

Interim Report

January 1 – June 30, 2004

- **Industrivärden's net asset value was SEK 33,413 M on August 3, 2004, an increase of SEK 3,343 M since the start of the year. Net asset value on June 30, 2004, was SEK 34,443 M (25,642).**
- **Net asset value per share was SEK 173 on August 3, 2004, an increase of SEK 17 per share since the start of the year. Including reinvested dividends the increase was SEK 23 per share. Net asset value per share on June 30, 2004, was SEK 178 (133).** Average annual growth in net asset value over the last ten-year period, including reinvested dividends, was 16%. Earnings per share for the first six months of 2004 were SEK 6.46 (3.66).
- **The total return for Industrivärden's stock on August 3, 2004, was 15% compared with 10% for the return index.** During the last ten-year period the average annual total return was 4 percentage points higher than the return index.

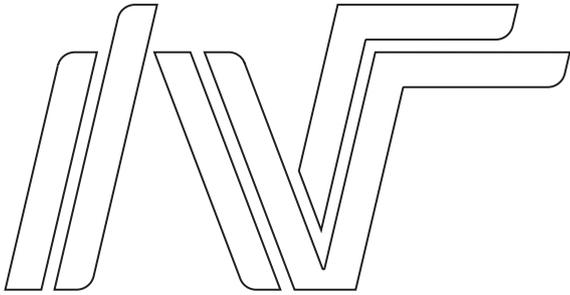
Industrivärden in summary

	Change, % Jan. 1–Aug. 3	Average annual change, %	
		Five years, Aug. '99–Aug. '04	Ten years, Aug. '94–Aug. '04
Total return			
Total return for Industrivärden's stock	15	5	15
Return index (SIXRX)	10	1	11
Excess return, Industrivärden	5	4	4
Net asset value			
Net asset value	11	-4	9
Net asset value incl. reinvested dividends	15	4	16



Composition of net asset value

Parent Company	SEK billion			SEK per share		
	2004 Aug. 3	2004 June 30	2003 Dec. 31	2004 Aug. 3	2004 June 30	2003 Dec. 31
Equities portfolio	37.3	38.3	32.9	193	198	170
Net debt	-3.9	-3.9	-2.8	-20	-20	-14
Net asset value	33.4	34.4	30.1	173	178	156



Industrivärden is one of the Nordic region's leading holding companies, taking an active ownership role 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. Based on this, the aim is to deliver a total return to Industrivärden's shareholders that is higher, over time, than the average for the Stockholm Stock Exchange. For more information, visit our website: www.industrivarden.net.

CEO's Message

The favorable economic trend is continuing, especially in the U.S. A positive trend can also be noted in Japan and Southeast Asia. The risk of overheating in the Chinese economy has led to efforts by the authorities to curb the strong development. The area that is lagging behind somewhat is Europe, where domestic consumer-driven demand has not gained momentum, particularly in Germany and France. However, there are now signs of a recovery in these countries as well. Most of the companies in which we have holdings have been able to benefit from the improved economic climate and are reporting strong earnings and positive future prospects.

Our stock and our net asset value have both outperformed the stock market in general, which is proof of the quality of our holdings. Naturally, Ericsson's performance is the most pleasing, since it shows that the company's efficiency enhancement programs have paid off. Ericsson also continues to strengthen its position as market leader in equipment for mobile networks, a market that has now returned to growth.

During the first half of the year we have purchased stocks for SEK 2.2 billion and sold for SEK 1.1 billion. Above all, we have strengthened our positions in Handelsbanken and Sandvik, where we have invested a total of SEK 1.1 billion thus far during the year. We have also increased our holdings in Munters and Ossur. This means that we are now the largest owner in Ossur, with 19% of the capital and voting rights. The company is showing strong performance, and its share price has risen 75% this year.

Finally, it is gratifying to confirm that our derivative transactions and short trading are more than covering our management costs. During the first half of 2004 these costs fell by just over 5%, to SEK 40 M, and now account for 0.2% of our net asset value.

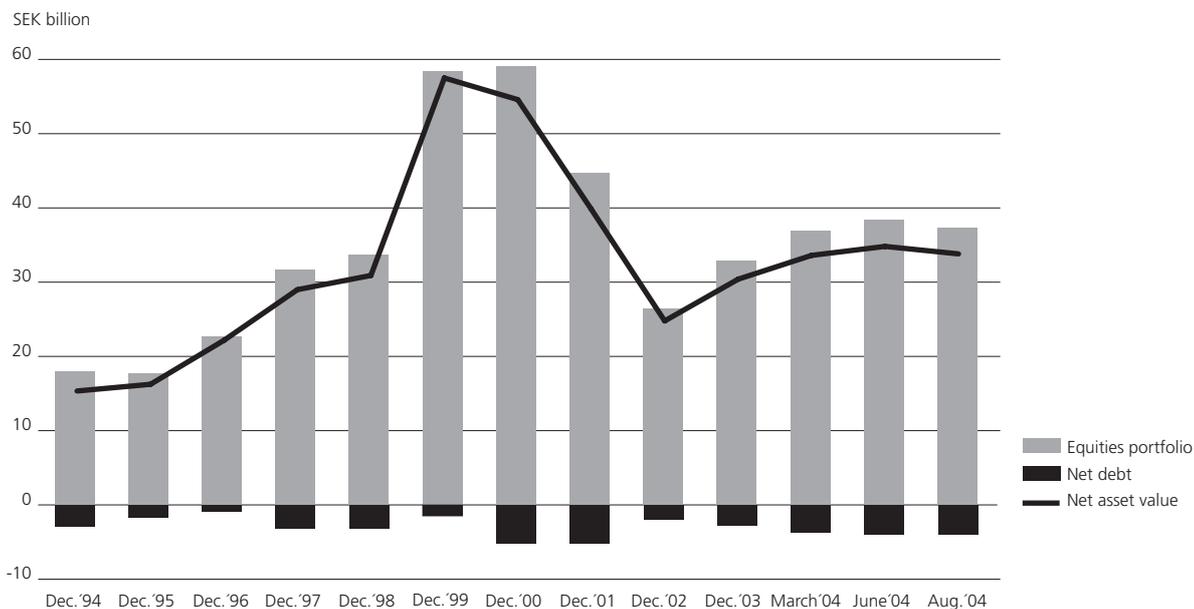
ANDERS NYRÉN
President and CEO

Net Asset Value

Net asset value on August 3, 2004, was SEK 33,413 M, an increase of SEK 3,343 M since the start of the year. Net asset value on June 30, 2004, was SEK 34,443 M. The change in net asset value over the last ten-year period is shown in the chart below.

Accounting for Investments in Associates

Starting with the 2003 year-end consolidated accounts, Industrivärden applies the equity method for accounting for investments in associates. A more detailed account of this can be found on page 5 on this interim report.



Equities Portfolio¹

The market value of Industrivärden's equities portfolio on June 30, 2004, was SEK 38,318 M (SEK 32,890 M at the start of the year) and the surplus value was SEK 19,626 M (SEK 15,414 M at the start of the year). The market value on August 3, 2004, was

SEK 37,302 M and the surplus value was SEK 18,614 M. Taking into account purchases and sales, the change in value was 11% since the start of the year. A detailed portfolio specification as per June 30, 2004, is provided on page 8.

Company	As per June 30, 2004		Total return, %	Average annual total return, %		As per August 3, 2004	
	No. of shares	Market value, SEK M		Jan.'04–June'04	Five years, June'99–June'04	Ten years, June'94–June'04	No. of shares
Ericsson	372,000,000	8,593	73	-7	11	372,000,000	7,868
Handelsbanken	56,709,800	8,563	6	8	18	56,709,800	8,081
Sandvik	23,534,600	6,048	8	16	12	23,534,600	6,213
SCA	19,971,360	5,771	2	14	11	19,971,360	5,627
Skanska	33,191,756	2,199	9	8	10	33,191,756	2,167
Indutrade		1,966	-	-	-		1,966
SSAB	14,119,000	1,793	4	15	11	14,119,000	1,927
Munters	3,219,350	608	11	21	-	3,219,350	621
Ossur hf	60,000,000	429	58	-	-	60,000,000	485
Isaberg Rapid		318	-	-	-		318
Others		2,030					2,029
Total		38,318	17				37,302
Return index			12	4	12		

The total return indicated above for Ericsson in 2004 is a weighted average for Industrivärden's holding of Class A and B shares. Of the shareholdings listed above, Munters and Ossur have been owned for less than five years, while Sandvik has been owned for less than ten years. The valuation of the wholly owned subsidiaries Indutrade and Isaberg Rapid is explained in a definition on page 8.

Ericsson estimates that the global mobile systems market will show slight growth compared with 2003. In addition to this underlying growth, there will be an impact as telecom operators compensate for restrained investment in previous years. Ericsson's net sales in the first half of the year rose as a result of 3G rollouts, continued GSM capacity expansions and upgrades of existing systems. Income after financial items for the first six months of 2004 amounted to SEK 12 billion (-10) due to improved internal efficiency, higher volumes and a favorable product mix. Operating expenses measured on an annual basis have fallen by more than half compared with 2001 and are thus on target one quarter ahead of schedule. Fifty percent-owned Sony Ericsson, which anticipates further growth in the global mobile telephone market, continued its positive performance.

Handelsbanken's operating profit for the first quarter improved significantly due to an increase in revenue. Return on equity improved to 16.5%. Falling interest margins were compensated by higher credit volumes. Net commissions as well as net trading income increased mainly as a result of the positive trend in the stock market. Overheads were largely unchanged and loan losses remained at a low level. The interim report for the first half of 2004 will be released on August 17.

Sandvik's earnings after net financial items rose 25% for the first half of the year as a result of higher sales volumes, greater capacity utilization and the completion of rationalization measures. During the second quarter order bookings, invoicing and earnings after net financial items reached their highest levels ever for

a single quarter. Operating profit improved for all three business areas. Activity increased in all major markets, especially North America.

SCA reported lower earnings after financial items for the first half of the year, mainly due to negative exchange rate fluctuations, which were partly compensated by higher volumes and the effect of company acquisitions. Consumer products continue to show a favorable trend in demand, with good volume growth for tissue. The European packaging market improved and is climbing steadily following a weak start to the year. Acquisitions in the first half of 2004 included the New Zealand company Carter Holt Harvey's tissue and fluff operations and the tissue operations of the Mexico-based company Copamex Tissues.

Skanska's income after financial items decreased in the first half of the year, mainly due to lower sales of completed properties by the Commercial Project Development unit. The company's largest business unit, Construction and Services, reports improved earnings. Order bookings remained stable and the order backlog has increased since the start of the year.

The wholly owned subsidiary *Indutrade*, which is one of the leading trading companies in the Nordic region, reported earnings after financial items of SEK 106 M (83) for the first half of 2004. Return on capital employed increased to 21%. Earnings improved in Sweden and Finland. Johnny Alvarsson was appointed as the company's new CEO and will take up his post in autumn 2004.

¹ Pertains to the Parent Company's equities portfolio. Based on these holdings, derivative transactions are also conducted. Industrivärden also conducts short trading through the subsidiary Nordinvest, which had shareholdings with a market value of SEK 199 M at June 30, 2004.

SSAB's earnings after financial items more than doubled in the first half of 2004 due to higher volumes, a larger proportion of specialty steels and lower processing costs. Cash flow improved significantly. Deliveries of ultra high strength steel sheet and quenched steel rose by more than 30% and accounted for over 50% of deliveries in the steel operations. The six-month result was the second-best ever. Prices of both steel products and raw materials are expected to continue to rise in the second half of the year.

Munters' earnings after financial items declined slightly during the first quarter. Industrial demand improved, which had a positive effect on order intake. Most of the cost-cutting programs decided on in 2003 and 2004, totalling SEK 140 M, have been implemented. The interim report for the first half of 2004 will be released on August 16.

The wholly owned subsidiary *Isaberg Rapid*, which manufactures and markets staplers, reported earnings after financial items of SEK 8 M (26) for the first half of 2004.

Ossur's profit after financial items more than doubled in the first half of 2004, mainly due to good volume growth. The U.S.-based orthotics company Generation II Group, which was acquired in 2003, developed well. A number of new products which are expected to provide additional volume growth were launched in the second quarter.

Equity Transactions During the Year

During the second quarter of 2004, purchases of stocks totalled SEK 1,013 M and sales totalled SEK 735 M. Major purchases consisted of 1,726,600 Sandvik, 7,262,724 Ericsson B, 1,006,400 SSAB A and 725,000 Handelsbanken A. Major sales comprised 1,235,240 SCA B and 800,000 Pfizer Inc. Purchases and sales of listed stocks during the first half of 2004 are shown in the table below.

Purchases	No. of shares	SEK M
Sandvik	2,367,100	572
Handelsbanken A	3,957,900	565
Ericsson B	22,960,724	511
Volvo A	561,700	140
SSAB A	1,006,400	129
Other		255
Total		2,172
Sales		
SCA B	1,235,240	362
Ericsson B	15,000,000	256
Pfizer Inc.	800,000	208
Other		248
Total		1,074

After the end of the reporting period, from July 1 through August 3, 2004, stocks were purchased for a total of SEK 87 M and sold for SEK 93 M.

Earnings from equities and derivative transactions during the first half of 2004 totalled SEK 297 M, as shown in the table below.

Earnings from Parent Company's equities transactions, SEK M	2004 April-June	2004 Jan.-June
Ericsson B	-	156
SCA B	141	141
Derivative transactions	31	46
Other	-19	-46
Total	153	297

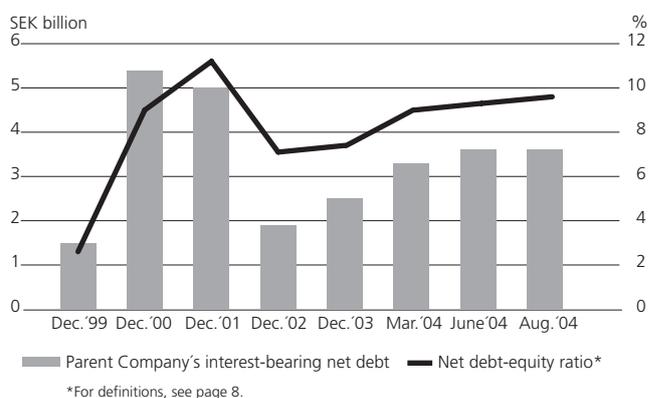
Derivative transactions based on holdings in the equities portfolio generated a profit of SEK 46 M. In addition, short trading conducted in the subsidiary Nordinvest provided a further profit of SEK 15 M.

Earnings from equities and derivative transactions during the first half of 2004 for the Group, which includes the Parent Company and other portfolio management companies, were SEK 281 M.

Interest-Bearing Net Debt

The Parent Company's net debt was SEK 3.6 billion on August 3, 2004, an increase of SEK 1.1 billion compared with the start of the year. The net debt-equity ratio was 9.6%. Net debt was SEK 3.6 billion on June 30, 2004, corresponding to a net debt-equity ratio of 9.3% (7.4% at the start of the year), as shown in the specification on page 7.

The Group's net debt increased by SEK 1.4 billion compared with the start of the year, to SEK 4.2 billion as per June 30, 2004.



Earnings

The Parent Company's earnings after financial items amounted to SEK 1,256 M (787), including dividend income of SEK 1,031 M (844) and earnings of SEK 297 M (68) from equities and derivative transactions. Earnings also included SEK -40 M (-42) in management costs, a decline of just over 5%, SEK 48 M (-2) in other income and expenses, and net financial items of SEK -80 M (-81).

Consolidated earnings from portfolio management amounted to SEK 1,307 M (929), and earnings from operating companies totaled SEK 125 M (114). After management costs and net financial items, earnings totaled SEK 1,302 M (918). Earnings after accounting for investments in associates and tax amounted to SEK 1,247 M (706).

Accounting Principles

This interim report has been prepared in accordance with Swedish Financial Accounting Standards Council recommendation RR20 – Interim Financial Reporting.

To adapt its reporting to recommendation RR22 – Presentation of Financial Statements, starting with the 2003 year-end accounts, in its consolidated financial statements Industrivärden is applying the equity method of accounting for investments in associates. By an associate is meant a company in which the shareholding amounts to at least 20% of the number of votes. Industrivärden has ownership stakes in Ericsson, SCA and Skanska that correspond to at least 20% of the number of votes. Comparative figures for the first half year of 2003 have been changed to reflect application of the equity method.

To clarify Industrivärden's focus on investment activities, starting with the 2003 year-end accounts, the Parent Company's income statement and balance sheet are presented before the Group's.

Starting on January 1, 2004, recommendation RR29 – Employee Benefits, is applied. Application of the new recommendation has had only a marginal effect on the company's reported earnings and position. In other respects, this report has been prepared using the same accounting principles and calculation methods as in the 2003 Annual Report.

Stockholm, August 5, 2004

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 June 30, 2004, in accordance with the recommendation issued by FAR (the Swedish Institute of Authorized Public Accountants).

A general examination is limited to discussion with the Company's employees and to an analytical examination of financial information and thus provides a lesser degree 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 Securities and Clearing Operations Act and the Swedish Annual Accounts Act.

Stockholm, August 5, 2004

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Industrivärden's complete contact information, see page 11.

Financial Calendar

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

The year-end report for 2004 will be released on February 17, 2005.

The 2004 Annual Report will be published in mid-March 2005.

Parent Company Income Statement

SEK M	2004 April–June	2003 April–June	2004 Jan.–June	2003 Jan.–June	2003 Jan.–Dec.
Portfolio management					
Dividend income from stocks	1,028	841	1,031	844	849
Earnings from equities transactions	122	5	251	-2	-1,511
Earnings from derivative transactions	31	71	46	70	101
Other income and expenses	48 ²	-2	48 ²	-2	-2
Earnings from portfolio management	1,229	915	1,376	910	-563
Management costs					
	-19	-20	-40	-42	-80
Operating earnings	1,210	895	1,336	868	-643
Interest income	1	6	3	28	32
Interest expenses	-45	-50	-83	-107	-266
Other financial items	-2	1	0	-2	-10
Earnings after financial items	1,164	852	1,256	787	-887
Tax	-	-	-	-	-165
Net earnings for the period	1,164	852	1,256	787	-1,052

² Includes repaid shareholder's contribution of SEK 50 M

Parent Company Balance Sheet

SEK M	6/30/2004	6/30/2003	12/31/2003
Equities*	18,140	18,785	16,799
Other financial fixed assets	3	10	3
Other current assets	335	202	87
Cash and cash equivalents	79	436	410
Total assets	18,557	19,433	17,299
Shareholders' equity	14,124	15,769	13,930
Provisions	47	48	49
Long-term interest-bearing liabilities	2,257	2,215	2,215
Current noninterest-bearing liabilities	325	190	379
Current interest-bearing liabilities	1,804	1,211	726
Total shareholders' equity and liabilities	18,557	19,433	17,299
*Market value of shares, according to table on page 8	38,318	28,517	32,890
Change during the period, %	17	8	25

Change in Parent Company's Shareholders' Equity

SEK M	Capital stock	Share premium reserve	Statutory reserve	Unrestricted shareholders' equity	Total shareholders' equity
Amount at December 31, 2003	966	342	720	11,902	13,930
Dividend to shareholders	-	-	-	-1,062	-1,062
Net earnings for the period	-	-	-	1,256	1,256
Amount at June 30, 2004	966	342	720	12,096	14,124
Amount at December 31, 2002	966	342	720	13,567	15,595
Dividend to shareholders	-	-	-	-1,120	-1,120
Merger profit	-	-	-	507	507
Net earnings for the period	-	-	-	787	787
Amount at June 30, 2003	966	342	720	13,741	15,769

Parent Company Statement of Cash Flows

SEK M	2004 Jan.–June	2003 Jan.–June	2003 Jan.–Dec.
OPERATING ACTIVITIES			
Dividend income from stocks	997	844	849
Cash flow from changes in working capital	-	-10	-7
Management costs paid	-42	-40	-75
Financial items, net	-97	-97	-208
CASH FLOW FROM OPERATING ACTIVITIES	858	697	559
INVESTING ACTIVITIES			
Net purchase/sale of listed stocks	-1,098	-554	-79
Net purchase/sale of equity derivatives	46	58	68
Net purchase/sale of other stocks	6	563	576
CASH FLOW FROM INVESTING ACTIVITIES	-1,046	67	565
FINANCING ACTIVITIES			
Loans raised and amortization of debt	924	-1,022	-1,493
Change in financing of subsidiaries	-55	92	177
Dividend paid out	-1,062	-1,120	-1,120
Payment of shareholder contribution	50	-103	-103
CASH FLOW FROM FINANCING ACTIVITIES	-143	-2,153	-2,539
NET CASH FLOW FOR THE PERIOD	-331	-1,389	-1,415
Cash and cash equivalents at beginning of year	410	1,825	1,825
CASH AND CASH EQUIVALENTS AT END OF PERIOD	79	436	410

Change in interest-bearing net debt

SEK M	June 30 2004	Cash flow	Change in loans	Other changes	Dec. 31 2003
Cash and cash equivalents	79	-331	-	-	410
Interest-bearing receivables	329	-	251	-	78
Long-term interest-bearing liabilities	2,257	-	42	-	2,215
Current interest-bearing liabilities	1,804	-	1,078	-	726
Interest-bearing pension provisions	47	-	-	-2	49
Interest-bearing net debt	3,700	331	869	-2	2,502
Less: liabilities to subsidiaries	-141	-	-91	-	-50
Net interest-bearing liabilities	3,559	331	778	-2	2,452
Market value of equities portfolio	38,318				32,890
Net debt-equity ratio, %	9.3				7.4

Equities Portfolio as per June 30, 2004

Company	No. of shares	Market value		% of portfolio value	% of capital in company	% of votes in company
		SEK M	SEK per share			
Ericsson A	186,000,000					
Ericsson B	186,000,000	8,593	45	23	2.3	27.7
Handelsbanken A	56,709,800	8,563	44	22	8.2	8.7
Sandvik	23,534,600	6,048	31	16	8.9	8.9
SCA A	16,982,000					
SCA B	2,989,360	5,771	30	15	8.5	28.8
Skanska A	17,302,756					
Skanska B	15,889,000	2,199	11	6	7.9	27.2
Indutrade		1,966	10	5	100.0	100.0
SSAB A	14,119,000	1,793	9	4	14.0	18.3
Scania A	2,006,000					
Scania B	600,900	662	4	2	1.3	1.9
Munters	3,219,350	608	3	2	12.9	12.9
Volvo A	1,821,700					
Volvo B	456,600	580	3	1	0.5	1.1
Ossur hf	60,000,000	429	2	1	18.8	18.8
Isaberg Rapid		318	2	1	100.0	100.0
Pfizer Inc.	1,217,500	314	2	1	0.0	0.0
Others		474	2	1		
Total		38,318	198	100		

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

Definitions

Interest-bearing net debt

Interest-bearing liabilities and pension provisions less cash and cash equivalents and interest-bearing receivables.

Market value of equities portfolio

The market value of the equities portfolio is defined as the market value of the listed portfolio and the estimated value of the operating subsidiaries Indutrade and Isaberg Rapid (according to a P/E multiple of 13 based on forecast earnings for 2004), and shareholders' equity for other shareholdings.

Net asset value

The market value of the Parent Company's equities portfolio less net debt.

Net asset value including reinvested dividends

The development of net asset value including reinvested dividends after tax, recalculated taking into account the development of the listed portfolio. This gives a measure of how net asset value would

have developed if Industrivärden had not paid any dividends and thereby had taxable earnings, since dividends rendered are tax-deductible.

Net debt

Net debt is defined as the Parent Company's interest-bearing net debt and noninterest-bearing liabilities less noninterest-bearing receivables.

Net debt-equity ratio

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

Total return

Price trend (SAX) plus reinvested dividends.

Industrivärden Consolidated Income Statement

SEK M	2004 April–June	2003 April–June	2004 Jan.–June	2003 Jan.–June	2003 Jan.–Dec.
Portfolio management					
Dividend income from stocks	1,032	842	1,035	845	850
Earnings from equities transactions	101	10	235	16	-1,486
Earnings from derivative transactions	31	71	46	70	101
Other income and expenses	-8	1	-9	-2	-3
Earnings from portfolio management	1,156	924	1,307	929	-538
Operating companies					
Net sales	1,122	1,019	2,188	2,014	4,075
Cost of goods sold	-746	-676	-1,465	-1,325	-2,695
Development costs	-10	-10	-18	-19	-33
Selling costs	-223	-215	-450	-430	-856
Administrative costs	-68	-65	-131	-129	-246
Other operating income and expenses	-1	2	1	3	-1
Earnings from operating companies	74	55	125	114	244
Management costs	-19	-20	-40	-42	-80
Operating earnings	1,211	959	1,392	1,001	-374
Interest income	2	6	5	25	33
Interest expenses	-51	-55	-95	-114	-286
Other financial items	-3	4	0	6	4
Earnings after financial items	1,159	914	1,302	918	-623
Result of associate accounting*	-173	-166	-9	-172	9
Tax	-29	-20	-46	-40	-253
Minority share in net earnings for the period	-	0	-	0	-
Net earnings for the period	957	728	1,247	706	-867
*Adjustments pertaining to the equity method					
Dividend income from associated companies	-323	-249	-323	-249	-249
Share in associated companies' earnings	333	143	542	151	497
Adjustment of acquisition value pertaining to divested associated companies	-56	-1	-21	-1	0
Tax pertaining to associated companies	-127	-59	-207	-73	-239
Result of associate accounting	-173	-166	-9	-172	9
Depreciation included in operating earnings	34	34	68	68	135
Earnings per share, SEK ³	4.96	3.77	6.46	3.66	-4.49
Breakdown by business unit					
Net sales					
Indutrade	903	817	1,744	1,562	3,197
Isaberg Rapid	219	201	444	451	877
Other, net	0	1	0	1	1
Total, operating companies	1,122	1,019	2,188	2,014	4,075
Earnings after financial items					
Portfolio management⁴	1,091	864	1,188	811	-849
Indutrade	64	51	106	83	182
Isaberg Rapid	4	2	8	26	49
Other, net	0	-3	0	-2	-5
Total operating companies	68	50	114	107	226
Group	1,159	914	1,302	918	-623

³ Earnings for the period divided by 193,135,612 shares.

⁴ Parent Company and other portfolio management companies.

Industrivärden Consolidated Balance Sheet

SEK M	6/30/2004	6/30/2003	12/31/2003
Intangible fixed assets	243	281	259
Tangible fixed assets	512	542	532
Equities	11,548	12,988	10,403
Shares in associated companies	7,931	7,046	7,720
Other financial fixed assets	23	25	13
Inventories	746	781	734
Accounts receivable, trade	707	684	627
Other current assets	511	117	104
Cash and cash equivalents	250	737	683
Total assets	22,471	23,201	21,075
Shareholders' equity	16,633	18,086	16,413
Minority shares	–	1	–
Provisions	262	249	244
Long-term noninterest-bearing liabilities	–	6	–
Long-term interest-bearing liabilities	2,587	2,452	2,632
Current noninterest-bearing liabilities	1,060	940	1,058
Current interest-bearing liabilities	1,929	1,467	728
Total shareholders' equity and liabilities	22,471	23,201	21,075

Change in Consolidated Shareholders' Equity

SEK M	Capital stock	Restricted reserves	Equity method reserve	Unrestricted reserves	Total shareholders' equity
Shareholders' equity according to adopted balance sheet at December 31, 2003	966	1,275	3,109	11,063	16,413
Effect of new accounting principles	–	–	–	-17	-17
Opening shareholders' equity according to adjusted balance sheet	966	1,275	3,109	11,046	16,396
Dividend to shareholders	–	–	–	-1,062	-1,062
Transfers between unrestricted and restricted shareholders' equity	–	0	–	0	–
Translation differences	–	0	–	0	0
Effect of associated companies on earnings for the period	–	–	–	9	9
Provision to equity method reserve	–	–	-68	111	43
Net earnings for the period	–	–	–	1,247	1,247
Amount at June 30, 2004	966	1,275	3,041	11,351	16,633
Shareholders' equity according to adopted balance sheet at December 31, 2002	966	1,265	–	14,408	16,639
Effect of new accounting principles	–	–	2,961	-871	2,090
Opening shareholders' equity according to adjusted balance sheet	966	1,265	2,961	13,537	18,729
Dividend to shareholders	–	–	–	-1,120	-1,120
Transfers between unrestricted and restricted shareholders' equity	–	-2	–	2	–
Translation differences	–	0	–	-3	-3
Effect of associated companies on earnings for the period	–	–	–	172	172
Provision to equity method reserve	–	–	80	-478	-398
Net earnings for the period	–	–	–	706	706
Amount at June 30, 2003	966	1,263	3,041	12,816	18,086

Industrivärden Consolidated Statement of Cash Flows

SEK M	2004 Jan.–June	2003 Jan.–June	2003 Jan.–Dec.
OPERATING ACTIVITIES			
Operating cash flow from portfolio management	993	822	832
Operating cash flow from operating companies	57	62	215
Management costs paid	-42	-40	-75
Financial items, net	-105	-122	-205
CASH FLOW FROM OPERATING ACTIVITIES	903	722	767
INVESTING ACTIVITIES			
Cash flow from investments in portfolio management	-1,193	-468	25
Cash flow from investments in operating companies	-38	-87	-118
CASH FLOW FROM INVESTING ACTIVITIES	-1,231	-555	-93
FINANCING ACTIVITIES			
Loans raised and amortization of debt	956	-436	-995
Dividend paid out	-1,062	-1,120	-1,120
CASH FLOW FROM FINANCING ACTIVITIES	-106	-1,556	-2,115
NET CASH FLOW FOR THE PERIOD	-434	-1,389	-1,441
Cash and cash equivalents at beginning of year	683	2,127	2,127
Exchange rate difference in cash and cash equivalents	1	-1	-3
CASH AND CASH EQUIVALENTS AT END OF PERIOD	250	737	683

Change in interest-bearing net debt

SEK M	June 30 2004	Cash flow	Change in loans	Other changes	Dec. 31 2003
Cash and cash equivalents	250	-434	–	1	683
Interest-bearing receivables	200	–	200	–	–
Long-term interest-bearing liabilities	2,587	–	-45	–	2,632
Current interest-bearing liabilities	1,929	–	1,201	–	728
Interest-bearing pension provisions	186	–	–	32	154
Interest-bearing net debt	4,252	434	956	31	2,831

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