

Interim Report

January 1 – September 30, 2005

- Industrivärden's net asset value was SEK 45,635 M on November 4, 2005, compared with SEK 36,563 M at the start of the year, entailing an increase of SEK 9,072 M for the year to date. Net asset value on September 30, 2005, was SEK 45,744 M (34,740).
- Net asset value per share on November 4, 2005, was SEK 236, compared with SEK 189 per share at the start of the year. Including reinvested dividends, net asset value per share was SEK 243. Net asset value per share on September 30, 2005, was SEK 237 (180). Average annual growth in net asset value over the last ten-year period, including reinvested dividends, was 17%. Earnings per share for the first nine months of 2005 were SEK 50.12 (29.45).
- The total return for Industrivärden's stock as per November 4, 2005, was 24%, compared with 26% for the return index. The average annual total return over the last ten-year period was 6 percentage points higher than the return index.
- On October 5, 2005, Indutrade became listed on the Stockholm Stock Exchange O-List. The offer which included 62.5% of the shares was oversubscribed twelve times. The sale and received dividend before the IPO resulted in an increase in Industrivärden's net asset value of SEK 1.0 billion or SEK 5 per share.
- In October 2005 the entire holding of Ossur hf was sold for SEK 1,008 M, generating a capital gain of SEK 398 M.

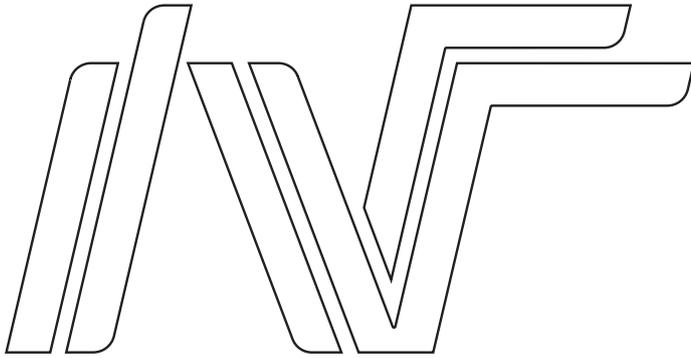
Industrivärden in Summary

	Change, % Jan. 1–Nov. 4, 05	Average annual change, %	
		Five years, Oct. 00–Oct. 05	Ten years Oct. 95–Oct. 05
Total return			
Total return, Industrivärden	24	2	19
Return index (SIXRX)	26	0	13
Excess return, Industrivärden	-2	2	6
Net asset value			
Net asset value	25	-5	11
Net asset value incl. reinvested dividends	29	1	17



Composition of Net Asset Value

	SEK billion			SEK per share		
	2005 Nov. 4	2005 Sept. 30	2004 Dec. 31	2005 Nov. 4	2005 Sept. 30	2004 Dec. 31
Parent Company						
Equities portfolio	49.0	51.8	41.7	254	268	216
Net debt	-3.4	-6.1	-5.1	-18	-31	-27
Net asset value	45.6	45.7	36.6	236	237	189



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 global economy continued to perform well during the third quarter. The U.S. continues to show high growth. The same goes for all of Southeast Asia, headed by China. Now it appears that Japan, too, is emerging from 15 years of deflation and stagnation. The EU has also begun showing signs of an economic upswing, albeit from a low level. Taken together, these developments indicate that 2005 will be yet another good year with good growth. There is every indication that 2006 can also be a good year with above average growth.

Our portfolio companies continued to perform well and, with the odd exception, have shown very strong development thus far during the year. Naturally, this has had an impact on our value growth, and I am pleased to report that our net asset value grew by SEK 9.1 billion, or 25%, during the first nine months of the year.

On October 5, Indutrade became listed on the Stockholm Stock Exchange's O-List, which was the market's first major IPO in 17 months. The introduction was such a success that the offering was oversubscribed 12 times. We are very happy about Indutrade's reception on the stock market. It is a fine company which, during its long period as a wholly owned subsidiary of Industrivärden has developed strongly with a history of solid profit growth. We continue to have great confidence in Indutrade, which is why we are staying on with a long-term ownership stake of about 35%. It is also gratifying to note that the market's valuation of Indutrade is higher than the best offer we received from the Private Equity sector, and that the difference is substantial. Perhaps this is a sign that the high risk premium that the market has attached to equities in relation to alternative investments is on its way down. The listing of Indutrade represents a contribution during 2005 of SEK 1.0 billion to Industrivärden's growth in net asset value.

In October our entire 23% stake was sold in the Icelandic medical technology company, Ossur. The sale generated a capital gain of SEK 398 M – representing growth in value of approximately 90% on our initial investment. Industrivärden was the first foreign investor to take a position in the company, in 2002. In our capacity as largest shareholder, with a seat on the board, Industrivärden participated in Ossur's development. In late September/early October we contributed SEK 155 M in a new issue carried out to enable Ossur to finance a key acquisition in the U.S. In connection with discussions surrounding this issue, a good long-term solution for all parties involved presented itself, whereby the listed Danish medtech group William Demant would take on the role as principal owner of Ossur.

As a result of the divestments, we succeeded in releasing approximately SEK 2.6 billion in liquid assets, which has brought our net debt-equity ratio down to 6%.

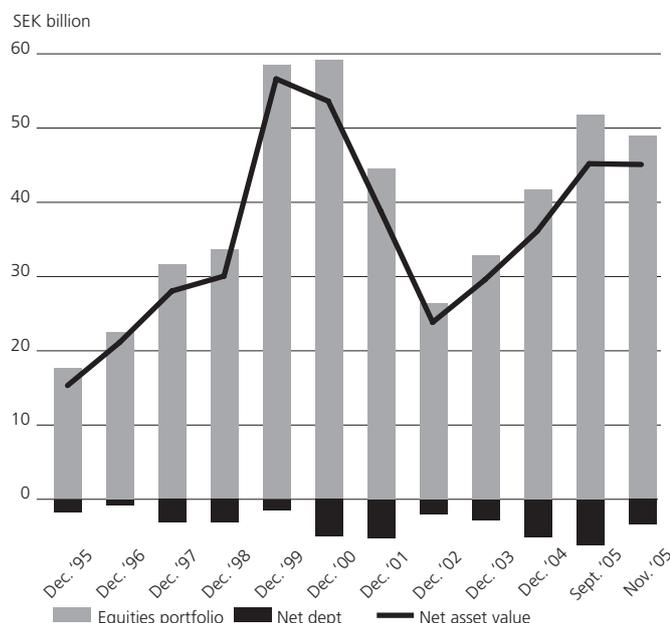
ANDERS NYRÉN
President and CEO

NET ASSET VALUE

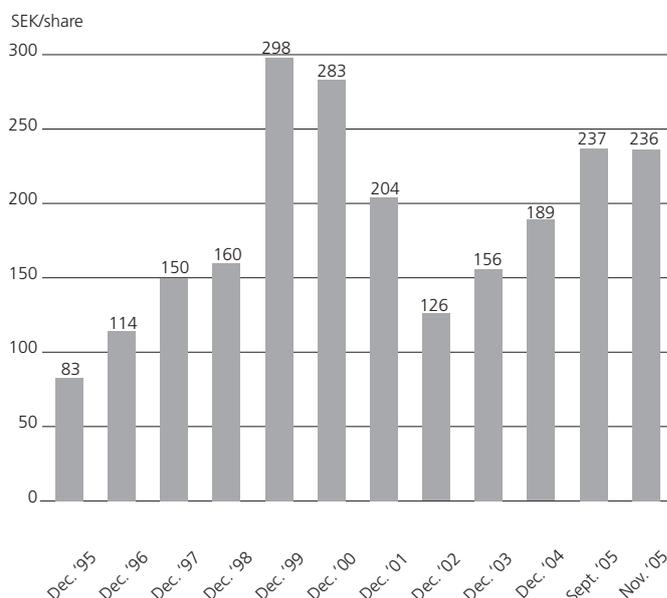
Net asset value has grown by an average of 11% per year over the last ten-year period. Including reinvested dividends, the average annual increase was 17%, compared with 13% for the return index.

Total growth in net asset value including reinvested dividends

Development of Net Asset Value



Net Asset Value per Share



Industrivärden's equities portfolio was valued at SEK 51,812 M on September 30, 2005. Stocks were purchased for SEK 2,212 M and sold for SEK 1,033 M during the first nine months of the year.

Management costs amounted to SEK 58 M, which were covered by the surplus of SEK 69 M generated by short-term derivative transactions and equity trading. Net financial items for portfolio management amounted to SEK -153 M. Overall, net debt increased by SEK 940 M, to SEK 6,068 M.

Net asset value at the end of September 2005 was SEK 45.7 billion, an increase of SEK 9.1 billion since the start of the year.

As per November 4, 2005, net asset value was SEK 45.6 billion, an increase of SEK 9.0 billion during the year to date. After net sales of stocks in October and November, totaling SEK 2.7 billion, net debt decreased to SEK 3.4 billion.

Development of Net Asset Value, SEK M

	Jan. 1–Sept. 30, 2005	Jan. 1–Nov. 4, 2005
Net asset value, Dec. 31, 2004	36,563	36,563
<i>Equities portfolio</i>		
Opening value	41,691	41,691
Purchases	2,212	2,447
Sales ¹	-1,033	-3,912
Change in value of equities portfolio:		
Sandvik	3,185	2,944
Ericsson	2,385	1,970
Skanska	1,122	1,365
SSAB	1,109	1,130
Indutrade	578	692
Handelsbanken	433	566
Ossur hf	169	225
Munters	-54	-8
SCA	-141	-201
Other equities ²	156	8,810
Closing value	51,812	49,036
<i>Net debt</i>		
Opening value	-5,128	-5,128
Dividend paid out	-1,159	-1,159
Dividends received ³	1,572	1,572
Management costs	-58	-65
Net financial items	-153	-170
Purchases/sales of stocks, net ¹	-1,179	1,465
Other ²	37	84
Closing value	-6,068	-3,401
Net asset value	45,744	45,635

¹ In October 62.5% of Indutrade was sold for SEK 1,585 M, and the entire holding in Ossur was sold for SEK 1,008 M.

² Includes total surplus of SEK 69 M from short-term derivative transactions and equity trading as per September 30.

³ Of which, dividend etc from Indutrade, totaling SEK 301 M.

Equities Portfolio²

The market value of Industrivärden's equities portfolio on September 30, 2005, was SEK 51,812 M (SEK 41,691 M at the start of the year), which exceeded cost by SEK 30,690 M (SEK 21,660 M at the start of the year). See the detailed portfolio specifica-

tion as per September 30, 2005, on page 7. The market value on November 4, 2005, was SEK 49,036 M. Taking into account purchases and sales, the change in value was 21% compared with the start of the year.

Company	As per Sept. 30, 2005		Total return, % Period, Jan.'05–Sept.'05	Average annual total return, %		As per Nov. 4, 2005	
	No. of shares	SEK M		Five years, Sept.'00–Sept.'05	Ten years, Sept.'95–Sept.'05	No. of shares	SEK M
Handelsbanken	66,464,100	11,930	8	6	20	66,464,100	12,063
Ericsson	377,000,000	10,595	31	-22	7	377,000,000	10,179
Sandvik	25,850,400	9,965	53	20	–	25,494,340	9,599
SCA	23,503,860	6,421	0	14	12	23,503,860	6,355
Skanska	32,299,756	3,698	50	11	15	32,299,756	3,941
SSAB	14,158,515	3,320	56	32	18	14,158,515	3,341
Indutrade	40,000,000	2,600	–	–	–	15,000,000	1,129
Ossur hf	89,817,286	953	12	–	–	–	–
Munters	3,365,000	616	-6	–	–	3,384,700	665
Isaberg Rapid		290	–	–	–		290
Others		1,424					1,474
Total		51,812	25				49,036
Return index			26	0	13		

Of the shareholdings listed above, Munters and Ossur have been held for less than five years, while Sandvik has been held for less than ten years. Indutrade, which was a wholly owned subsidiary on September 30, is valued at the IPO price of SEK 65 per share in connection with the stock market introduction on October 5, 2005. The valuation of the wholly owned subsidiary Isaberg Rapid is explained in a definition on page 11.

Handelsbanken's operating profit for the first nine months of the year improved as a result of – among other things – larger business volume in the banking operations and a more than doubling of revenues in the insurance operations. Net commissions improved due to the increase in business volume and a positive trend in the stock market. Operating profit for the third quarter was the best ever for an individual quarter, and loan losses were lower than recoveries. SPP is being demutualized with effect on January 1, 2006. Due to its favorable capital situation, Handelsbanken's buybacks of own shares has been resumed.

Ericsson showed continued strong performance during the first nine months of the year, and income after financial items rose more than 30% as a result of good volume growth and a low rise in overheads. Due to a leading product portfolio, Ericsson was awarded a number of strategic contracts during the third quarter. The service sector is also showing strong development. Ericsson continues to outpace the market in 2005 and has strengthened its position as a leading player. In October an agreement was signed to acquire Marconi's fixed telephony and broadband access businesses.

Sandvik's profit after financial items rose 26% during the first nine months of the year. Demand remained strong in all market areas except the EU. Organic growth during the third quarter was 16%, and Sandvik won several major orders in priority areas. All three business areas noted earnings improvements for the first nine months due to higher sales volumes and prices, better capacity utilization and the effects of completed efficiency improvement measures.

SCA's earnings after financial items, excluding items affecting comparability, were down for the first nine months of the year, mainly due to price pressure in Europe. However, during the third quarter, certain European markets and the North American market showed improved demand and rising prices. The Group's sales and earnings therefore increased during the third quarter. Costs were booked during the past year for two efficiency improvement programs which are together expected to yield slightly more than SEK 2.5 billion in annual cost savings. Cost-cutting work within the company is on track and has begun generating results.

Skanska's income after financial items, excluding discontinued operations, rose 9% during the first nine months of the year. The housing construction market remains strong, and earnings for the core Construction operations were favorable in most of Skanska's markets, but remained weak in the U.S. The Commercial Project Development operation is developing well with several interesting projects. Order bookings were strong during the third quarter, and most markets are showing signs of clear improvement.

SSAB's profit after financial items for the first nine months of the year rose more than 70%. The earnings rise is mainly attributable to the price increases carried out in 2004 and the first quarter of 2005, which more than amply compensated for substantially higher costs for raw materials. Deliveries of core niche products – extra and ultra high strength steel sheet and quenched steel – rose 11% during the nine-month period. Cash flow was four billion kronor, which amply covered the dividend and share redemption. Global steel consumption is expected to rise to a new record level in 2005.

² Pertains to the Parent Company's equities portfolio. Based on these holdings, short-term derivative transactions are also conducted. Industrivärden also conducts short-term equity trading through the subsidiary Nordinvest, which had shareholdings with a market value of SEK 31 M at September 30, 2005.

Indutrade's earnings after financial items for the first nine months of the year were 17% higher than the same period a year ago. Order bookings remained strong, and the return on operating capital improved. Indutrade became listed on the stock market on October 5.

Munters' earnings after financial items improved by 10% during the first nine months of the year, following a strong third quarter foremost for the HumiCool and Dehumidification divisions. Order intake rose strongly in all divisions, with a record high order backlog.

Isaberg Rapids' earnings after financial items were level with the first nine months of 2004.

Equity Transactions During the Year

During the third quarter of 2005, purchases of stocks totaled SEK 723 M and sales totaled SEK 92 M. Major net purchases consisted of 18,699,286 Ossur hf, of which most in connection with a new issue, 1,146,500 Höganäs B, and 5,000,000 Ericsson B. Purchases and sales of listed stocks during the first nine months of 2005 are shown in the table below.

Purchases	No. of shares	SEK M
SCA B	5,734,300	1,468
Höganäs B	1,427,750	276
Ossur hf (of which, 15,473,167 newly issued)	24,699,286	247
Ericsson B	5,000,000	137
Other		84
Total		2,212

Sales	No. of shares	SEK M
Sandvik redemption shares (all)	1,077,100	436
Nokia (entire holding)	1,588,000	179
Pfizer Inc. (entire holding)	1,000,000	170
SCA B	612,400	159
SSAB Class A redemption rights (all)	14,094,550	54
Other		35
Total		1,033

After the end of the reporting period, from October 1 through November 4, 2005, stocks were purchased for SEK 235 M and sold for SEK 2,879 M. This included the sale of 25,000,000 shares in Indutrade for SEK 1,585 M in connection with the stock market listing on October 5 and 89,817,286 shares in Ossur hf (the entire holding) for SEK 1,008 M. The realized gain on the sale of shares in Indutrade, calculated on consolidated value, was SEK 1,170 M. The growth in value of the remaining holding at the time of sale was SEK 850 M, based on the same method of calculation. Total consolidated growth in value was thus SEK 2,020 M.

The realized gain on the sale of Ossur, calculated on its historical cost, was SEK 398 M.

In August 982,000 Class A shares in SCA were converted to Class B shares. Industrivärden's share of votes, including 600,000 issued put options, thereby decreased from 29.5% to 28.5%.

Short-Term Derivative Transactions and Equity Trading

A profit of SEK 69 M was generated from short-term derivative transactions by the Parent Company and equity trading by Nordinvest.

Net Debt

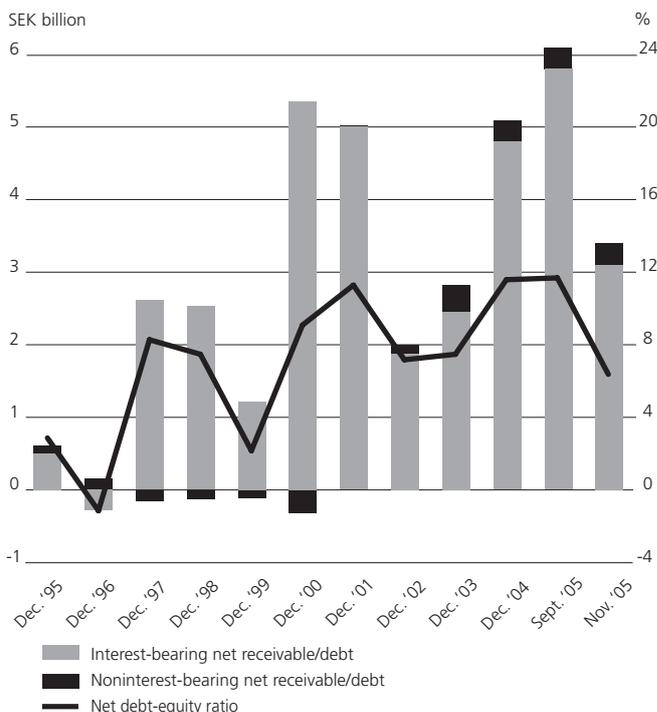
The Parent Company's net debt was SEK 6.1 billion on September 30, 2005, including SEK 5.8 billion in interest-bearing net debt, corresponding to a net debt-equity ratio of 11.1% (11.5% at the start of the year), as shown in the specification below.

Net debt as per November 4, 2005, was SEK 3.4 billion, including SEK 3.1 billion in interest-bearing net debt. Interest-bearing net debt decreased by SEK 1.7 billion compared with the start of the year, mainly due to the sales of shares in Indutrade and Ossur in October. The net debt-equity ratio on November 4 was 6.3%.

Change in Interest-Bearing Net Debt

SEK M	Dec. 31 2004	Sept. 30 2005	Nov. 4 2005
Cash and cash equivalents	453	228	2,066
Current interest-bearing receivables	358	55	113
Long-term interest-bearing liabilities	4,102	4,402	4,202
Current interest-bearing liabilities	1,650	1,825	1,254
	4,941	5,944	3,277
Less: liabilities to subsidiaries	-143	-183	-183
Interest-bearing net debt	4,798	5,761	3,094
Market value of equities portfolio	41,691	51,812	49,036
Net debt-equity ratio, %	11.5	11.1	6.3

Net Debt-Equity Ratio



EARNINGS

Group

Consolidated earnings from portfolio management amounted to SEK 9,730 M (5,746), including SEK 1,275 M (1,031) in dividend income, SEK 8,386 M (4,656) in change in value of stocks, SEK 69 M (66) from short-term derivative transactions and equity trading, and SEK 0 M (-7) in other income and expenses. Earnings from other operations totaled SEK 15 M (13). After SEK -58 M (-59) in management costs and SEK -166 M (-134) in net financial items, earnings after financial items were SEK 9,521 M (5,566). After tax of SEK -4 M (-14) and earnings after tax from operations being discontinued, totaling SEK 162 M (135) (pertaining to Indutrade), net earnings for the period were SEK 9,679 M (5,687).

The Group's interest-bearing net debt amounted to SEK 6.5 billion as per September 30, 2005, an increase of SEK 1.1 billion compared with the start of the year.

OTHER INFORMATION

Nomination committee for election of board members

Industrivärden's 2005 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 Industrivärden's board, to form with the Chairman a nominating committee for the next election of directors. Accordingly, the following persons have been named as members of the Nominating Committee: Tom Hedelius, Chairman of the Board of Industrivärden; Christer Elmehagen, AMF Pension; Curt Källströmer, Handelsbanken; Ulf Lundahl, L E Lundbergföretagen; and Anders Nyberg, SCA.

Matters handled by the nomination committee are described on Industrivärden's website, www.industrivarden.net, under the Corporate Governance menu.

Accounting Principles

Starting on January 1, 2005, Industrivärden's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS). The interim report for the first quarter of 2005 was thus the first report that the company presented in accordance with IAS 34. Industrivärden applied the recommendations and pronouncements issued by the Swedish Financial Accounting Standards Council through 2004. The transition to IFRS is reported in accordance with IFRS 1, which is why the transition date is January 1, 2004, since the comparison year, 2004, is also presented in accordance with IFRS. The interim report has also been prepared in conformity with Swedish Financial Accounting Standards Council recommendation RR 31 – Interim Reporting for Groups. The effects of the transition to IFRS are preliminary and can be changed on a continuing basis in association with the review that is currently being conducted of certain IFRS/IAS recommendations.

The accounting principles that have the greatest impact on Industrivärden's reporting are IAS 39 Financial Instruments: Recognition and Measurement, which concerns the measure-

ment of financial instruments at fair value, and IAS 28 Investments in Associates, which covers the reporting of holdings in associated companies. The effect of the new accounting principles is shown in specifications to Industrivärden's consolidated income statement and balance sheet. In addition, Industrivärden has previously provided more detailed descriptions of the effects of the introduction of IFRS, in the 2004 year-end report and the 2004 annual report as well as the interim report for the first quarter of 2005. As a result of the Initial Public Offering of Indutrade, the interim report for the third quarter has also been affected by IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations.

Stockholm, November 8, 2005

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 September 30, 2005, 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 Annual Accounts Act and IAS 34.

Stockholm, November 8, 2005

Öhrlings PricewaterhouseCoopers AB

ANDERS LUNDIN

Authorized Public Accountant

Further Information

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Industrivärden's complete contact information can be found on page 1.

Financial Calendar

The 2005 year-end report will be released on February 16, 2006.

The 2005 Annual Report will be published in mid-March 2006.

The Annual General Meeting will be held in Stockholm on May 8, 2006.

Interim report January–March 2006: May 8, 2006

Interim report January–June 2006: August 3, 2006

Interim report January–September 2006: October 31, 2006

Parent Company's Equities Portfolio

Holdings as per Sept. 30, 2005	No. of shares	Value breakdown				Share of portfolio value, %	Share of capital in company, %	Share of votes in company, %
		Market value		Cost SEK M	Surplus value SEK M			
		SEK M	SEK/share					
Handelsbanken A	66,464,100	11,930	62	4,421	7,509	23	9.9	10.2
Ericsson A	372,000,000	10,595	55	3,262	7,333	21	2.3	13.4
Ericsson B	5,000,000							
Sandvik	25,850,400	9,965	52	5,244	4,721	19	10.9	10.9
SCA A	16,000,000	6,421	33	2,414	4,007	12	10.7	29.2
SCA B	7,503,860							
Skanska A	15,000,000	3,698	19	1,579	2,119	7	7.7	26.9
Skanska B	17,299,756							
SSAB A	14,158,515	3,320	17	894	2,426	6	15.6	20.3
Indutrade	40,000,000	2,600	13	668	1,932	5	100.0	100.0
Ossur hf	89,817,286	953	5	610	343	2	23.3	23.3
Volvo A	1,821,700	778	4	537	241	2	0.6	1.1
Volvo B	539,520							
Munters	3,365,000	616	3	607	9	1	13.5	13.5
Höganäs B	2,217,443	404	2	415	-11	1	6.3	5.1
Isaberg Rapid	290	2	2	205	85	1	100.0	100.0
Other		242	1	266	-24	0		
Total as per September 30, 2005		51,812	268	21,122	30,690	100		

Share of capital and votes in Handelsbanken and Sandvik is calculated after cancellation of shares repurchased in 2005.

Share of capital and votes in Sandvik and SSAB is calculated after completion of redemption program during the first half of 2005.

The share of votes in SCA decreased from 29.5% to 28.5% through the reclassification of 982,000 Class A shares to Class B shares; however, after reclassification by other shareholders, it thereafter increased and was 29.2% on 30 September 2005.

The share of capital in votes in SCA includes 1,600,000 issued OTC put options for the corresponding number of Class B shares.

The share of votes in Skanska has decreased through reclassification of 2,302,756 Class A shares to Class B shares.

Valuation of the wholly owned subsidiary Isaberg Rapid is provided in a definition on page 11.

Total number of Industrivärden shares outstanding: 193,135,612.

Holdings as per Dec. 31, 2004	No. of shares	Value breakdown				Share of portfolio value, %	Share of capital in company, %	Share of votes in company, %
		Market value		Cost SEK M	Surplus value SEK M			
		SEK M	SEK/share					
Handelsbanken A	66,364,100	11,481	59	4,405	7,076	28	9.6	10.1
Ericsson A	372,000,000	8,072	42	3,125	4,947	19	2.3	13.3
Sandvik	26,953,500	7,224	38	5,468	1,756	17	10.2	10.2
SCA A	16,982,000	5,254	27	1,088	4,166	13	7.8	28.5
SCA B	1,399,960							
Skanska A	17,302,756	2,576	13	1,580	996	6	7.7	28.6
Skanska B	15,000,000							
SSAB A	14,113,750	2,258	12	885	1,373	5	14.0	18.3
Indutrade		2,022	10	693	1,329	5	100.0	100.0
Munters	3,219,350	644	3	581	63	2	12.9	12.9
Volvo A	1,821,700	579	3	506	73	2	0.5	1.1
Volvo B	444,120							
Ossur hf	65,118,000	537	3	363	174	1	20.4	20.4
Isaberg Rapid		290	2	193	97	1	100.0	100.0
Pfizer Inc.	1,000,000	178	1	300	-122	0	0.0	0.0
Other		576	3	844	-268	1		
Total as per December 31, 2004		41,691	216	20,031	21,660	100		

Development during the period

January 1 – September 30, 2005:

Purchases	2,212
Sales	-1,033
Change in value	8,942
Market value as per Sept. 30, 2005	51,812

Industrivärden Consolidated Income Statement

SEK M	2005 July–Sept.	2004 July–Sept.	2005 Jan.–Sept.	2004 Jan.–Sept.	2004 Jan.–Dec.
Portfolio management					
Dividend income from stocks	–	–	1,275	1,031	1,032
Change in value of stocks	6,828	360	8,386	4,656	6,427
Short-term derivative transactions and equity trading	14	4	69	66	106
Other income and expenses	0	-1	0	-7	-8
Earnings from portfolio management	6,842	363	9,730	5,746	7,557
Other operations					
Net sales	202	196	639	640	862
Cost of goods sold	-133	-131	-414	-407	-566
Development costs	-5	-4	-20	-16	-31
Selling costs	-41	-37	-132	-133	-164
Administrative costs	-13	-27	-56	-71	-94
Other operating income and expenses	-1	-1	-2	0	3
Earnings from other operations	9	-4	15	13	10
Management costs	-19	-19	-58	-59	-80
Operating earnings	6,832	340	9,687	5,700	7,487
Interest income	0	1	6	4	7
Interest expenses	-50	-50	-160	-137	-195
Other financial items	-12	-3	-12	-1	0
Earnings after financial items	6,770	288	9,521	5,566	7,299
Tax	-4	-4	-4	-14	-9
Earnings for the period for continuing operations	6,766	284	9,517	5,552	7,290
Earnings for the period for operations being discontinued³	60	49	162	135	168
Net earnings for the period*	6,826	333	9,679	5,687	7,458
Depreciation	26	22	74	70	95
Earnings per share, SEK ⁴	35.34	1.72	50.12	29.45	38.62

³ Earnings from operations being discontinued pertain to Indutrade, which was introduced on the stock market in October 2005.

	9M:2005	9M:2004	2004
Net sales	2,763	2,579	3,486
Expenses	-2,538	-2,387	-3,243
Earnings after financial items	225	192	243
Tax	-63	-57	-75
Earnings for the period	162	135	168

⁴ Net earnings for the period divided by 193,135,612 shares.

Breakdown by business unit

Earnings after financial items

Portfolio management	6,760	294	9,519	5,559	7,298
Other operations	10	-6	2	7	1
	6,770	288	9,521	5,566	7,299
Operations being discontinued	84	70	225	192	243
Group	6,854	358	9,746	5,758	7,542

*Effect of introduction of IFRS on reported earnings

Rep. net earnings according to previous accounting principles	153		1,400	1,557
Effect of introduction of IFRS:				
Change in value of equities (IAS 39)		347	4,423	6,066
Fair valuation of equity derivatives (IAS 39)		0	2	3
Reversal of goodwill amortization (IFRS 3)		10	30	37
Impairment of goodwill (IAS 36)		–	–	-2
Discontinuation of associate accounting (IAS 28)		-177	-168	-203
Total IFRS effects		180	4,287	5,901
Net earnings for the period according to IFRS		333	5,687	7,458

Industrivärden Consolidated Balance Sheet

SEK M	Sept. 30 2005	Sept. 30 2004	Dec. 31 2004
Intangible fixed assets	87	263	256
Tangible fixed assets	224	527	521
Equities	48,767	37,242	39,190
Other financial fixed assets	9	22	24
Assets in operations being discontinued ⁵	1,979	–	–
Inventories	203	757	747
Accounts receivable, trade	212	696	667
Other current assets	134	360	512
Cash and cash equivalents	285	337	625
Total assets	51,900	40,204	42,542
Shareholders' equity	43,675	33,406	35,161
Long-term noninterest-bearing liabilities	30	59	53
Long-term interest-bearing liabilities	4,643	3,897	4,513
Current noninterest-bearing liabilities	567	1,089	1,115
Current interest-bearing liabilities	1,674	1,753	1,700
Liabilities in operations being discontinued ⁵	1,311	–	–
Total shareholders' equity and liabilities	51,900	40,204	42,542

⁵ Pertains to Indutrade.

Change in Consolidated Shareholders' Equity

SEK M	2005 Jan.–Sept.	2004 Jan.–Sept.	2004 Jan.–Dec.
Opening shareholders' equity according to previous accounting principles	35,161	16,413	16,413
Effect of new accounting principles*	–	12,374	12,374
Opening shareholders' equity	35,161	28,787	28,787
Dividend to shareholders	-1,159	-1,062	-1,062
Actuarial pension effects	-22	–	-14
Translation differences	16	-6	-8
Net earnings for the period	9,679	5,687	7,458
Closing shareholders' equity	43,675	33,406	35,161
Shareholders' equity per share, SEK	226	173	182

*Effect of new accounting principles

Fair valuation of equities (IAS 39)	–	14,165	14,165
Fair valuation of other financial instruments (IAS 39)	–	3	3
Effect of discontinuation of associated accounting (IAS 28)	–	-1,777	-1,777
Effect of introduction of pension reporting (IAS 19)	–	-17	-17
	–	12,374	12,374

Industrivärden Consolidated Statement of Cash Flows

SEK M	2005	2004	2004
	Jan.–Sept.	Jan.–Sept.	Jan.–Dec.
OPERATING ACTIVITIES			
Operating cash flow from portfolio management	1,583	993	840
Operating cash flow from operating companies	-23	146	295
Management costs paid	-57	-61	-76
Financial items, net	-193	-129	-179
CASH FLOW FROM OPERATING ACTIVITIES	1,310	949	880
INVESTING ACTIVITIES			
Cash flow from investments in portfolio management ⁶	-1,179	-2,162	-2,247
Cash flow from investments in operating companies	-35	-46	-75
CASH FLOW FROM INVESTING ACTIVITIES	-1,214	-2,208	-2,322
FINANCING ACTIVITIES			
Loans raised and amortization of debt	518	1,975	2,447
Dividend paid out	-1,159	-1,062	-1,062
CASH FLOW FROM FINANCING ACTIVITIES	-641	913	1,385
CASH FLOW FROM OPERATIONS BEING DISCONTINUED⁷	283		
NET CASH FLOW FOR THE PERIOD	-262	-346	-57
Cash and cash equivalents at start of year	625	683	683
Exchange rate difference in cash and cash equivalents	5	0	-1
CASH AND CASH EQUIVALENTS AT END OF PERIOD	368	337	625
Of which, cash and cash equivalents in operations being discontinued	83		
Of which, cash and cash equivalents in continuing operations	285		

⁶ Pertains to changes in the Parent Company's equities portfolio.

⁷ Cash flow pertaining to operations being discontinued (Indutrade).

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Cash flow from:	
- operating activities	147
- investing activities	-184
- financing activities	19
	-18

Of which, dividend etc to Industrivärden	301
Cash flow from operations being discontinued	283

Change in Interest-Bearing Net Debt

SEK M	2005	2004	2004
	Jan.–Sept.	Jan.–Sept.	Jan.–Dec.
Interest-bearing net debt at start of year	5,412	2,872	2,872
Net cash flow for the period	262	346	57
Change in borrowings	518	1,975	2,447
Other changes	2	17	36
Changes from operations being discontinued ⁸	359	–	–
Interest-bearing net debt at end of period	6,553	5,210	5,412

⁸ Pertains to Indutrades change in borrowings and pensions.

Definitions

Market value of equities portfolio

The market value of the equities portfolio is defined as the market value of the listed portfolio (based on the market price on the balance sheet date) and the estimated fair value (using a P/E multiple of 13 based on earnings for 2004, excluding costs for ongoing action programs) for the operating subsidiary Isaberg Rapid, and shareholders' equity for other shareholdings.

Net debt

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

Net debt-equity ratio

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

Interest-bearing net debt

Interest-bearing liabilities and pensions less cash and cash equivalents and interest-bearing receivables, and for the Parent Company, also adjusted for liabilities to subsidiaries.

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.

Total return

Price trend plus reinvested dividends.

Change in value of equities

For equities held at both the start and end of the period, the change in market value consists of the difference in value between these two occasions. For equities sold during the period, the change in market value consists of the difference between the value at the start of the period and the payment price received. For equities acquired during the period, the change in market value consists of the difference between the cost of the equities and their value at the end of the period.

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