

Interim Report

January 1 – March 31, 2002

■ *Industrivärden's stock*

Total return ¹ as per April 30, 2002:	-10%, Total Return Index -10%
Price trend as per April 30, 2002:	-15%, General Index -12%

■ *Net asset value*

As per April 30, 2002:	SEK 172 per share
Change since start of year:	-16%
As per March 31, 2002:	SEK 193 per share
As per December 31, 2001:	SEK 204 per share

■ *Listed portfolio*

Value at April 30, 2002:	SEK 32,587 M
Change in value since start of year:	-14%, General Index -12%
Value at March 31, 2002:	SEK 38,086 M
Value at December 31, 2001:	SEK 40,535 M

- *In early April the holding in the Danish pharmaceutical company Lundbeck was sold. The total sales price was SEK 2.4 billion, generating a capital gain of approximately SEK 1.5 billion.*

- *At the end of April an agreement was made on the sale of the wholly owned door automation company Besam to the Assa Abloy lock group. The sales price, which will be paid in cash, is approximately SEK 3.1 billion, generating a capital gain of approximately SEK 2.3 billion.*

¹Price trend plus reinvested dividends.



ABOUT INDUSTRIVÄRDEN

Industrivärden is one of the Nordic region's leading holding companies, with ownership in a concentrated selection of listed companies with good development potential. Industrivärden's business 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 time, is higher than the average for the Stockholm Stock Exchange. During the last five-year period, Industrivärden has achieved this goal by a good margin.

CEO'S COMMENTS

The downward trend in the stock markets that characterized 2001 has continued into the current year. During the first four months of 2002, the Stockholm Stock Exchange General Index fell by 12%, and Industrivärden's share price by 15%. The net asset value decreased by 6.1 billion which is largely attributable to our holdings in Ericsson and Skandia, which during the same period lost a combined total of SEK 7.3 billion in value. This decline was partly compensated by our holdings in SCA, Sandvik and Skanska, which had favorable price trends during the period, with a combined growth in value of SEK 1.7 billion. The fall in Ericsson's stock price has affected Industrivärden's portfolio composition, and the two largest holdings as per April 30 were Handelsbanken and SCA.

In late April Industrivärden announced that it supports and intends to subscribe for its share of Ericsson's proposed rights issue. We continue to stand by our belief in Ericsson's long-term profit and growth potential.

Despite the difficult trend in the stock market, we have carried out a couple of rewarding deals thus far during the year. Among other things, we sold our holding in Lundbeck. In our judgment Lundbeck was highly valued, while at the same time we felt our opportunities for active influence were limited. Industrivärden sold the holding for SEK 2.4 billion, generating a capital gain of approximately SEK 1.5 billion.

At the end of April we sold Besam to the Assa Abloy lock group. For a number of years, Industrivärden has helped develop Besam to a leading global company in automatic door systems. The sales price is approximately SEK 3.1 billion, generating a capital gain of approximately SEK 2.3 billion. This entails an improvement in Industrivärden's net asset value of SEK 5 per share.

Anders Nyren

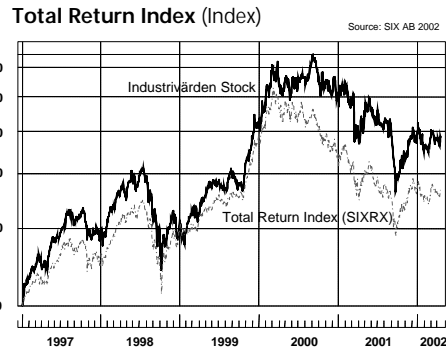


INDUSTRIVÄRDEN'S STOCK

Industrivärden's stock price decreased by 15% from the beginning of the year through April 30, 2002. The General Index fell by 12% during the same period. The total return was -10%, compared with -10% for the Findata Total Return Index.

From the end of 1996 through April 30, 2002, Industrivärden's stock delivered an average annual total return of 16%, while the Total Return Index gained 10% per year during the same period.

Industrivärden's average yearly dividend growth during the five-year period 1997–2001 was 21%. The average dividend yield during this five-year period was 4.0%, which is twice as high as the average for the companies listed on the Stockholm Stock Exchange.

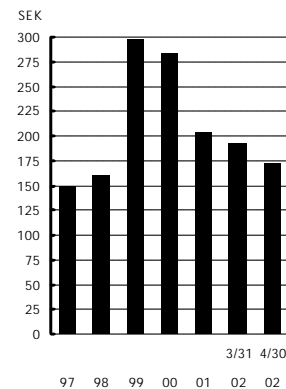


NET ASSET VALUE

The net asset value is a measure of Industrivärden's wealth and is defined as the actual market value of the stocks in the listed portfolio, the calculated value of the industrial and trading companies, and the book value of other unlisted holdings, less other assets and liabilities, net.

On March 31, 2002, the net asset value² was calculated at SEK 37.2 billion, or SEK 193 per share. At April 30, 2002, net asset value was SEK 172 per share, and at December 31, 2001, it was calculated at SEK 204 per share.

Net Asset Value per Share



²Total number of shares: 193,135,612. 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 2001), based on current estimations of the companies' earnings for 2002. As per April 30, Besam has been valued at the agreed-upon purchase price, net.



Composition of Net Asset Value

A breakdown of the various components making up net asset value as per March 31 and April 30 is shown in the table below.

	SEK billion		SEK per share	
	April 30	March 31	April 30	March 31
Parent company				
Listed portfolio	32.6	38.1	169	197
Unlisted holdings ²	4.9	4.1	25	21
Equities portfolio	37.5	42.2	194	218
Other assets and liabilities ³	- 4.2	- 5.0	-22	-25
Net asset value	33.3	37.2	172	193

In early April, final payment of SEK 2.0 billion was received for the sale of the holding in Lundbeck. At the end of April, the dividend for 2001 was paid, amounting to SEK 1.4 billion.

Besam was sold at the end of April. The positive effect on net asset value amounts to SEK 5 per share.

INDUSTRIVÄRDEN'S EQUITIES PORTFOLIO

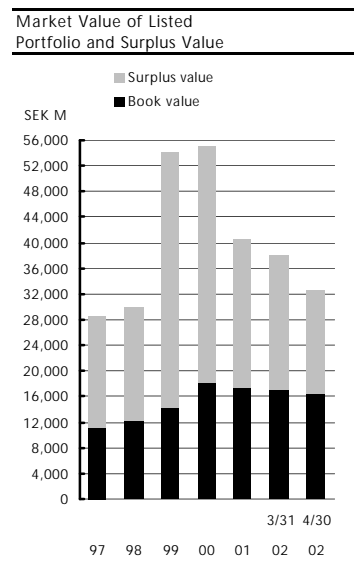
Industrivärden's equity assets consists of the listed portfolio, which accounted for 90% of the total portfolio value on March 31, and unlisted holdings, which together accounted for 10% of the total portfolio value.

LISTED PORTFOLIO

The listed portfolio had a market value of SEK 38,086 M on March 31 (SEK 40,535 M at the start of the year), and the surplus value was SEK 20,922 M (SEK 23,207 M at the start of the year). Adjusted for purchases and sales, the change in value since the start of the year was -5%, compared with -3% for the General Index.

No listed stocks were purchased during the first quarter, while sales of listed stocks totaled SEK 371 M. Major sales consisted of 993,550 shares in Lundbeck A/S.

The result of sales from the listed portfolio was a capital gain of SEK 208 M. A specification of the result of sales of listed stocks is provided on page 11.



³Pertains to all of the Parent Company's assets and liabilities, with the exception of the book value of shares in listed companies, shares in subsidiaries, and other unlisted holdings.



Portfolio of Listed Stocks as per March 31, 2002

Stock	Number	Market value		% of portfolio value	% of capital in company	% of votes in company
		SEK M	SEK/share			
Ericsson	189,000,000	8,483	44	22	2.3	28.0
Handelsbanken	48,655,900	7,225	37	19	6.8	7.4
SCA	18,982,000	6,131	32	16	8.1	27.7
Sandvik	21,000,000	5,177	27	13	8.0	8.0
Skandia	47,846,800	2,512	13	7	4.5	4.5
Skanska	28,302,756	2,208	11	6	6.8	30.9
Lundbeck A/S	7,433,850	2,204	11	6	3.2	3.2
SSAB	12,065,600	1,297	7	3	12.0	15.6
Pfizer Inc.	3,000,000	1,222	6	3	0.0	0.0
Scania	3,000,000	590	3	2	1.5	1.8
Volvo	1,800,000	358	2	1	0.4	0.8
Eniro	4,000,000	336	2	1	2.3	2.3
Other (<SEK 300 M)		343	2	1		
Total		38,086	197	100		

The listed portfolio above included the following stocks which were out on loan:

Stock	Number
Skandia	9,266,308

Price Trend for the Largest Shareholdings

The price trend during the first three months for the largest shareholdings, which accounted for 84% of the portfolio's value on March 31, was as follows:

Stock	Share of portfolio value as per March 31, %	Price change, % Jan. 1, 2002 - March 31, 2002	Average price change per year, % April 1, 1997 - March 31, 2002
Ericsson	22	-23	6
Handelsbanken	19	-4	14
SCA	16	15	15
Sandvik	13	10	4
Skandia	7	-31	17
Skanska	6	14	-2



Ericsson's stock performed below the General Index⁴ during the first quarter but largely on a par with other major international manufacturers of telecom systems. Earnings for the first quarter were hurt by a decrease in investment by telecom operators. Additional major cost-cutting measures will be carried out in 2002 and 2003 in the aim of achieving an operating surplus some time in 2003. The joint-venture company Sony Ericsson Mobile Communications achieved break-even during the first quarter, which was earlier than anticipated.

Industrivärden supports Ericsson's proposed rights issue and intends to subscribe for its share.

Handelsbanken's stock performed on a par with the General Index and the bank & financial services index. Costs excluding newly acquired units increased slightly more than revenues during the first quarter, mainly due to continued expansion outside the Nordic region.

SCA benefited from continued high demand for hygiene products. Operating earnings for these products improved significantly, while earnings for packaging and forest industry products decreased. *SCA's* stock outperformed the forestry index as well as the General Index.

Sandvik's stock performed better than the industrial index and the General Index. During the most recent reporting period, pertaining to the fourth quarter of 2001, operating earnings deteriorated as a result of lower volumes and restructuring costs. The interim report for the first quarter will be released on May 7, 2002.

Skandia's sales decreased, mainly in the U.S. market, however, the market share in the USA increased according to the company's estimates. The result of operations improved slightly during the first quarter. *Skandia's* stock performed below the General Index.

Skanska's stock performed better than the General Index as well as the real estate and construction index. Operating margins improved slightly during the first quarter in *Skanska's* largest markets, the U.S. and Europe, while they decreased in Scandinavia.

⁴All index comparisons pertain to Affärsvärlden's sector breakdown.



Trend for the Listed Portfolio Through April 30, 2002

The market value of the listed portfolio on April 30 was SEK 32,587 M, and the surplus value was SEK 16,200 M. Adjusted for purchases and sales, the portfolio's value decreased by 14% compared with the start of the year. The General Index fell by 12% during the same period.

Stock	Number	Market value		% of portfolio value	Price change 2002, %	
		SEK M	SEK/share		Apr. 1-30	Jan. 1-Apr. 30
Handelsbanken	48,655,900	7,566	39	23	5	1
SCA	18,982,000	6,591	34	20	7	23
Ericsson	189,000,000	5,025	26	16	-41	-55
Sandvik	21,000,000	4,998	26	16	-3	6
Skandia	47,846,800	2,335	12	7	-7	-36
Skanska	28,302,756	2,066	11	6	-6	7
Other		4,006	21	12		
Total		32,587	169	100	-9	-14

During the first quarter, 993,550 shares in Lundbeck were sold, and in early April the remaining 7,433,850 shares held by Industrivärden were sold. The holding in Lundbeck had been built up since Lundbeck's introduction on the Copenhagen Stock Exchange in 1999. With a holding corresponding to 3.6% of the votes, Industrivärden's ownership influence was limited. At the same time, Industrivärden identified an opportunity to carry out a good deal, and the holding was subsequently divested. The sales price totaled SEK 2.4 billion, generating a capital gain of SEK 1.5 billion.



UNLISTED HOLDINGS

Industrial and Trading Companies

Net sales of the operating subsidiaries totaled SEK 1,440 M (1,433), which for comparable units represents a decrease of 4% compared with the first three months of 2001. Net sales for Indutrade, which is one of the leading industrial trading companies in the Nordic region, totaled SEK 744 M (764). For Besam net sales totaled SEK 466 M (489). Net sales for Isaberg Rapid, which manufactures and markets stapling tools, increased after acquisition to SEK 230 M (180), a decrease of 8% for comparable units.

Earnings after financial items for the subsidiaries amounted to SEK 67 M (98). Indutrade's earnings totaled SEK 36 M (50), Besam's totaled SEK 31 M (40), and Isaberg Rapid's totaled SEK 0 M (8).

At the end of April an agreement was made on the sale of Besam to the Assa Abloy lock group. The sales price is approximately SEK 3.1 billion, generating a capital gain of approximately SEK 2.3 billion. The sale is contingent upon approval from the competition authorities and is expected to be completed by mid-year 2002.

Other

Among Industrivärden's other unlisted holdings can be mentioned the venture capital company Ericsson Venture Partners (25% share), which during the first quarter made an investment in a company focusing on mobile Internet applications. As per March 31, approximately 13% of Industrivärden's fund capital of USD 75 M had been utilized.

GROUP

NET SALES AND EARNINGS⁵

Consolidated net sales amounted to SEK 1,441 M (1,433), which for comparable units represents a decrease of 4% compared with the same period a year earlier. Operating earnings amounted to SEK 200 M (295), of which SEK 137 M (197) pertained to earnings from portfolio management, SEK 87 M (118) to earnings of operating companies, and SEK -24 M (-20) to management costs. Net financial items amounted to SEK -96 M (-106). Earnings after financial items totaled SEK 104 M (189).

FINANCING AND EQUITY RATIO

Net debt as per March 31 decreased by SEK 222 M to SEK 5,514 M, due to net sales of stocks.

The visible equity ratio was 64% (62% at the start of the year), while the adjusted equity ratio, which includes surplus values of listed stocks, was 82% (82%).

⁵ 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 can be obtained from the Company's website.



PARENT COMPANY

Earnings after net financial items for the Parent Company amounted to SEK 16 M (92), including SEK 17 M (17) in dividend income and SEK 122 M (181) in capital gains from sales of stocks. The Parent Company's earnings also include SEK -24 M (-20) in management costs and SEK -99 M (-86) in net financial items.

ACCOUNTING PRINCIPLES

The new accounting principles that took effect on January 1, 2002, have been applied in this interim report. In other respects, the interim report has been prepared using the same accounting principles and calculation methods used in the 2001 Annual Report.

AUDITOR'S EXAMINATION REPORT

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

Stockholm, Sweden, May 2, 2002

Anders Nyrén
President and CEO

FINANCIAL CALENDAR

The interim report for the period January–June will be released on August 19, 2002.
The interim report for the period January–September will be released on October 31, 2002.
The year-end report for 2002 will be released on February 12, 2003.
The 2002 Annual Report will be published in mid-March 2003.

DECISIONS AT INDUSTRIVÄRDEN'S ANNUAL GENERAL MEETING ON APRIL 17, 2002

Industrivärden's Annual General Meeting was held on April 17 at the Grand Hotel in Stockholm, where the following decisions were made:

- The AGM approved an unchanged dividend of SEK 5.00 per share and decided to pay a bonus of SEK 3.35 (3.40) per share. CPN interest was thus SEK 9.60 (9.66). The record date for payment of the dividend was set at April 22, and thus dividends and CPN interest were paid via VPC on April 25.
- Tom Hedelius, Finn Johnsson, Lennart Nilsson, Anders Nyrén and Clas Reuterskiöld were re-elected as directors on Industrivärden's board, and Boel Flodgren, Sverker Martin-Löf and Arne Mårtensson were elected as new directors on the Board. Inga-Britt Ahlenius and Bo Rydin had declined re-election.
- The registered auditing firm Öhrlings PricewaterhouseCoopers was re-elected as auditor for the time up to and including the 2006 Annual General Meeting.

At the statutory board meeting on the same day, Tom Hedelius was named Chairman of the Board, and Sverker Martin-Löf was named Vice Chairman.



Industrivärden Consolidated Income Statement

SEK M	2002 Jan.-March	2001 Jan.-March	2001 Jan.-Dec.
PORTFOLIO MANAGEMENT			
Dividend income from stocks	17	17	918
Result of sales of listed stocks	208	181	713
Result of sales of other stocks	-83	-1	-69
Other income and expenses	-5	0	-13
Earnings from portfolio management	137	197	1,549
OPERATING COMPANIES			
Net sales	1,441	1,433	5,981
Cost of goods sold	-953	-962	-3,999
Development costs	-16	-14	-63
Selling costs	-274	-245	-1,023
Administrative costs	-113	-110	-438
Other operating income and expenses	2	16	27
Earnings from operating companies	87	118	485
Management costs	-24	-20	-115
Operating earnings	200	295	1,919
Interest income	6	10	48
Interest expenses (excl. CPN interest)	-82	-89	-385
Other financial items	-20	-27	-72
Earnings after financial items	104	189	1,510
CPN interest	-	-47	-161
Earnings before taxes	104	142	1,349
Tax on earnings for the period	-24	-35	-126
Net earnings for the period	80	107	1,223
Depreciation included in operating earnings	-39	-43	-173
Net earnings per share, SEK ⁶	0.42	0.80	7.17

⁶Earnings after tax, excluding CPN interest, divided by 193,135,612 shares.



Breakdown by Business Unit

Net sales

SEK M	2002 Jan.-March	2001 Jan.-March	2001 Jan.-Dec.
Indutrade	744	764	3,109
Besam	466	489	2,108
Isaberg Rapid	230	180	763
Other, net	1	0	1
Total, operating companies	1,441	1,433	5,981

Earnings after financial items

SEK M	2002 Jan.-March	2001 Jan.-March	2001 Jan.-Dec.
Portfolio management ⁷	17	92	1,104
Indutrade	36	50	176
Besam	31	40	201
Isaberg Rapid	0	8	28
Other, net	20	-1	1
Total, operating companies	87	97	406
	104	189	1,510

Result of Sales of Listed Stocks

SEK M		
<i>January-March</i>		
Lundbeck A/S	216	
Other	<u>-8</u>	208

⁷ Parent Company and other portfolio management companies.



Industrivärden Consolidated Balance Sheet

SEK M	March 31 2002	March 31 2001	Dec. 31 2001
Intangible assets	251	209	252
Tangible assets	700	710	713
Shares and participations	17,395	18,194	17,621
Other financial assets	146	130	147
Inventories	979	944	1,027
Accounts receivable, trade	1,151	1,139	1,100
Other current assets	212	220	214
Liquid assets	701	846	1,034
Total assets	21,535	22,392	22,108
Shareholders' equity	13,826	13,636	13,355
Minority shares	1	21	0
CPN-loans	-	447	398
Provisions	353	341	361
Long-term liabilities, noninterest-bearing	12	-	12
Long-term liabilities, interest-bearing	3,620	3,267	3,624
Current liabilities, noninterest-bearing	1,331	1,441	1,416
Current liabilities, interest-bearing	2,392	3,239	2,942
Total shareholders' equity and liabilities	21,535	22,392	22,108
Visible equity ratio, %	64	63	62
Adjusted equity ratio, % ⁸	82	82	82

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, 2001	871	967	11,517	13,355
Conversion of CPNs	95	303	-	398
Transfers between unrestricted and restricted shareholders' equity	-	5	-5	-
Translation differences	-	-5	-2	-7
Net earnings for the period	-	-	80	80
March 31, 2002	966	1,270	11,590	13,826
Opening shareholders' equity according to adopted balance sheet as per December 31, 2000	859	928	11,715	13,502
Effect of 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

⁸Includes surplus values of listed stocks.



Industrivärden Consolidated Statement of Cash Flows

SEK M	2002 Jan.-March	2001 Jan.-March	2001 Jan.-Dec.
OPERATING ACTIVITIES			
Earnings after financial items	104	189	1,510
Adjustment of items not included in cash flows:			
Depreciation	39	43	173
Result of sales of listed stocks	-208	-181	-713
Result of sales of other stocks	83	1	69
Reversal of other items not affecting cash flows	-6	2	13
Taxes paid	-80	-127	-158
Cash flow from operating activities before changes in working capital	-68	-73	894
Cash flow from changes in working capital	9	-50	-66
Net cash flow from operating activities	-59	-123	828
INVESTING ACTIVITIES			
Purchases of listed stocks	-	-193	-1,589
Sales of listed stocks	371	521	2,975
Net purchase/sale of stock options	-30	-72	45
Net purchase/sale of other stocks	-21	-	-123
Net purchase/sale of subsidiaries	-	-265	-452
Net purchase/sale of long-term fixed-income instruments	-	100	100
Net purchase/sale of other fixed assets	-33	-42	-107
Net cash flow from investing activities	287	49	849
FINANCING ACTIVITIES			
Loans raised and amortization of debt	-554	442	502
Dividends and CPN interest paid out	-	-	-1,631
Net cash flow from financing activities	-554	442	-1,129
Net cash flow for the period	-326	368	548
Liquid assets at beginning of the year	1,034	473	473
Exchange-rate difference in liquid assets	-7	5	13
Liquid assets at end of the period	701	846	1,034

Change in interest-bearing net debt SEK M	Dec. 31 2001	Cash flow	Change in loans	Other changes	March 31 2002
Liquid assets	1,034	-326	-	-7	701
Long-term liabilities, interest-bearing	3,624	-	-4	-	3,620
Current liabilities, interest-bearing	2,942	-	-550	-	2,392
Interest-bearing pension provisions	204	-	-	-1	203
Interest-bearing net debt	5,736	326	-554	6	5,514

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