

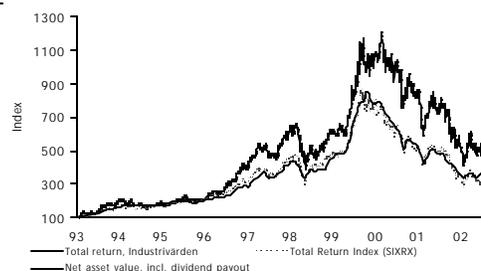
Interim Report

January 1 - March 31, 2003

- **During the first four months of the year the total return for Industrivärden's stock was 7%, compared with 7% for the Total Return Index. During the last ten-year period the average annual total return was 4 percentage points higher than the Total Return Index.**
- **Net asset value was SEK 129 per share as per April 30, compared with SEK 126 per share at the start of the year. On March 31 the net asset value was SEK 119 per share. Average annual growth in net asset value over the last ten-year period has been 10%.**
- **Since December 2002, 11% of the shares in the humidity control company Munters have been acquired for SEK 490 M.**

Industrivärden in summary

	Development % Jan. 1-Apr. 30	Average annual development,%	
		5 yrs., Dec.97-Apr.03	10 yrs., Dec.92-Apr.03
Total return			
Total return for Industrivärden's stock	7	3	17
Total return index (SIXRX)	7	0	13
Premium return for Industrivärden	0	3	4
Net asset value			
Net asset value	2	-3	10
Net asset value, dividend payout included at nominal value	7	2	14



Composition of net asset value	SEK billion			SEK per share		
	2003 Apr. 30	2003 March 31	2002 Dec. 31	2003 Apr. 30	2003 March 31	2002 Dec. 31
Parent company						
Equities portfolio	28.4	25.5	26.4	146	132	136
Net debt	-3.4	-2.6	-2.0	-17	-13	-10
Net asset value	25.0	22.9	24.4	129	119	126

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.



CEOs COMMENTS

The world's stock and financial markets remained unstable during the first quarter of the year, with falling stock prices and low liquidity caused by the uncertainty about the economic trend and the war in Iraq. Signs of a slight recovery began to surface in April due to the course of events in Iraq.

Although we have continued to exercise restraint with respect to new investments, during the last five-month period we successively acquired an 11% stake in Munters. In our view this company, which specializes in de-humidification, humidification and water damage restoration services, has good future prospects. Munters is a global player with strong market positions in its business areas. This, together with high profitability and favorable growth potential, makes Munters an attractive investment. Bengt Kjell, Executive Vice President and Head of New Investments at Industrivärden, has been proposed as a director on Munters' board, which is an expression of our strategy to serve as an active, long-term shareholder. During the first quarter we reduced our management costs by approximately 10%. Our efforts to keep costs down reflect our goal to conduct investment activities and active ownership with a lean, professional organization.

In closing, I am pleased to note that our net asset value on April 30 was SEK 129 per share, an increase of SEK 3 per share since the start of the year.

EQUITIES PORTFOLIO ¹

The market value of Industrivärden's equities portfolio at March 31, 2003, was SEK 25,542 M (SEK 26,413 M at the start of the year), and the surplus value was SEK 6,358 M (SEK 7,801 M at the start of the year). Taking into account purchases and sales, the change in value since the start of the year was -6%. A detailed portfolio specification as per March 31 is provided on page 10.

Stock	As per March 31, 2003		Total return,% Period, Jan. 03-March 03	Average annual total return,%		As per April 30, 2003	
	Number	Market- value, SEK M		Five years, Dec. 97-March 03	Ten years, Dec. 92-March 03	Number	Market- value, SEK M
Handelsbanken	50,655,900	6,053	3	9	35	51,655,900	6,715
SCA	18,982,000	5,078	-9	13	12	18,982,000	5,233
Sandvik	21,000,000	4,011	-2	0	12	21,000,000	4,368
Ericsson	399,539,276	2,452	-17	-24	6	399,539,276	3,265
Indutrade*		1,591	-	-	-		1,591
Skanska	33,302,756	1,289	-24	-6	13	33,302,756	1,575
SSAB	12,065,600	1,225	-1	0	18	12,065,600	1,297
Skandia	48,846,800	865	-24	-13	9	48,846,800	1,163
Isaberg Rapid*		562	-	-	-		562
Munters	1,872,750	333	-8	23	-	2,705,750	452
Össur	52,000,000	269	-13	-	-	52,000,000	268
Other holdings		1,814					1,874
<i>Total Return Index</i>			-8	-3	12		
Total		25,542					28,363

No stocks were out on loan as per March 31 and April 30, 2003.

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.

*Valuation of the wholly owned subsidiaries is provided in the net asset value definition on page 10.

¹ Holdings pertain to the Parent Company. Limited asset management is conducted by Nordinvest, which had shareholdings with a market value of SEK 49 M as per March 31.



Handelsbanken's earnings for the first three months improved as a result of increased net interest income and lower costs. Loan losses remained very low. Future growth potential for the universal bank business can be found in continued internationalization in the other Nordic countries and the U.K.

During the first three months *SCA* reported favorable operating earnings that were in level with the corresponding period a year ago. Demand for hygiene products has been stable, with continued good margins. Earnings fell slightly for the other business areas.

Sandvik's earnings improved during the fourth quarter of 2002 as a result of completed structural measures. The strategic acquisitions made in 2002 are expected to further strengthen Sandvik's competitiveness. Sandvik's interim report for the first quarter will be released on May 5.

Ericsson reported a drop in sales and continued losses, but a positive cash flow. The strong measures decided on earlier to restore profitability are proceeding according to plan. Additional opportunities to reduce operating costs have been identified, and new structural measures have been started. The company has favorable conditions for long-term good growth, mainly through network upgrades, the continued transition from fixed to mobile communications, and a greater focus on services. At the company's AGM on April 8 Carl-Henric Svanberg took over as CEO.

Net sales for the wholly owned subsidiary *Indutrade*, one of the leading industrial trading companies in the Nordic region, totaled SEK 745 M (744). Earnings after financial items totaled SEK 32 M (36).

A strategic review of *Skanska's* operations during the fourth quarter of 2002 resulted in the initiation of an extensive action program, which led to the decision to focus on the company's domestic markets. The aim is to attain leading positions in these markets and further enhance earnings. Skanska's interim report for the first quarter will be released on May 6.

SSAB's earnings for the first three months of the year rose sharply compared with the same period a year earlier due to improved margins in the steel operations. The company's focus on cutting-edge products like quenched steels and ultra high strength sheet steel continues to develop well, and SSAB's profitability is better than the industry average. At the AGM on April 24, Sverker Martin-Löf was elected as the new Chairman of the Board.

Skandia divested American Skandia to Prudential Financial during the fourth quarter of 2002. After the sale Skandia is virtually debt-free. Extensive cost-cutting in all units will ensure good cash flow and improve profitability. At the AGM on April 15, Bengt Braun was elected as the new Chairman of the Board, and on April 16 Leif Victorin was named acting CEO. Skandia's interim report for the first quarter will be released on May 21.

The wholly owned subsidiary *Isaberg Rapid*, which manufactures and markets staplers, grew its net sales to SEK 250 M (224). Earnings after financial items totaled SEK 24 M (0).

Munters reported a drop in earnings after financial items for the first three months. The company's Moisture Control Services (MCS) unit continued to develop well, while the Dehumidification and HumiCool operations showed a weak trend. An action program has been initiated to cut costs.

Össur reported continued good growth in sales and earnings for the first three months of the year.



Stock Transactions During the Year

During the first quarter, purchases of stocks totaled SEK 611 M and sales totaled SEK 50 M. Major purchases consisted of 2,000,000 shares of Handelsbanken A and 1,672,750 shares of Munters.

The result of sales from the equities portfolio was a capital gain of SEK 5 M.

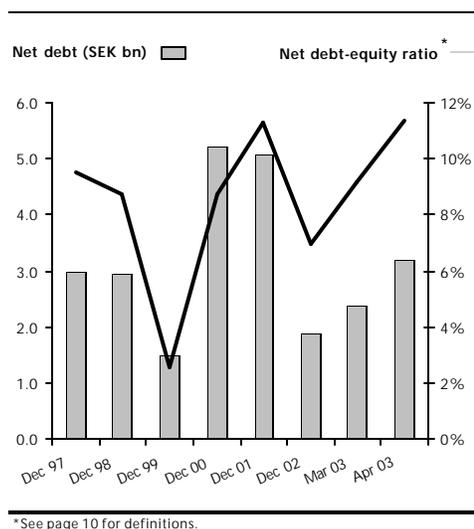
After the end of the reporting period, from April 1 – April 30, 2003, purchases of stocks totaled SEK 283 M and sales totaled SEK 22 M. Major purchases consisted of 833,000 Munters and 1,000,000 Handelsbanken A.

January 1 - March 31, 2003		
Purchases	Number	SEK M
Handelsbanken A	2,000,000	224
Munters	1,672,750	304
Ericsson B	7,785,616	49
Other		34
Total		611
Sales		
Ericsson B	7,785,616	50
Total		50

NET DEBT

The Group's net debt increased by SEK 1.3 billion to SEK 3.8 billion as per April 30, 2003.

From a portfolio perspective, without taking into account interest-bearing liabilities of subsidiaries, net debt increased from SEK 1.9 billion at year-end 2002 to SEK 3.2 billion as per April 30. The net debt-equity ratio increased from 7% to 11%. The change is mainly attributable to net purchases of stocks and to the fact that dividend income was less than the Company's dividend payout.



EARNINGS²

Consolidated earnings after financial items amounted to SEK 4 M (104), including a loss of SEK -53 M (17) from portfolio management and earnings of SEK 57 M (87) from operating companies.

Earnings after financial items for the Parent Company amounted to SEK -65 M (16) and included SEK 3 M (17) in dividend income and SEK -8 M (122) in capital losses from sales of stocks. The Parent Company's earnings also included SEK -22 M (-24) in management costs and SEK -38 M (-99) in net financial items.

² 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.



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 financial position and result. In other respects, this report has been prepared using the same accounting principles and calculation methods as in the 2002 Annual Report.

Stockholm, May 5, 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 March 31, 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, May 5, 2003

Öhrlings PricewaterhouseCoopers AB
Ingvar Pramhäll
Authorized Public Accountant

DECISIONS MADE AT ANNUAL GENERAL MEETING ON APRIL 2, 2003

Industrivärden's Annual General Meeting was held on April 2 at the Grand Hotel in Stockholm, at which the following decisions – among others – were made:

- The AGM approved a dividend of SEK 5.00 per share (5.00) and resolved to pay a bonus of SEK 0.80 per share (3.35), for a total dividend of SEK 5.80 per share (8.35). The record date for payment of the dividend was set at April 7, and thus dividends were paid via VPC on April 10.
- Boel Flodgren, Tom Hedelius, Finn Johnsson, Sverker Martin-Löf, Arne Mårtensson, Lennart Nilsson, Anders Nyrén and Clas Reuterskiöld were reelected as directors on Industrivärden's board.
- At the statutory board meeting on the same day, Tom Hedelius was named Chairman of the Board and Sverker Martin-Löf Vice Chairman. In addition, Bengt Kjell, Head of New Investments, was named as an Executive Vice President of the Company.

CEO Anders Nyrén's address to the AGM is available upon request from the Company and can also be downloaded from Industrivärden's website: [www.industrivarden.net/About us/AGM](http://www.industrivarden.net/About%20us/AGM).

FINANCIAL CALENDAR

The interim report for the period January–June 2003 will be released on August 6, 2003.

The interim report for the period January–September 2003 will be released on October 31, 2003.

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

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



Industrivärden Consolidated Income Statement

SEK M	2003 Jan.-Mar.	2002 Jan.-Mar.	2002 Jan.-Dec.
PORTFOLIO MANAGEMENT			
Dividend income from stocks	3	17	820
Result of sales of stocks	5	125	3,750
Other income and expenses	-3	-5	-73
Earnings from portfolio management	5	137	4,497
OPERATING COMPANIES			
Net sales	995	1,435	4,890
Cost of goods sold	-649	-953	-3,261
Development costs	-9	-16	-46
Selling costs	-215	-268	-936
Administrative costs	-64	-113	-347
Other operating income and expenses	1	2	0
Earnings from operating companies	59	87	300
Management costs	-22	-24	-85
Operating earnings	42	200	4,712
Interest income	19	6	75
Interest expenses	-59	-82	-289
Other financial items	2	-20	-22
Earnings after financial items	4	104	4,476
Tax on earnings for the period	-20	-24	-111
Minority share in earnings for the period	0	0	0
Net earnings for the period	-16	80	4,365
Costs for depreciation included in operating earnings	34	39	150
Net earnings per share, SEK ³	-0.08	0.42	22.60

³Earnings after tax divided by 193,135,612 shares.



Breakdown by Business Unit

Net sales

SEK M	2003 Jan.-Mar.	2002 Jan.-Mar.	2002 Jan.-Dec.
Indutrade	745	744	3,078
Isaberg Rapid	250	224	848
Besam (sold holding) ⁴	-	466	963
Other, net	0	1	1
Total, operating companies	995	1,435	4,890

Earnings after financial items

SEK M	2003 Jan.-Mar.	2002 Jan.-Mar.	2002 Jan.-Dec.
Portfolio management ⁵	-53	17	4,185
Indutrade	32	36	181
Isaberg Rapid	24	0	32
Besam (sold holding) ⁴	-	31	50
Other, net	1	20	28
Total, operating companies	57	87	291
Group	4	104	4,476

⁴ Besam which was sold on June 30, 2002, is included in the consolidated income statement through the first half of 2002.

⁵ Parent company and other portfolio management companies.



Industrivärden Consolidated Balance Sheet

SEK M	Mar. 31 2003	Mar. 31 2002	Dec. 31 2002
Intangible assets	225	251	226
Tangible assets	541	700	561
Shares and participations	18,345	17,395	17,775
Other financial assets	25	146	30
Inventories	770	979	737
Accounts receivable, trade	679	1,151	585
Other current assets	126	212	134
Cash and cash equivalents	1,478	701	2,127
Total assets	22,189	21,535	22,175
Shareholders' equity	16,621	13,826	16,639
Minority shares	1	1	1
Provisions	231	353	239
Long-term liabilities, noninterest-bearing	9	12	9
Long-term liabilities, interest-bearing	2,800	3,620	2,547
Current liabilities, noninterest-bearing	1,065	1,331	932
Current liabilities, interest-bearing	1,462	2,392	1,808
Total shareholders' equity and liabilities	22,189	21,535	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
Transfers between unrestricted and restricted shareholders' equity	-	-3	3	-
Translation differences	-	0	-2	-2
Net earnings for the period	-	-	-16	-16
March 31, 2003	966	1,262	14,393	16,621
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



Industrivärden Consolidated Statement of Cash Flows

SEK M	2003 Jan.-Mar.	2002 Jan.-Mar.	2002 Jan.-Dec.
OPERATING ACTIVITIES			
<i>Portfolio management</i>			
Dividend income from stocks	3	17	820
Tax received	-	-	14
Cash flow from changes in working capital	73	-5	-27
Operating cash flow from portfolio management	76	12	807
<i>Operating companies</i>			
Earnings from operating companies	59	87	300
Adjustment of non-cash items:			
Depreciation	34	39	150
Other non-cash items	1	-6	3
Tax paid	-52	-80	-115
Cash flow from changes in working capital	-75	14	13
Operating cash flow from operating companies	-33	54	351
Management costs paid	-20	-37	-97
Interest received	20	23	87
Interest paid	-76	-86	-314
Other financial items	-3	-25	-9
NET CASH FLOW FROM OPERATING ACTIVITIES	-36	-59	825
INVESTING ACTIVITIES			
<i>Portfolio management</i>			
Net purchase/sale of listed stocks	-513 ⁶	341	1,032
Net purchase/sale of other stocks	-1	-21	3,008
Cash flow from investments in portfolio management	-514	320	4,040
<i>Operating companies</i>			
Net purchase/sale of stocks	-5	-	-2
Net purchase/sale of other fixed assets	-1	-33	-113
Cash flow from investments in operating companies	-6	-33	-115
NET CASH FLOW FROM INVESTING ACTIVITIES	-520	287	3,925
FINANCING ACTIVITIES			
Loans raised and amortization of debt	-93	-554	-2,034
Dividends and CPN interest paid out	-	-	-1,620
NET CASH FLOW FROM FINANCING ACTIVITIES	-93	-554	-3,654
NET CASH FLOW FOR THE PERIOD	-649	-326	1,096
Cash and cash equivalents at beginning of year	2,127	1,034	1,034
Exchange-rate difference in cash and cash equivalents	0	-7	-3
CASH AND CASH EQUIVALENTS AT END OF PERIOD	1,478	701	2,127

Change in interest-bearing net debt SEK M	Mar. 31 2003	Cash flow	Change in loans	Other changes	Dec. 31 2002
Cash and cash equivalents	1,478	-649	-	0	2,127
Long-term liabilities, interest-bearing	2,800	-	253	-	2,547
Current liabilities, interest-bearing	1,462	-	-346	-	1,808
Interest-bearing pension provisions	150	-	-	1	149
Interest-bearing net debt	2,934	649	-93	1	2,377

⁶ Of which, Parent Company SEK 513 M and other portfolio management companies SEK 0 M.



Equities Portfolio as per March 31, 2003

Stock	Number	Market value		% of portfolio value	% of capital in company	% of votes in company
		SEK M	SEK/share			
Handelsbanken A	50,655,900	6,053	31	24	7.1	7.7
SCA A	16,982,000	5,078	26	20	8.1	28.1
SCA B	2,000,000					
Sandvik	21,000,000	4,011	21	16	8.0	8.0
Ericsson A	186,000,000	2,452	13	10	2.5	27.7
Ericsson B	213,539,276					
Indutrade*		1,591	8	6	100.0	100.0
Skanska A	22,302,756	1,289	7	5	8.0	31.6
Skanska B	11,000,000					
SSAB A	12,065,600	1,225	6	5	12.0	15.6
Skandia	48,846,800	865	5	3	4.6	4.6
Isaberg Rapid*		562	3	2	100.0	100.0
Pfizer Inc.	2,017,500	545	3	2	0.0	0.0
Scania A	1,824,500	490	3	2	1.5	1.8
Scania B	1,175,500					
Munters	1,872,750	333	2	1	7.5	7.5
Össur	52,000,000	269	1	1	15.8	15.8
Volvo A	1,260,000	262	1	1	0.4	0.8
Volvo B	540,000					
Eniro	4,000,000	222	1	1	2.3	2.3
Others (<SEK 200 M)		295	1	1		
Total		25,542	132	100		

No stocks were out on loan as per March 31, 2003.

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

Definitions:

Total return

Price trend 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.

Net debt

Liabilities less non-equity-related assets.

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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