number of votes after full dilution (i.e., associated companies). The consolidated income statement and balance sheet presented in this interim 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 at Industrivärden and on the company's website.



PORTFOLIO OF LISTED STOCKS

The portfolio of listed stocks had a market value of SEK 40,826 M on March 31 (SEK 54,961 M at the start of the year), and the surplus value was SEK 22,871 M (SEK 36,935 M at the start of the year). Adjusted for purchases and sales, the change in value since the start of the year was -25 percent, compared with -18 percent for the General Index. Sales from the portfolio of listed stocks generated capital gains of SEK 181 M.

During the first three months of the year, purchases of listed stocks totaled SEK 193 M and sales totaled SEK 521 M. Thus stocks were sold for a net value of SEK 328 M. Major purchases consisted of 350,000 Pharmacia Corp., and major sales consisted of 1,000,000 Skanska, 160,000 Karo Bio and 250,000 Handelsbanken.

The number of shares held in Lundbeck A/S increased during the first quarter as a result of a 4:1 split effected on March 30.

Price Trend for the Largest Shareholdings

The trend during the first quarter for the largest shareholdings, which accounted for 87 percent of the portfolio's value as per March 31, was as follows:

<u>Stock</u>	<u>Share of portfolio value as per March 31, %</u>	<u>Price change January-March, %</u>
Ericsson	27	-45
Handelsbanken	18	-8
Skandia	11	-40
Sandvik	11	-17
SCA	10	5
Pharmaceuticals	10	-5

Ericsson performed worse than the General Index, but essentially on a par with other telecom companies on the Stockholm Stock Exchange and foreign bourses. Like most of its competitors, Ericsson has experienced a sharp drop in demand and decreasing margins in its systems business. At the same time its earnings continue to be burdened by problems in the consumer products segment. An extensive program to reinstate good profitability is in progress. A collaboration with Sony in the consumer product segment has also been initiated.

Handelsbanken continues to report clearly higher profitability than the average for other banks on the Stockholm Stock Exchange. Its stock outperformed the General Index as well as the bank & financial services index and other Nordic commercial banks.

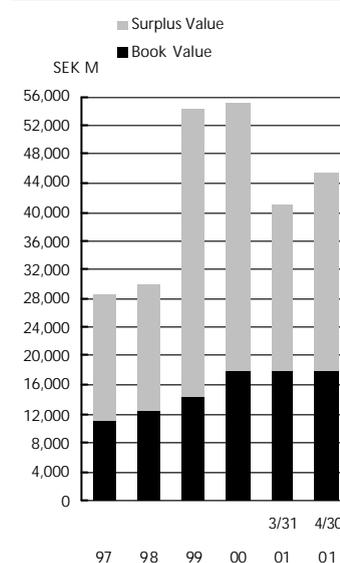
Skandia was affected by the weak economic trend in the U.S., which is the company's largest market. Skandia's stock performed worse than the General Index. A slight recovery was noted in April.

Sandvik performed on a par with the General Index during the first quarter as well as during the full-year 2000.

SCA outperformed the General Index as well as the forestry index.

Industrivärden's *pharmaceutical* holdings (Lundbeck A/S, Pfizer Inc. and Pharmacia Corp.) performed better than the General Index.

Market Value of Listed Portfolio and Surplus Value





Development for the Listed Portfolio Through April 30, 2001

The market value of the listed portfolio on April 30 was SEK 45,331 M, and the surplus value was SEK 27,400 M. Adjusted for purchases and sales, the portfolio's value decreased by 17 percent from the start of the year. The General Index decreased by 10 percent during the same period.

PARENT COMPANY

The Parent Company's dividend income amounted to SEK 17 M (15), including SEK 5 M (2) from listed companies. Including gains of SEK 181 M (270) on sales of listed stocks, administrative costs of SEK -20 M (-18) and a negative balance of financial items, totaling SEK -86 M (-30), earnings after financial items totaled SEK 92 M (241).

SUBSIDIARIES

Besam's net sales amounted to SEK 489 M (448), an increase of 9 percent compared with the first quarter of 2000. Earnings after financial items were SEK 40 M (45).

Isaberg Rapid's net sales totaled SEK 180 M (175), which for comparable units was on a par with the first quarter of 2000. The joint-venture company in China is consolidated in the Group starting in 2001. Earnings after financial items were SEK 8 M (24).

Indutrade's acquisition of Fagerberg, EIE Maskin and the Finnish company Tecalemit was approved by the competition authorities in Sweden and Finland in March. The newly acquired companies are included in Indutrade as from January 1, 2001. Indutrade's net sales amounted to SEK 764 M (471), which for comparable units represents an increase of 11 percent. Earnings after financial items totaled SEK 50 M (36), an increase of SEK 8 M for comparable units.

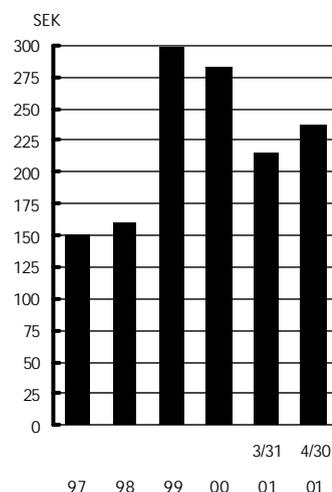
CALCULATED NET ASSET VALUE

Industrivärden's net asset value² as per March 31 has been calculated at SEK 40.9 billion, or SEK 214 per share and CPN. Net asset value as per April 30 has been calculated at SEK 237 per share and CPN. Net asset value as per December 31, 2000, was SEK 283 per share and CPN.

Stockholm, Sweden, May 3, 2001

Clas Reuterskiöld
President and CEO

Net Asset Value per Share
and CPN



²The composition of net asset value is shown in the table on page 10.



ACCOUNTING PRINCIPLES

The new accounting recommendations that took effect on January 1, 2001 have been applied in the interim report. Aside from this the accounting principles and calculation methods used in the 2000 Annual Report have also been used in this interim report.

AUDITORS' EXAMINATION

This interim report has not been examined by the Company's auditors.

FINANCIAL CALENDAR

An interim report for the period January–June will be released on August 15.
An interim report for the period January–September will be released on October 31.
A year-end report for 2001 will be released on February 15, 2002.
The 2001 Annual Report will be published at the end of March 2002.



Industrivärden Consolidated Income Statement

SEK M	2001 Jan.-March	2000 Jan.-March	2000 Jan.-Dec.
Net sales	1,433	1,094	4,540
Cost of goods sold	-962	-703	-2,998
Gross earnings	471	391	1,542
Development costs	-14	-16	-63
Selling costs	-245	-181	-723
Administrative costs	-130	-101	-421
Other operating income and expenses	16	-2	83
Operating earnings	98	91	418
Dividend income from listed stocks	5	2	821
Capital gains on sales of listed stocks	181	270	456
Capital gains on sales of other stocks	-1	3	-90
Earnings before financial items	283	366	1,605
Interest income	10	31	91
Interest expenses (excl. CPN interest)	-89	-55	-307
Other financial items	-15	5	-25
Earnings after financial items	189	347	1,364
CPN interest	-47	-33	-192
Earnings before taxes	142	314	1,172
Tax on earnings for the period	-35	-35	-143
Minority share in earnings for the period	0	-	-
Net earnings for the period	107	279	1,029
Depreciations included in operating earnings	-43	-31	-127
Net earnings per share and CPN, SEK ³	0.81	1.63	6.38

³Earnings after tax, excluding CPN interest, divided by a total of 191,206,984 shares after conversion of all CPNs to stock.



Breakdown by Business Unit

SEK M	Net sales		Earnings after financial items	
	2001 Jan.-March	2000 Jan.-March	2001 Jan.-March	2000 Jan.-March
Besam	489	448	40	45
Isaberg Rapid	180	175	8	24
Indutrade	764	471	50	36
Dividend income from listed stocks	-	-	5	2
Other, net	0	0	-94	-33
	1,433	1,094	9	74
Capital gains on sales of stocks	-	-	180	273
	1,433	1,094	189	347



Industrivärden Consolidated Balance Sheet

SEK M	March 31 2001	March 31 2000	Dec. 31 2000
Intangible assets	209	97	82
Tangible assets	710	573	591
Shares and participations	18,194	16,479	18,285
Other financial assets	130	1,314	210
Inventories	944	678	711
Accounts receivable, trade	1,139	828	916
Other current assets	220	180	208
Liquid assets	846	1,271	473
Total assets	22,392	21,420	21,476
Shareholders' equity	13,636	13,803	13,504
Minority shares	21	-	-
CPN loans	447	448	447
Provisions	341	307	297
Long-term liabilities, interest-bearing	3,331	1,427	3,521
Current liabilities, noninterest-bearing	1,441	1,160	1,164
Current liabilities, interest-bearing	3,175	4,275	2,543
Total shareholders' equity and liabilities	22,392	21,420	21,476
Visible equity ratio, percent	63	67	65
Adjusted equity ratio, percent ⁴	82	90	87

Change in Shareholders' Equity

SEK M	Capital stock	Restricted reserves	Unrestricted shareholders' equity	Total share- holders' equity
December 31, 2000	859	928	11,715	13,502
Effect from new accounting principles	-	-	2	2
Transfers between unrestricted and restricted shareholders' equity	-	-2	2	-
Translation differences	-	3	22	25
Net earnings for the period	-	-	107	107
March 31, 2001	859	929	11,848	13,636
December 31, 1999	859	927	11,739	13,525
Effect from new accounting principles	-	-	0	0
Transfers between unrestricted and restricted shareholders' equity	-	3	-3	-
Translation differences	-	-3	2	-1
Net earnings for the period	-	-	279	279
March 31, 2000	859	927	12,017	13,803

⁴Including surplus values of listed stocks.



Industrivärden Consolidated Statement of Cash Flows

SEK M	2001 Jan.-March	2000 Jan.-March	2000 Jan.-Dec.
OPERATING ACTIVITIES			
Earnings after financial items	189	347	1,364
Adjustment of items not included in cash flows:			
Depreciation	43	31	127
Result of sales of listed stocks	-181	-270	-456
Result of sales of other stocks	1	-3	90
Reversal of other items not affecting cash flows	2	0	-9
Taxes paid	-127	-110	-161
Cash flow from operating activities before changes in working capital	-73	-5	955
Cash flow from changes in working capital	-50	94	-199
Net cash flow from operating activities	-123	89	756
INVESTING ACTIVITIES			
Purchases of listed stocks	-193	-2,264	-4,400
Sales of listed stocks	521	550	1,053
Net purchase/sale of stock options	-72	21	160
Net purchase/sale of other stocks	-	-30	-212
Net purchase/sale of subsidiaries	-265	-6	-29
Net purchase/sale of long-term fixed-income instruments	100	9	1,160
Net purchase/sale of other fixed assets	-42	-25	-107
Net cash flow from investing activities	49	-1,745	-2,375
FINANCING ACTIVITIES			
Loans raised and amortization of debt	442	1,777	2,139
Dividends and CPN interest paid out	-	-	-1,204
Net cash flow from financing activities	442	1,777	935
Net cash flow for the period	368	121	-684
Liquid assets at beginning of the year	473	1,153	1,153
Exchange-rate difference in liquid assets	5	-3	4
Liquid assets at end of the period	846	1,271	473

Change in Interest-Bearing Net Debt SEK M	Dec. 31 2000	Cash flow	Change in loans	Other changes	March. 31 2001
Liquid assets	473	368	-	5	846
Long-term fixed-income instruments	100	-	-	-100	-
Long-term interest-bearing liabilities	3,521	-	-190	-	3,331
Current interest-bearing liabilities	2,543	-	632	-	3,175
Interest-bearing pension provisions	172	-	-	25	197
Interest-bearing net debt	5,663	-368	442	120	5,857



Portfolio of Listed Stocks as per March 31, 2001

Stock	Number	Market value		Percent of portfolio's value
		SEK M	SEK per share and CPN	
Ericsson	186,000,000	11,160	58	27
Handelsbanken	48,750,000	7,239	38	18
Skandia	47,846,800	4,426	23	11
Sandvik	23,000,000	4,347	23	11
SCA	20,087,532	4,259	22	10
Skanska	7,075,689	2,625	14	6
Lundbeck A/S	8,400,000	2,039	11	5
Pfizer Inc.	3,000,000	1,261	7	3
SSAB	12,065,600	1,014	5	2
Pharmacia Corp.	1,650,000	865	5	2
Scania	3,000,000	628	3	2
Other (<SEK 300 M)		963	5	3
Total		40,826	214	100

No stocks were out on loan from the listed portfolio.



Composition of Net Asset Value

	SEK billion		SEK per share and CPN	
	Apr. 30	March 31	Apr. 30	March 31
Listed stocks	45.3	40.8	237	214
Industrial and trading operations	4.8	4.8	25	25
	50.1	45.6	262	239
Other assets and liabilities	-4.7	-4.7	-25	-25
	45.4	40.9	237	214

Total number of shares and CPN's: 191,206,984

The portfolio of listed stocks has been valued at current market value. The wholly owned industrial and trading operations have been assigned a calculated value using a P/E multiple of 13 (the same as at year-end 2000), based on current estimations of the companies' earnings for 2001.

For data on the composition of net asset value on all reporting occasions during the past seven years, see *Interactive Analysis of Holdings* on Industrivärden's website: www.industrivarden.se.