

Interim Report

January 1 – September 30, 2006

■ **Industrivärden's net asset value was SEK 52,156 M on September 30, 2006 (45,744 on September 30, 2005), an increase of SEK 3,904 M since the start of the year. Net asset value on October 27, 2006, was SEK 54,379 M.**

■ **Net asset value per share on September 30, 2006, was SEK 270 (237 on September 30, 2005), an increase of SEK 20 per share.** Earnings per share for the first nine months of 2006 were SEK 27.25 (50.12).

Net asset value per share on October 27, 2006, was SEK 282, an increase of SEK 32, or 13%, since the start of the year. Average annual growth in net asset value over the last ten-year period, including reinvested dividends, was 17%.

■ **The total return during the last twelve-months for Industrivärden's Class A stock was 29%, and the total return for the Class C stock was 32%, compared with 35% for the return index.** The average annual total return over the last ten-year period was 4 percentage points higher than the return index.

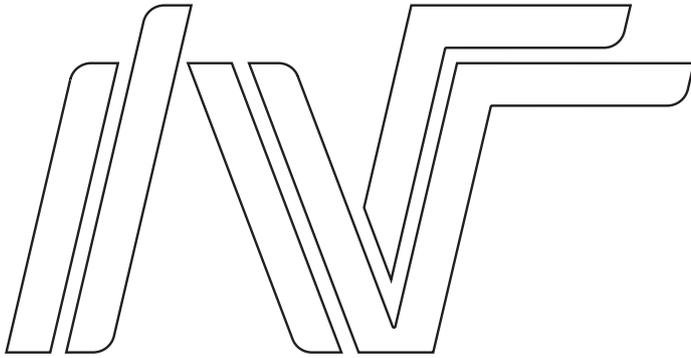
Industrivärden in Summary

	Change, % Oct. 27, '05–Oct. 27, '06	Average annual change, %	
		Five years, Oct. '01–Oct. '06	Ten years, Oct. '96–Oct. '06
Total return			
Industrivärden Class A	29	16	17
Return index (SIXRX)	35	14	13
Excess return, Industrivärden Class A	-6	2	4
Net asset value			
Net asset value	20	10	11
Net asset value incl. reinvested dividends	24	15	17



Composition of Net Asset Value

Parent Company	SEK billion				SEK per share			
	2006 Oct. 27	2006 Sept. 30	2005 Dec. 31	2004 Dec. 31	2006 Oct. 27	2006 Sept. 30	2005 Dec. 31	2004 Dec. 31
Equities portfolio	59.3	57.8	52.3	41.7	307	299	271	216
Net debt	-4.9	-5.6	-4.0	-5.1	-25	-29	-21	-27
Net asset value	54.4	52.2	48.3	36.6	282	270	250	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

In the glow of a continued favorable global economic trend, Industrivärden's portfolio companies have continued to do well.

A couple of matters of concern for the economic picture have been straightened out in recent months. Due to lower oil prices and the production cuts introduced by OPEC to prevent a further drop in prices, the trend earlier in the year of sharply rising oil prices has been broken. Further, it appears that the U.S. economy is headed for a soft landing and that the fears of a recession have receded. So there is reason for a continued favorable economic outlook for the rest of this year and also for 2007.

In pace with this brighter economic outlook, the world's stock markets have recovered from the sharp decline that began in May and continued during the summer months. Long-term interest rates, which are in fact the best reflection of the market's inflation expectations, have fallen since the spring. This, together with the economic outlook, is adding valuation impetus to the stock market's development.

It is also worth noting the difference between the stock market's valuation and the private equity market's valuation of the same companies. When private equity companies can acquire listed companies at a 50% premium over the market price in the absence of any industrial synergies, then the price difference is too high and cannot be explained merely by leveraging and 100% cash flow control. Over time and all else equal, this difference in valuations could possibly decrease and thereby support valuations in the stock markets.

I am happy to note Sandvik's continued strong performance and that SCA is beginning to show earnings improvements as a result of the efficiency improvement measures it has taken. Moreover, a better balance between supply and demand in SCA's markets is creating scope for price increases.

Earnings from our short-term trading during the first three quarters of the year amounted to SEK 104 M (69), which more than amply covers our management costs for the period, which totaled SEK 58 M. Our management costs correspond to 0.13% of managed assets on an annualized basis.

NET ASSET VALUE

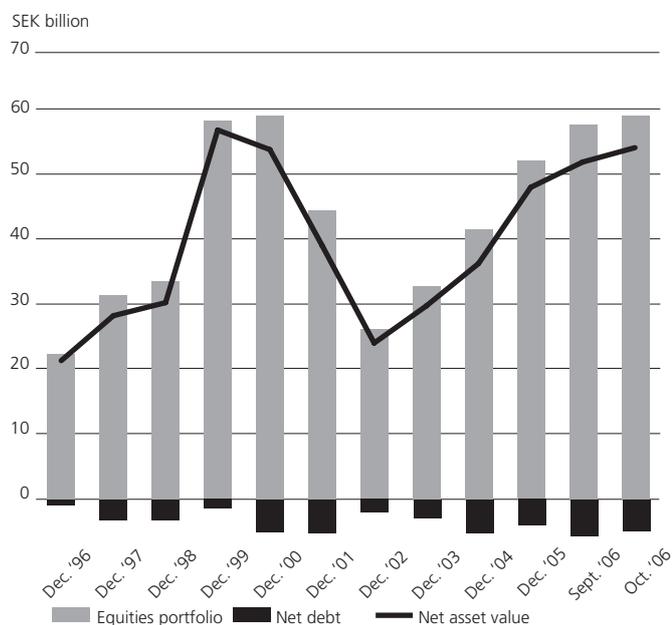
Net asset value has grown by an average of 11% per year over the last ten-year period. Including reinvested dividends, the average annual increase was 17%, compared with 13% for the return index.

Total growth in net asset value including reinvested dividends

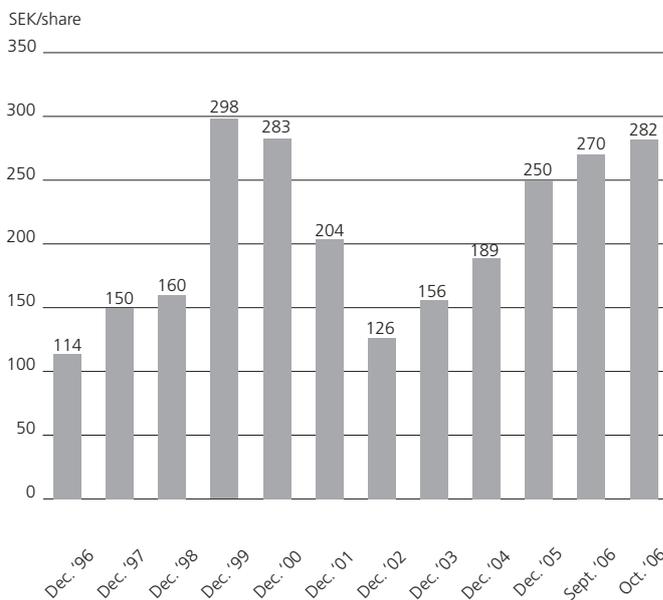
during the last ten-year period was 401%, compared with 252% for the return index.

Net asset value consists of the difference between the market value of the equities portfolio and net debt. Its development over the last ten-year period is shown in the charts below.

Development of Net Asset Value



Net Asset Value per Share



The value of the equities portfolio on September 30, 2006, was SEK 57,747 M (51,812). During the first nine months of the year, stocks were purchased for SEK 2,974 M and sold for SEK 1,159 M.

Management costs amounted to SEK 58 M, which were amply covered by the surplus of SEK 104 M generated by short-term derivative transactions and equity trading. Net financial items amounted to SEK -143 M. Overall, net debt increased by SEK 1,578 M, to SEK 5,591 M, mainly due to net purchases of stocks, totaling SEK 1,815 M.

Net asset value at the end of September 2006 was SEK 52.2 billion, an increase of SEK 3.9 billion.

As per October 27, 2006, net asset value was SEK 54.4 billion, an increase of SEK 6.1 billion, or 13%, during the year to date.

Development of Net Asset Value, SEK M		Jan. 1–Sept. 30, 2006	Jan. 1–Oct. 27, 2006
Net asset value, Dec. 31, 2005		48,252	48,252
<i>Equities portfolio</i>			
Opening value		52,265	52,265
Purchases	2,974		3,142
Sales	-1,159		-2,002
Change in value of equities portfolio:			
SSAB	1,686		2,460
Sandvik	1,300		1,950
SCA	927		1,197
Indutrade	260		368
Munters	222		266
Skanska	103		265
Höganäs	76		51
Handelsbanken	63		-549
Ericsson	-781		-83
Other stocks ¹	-189	3,667	-16
Closing value		57,747	59,314
<i>Net debt</i>			
Opening value		-4,013	-4,013
Dividend paid out	-1,352		-1,352
Dividends received	1,733		1,733
Management costs	-58		-64
Net financial items	-143		-159
Purchases/sales of stocks, net	-1,815		-1,140
Other ¹	57	-1,578	60
Closing value		-5,591	-4,935
Net asset value		52,156	54,379

¹ Includes surplus of SEK 104 M from short-term derivative transactions and equity trading as per September 30, 2006, and a provision of SEK -51 M for a tax ruling.

Equities Portfolio²

The market value of Industrivärden's equities portfolio on September 30, 2006, was SEK 57,747 M (52,265 at the start of the year), which exceeded cost by SEK 35,104 M (31,592 at the start of the year). See the detailed portfolio specification as per Septem-

ber 30, 2006, on page 7. The market value on October 27, 2006, was SEK 59,314 M. Taking into account purchases and sales, the change in value was 11% compared with the start of the year.

Company	As per Sept. 30, 2006		Total	Average		As per Oct. 27, 2006	
	Value breakdown,		return, %	annual total return, %		Value breakdown,	
	No. of shares	SEK M	Jan.'06–Sept.'06	Five years, Sept.'01–Sept.'06	Ten years, Sept.'96–Sept.'06	No. of shares	SEK M
Handelsbanken	68,000,000	13,464	4	11	17	68,000,000	12,852
Sandvik	130,000,000	10,920	17	22	15	130,000,000	11,570
Ericsson	397,000,000	10,102	-6	-1	6	377,000,000	10,273
SCA	24,600,000	8,250	17	12	14	23,600,000	8,201
SSAB	41,833,218	5,710	45	46	20	41,833,218	6,484
Skanska	32,315,000	4,007	8	17	14	32,315,000	4,169
Indutrade	14,857,800	1,582	23	–	–	14,857,800	1,690
Munters	3,638,000	1,033	32	17	–	3,638,000	1,077
Höganäs	3,550,000	689	16	8	6	3,550,000	664
Tandberg Television	5,963,150	356				5,963,150	460
Others		1,634					1,874
Total		57,747	10				59,314
Return index			14	14	13		

Of the shareholdings listed above, Munters and Höganäs have been held for less than five years, while Sandvik has been held for less than ten years. Indutrade became listed on the stock market in October 2005.

Of other stocks, 2,000,000 Volvo A were out on loan as per October 27, 2006.

Handelsbanken's operating profit for the first three quarters improved as a result of – among other things – an improvement in net commissions and a higher net result of financial items due to valuation at fair value. Net interest income was largely unchanged. Net commissions improved due to higher brokerage income and increased insurance, fund and custody account commissions. Costs rose during the period, in part due to the consolidation of SPP. Return on equity improved during the period.

Sandvik's profit after financial items rose by more than 20% for the first nine months as a result of higher demand, improved internal efficiency and a better product mix. Order intake showed continued good growth and was strong in Europe. Sandvik's three business areas – Tooling, Mining and Construction, and Materials Technology – all showed higher sales and improved profit margins. Return on equity grew to more than 30%. Sandvik is securing its long-term competitiveness through continuous structural improvements and strategic acquisitions.

Ericsson's income after financial items for the first three quarters was slightly higher than the same period a year ago. Invoiced sales rose in all segments, especially in Fixed networks and Professional services. The Sony Ericsson joint venture posted record earnings. Integration following the acquisition of Marconi is proceeding well, and Ericsson is well-poised in the ongoing convergence

between fixed line broadband and mobile telecommunications. The company's leading position in turnkey operating services to telecom operators has been further strengthened. A new organizational structure with three customer-oriented business units will take effect in 2007.

SCA's profit after financial items for the first nine months rose as a result of higher sales prices, an improved product mix, higher volumes and the effects of cost-cutting programs. The company posted margin improvements despite higher energy and raw material prices. Earnings growth was mainly attributable to the Personal Care and Forest Products business areas.

SSAB's profit after financial items for the first three quarters was at the same level as the previous year's record earnings. Deliveries of SSAB's core niche products – quenched steels and extra and ultra high strength sheet – rose by more than 20% and account for roughly 40% of total sheet and plate volumes from the steel operations. The decision was made during the period to carry out approximately SEK 2 billion in capacity investments from 2007 to 2009. Operations showed a continued strong cash flow, and during the second quarter more than SEK 3 billion was distributed to the shareholders in dividend and redemption payments.

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 131 M as per September 30, 2006.

Skanska reported improved income after financial items for the first half of the year, with a particularly strong performance for its core Construction business. Order bookings rose substantially, and the conditions in the company's main markets remain favorable. During the second quarter, a construction contract worth over SEK 13 billion was signed for a British hospital project. Skanska's interim report for the nine months ended September 30 will be published on November 2.

Indutrade's earnings after financial items for the first nine months rose by 30%. The gross margin improved due to, among other things, profitable acquisitions, increased demand and better efficiency. Incoming orders showed continued good growth.

Munters' earnings after financial items for the first three quarters increased by more than 50% compared with a year ago. The order intake was favorable, and all three divisions improved their operating income as well as operating margins.

Höganäs's income after net financial items for the first nine months was higher compared with the same period a year ago. Excluding currency effects and nonrecurring items, operating income improved by 21%.

Equity Transactions During the Year

During the third quarter of 2006, purchases of stocks totaled SEK 423 M and sales totaled SEK 319 M. Major purchases consisted of 1,000,000 Handelsbanken A and major sales consisted of 500,000 Volvo B.

During the first nine months of 2006, purchases of stocks totaled SEK 2,974 M and sales totaled SEK 1,159 M. Stocks were purchased for a net amount of SEK 1,815 M, including 5,793,550 Tandberg Television ASA, 20,000,000 Ericsson B, 1,000,000 SCA B and 1,000,000 Handelsbanken A.

After the end of the reporting period, from October 1 through October 27, 2006, stocks were purchased for SEK 168 M and sold for SEK 843 M. Major purchases consisted of 379,000 Volvo A, and major sales consisted of 20,000,000 Ericsson B and 1,000,000 SCA B.

Short-Term Derivative Transactions and Equity Trading

A profit of SEK 104 M (69) was generated from short-term trading.

Net Debt

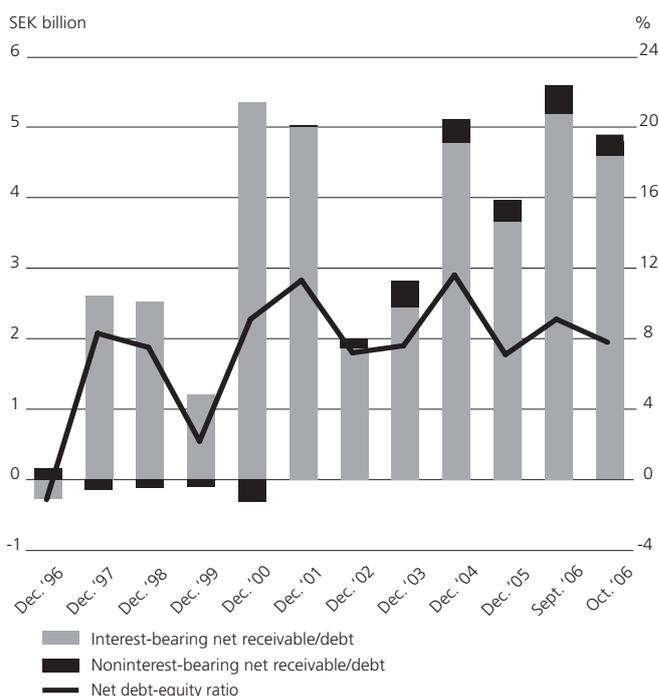
The Parent Company's net debt was SEK 5.6 billion on September 30, 2006, including SEK 5.2 billion in interest-bearing net debt, corresponding to a net debt-equity ratio of 9.0% (7.0% at the start of the year), as shown in the specification below.

Interest-bearing net debt increased by SEK 1.5 billion compared with the start of the year, mainly due to net purchases of stocks.

Net debt as per October 27, 2006, was SEK 4.9 billion, including SEK 4.6 billion in interest-bearing net debt.

Change in Interest-Bearing Net Debt

SEK M	Dec. 31 2004	Dec. 31 2005	Sept. 30 2006	Oct. 27 2006
Cash and cash equivalents	453	1,257	295	898
Current interest-bearing receivables	358	89	94	94
Long-term interest-bearing liabilities	4,102	3,870	2,772	2,772
Current interest-bearing liabilities	1,650	1,350	3,050	3,022
	4,941	3,874	5,433	4,802
Less: liabilities to subsidiaries	-143	-202	-214	-214
Interest-bearing net debt	4,798	3,672	5,219	4,588
Market value of equities portfolio	41,691	52,265	57,747	59,314
Net debt-equity ratio, %	11.5	7.0	9.0	7.7



Earnings Group

Consolidated earnings from portfolio management totaled SEK 5,512 M (9,730), including SEK 1,733 M (1,275) in dividend income, SEK 3,679 M (8,386) in change in value of stocks, SEK 104 M (69) from short-term derivative transactions and equity trading, and SEK -4 M (0) in other income and expenses. Earnings from other operations, pertaining primarily to the subsidiary Isaberg Rapid, totaled SEK 27 M (15). After SEK -58 M (-58) in management costs and SEK -147 M (-166) in net financial items, earnings after financial items were SEK 5,334 M (9,521). After taxes of SEK -71 M (-4) and earnings after tax from discontinued operations, totaling SEK - M (162) (pertaining to Indutrade), earnings for the period were SEK 5,263 M (9,679). Reported tax includes an additional tax charge of SEK 51 M (as a result of a ruling by the Administrative Court of Appeal); similarly, net financial items include an additional interest charge of SEK 9 M. See note 3 on page 8.

The Group's interest-bearing net debt amounted to SEK 5.5 billion as per September 30, 2006, an increase of SEK 1.5 billion compared with the start of the year.

OTHER INFORMATION

Accounting Principles

Starting on January 1, 2005, Industrivärden's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU. The accounting principles used in preparing this report are described in the 2005 Annual Report. This interim report is prepared in accordance with IAS 34 pursuant to the requirements made by Swedish Financial Accounting Standards Council recommendation RR 31 – Interim Financial Reporting for Groups.

The amendments and interpretations of accounting recommendations introduced with effect from January 1, 2006, have not had any effect on the Group's or the Parent Company's financial position and earnings.

Stockholm, October 31, 2006

ANDERS NYRÉN
President and CEO

Auditors' Review Report

We have reviewed the Interim Report for AB Industrivärden (publ) for the period January 1 – September 30, 2006. Management is responsible for the preparation and presentation of this interim financial information in accordance with the Annual Accounts Act and IAS 34. Our responsibility is to express a conclusion on this interim financial information based on our

review.

We conducted our review in accordance with the Swedish standard for such reviews, SÖG 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by FAR, the institute of the accountancy profession in Sweden. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing in Sweden (RS) and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with the Annual Accounts Act and IAS 34.

Stockholm, October 31, 2006

Öhrlings PricewaterhouseCoopers AB
ANDERS LUNDIN
Authorized Public Accountant

Further Information

Anders Nyrén, President and CEO, tel. +46 8 666 64 00
Carl-Olof By, Executive Vice President and CFO,
tel. +46 8 666 64 00
Sverker Sivall, IR, tel. +46 8 666 64 19

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

Financial Calendar

Year-end report for 2006: February 15, 2007
The 2006 Annual Report will be published in early
March 2007
The Annual General Meeting will be held in Stockholm on
March 27, 2007
Interim report January–March 2007: May 3
Interim report January–June 2007: August 3
Interim report January–September 2007: October 31

Parent Company's Equities Portfolio

Holdings as per Sept. 30, 2006	No. of shares	Value breakdown				Share of portfolio value, %	Share of capital in company, %	Share of votes in company, %
		Market value		Cost	Surplus value			
		SEK M	SEK/share	SEK M	SEK M			
Handelsbanken A	68,000,000	13,464	70	4,726	8,738	23	10.5	10.7
Sandvik	130,000,000	10,920	56	5,379	5,541	19	11.6	11.6
Ericsson A	372,000,000	10,102	52	3,778	6,324	17	2.3	13.4
Ericsson B	25,000,000							
SCA A	16,000,000	8,250	43	2,779	5,471	14	10.5	29.0
SCA B	8,600,000							
SSAB A	41,833,218	5,710	30	906	4,804	10	15.5	20.1
Skanska A	15,010,000	4,007	21	1,642	2,365	7	7.7	26.9
Skanska B	17,305,000							
Indutrade	14,857,800	1,582	8	248	1,334	3	37.1	37.1
Munters	3,638,000	1,033	5	680	353	2	14.6	14.6
Volvo A	2,050,000	953	5	505	448	2	1.1	1.4
Volvo B	52,000							
Höganäs B	3,550,000	689	4	637	52	1	10.1	8.1
Tandberg Television ASA	5,963,150	356	2	723	-367	1	7.4	7.4
Isaberg Rapid		220	1	205	15	0	100.0	100.0
Other		461	2	435	26	1		
Total as per September 30, 2006		57,747	299	22,643	35,104	100		

Market value pertains to Industrivärden's share of the portfolio company's total market value.

Share of capital and votes includes the Parent Company's outstanding OTC options in Handelsbanken, Sandvik, Ericsson, SSAB and Volvo.

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

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

The cost of foreign shareholdings has been adjusted for currency hedging. See definition on page 11.

Holdings as per Dec. 31, 2005	No. of shares	Value breakdown				Share of portfolio value, %	Share of capital in company, %	Share of votes in company, %
		Market value		Cost	Surplus value			
		SEK M	SEK/share	SEK M	SEK M			
Handelsbanken A	67,000,000	13,199	68	4,524	8,675	25	10.0	10.3
Ericsson A	372,000,000	10,367	54	3,262	7,105	20	2.3	13.3
Ericsson B	5,000,000							
Sandvik	26,000,000	9,620	50	5,365	4,255	18	11.3	11.3
SCA A	16,000,000	7,009	36	2,466	4,543	13	10.2	28.9
SCA B	7,600,000							
SSAB A	14,200,000	4,104	21	915	3,189	8	15.6	20.4
Skanska A	15,000,000	3,908	20	1,579	2,329	8	7.7	26.9
Skanska B	17,300,000							
Indutrade	14,857,800	1,322	7	248	1,074	3	37.1	37.1
Volvo A	1,900,000	880	5	553	327	2	0.6	1.2
Volvo B	500,000							
Munters	3,400,000	745	4	614	131	1	13.6	13.6
Höganäs B	3,400,000	585	3	609	-24	1	9.7	7.7
Isaberg Rapid		205	1	205	-	0	100.0	100.0
Other		321	2	333	-12	1		
Total as per Dec. 31, 2005		52,265	271	20,673	31,592	100		

Development from

January 1–September 30, 2006:

Purchases	2,974
Sales	-1,159
Change in value	3,667

Market value as per Sept. 30, 2006 **57,747**

Industrivärden Consolidated Income Statement

SEK M	2006 July–Sept.	2005 July–Sept.	2006 Jan.–Sept.	2005 Jan.–Sept.	2005 Jan.–Dec.
Portfolio management					
Dividend income from stocks	5	–	1,733	1,275	1,275
Change in value of stocks	2,793	6,828	3,679	8,386	12,937
Short-term derivative transactions and equity trading	38	14	104	69	122
Other income and expenses	0	0	-4	0	0
Earnings from portfolio management	2,836	6,842	5,512	9,730	14,334
Other operations					
Net sales	202	202	662	639	894
Cost of goods sold	-141	-133	-436	-414	-583
Development costs	-4	-5	-15	-20	-25
Selling costs	-36	-41	-128	-132	-184
Administrative costs	-13	-13	-54	-56	-80
Other operating income and expenses	2	-1	-2	-2	0
Earnings from other operations	10	9	27	15	22
Management costs	-19	-19	-58	-58	-78
Operating earnings	2,827	6,832	5,481	9,687	14,278
Interest income	2	0	14	6	13
Interest expenses	-50	-50	-158 ³	-160	-230
Other financial items	-3	-12	-3	-12	-14
Earnings after financial items	2,776	6,770	5,334	9,521	14,047
Tax	-13	-4	-71³	-4	-7
Earnings for the period for continuing operations	2,763	6,766	5,263	9,517	14,040
Earnings for the period for discontinued operations⁴	–	60	–	162	162
Net earnings for the period	2,763	6,826	5,263	9,679	14,202
Depreciation included in operating earnings	9	10	32	33	42
Earnings per share, SEK ⁵	14.31	35.35	27.25	50.12	73.54
Breakdown by business unit					
Earnings after financial items					
Portfolio management	2,767	6,760	5,309	9,519	14,038
Other operations	9	10	25	2	9
	2,776	6,770	5,334	9,521	14,047
Discontinued operations⁴	–	84	–	225	225
Group	2,776	6,854	5,334	9,746	14,272

³ For 2006 includes tax charge of SEK 51 M plus interest of SEK 9 M, pursuant to a ruling by the Administrative Court of Appeal. The tax amount pertains to the tax years 1998–2002 on standard-calculated earnings for shares in subsidiaries. According to the tax laws currently in effect, no standard-calculated level of earnings is assessed for shares in subsidiaries.

⁴ Earnings from discontinued operations pertain to Indutrade until the stock listing in the turn of the months September/October 2005.

	9M 2006	9M 2005
Net sales	–	2,763
Expenses	–	-2,538
Earnings after financial items	–	225
Tax	–	-63
Earnings for the period	–	162

⁵ Net earnings for the period divided by 193,135,612 shares. There is no dilutive effect.

Industrivärden Consolidated Balance Sheet

SEK M	Sept. 30 2006	Sept. 30 2005	Dec. 31 2005
Intangible fixed assets	81	87	83
Tangible fixed assets	221	224	228
Equities	57,380	48,767	51,910
Other financial fixed assets	18	9	12
Assets in discontinued operations ⁶	–	1,979	–
Inventories	183	203	197
Accounts receivable, trade	206	212	239
Other current assets	182	134	185
Cash and cash equivalents	346	285	1,307
Total assets	58,617	51,900	54,161
Shareholders' equity	52,137	43,711	48,227
Long-term noninterest-bearing liabilities	37	30	43
Long-term interest-bearing liabilities	2,921	4,607	4,037
Current noninterest-bearing liabilities	588	567	608
Current interest-bearing liabilities	2,934	1,674	1,246
Liabilities in discontinued operations ⁶	–	1,311	–
Total shareholders' equity and liabilities	58,617	51,900	54,161

⁶ Pertains to Indutrade.

Change in Consolidated Shareholders' Equity

SEK M	2006 Jan.–Sept.	2005 Jan.–Sept.	2005 Jan.–Dec.
Opening shareholders' equity	48,227	35,175	35,175
Dividend to shareholders	-1,352	-1,159	-1,159
Translation differences	-1	16	9
Net earnings for the period	5,263	9,679	14,202
Closing shareholders' equity	52,137	43,711	48,227
Shareholders' equity per share, SEK	270	226	250

Industrivärden Consolidated Statement of Cash Flows

SEK M	2006	2005	2005
	Jan.–Sept.	Jan.–Sept.	Jan.–Dec.
OPERATING ACTIVITIES			
Operating cash flow from portfolio management	1,847	1,583	1,510
Operating cash flow from other operations	41	-23	26
Management costs paid	-58	-57	-79
Financial items, net	-165	-193	-235
CASH FLOW FROM OPERATING ACTIVITIES	1,665	1,310	1,222
INVESTING ACTIVITIES			
Cash flow from investments in portfolio management ⁷	-1,815	-1,179	941
Cash flow from investments in other operations	-25	-35	-49
CASH FLOW FROM INVESTING ACTIVITIES	-1,840	-1,214	892
FINANCING ACTIVITIES			
Loans raised and amortization of debt	567	518	-478
Dividend paid out	-1,352	-1,159	-1,159
CASH FLOW FROM FINANCING ACTIVITIES	-785	-641	-1,637
CASH FLOW FROM DISCONTINUED OPERATIONS⁸	–	283	283
NET CASH FLOW FOR THE PERIOD	-960	-262	760
Cash and cash equivalents at start of year	1,307	625	625
Less: cash and cash equivalents in discontinued operations	–	-83	-83
Exchange rate difference in cash and cash equivalents	-1	5	5
CASH AND CASH EQUIVALENTS AT END OF PERIOD	346	285	1,307

⁷ Pertains to changes in the Parent Company's equities portfolio.

⁸ Cash flow from discontinued operations pertains to Indutrade until the stock listing in the turn of the months September/October 2005.

	9M 2006	9M 2005
Cash flow from:		
- operating activities	–	147
- investing activities	–	-184
- financing activities	–	19
Net cash flow for the period	–	-18
Of which, dividend, etc. to Industrivärden	–	301
Cash flow from discontinued operations	–	283

Change in Interest-Bearing Net Debt

SEK M	2006	2005	2005
	Jan.–Sept.	Jan.–Sept.	Jan.–Dec.
Interest-bearing net debt at start of year	3,970	5,392	5,392
Net cash flow for the period	960	262	-760
Change in borrowings	567	518	-478
Other changes	3	2	3
Change pertaining to discontinued operations ⁹	–	359	-187
Interest-bearing net debt at end of period	5,500	6,533	3,970

⁹ Pertains to Indutrade.

Definitions

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.

Currency hedging

For investments in foreign, listed stocks, currency hedges are taken out by raising loans in the foreign currency in an amount corresponding to the invested amount.

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.

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 shareholders' equity for 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.

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.

Total return

Price trend plus reinvested dividends.

AB Industrivärden (publ)
Reg. no. 556043-4200
Box 5403,
SE-114 84 Stockholm,
Sweden
Phone +46-8-666 64 00
Fax +46-8-661 46 28
www.industrivarden.net
info@industrivarden.se

