

Annual report **2014**



Welcome to Investor

Investor AB, founded by the Wallenberg family a hundred years ago, is the leading owner of high-quality international companies. Through board participation, our industrial experience, network and financial strength, we strive to make our companies best-in-class.

CONTENTS

Portfolio overview	1
Investor in brief	2
Financial development	4
Letter from the Chairman	6
President's comments	8
Active ownership	10
Our Investments	12
The Investor share	22
Sustainable business	24
Our employees	26
Corporate Governance Report	27
Board of Directors	36
Management Group	38
Proposed Disposition of Earnings	39
List of contents of Financials	40
Statements for the Group	41
Notes for the Group	45
Statements for the Parent Company	81
Notes for the Parent Company	85
Auditor's Report	93
Ten-Year Summary	94
Definitions	95
History	96

The Annual Report for Investor AB (publ.) 556013-8298 consists of the Administration Report on pages 4-5, 12-13, 22-39 and the financial statements on pages 40-92.

The Annual Report is published in Swedish and English.

Production: Investor and Addira.
Photography: Mattias Bardå and photos from Investor's holdings.
Print: Ätta.45 Tryckeri AB, Sweden, 2015. Paper: Profimatt, 250 g/100 g.

NORDIC ECOLABEL 341 001 

Calendar of events 2015

- Interim Management Statement, January-March: April 21
- Annual General Meeting: May 12
- Interim Report, January-June: July 16
- Interim Management Statement, January-September: October 23
- Year-End Report: January 28, 2016

Information material

Financial information about Investor can be accessed and ordered (information by sms, e-mail or printed annual report) on our website: www.investorab.com, or by calling +46 8 614 2131.

Printed annual reports are distributed to shareholders that have requested it. All new shareholders will receive a letter asking how they would like to receive information.

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Annual General Meeting

Investor AB invites shareholders to participate in the Annual General Meeting on Tuesday, May 12, 2015, at 3:00 p.m. at the City Conference Centre, Barnhusgatan 12-14, in Stockholm.

Shareholders who would like to attend the Annual General Meeting must be recorded in the register of shareholders maintained by Euroclear Sweden AB on Wednesday, May 6, 2015, and must notify the Company of their intention to attend the Meeting no later than Wednesday, May 6, 2015.

Shareholders can give their notice of participation by:

- registering on Investor AB's website, www.investorab.com or
- calling +46 8 611 2910, weekdays, between 9:00 a.m. and 5:00 p.m. CET or
- writing to Investor AB, Annual General Meeting, SE-103 32 Stockholm

Notice convening the Annual General Meeting and proxy forms are available on Investor's website, www.investorab.com.

DIVIDEND

The Board and President propose a dividend to the shareholders of SEK 9.00 per share for fiscal year 2014. Friday, May 15, 2015, has been proposed as the record date. If the proposal is approved by the Annual General Meeting, the dividend is expected to be distributed by Euroclear Sweden AB on Wednesday, May 20, 2015.

Portfolio overview

Structure as of December 31, 2014

Core Investments, listed

Share of total assets	Business	Key figures, 2014
SEB 16%	A financial services group with the main focus on the Nordic countries, Germany and the Baltics	Total operating income, SEK m. 46,936 Operating profit 23,348 Value of holding, SEK m. 45,407 Share of capital/votes, % 20.8/20.8
Atlas Copco 16%	A provider of compressors, vacuum and air treatment systems, construction and mining equipment, power tools and assembly systems	Net Sales, SEK m. 93,721 EBIT 17,015 Value of holding, SEK m. 44,972 Share of capital/votes, % 16.8/22.3
ABB 12%	A provider of power and automation technologies to utility and industry customers	Net Sales, USD m. 39,830 EBIT 4,178 Value of holding, SEK m. 33,192 Share of capital/votes, % 8.6/8.6
AstraZeneca 10%	An innovation-driven, integrated biopharmaceutical company	Net Sales, USD m. 26,095 EBIT 6,937 Value of holding, SEK m. 28,270 Share of capital/votes, % 4.1/4.1
ERICSSON 5%	A provider of communications technology and services	Net Sales, SEK m. 227,983 EBIT 16,807 Value of holding, SEK m. 15,807 Share of capital/votes, % 5.3/21.5
WÄRTSILÄ 4%	A provider of complete life-cycle power solutions for the marine and energy markets	Net Sales, EUR m. 4,779 EBIT 569 Value of holding, SEK m. 11,776 Share of capital/votes, % 16.9/16.9
Electrolux 4%	A provider of household appliances and appliances for professional use	Net Sales, SEK m. 112,143 EBIT 4,780 Value of holding, SEK m. 10,952 Share of capital/votes, % 15.5/30.0
sobi 3%	A specialty healthcare company developing and delivering innovative therapies and services to treat rare diseases	Net Sales, SEK m. 2,607 EBITA (excl. EO) 306.7 Value of holding, SEK m. 8,532 Share of capital/votes, % 39.7/39.8
Nasdaq 3%	A provider of trading, exchange technology, information and public company services across six continents	Net Sales, USD m. 1,895 EBIT 754 Value of holding, SEK m. 7,266 Share of capital/votes, % 11.6/11.6
SAAB 2%	A provider of products, services and solutions for military defense and civil security	Net Sales, SEK m. 23,527 EBIT 1,659 Value of holding, SEK m. 6,624 Share of capital/votes, % 30.0/39.5
Husqvarna 2%	A provider of outdoor power products, cutting equipment and diamond tools as well as consumer watering products	Net Sales, SEK m. 32,838 EBIT (excl. EO) 2,358 Value of holding, SEK m. 5,598 Share of capital/votes, % 16.8/31.2

Core Investments, subsidiaries

Share of total assets	Business	Key figures, 2014
HEALTHCARE 8%	A provider of single-use surgical and wound care products for customers, healthcare professionals and patients	Net Sales, EUR m. 1,213 EBITDA 349 Value of holding, SEK m. 22,952 Share of capital/votes, % 99/99
Aleris 1%	A private provider of health-care and care services in Scandinavia	Net Sales, SEK m. 7,527 EBITDA 355 Value of holding, SEK m. 3,762 Share of capital/votes, % 100/100
permobil 1%	A provider of advanced powered and manual wheelchairs for severely disabled users	Net Sales, SEK m. 2,053 EBITDA 426 Value of holding, SEK m. 3,737 Share of capital/votes, % 94/90
GRAND HOTEL	Scandinavia's leading five-star hotel Grand Hôtel and Lydmars Hotel	Net Sales SEK m. 541 EBITDA 30
VECTURA 1%	Manages Investor's real estate, including the Grand Hôtel and Aleris-related properties	Net Sales SEK m. 130 EBITDA 73 Value of holding, SEK m. 1,471 Share of capital/votes, % 100/100

Financial Investments

Share of total assets	Business	Key figures, 2014
EQT 5%	A private equity group with portfolio companies in Northern and Eastern Europe, Asia and the U.S.	Net distribution to Investor, SEK m. 2,465 Value of holding, SEK m. 13,522 Share of funds, % 6-64
IGC 4%	Manages expansion stage venture capital investments in the U.S. and China	Net distribution to Investor, SEK m. 883 Value of holding, SEK m. 12,081 Share of capital/votes, % 100/100
3 2%	A provider of mobile voice and broadband services in Sweden and Denmark	Net Sales, SEK m. 10,387 EBITDA 2,662 Value of holding, SEK m. 6,123 Share of capital/votes, % 40/40

In addition, there is a number of smaller holdings within Financial Investments. In total, the reported value of Other Investments within Financial Investments amounted to SEK 3,780 m. as of December 31, 2014, representing 1 percent of our total assets.

Investor in brief

Vision

As a long-term owner, we actively support the building and development of best-in-class companies.

Business concept

Investor owns significant interests in high-quality companies. Through the Boards of Directors, we actively work for continuous improvement of the performance of the companies.

With our industrial experience, broad network and financial strength, we strive to make and keep our companies best-in-class. We always look at the opportunities and challenges facing each individual company.

Our cash flow allows us to support strategic initiatives in our companies, capture investment opportunities and provide our shareholders with a steadily rising dividend.

Objective and operating priorities

We are committed to generating an attractive long-term total return to our shareholders, exceeding the market cost of capital. Our long-term return requirement is the risk free interest rate plus an equity risk premium, in total 8-9 percent annually.

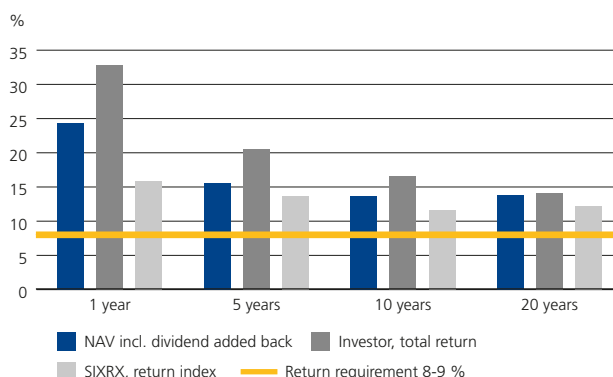
Our operating priorities are to grow our net asset value, operate efficiently and pay a steadily rising dividend.

• Grow our net asset value

To grow net asset value, we need to own high-quality companies, be a successful owner and make value-accretive investments and divestments.

2014: The net asset value amounted to SEK 261.0 bn. at year-end 2014 (215.4), an increase, with dividend added back, of 24 percent (27). The SIXRX total return index rose by 16 percent (28).

Average annual return

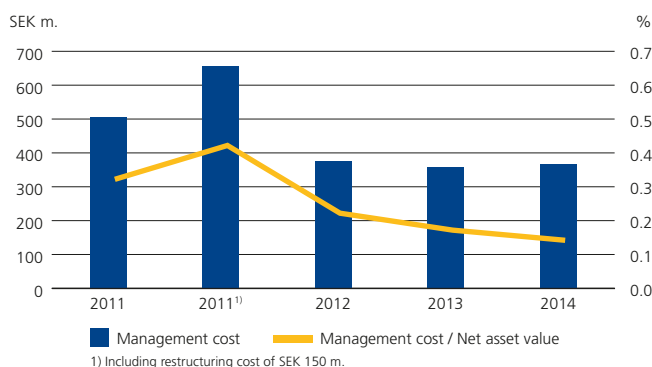


• Operate efficiently

We maintain strict cost discipline to maximize operating cash flow.

2014: Management costs were SEK 368 m. (359), corresponding to 0.14 percent of our net asset value (0.17).

Management cost

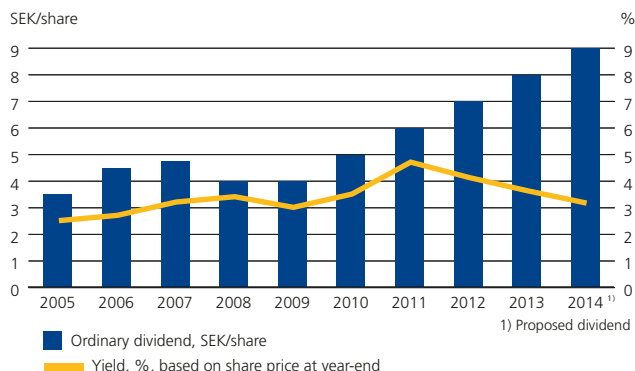


• Pay a steadily rising dividend

Our dividend policy is to distribute a large percentage of the dividends received from the listed core investments, as well as to make a distribution from other net assets corresponding to a yield in line with the equity market. The goal is also to pay a steadily rising dividend.

2014: The Board of Directors has proposed a SEK 9.00 dividend per share (8.00). Based on this proposal, this corresponds to an annual increase of 18 percent over the past five years.

Dividend



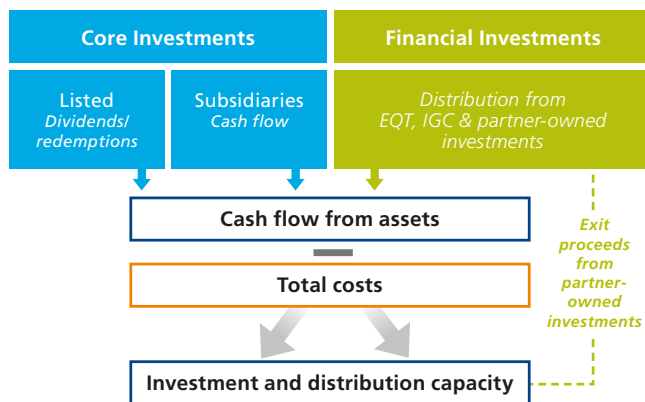
Highlights 2014

Platform for cash flow generation

A strong recurring cash flow strengthens our financial flexibility, allowing us to separate investment and divestment decisions.

Within Core Investments, we receive dividends from the listed investments and distribution from our wholly-owned subsidiaries. Within Financial Investments, we receive distributions from EQT and Investor Growth Capital (IGC). Albeit lumpy, over time, cash flow from EQT is strong. Our partner-owned investments also provide cash flow.

The available cash flow allows us to pay a healthy dividend in line with our policy. The remaining cash flow will be reinvested in our business to create growing cash flow over time.



We acquired additional shares in [Wärtsilä](#) from its former main owner Fiskars and became the lead owner.

[Mölnlycke Health Care](#) made its first capital distribution to Investor, amounting to EUR 130 m. (SEK 1.2 bn.).

We invested SEK 9.2 bn. in Core Investments, of which SEK 1.1 bn. in the subsidiaries.

We received SEK 6.2 bn. in dividends from our listed Core Investments.

The majority of our holding in [Lindorff](#) was divested, with proceeds of about SEK 6.8 bn. to Investor.

[3 Scandinavia](#) repaid SEK 7.5 bn. of its bank loans financed by an equity injection, of which Investor provided SEK 3.0 bn. (40 percent). 3 Scandinavia distributed SEK 0.3 bn. to Investor.

Total shareholder return (TSR) amounted to **33 percent**. During the past 20 years, average annual TSR has been 14 percent.

Financial development

At year-end 2014, net asset value amounted to SEK 261.0 bn., an increase of SEK 45.5 bn. during the year. With dividend added back, the increase was 24 percent, compared to the SIXRX's 16 percent. Investor's leverage was 8.7 percent.

The impact on net asset value was mainly related to Core Investments, which contributed SEK 43,542 m. during 2014 (38,954), of which listed SEK 41,311 m. (38,433). Financial Investments contributed by SEK 10,543 m. during the year (8,535).

Overview of net asset value

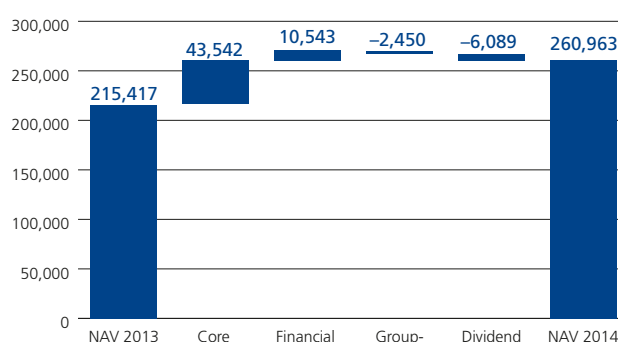
	12/31 2014				12/31 2013
	Owner-ship, % (capital)	SEK/ share	Value SEK m.	Contribution to net asset value	Value SEK m.
Core Investments					
<i>Listed</i>					
SEB	20.8	60	45,407	8,607	38,618
Atlas Copco	16.8	59	44,972	9,423	36,687
ABB	8.6	44	33,192	286	31,738
AstraZeneca	4.1	37	28,270	9,477	19,753
Ericsson	5.3	21	15,807	3,103	13,229
Wärtsilä	16.9	15	11,776	389	5,537
Electrolux	15.5	14	10,952	3,202	8,061
Sobi	39.7	11	8,532	1,404	7,128
Nasdaq	11.6	10	7,266	2,309	5,023
Saab	30.0	9	6,624	1,121	5,651
Husqvarna	16.8	7	5,598	1,990	3,749
	287		218,396	41,311	175,174
<i>Subsidiaries</i>					
Mölnlycke Health Care	99	30	22,952	2,343	20,684
Aleris	100	5	3,762	-91	3,830
Permobil	94	5	3,737	-22	3,759
Grand Group/Vectura	100	2	1,471	156	1,258
	42		31,922	2,386	29,531
	329		250,318	43,542¹⁾	204,705
Financial Investments					
EQT	6-64	18	13,522	4,372	11,615
Investor Growth Capital	100	16	12,081	2,171	10,793
<i>Partner-owned investments</i>					
Lindorff			0 ²⁾	3,456	4,960
3 Scandinavia	40	8	6,123	765	2,643
Other investments		5	3,780	-166	2,245
	47		35,506	10 543¹⁾	32,256
<i>Other assets & liabilities</i>			0	-8,539 ^{1,3)}	1,560
Total assets			375	285,795	238,521
Net debt (-)			-32	-24,832	-23,104
Net asset value			343	260,963	215,417

1) Including management costs of which Core Investments SEK 155 m., Financial Investments SEK 55 m. and Groupwide SEK 158 m.

2) Following the divestiture of the majority of our holding in Lindorff, the remaining holding is reported within Other Investments as of December 31, 2014.

3) Including paid dividends of SEK 6,089 m.

Impact on net asset value, SEK m.



1) Including net financial items, repurchases of shares, equity effects and management costs.

Development of the Group

SEK m.	2014	2013	2012	2011
Changes in value	41,960	37,031	19,472	-17,586
Dividends	7,228	6,052	5,177	4,330
Other operating income ¹⁾	177	362	509	480
Management costs	-368	-359	-377	-656 ²⁾
Other items	1,691	2,020	-606	4,144
Profit (+)/Loss (-)	50,688	45,106	24,175	-9,288
Non-controlling interest	-32	59	51	59
Dividends paid	-6,089	-5,331	-4,563	-3,802
Other effects on equity	979	885	-1,035	-285
Total	45,546	40,719	18,628	-13,316

1) Includes interest received on loans to associates.

2) Includes a SEK 150 m. restructuring charge and costs of SEK 72 m. related to Investor Growth Capital.

Results

The consolidated net profit amounted to SEK 50,688 m. (45,106), mainly driven by positive value changes and dividends from Core Investments. The divestiture of Lindorff also impacted positively. Management costs amounted to SEK 368 m. (359).

Net debt and leverage

Net debt amounted to SEK 24,832 m. at year-end (23,104), corresponding to leverage of 8.7 percent (9.7). Investments in Wärtsilä and 3 Scandinavia and the divestment of Lindorff impacted net debt the most.

Our target leverage range is 5-10 percent over a business cycle. While leverage can fluctuate above and below the target level, it should not exceed 25 percent for any longer periods of time. Our leverage policy allows us to capture investment opportunities in the market and support our companies.

The debt financing of the Core Investments subsidiaries is ringfenced and hence not included in Investor's net debt. Investor guarantees SEK 0.7 bn. of 3 Scandinavia's external debt, which is not included in Investor's net debt.

The average maturity of the debt, excluding the debt of the Core Investments subsidiaries, was 11.3 years as of year-end (10.8). Gross cash amounted to SEK 11,218 m. (6,864).

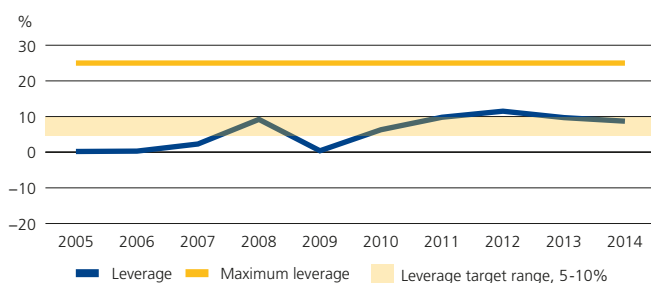
Net debt 12/31 2014

SEK m.	Consolidated balance sheet	Adjustments related to ringfenced subsidiaries and IGC	Investor's net debt
Other financial investments	3,283	-2	3,281
Short-term investments, cash and cash equivalents	16,270	-8,333	7,937
Receivables included in net debt	2,053	-	2,053
Loans	-51,336	13,458	-37,878
Provision for pensions	-853	628	-225
Total	-30,583	5,751	-24,832

Change in net debt

SEK m.	2014	2013
Opening net debt	-23,104	-22,765
Core Investments		
Dividends	6,227	5,441
Other capital distributions	1,198	-
Investments, net of proceeds	-9,245	-8,277
Financial Investments		
Capital distribution, incl. dividends	1,482	711
Proceeds, net of investments	7,228	9,022
Investor groupwide		
Other	-2,529	-1,905
Dividend paid	-6,089	-5,331
Closing net debt	-24,832	-23,104

Leverage



Parent company

Results after financial items were SEK 41,898 m. (34,954), mainly related to listed Core Investments which contributed with dividends of SEK 6,033 m. (5,271) and value changes of SEK 32,568 m. (30,453). The Parent Company invested

SEK 19,056 m. in financial assets (15,482), of which SEK 15,042 m. in group companies (14,643) and SEK 2,264 m. in listed core investments (719). At year-end, shareholder's equity totaled SEK 226,768 m. (190,944).

Risk and uncertainty factors

Risk management is an integral part of the board's and management's governance and follow-up of operations. The board is responsible for setting appropriate risk levels and establishing authorities and limits. The boards in the operating subsidiaries manage the risks in their respective business and decide on appropriate risk levels and limits. The following is a brief description of the most significant risks and uncertainty factors affecting the Group and the Parent Company. For a more detailed description see note 3, Risks, page 46.

Commercial risks

Commercial risks primarily consist of a high level of exposure to a particular industry or an individual holding, as well as market changes that impact our net asset value, limit investment potential or prevent exits from holdings at a chosen time. The overall risk in the portfolio is limited as it consists of a number of investments in different industries and geographies, and with various ownership horizons. Commercial risks in the operating subsidiaries' businesses are managed by continuous focus on product development, customer needs, market analysis and cost efficiency, among other things.

Financial risks

The main financial risks are market risks, that is the risks associated with changes in the value of a financial instrument that are primarily caused by fluctuations in share prices, exchange rates and interest rates. Investor uses derivatives as one method of managing these risks.

Uncertainty factors

Uncertainty factors that affect operations relate mainly to changes in share prices, foreign exchange rates, prices of unlisted holdings and the development of various industrial sectors.

Future development

In early 2015, Investor announced a new structure, dividing the holdings into Listed Core Investments and Patricia Industries. Patricia Industries will contain all unlisted investments except for EQT and Investor's trading. The listed holdings will remain the largest share of the assets and will therefore be the key value driver. Activities will be focused on investments through existing subsidiaries, new subsidiaries, add-ons in existing listed holdings and in EQT's funds.

Letter from the Chairman

Dear fellow Shareholder,

2014 was yet another good year for Investor, with most of our companies showing solid results contributing to our strong return. Our net asset value, including dividend added back, grew by 24 percent and the total return to our shareholders was 33 percent. This compares to the Stockholm Stock Exchange which had a total return of 16 percent. On the back of this robust performance, the Board is proposing a dividend of SEK 9 per share, an increase from SEK 8 last year.

A year of turmoil

2014 can be characterized as a year of great geopolitical and macro economic turmoil. The unfolding events in the Middle-East and the Ukraine on the one hand, the health crisis in West Africa with Ebola on the other, as well as the many macro economic questions regarding the recovery of the European Union and potential "Grexit", do not provide a conducive environment for business, particularly not for global companies.

Investment decisions are often postponed when there is instability, to the potential detriment of economic growth and job creation. This is also true for Sweden, where the election and its aftermath have created a less stable political environment. Most of our companies are based in Sweden which, as I have said many times, is important for us, for the businesses we own and for Sweden. We need headquarters to attract talent and specialists. We also need to modernize our infrastructure, including improving transportation, investing in education, expanding the digital highway to support a thriving economy and building more residential housing to cope with a growing population. This is the only way Swedish companies can continue to compete in the increasingly competitive global marketplace. I do not wish to sound too negative; on the contrary, I wish Investor to continue to contribute to the well-being of Sweden through investments, innovation and R&D at the corporate level.

Swedish business model stands the test of time

In that context, I would also like to praise the Swedish corporate governance model which has stood the test of time. Our model is based on long-term and engaged ownership through board representation. This model has served our companies and their international expansion well. Unfortunately, our model is once again potentially under threat by some European voices who wish to unify the much diversified European models of corporate governance. Let me reiterate that I do not believe in "one size fits all". Our model, like other European models, is the result of traditions and history which are country and value specific. A unified system which would largely resemble the Anglo-Saxon model would not allow us to make the kind of long-term strategic decisions and investments which benefit our companies. As I have said in the past, we do not buy to sell; we buy to hold and develop companies. I will continue to voice my concern where

and when necessary, bearing in mind that what is in the best interest of our companies matters the most. I hope that other business leaders will make their voices heard as well.

Ten years of continuous outperformance

At the beginning of 2015, the board of Investor appointed Johan Forssell as the new CEO. His extensive knowledge of Investor and our holdings, together with his business experience and leadership qualities, makes him by far the best suited successor to Börje Ekholm. The board has also decided to create a separate division within Investor, Patricia Industries, which will be based in New York and Stockholm and focus on wholly-owned companies. This division will be run by Börje.

Ten years ago, Börje became CEO of Investor. Let us take a moment to reflect on this past decade under his leadership.

These ten years have seen a gradual, but steady transformation of Investor. With the business model to be a long-term and active shareholder in mind, the board gave Börje the mandate to consolidate our portfolio of Core Investments, increase our ownership in them and to build a portfolio of wholly-owned subsidiaries, which we have done. The essential objective was to create proprietary cash flow to Investor, a strategic goal of ours for a long time. By generating our own cash flow, we have the capacity to support important initiatives in our companies, capture investment opportunities and pay a steadily rising dividend to our shareholders. In addition, Börje focused on improving our ownership processes, including rigorous benchmarking. Cost efficiency is important for an industrial holding company and Investor has significantly reduced its cost base. Last but not least, Börje and his team have worked continuously to increase the number of women on boards.

During Börje's tenure, Investor's total shareholder return has been 297 percent compared to 185 percent for the SIXRX index, annually this corresponds to 15.5 percent and 11.6 percent respectively. This performance is impressive.

Some of the highlights during Börje's decade at the helm have been the acquisition of Mölnlycke Health Care in 2007 and its strong development through investments in the sales force and geographic expansion; the investment in healthcare provider Aleris in 2010, and the acquisition of Permobil in 2013. Börje recognized the need and opportunity to invest in the healthcare sector which has a secular growth potential due to, for example, demographics.

On the industrial manufacturing side, in 2014 Investor became the lead owner of Finnish Wärtsilä and Electrolux entered into an agreement with GE to acquire its appliance business. Investor fully supported this acquisition and has committed to subscribe to its pro rata share of a related equity issue.

Our portfolio of wholly-owned subsidiaries has developed greatly during Börje's tenure, and 3 Scandinavia has made strong progress as well. Under Börje's leadership, Investor has been actively involved in the operations of these companies, making them more competitive long-term through investments in R&D and sales forces.

On the other hand, our portfolio has been concentrated through the successful divestitures of Scania, WM-data, Gambro and Lindorff.

On behalf of the board, I would like to warmly thank Börje Ekholm for ten very successful years and for his excellent leadership. Together with his team, he has steered Investor to a position of strength, with a strong balance sheet and strong cash flow. This has been achieved despite a turbulent macro economic environment and extremely difficult financial markets, with the aftermath of the 2008 financial crisis still felt today. In all these years, Börje has never hesitated to voice his opinion on a number of topics about which he is passionate, such as the importance to give young people a better education and greater skills in science and engineering, or for the need of companies to take risks and to innovate and invest in R&D in order to create wealth long-term.

We are pleased to have continued access to his leadership and proven investment skills through the newly created Patricia Industries.

Under Johan Forssell, Investor will have two divisions with clear responsibilities, one focusing on active ownership in our listed core investments, and one focusing on the development and expansion of our portfolio of wholly-owned subsidiaries.



"We do not buy to sell; we buy to hold and develop companies."

On behalf of the board, I would also like to thank all colleagues at Investor for yet another year of hard and successful work. And last but not least, I would like to thank you, dear shareholder, for your continuous support and belief in our model and objectives.

A handwritten signature in dark ink, appearing to read 'Jacob Wallenberg'. The signature is fluid and cursive, with a long horizontal stroke at the end.

Jacob Wallenberg
Chairman of the Board

Peter Wallenberg

Chairman of Investor 1982-1997, Honorary Chairman 1997-2015

Our Honorary Chairman Peter Wallenberg passed away on January 19, 2015. He was Chairman of Investor between 1982 and 1997 and Honorary Chairman from 1997 until his death. During his time as Chairman, Investor's market value increased by a full 2,700 percent, from just about SEK 2.5 bn. to SEK 65 bn.

During his time, the world underwent a turbulent phase of increased globalization, deregulation and technological change. The Berlin Wall fell, Sweden joined the European Union and new markets, not least China developed strongly.

Thanks to his formidable international network, Peter Wallenberg was acutely in tune with his time, helping to transform Investor and, ensuring that Swedish companies would remain competitive and export driven. Like today, he saw it as Investor's responsibility to ensure that our holdings are the best in their respective field.

To continue to develop Investor as a solid business and give it a stable future, one of his primary concerns was to find ways to generate cash flow. Various initiatives were launched such as a significant trading operation between 1982 and 1990, and the buy-out of Saab-Scania in 1991 in order to generate cash-flow through Scania. Investor also started Investor Growth Capital and co-founded EQT, with the objective to be part of the venture capital and private equity business models. Already then, like today, the idea of IGC and EQT was to invest in, develop and then sell unlisted companies, thereby generating income.

Peter Wallenberg helped to transform Investor in a fundamental way. We are deeply indebted to him and will continue to honor his legacy.

The next steps

Dear fellow Shareholder,

Despite a turbulent macro environment with rising geopolitical tensions, major swings in the fixed income and currency markets and a tumbling oil price, 2014 turned out to be another satisfactory year for Investor. Our holdings continued to make progress, both organically and non-organically. We received the first capital distribution from Mölnlycke Health Care, verifying the cash flow generation capacity of our assets. With Investor in a good position, we can now take the next step in our strategy. Quoting Frank Sinatra, we said about 2013 that “It was a very good year”. In hindsight, we should have quoted Bachman Turner Overdrive: “You ain’t seen nothing yet”.

Core Investments

Our Core Investments performed well during 2014 and activity was high. In ABB we increased our ownership. Atlas Copco integrated the acquisition of Edwards and continued to perform strongly. AstraZeneca continued to strengthen its platform for long-term growth and had an unsolicited approach from Pfizer. Electrolux announced the acquisition of GE Appliances. Ericsson maintained its strong position in a challenging market and announced targets to reduce costs with full effect in 2017. Husqvarna made progress in reorganizing its business, with a clearer focus on the different business lines. Nasdaq continued to sharpen its product offering. Saab signed the Gripen sales agreement with the Brazilian government and completed the acquisition of TKMS (Saab Kockums). SEB made strong progress on cost control, and Sobi continued to develop its hemophilia pipeline. Wärtsilä strengthened its product offering and we became the clear lead shareholder.

Mölnlycke Health Care appointed a new management team and continued to perform well. Growth and profitability remained solid. The strong balance sheet allows investments in the business. Organic growth is the most value accretive and Mölnlycke has many promising opportunities in the medium-term, but we look for non-organic ones as well. Mölnlycke also made its first capital distribution, EUR 130 m., an important step in verifying the cash flow capacity of our assets.

Aleris showed good organic growth and continued to work with its operational challenges. Our forecast of not expecting any financial improvement to become visible until the end of 2015 stands. We are committed to continue building Aleris into a high-quality private provider of healthcare and care services. The current Swedish political debate about restricting profitability is concerning and creates uncertainty for providers, patients and their families as well as employees. We are convinced that private providers are the best way to offer citizens freedom of choice. In addition, through history, competition has proven to be a strong driver of innovation. Therefore, we believe the need for private providers will remain, but the political uncertainty will restrict

our investments in Aleris’ Swedish operations. While profitability is a requirement for any company, it cannot be the ultimate goal. Thus, the political discussion should rather be about the quality of care. As a matter of fact, the current general political uncertainty raises the unfortunate question of the attractiveness of Sweden for long-term investments.

Permobil continued to perform well and progressed towards becoming an integrated provider of advanced mobile rehab solutions based on solid healthcare economics. The acquisition of TiLite and new product introductions strengthened Permobil’s product offering significantly. Growth, both geographic and through extending the product offering, remains the top priority.

Grand Group developed strongly, with good revenue growth and strict cost control. Vectura also made solid progress. Our ambition is to continue to gradually scale up our activities within real estate, primarily by developing our existing properties and by building new care facilities.

Financial Investments

In 2014, Investor received net SEK 2.5 bn. from EQT, and the value change in constant currency was 30 percent. Since its inception 20 years ago, EQT has delivered consistently strong returns to Investor and we will continue to sponsor its funds.

3 Scandinavia grew its subscriber base, service revenue and cash flow. In late 2014, it repaid bank loans financed by an equity injection, with Investor contributing its pro rata share. Guaranteeing debt is economically comparable to injecting equity and 3’s financing structure is now more cost efficient. Cash flow can now be used for distribution to the owners. At the end of the year, Investor received SEK 0.3 bn. in distribution.

In 2014, we divested the majority of our holding in Lindorff at an attractive valuation and IGC distributed SEK 0.9 bn.

Strategic choices

This marks my last letter to you, dear shareholder. Therefore, I will take the liberty to discuss some strategic choices made over the years, which also gives a background for the creation of

Patricia Industries. Speaking of choices, Yogi Berra's words spring to mind: "when you come to a fork in the road, take it".

The core of our model is to be a long-term owner of our companies, focusing on maximizing their intrinsic value, i.e. the present value of all future cash flow. Our performance depends exclusively on the performance of our companies. Therefore, being a world-class owner is vital for our model. Consequently, we have spent significant effort into developing our ownership processes. This includes developing value creation plans and working to get the best boards in place. We have taken some steps, but much more can be done, offering good value potential.

There are several trends affecting our ownership model, including increasingly active institutional investors, a growing base of activist investors and consolidating industries. We concluded that we needed to strengthen our ownership in the companies we own. Therefore, we chose a strategy to exit holdings in which we could not be the largest owner or which could not lead the consolidation in their industries. In the remaining holdings, we have strengthened our ownership. Today, we own more in all our listed core investments than we did ten years ago.

The need for Investor to create a proprietary cash flow has been discussed for decades. Without self-generated cash flow, we need to sell in order to invest. Investing in the business is very important to create long-term sustainable dividend growth. Therefore, we started to build up a portfolio of wholly-owned subsidiaries. An additional benefit is that the value creation accrues to our shareholders only.

Interestingly, it took about seven years to get recognition for this strategy. Until then, we performed in line with the general market - sometimes better, sometimes worse. Our outperformance has been significant the last few years, but the ground work was made much earlier. To create excess return to you has been an important driving force for me. Vince Lombardi summarized it well: "if winning doesn't matter, why bother keeping score?". I would like to thank all of you who have been with us for a long time for your patient support.

Currently, about half of our companies outperform peers. Therefore, we believe that there are many opportunities to further improve our ownership processes for both listed and unlisted investments. Thus, in January 2015 we announced the next step in our strategy to further sharpen our processes to become a world-class owner by creating a separate division within Investor, Patricia Industries, to focus on our wholly-owned companies. This will allow us to increase focus on our listed hold-



"The core of our model is to be a long-term owner of our companies, focusing on maximizing their intrinsic value."

ings to develop "ownership process 2.0". In addition, with a "buy-to-build" strategy, we can further expand our portfolio of subsidiaries, and thus our long-term cash flow capacity, through the SEK 6.0 bn. capital commitment, divestiture of smaller unlisted holdings and cash flow from our subsidiaries, while simultaneously focusing on raising our ambitions as an owner of our unlisted holdings.

After almost ten years as CEO, I believe this is a good time to hand over to a new CEO. In Johan Forssell, whom I have been working closely with for many years, Investor will have a great new President and CEO, and with a professional and dedicated organization, Investor is well prepared to pursue attractive opportunities and handle challenges going forward.

Finally, I would like to thank everyone on the boards and management teams of our holdings, and every colleague in our companies and at Investor. Our success hinges solely on your hard work and dedication. Investor has a solid financial position and a portfolio of iconic companies, but with many opportunities to improve. The future for Investor is bright and don't forget that today is dead tomorrow. As I ride into the sunset, thank you and so long, dear shareholder.

Börje Ekholm
President and Chief Executive Officer

Active ownership

We are a long-term owner, focusing on what we deem best for each company. Through our participation on the boards, our network and industrial expertise, we work to create value for all shareholders. Our business model is based on significant ownership in each company, allowing us to impact key strategic decisions.

A clear division of responsibilities between the owners, boards and management teams in the companies is important. The owners of a company are responsible for ownership related issues, including the appointment of the board. The board appoints the CEO, defines the strategy and monitors the financial performance, while management is responsible for operating the business to execute the strategy defined by the board. This model works well for us.

At the center of our model is to make sure that we have the best board in each individual company. We work through the nomination committees and utilize our network to find appropriate board candidates for our companies. We strive to have two board representatives, including the Chairman. In our view, a well-functioning board should be composed of individuals with a mix of relevant backgrounds and competences from, for example, industries, geographies or functional areas for each company. Equally important is to compose a team that works well together. As a help in developing their internal working procedures, we actively require the boards of our holdings to do periodic in-depth evaluations, including individual discussions with each board member. In addition to integrity and business acumen, diversity and international experience is highly important.

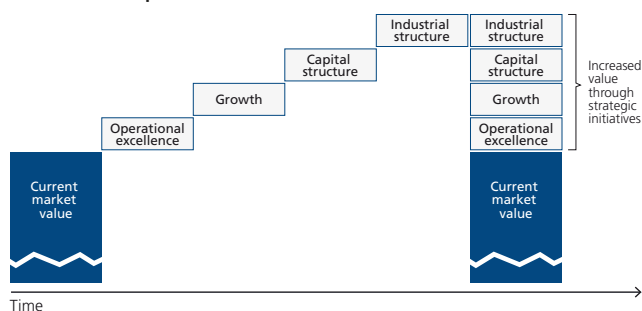
As the conditions under which a company operates change over time, the composition of the board also needs to change. Therefore, we regularly evaluate our boards to ensure that the composition is dynamic and appropriate.

Investor's business teams

Our active ownership work in our companies is mainly carried out by our investment organization and its business teams, consisting of our board members, investment managers and professionals at Investor. The business team conducts extensive benchmarking of our companies versus their peers and establishes value creation plans, identifying strategic key value drivers that we believe the company should focus on over the next 3-5 years in order to maximize long-term value and maintain or achieve best-in-class positions.

The investment organization is also responsible for continuously updating our view of the long-term fundamental value of our companies, serving as the starting point for our investment decisions. When we find the valuation attractive and we are not otherwise restricted, we typically gradually increase ownership in selected investments. The investment organization is also actively screening the market for new attractive investment opportunities.

Value creation plan



Operational excellence

Detailed benchmarking relative to competitors forms the basis for our work to identify potential areas where our companies can improve long-term profitability and efficiency, such as gross margins, operational costs (including SG&A and R&D), flexibility of cost structures and working capital.

Value-creating growth

Growth is a key value driver in companies with high return on capital. Organic growth opportunities such as expansion into new geographic markets, new customer bases and new products, are often the most value-creating, but we look for selective acquisitions as well.

Capital structure

Our companies should have capital structures that allow them to implement their business plans. In cases of overcapitalization, the surplus should be redistributed to the owners. Likewise, when there is undercapitalization, as owners, we should be willing to inject equity, provided it is value-creating.

Industrial structure

In certain cases, value creation can be achieved by changing the company's structure through major industrial transactions, by divesting non-core business activities or by dividing a company into separate entities if better value can be created through the independent management of smaller parts.

How we create value

We own companies within engineering, healthcare, financial services and technology, industries we understand well, in which we can utilize our experience and network as well as our financial expertise.

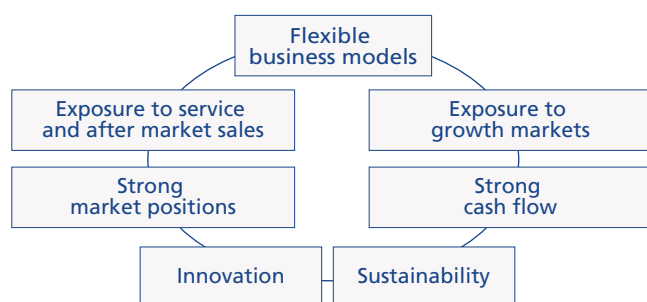
Our holdings, existing and potential ones, should have strong long-term growth opportunities and be active in industries with structures that allow attractive profitability. Growth drivers include demography, rising consumption in growth economies and infrastructure investments. We look for strong market positions, flexible and sustainable business models, high exposure to growth markets and strong cash flow generation.

Given our long-term investment horizon, we actively support our companies in making long-term value creating investments such as strengthening their positions in growth markets and investing in R&D and product launches to sustain and

strengthen their competitiveness. An attractive product or service offering is the basis of long-term competitiveness and pricing power, and a key driver of value. Our focus is on maximizing the intrinsic value, i.e. the net present value of all future cash flow in the company. Therefore, we do not mind taking actions with negative short-term impact as long as they will increase the intrinsic value long-term.

Over the past years, we have established a platform for internal cash flow generation. By strengthening our cash flow, we are able to finance investments in existing and new holdings without divesting other assets. Going forward, our priorities are to make add-on investments in our existing subsidiaries, invest in new subsidiaries and to make add-on investments in existing listed holdings. This will contribute to further strengthening and rejuvenation of our portfolio. Also, reinvesting in our business allows us to strengthen our long-term dividend growth capacity.

As a long-term investor and owner, we look for certain characteristics in our investments



Flexible business models

In order to maintain profitability, protect market positions through downturns and to be able to scale up fast in upturns, it is critical that our holdings have flexible business models.

Exposure to service and after market sales

We strongly support our holdings to expand their service and aftermarket sales, thereby improving the understanding of the customers' needs and building customer loyalty. This also offers attractive profitability, additional growth opportunities and increases product penetration.

Exposure to growth markets

Our holdings should be well positioned to capture growth through product extensions, new products, new geographic markets, or through strong underlying trends such as e.g. demographics.

Strong market positions

Our holdings should have market leading positions as this enhances pricing power and sustainable profitability.

Strong cash flow

Our holdings should have strong cash flow capacity that can be used for investments, for example in R&D and market expansion. It also allows for steady distribution of cash to the owners.

Innovation

In order to achieve and ensure strong market positions, good growth and profitability over time, continuous innovation is key.

Sustainability

We firmly believe that strong focus on running the operations in a sustainable, responsible and ethical way is a prerequisite for long-term attractive profitability. Companies that are best-in-class when it comes to sustainability will outperform, be able to provide superior products and services and recruit the best employees.

Our Investments

We have a long-term investment perspective in our holdings, with the objective to generate returns through value appreciation and capital distribution. We do not have a targeted holding horizon. Up until and including 2014, Investor's portfolio was divided into Core Investments and Financial Investments. During 2015, it will be divided into Listed Core Investments and Patricia Industries. Patricia Industries will include all unlisted holdings except EQT.

Core Investments

Core Investments, representing 88 percent of our total assets, consists of listed holdings, in which we are a significant owner, and our wholly-owned subsidiaries. We have a long-term investment perspective with the objective to generate returns through value appreciation and capital distribution. We focus on developing our existing holdings, but also selectively seek to add new ones.

Core Investments contributed SEK 43.5 bn. to the net asset value, of which the listed core investments SEK 41.3 bn. The total return for the listed core investments amounted to 24 percent during the year.

Listed investments

Our listed core investments are SEB, Atlas Copco, ABB, Astra-Zeneca, Ericsson, Wärtsilä, Electrolux, Sobi, Nasdaq, Saab and Husqvarna. These are multinational companies with proven business models and strong market positions.

As part of our strategy, we increase ownership in selected holdings when we find valuations fundamentally attractive, the timing right and when we are not otherwise restricted to invest. In ABB, we bought shares for a total SEK 2.2 bn. during the year. We also acquired an additional 16.1 million shares in Wärtsilä for a total of SEK 6.0 bn., increasing our share of the capital and votes in the company from 8.8 to 16.9 percent. Investor is now the largest shareholder in the company.

Given the proposals in early 2015, and based on the exchange rates at March 17, 2015, dividends to be received in

2015 for fiscal year 2014 are estimated at approximately SEK 7.6 bn. (6.2 bn.). In addition, we expect to receive SEK 1.2 bn. through the mandatory redemption in Atlas Copco.

Subsidiaries

Core Investments also includes our subsidiaries Mölnlycke Health Care, Aleris, Permobil, Grand Group and Vectura, companies that we believe have good growth potential. Our ambition is to have modest leverage in our subsidiaries. This allows the companies to operate independently and pursue strategic investment opportunities. In addition, it allows distribution of excess cash flow to Investor. In 2014, Investor acquired shares in Mölnlycke Health Care's Management Participation Program for a total of SEK 1.1 bn. which increased Investor's ownership from 98 percent to 99 percent. Mölnlycke Health Care made its first capital distribution to Investor during 2014, amounting to EUR 130 m. (SEK 1.2 bn.). Net investments in the subsidiaries amounted to SEK 1.1 bn.

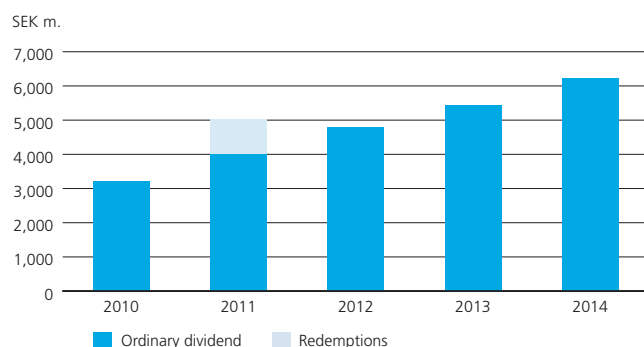
Contribution to net asset value

SEK m.	2014	2013
Changes in value, listed	35,084	32,992
Dividends, listed	6,227	5,441
Change in reported value, subsidiaries	2,386	668
Management costs	-155	-147
Total	43,542	38,954

Overview

- Ownership: significant minority owner in listed holdings, subsidiaries
- Ownership perspective: long-term, no exit strategy
- Board representation: preferably two, including the Chairman or vice Chairman
- Valuation methodology: share price (listed), acquisition method (subsidiaries)
- Return requirement: 8-9 percent annually
- Assets: SEK 218.4 bn. (listed), SEK 31.9 bn. (subsidiaries)
- Percent of total assets: 88
- Impact on net asset value: SEK 43.5 bn.
- Total shareholder return: 24 percent (listed)
- Dividend received: SEK 6.2 bn.
- Distribution from subsidiaries: SEK 1.2 bn.
- Net invested: SEK 8.1 bn. (listed), SEK 1.1 bn. (subsidiaries)

Dividends and redemptions received



Financial Investments

Financial Investments, representing 12 percent of our total assets, consists of our investments in EQT and Investor Growth Capital (IGC), partner-owned investments and some other investments and activities.

In 2014, Financial Investments contributed to net asset value by SEK 10.5 bn. Net cash flow to Investor was SEK 8.7 bn.

EQT

We are one of the founders of the private equity firm EQT and a sponsor since its inception in 1994. Since then, EQT has evolved into a world-class asset manager, having raised approximately EUR 22 bn. We have committed capital to every fund that EQT has raised and we own 19 percent of EQT Holdings, which allows us to receive carried interest and fee surplus on top of the returns we receive as a limited partner in the funds. Over time, carried interest and fee surplus have contributed substantially to the strong returns generated by our investments in EQT. During 2014, our investments in EQT generated SEK 2.5 bn. in net cash flow to Investor.

Investor Growth Capital

IGC is a stand-alone, but wholly-owned subsidiary of Investor, managing expansion stage venture capital investments in the U.S. and China. Investor acquired the remaining holdings within IGC Europe in 2014, after which the wind down of IGC Europe was completed. IGC distributed SEK 0.9 bn. to Investor during 2014.

Partner-owned investments

We have the same active ownership approach to our partner-owned holdings as for Core Investments, but with the difference that we do not control the development of the holding or the exit horizon. As our partners may have a different ownership horizon than us, Investor's ownership in these companies will change over time.

During 2014, Investor divested the majority of its holding in Lindorff to Nordic Capital, with Investor receiving SEK 6.8 bn. in cash proceeds. Investor now holds an equity position and a shareholder's note in Lindorff valued at SEK 1.6 bn.

With Lindorff divested, 3 Scandinavia is our only remaining major partner-owned investment. 3 Scandinavia has been financed with debt guaranteed by the owners. During the fourth quarter 2014, the owners instead injected equity to repay all guaranteed loans except for the one provided by the European Investment Bank (EIB).

Other investments

Within Financial Investments, there are also a number of other investments. Such holdings include Active Biotech, Aerocrine, Affibody, Alligator, Atlas Antibodies, Kunskapsskolan, Memira, Newron, Samsari and Tobii. While most of these are likely to leave the portfolio at some point, some of them could become longer-term holdings. During the fourth quarter, we divested Novare to the company's management.

We also have our trading unit, which executes our core investments transactions, trades in equities and equity-related instruments and gathers market intelligence.

In total, Other Investments amounted to SEK 3,780 m. as of December 31, 2014, corresponding to 1 percent of our total assets.

Contribution to net asset value

SEK m.	2014	2013
EQT	4,372	2,414
Investor Growth Capital	2,171	1,374
Partner-owned investments		
Lindorff	3,456	493
3 Scandinavia	765	356
Other investments	-166	703
Management costs	-55	-65
Total	10,543	8,535

Overview

- Ownership: wholly-owned, partner-owned, fund investor, listed holdings
- Ownership horizon: mixed
- Board representation: preferably two, including the Chairman or vice Chairman
- Valuation methodology: share price (listed), equity method (partner-owned), multiple or third-party valuation (unlisted)
- Return requirement: 15 percent annually (depending on holding)
- Assets: SEK 35.5 bn.
- Percent of total assets: 12
- Impact on net asset value: SEK 10.5 bn.
- Net divested: SEK 7.2 bn.

Expected dividend flow to Investor, based on Investor's holding as of December 31, 2014, exchange rates as of March 17, 2015, and given AGM approvals of dividend proposals.

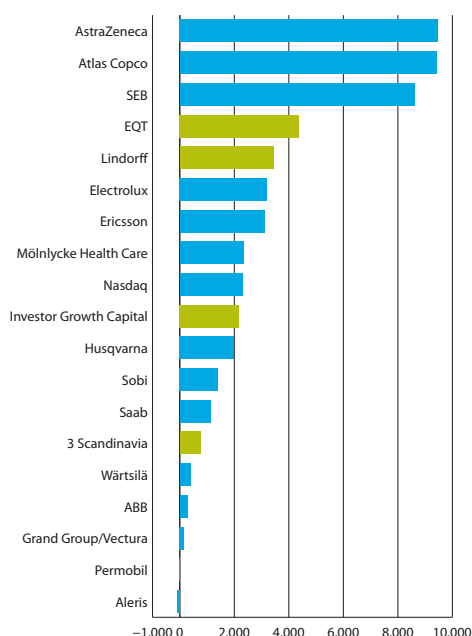
SEK m.	2015e	2014
SEB	2,167	1,825
ABB	1,272	980
Atlas Copco	1,241 ¹⁾	1,138
AstraZeneca	1,207	960
Ericsson	595	525
Wärtsilä	352	127
Electrolux	311	311
Husqvarna	160	146
Saab	156	148
Nasdaq	96	66
Total	7,556	6,226

1) In addition, Investor expects to receive SEK 1,241 m. through mandatory share redemption of SEK 6.00 per share.

Change in holdings during 2014

	No. of shares	SEK m.
SEB A shares	-1,165,709	101
SEB C shares	1,275,372	-108
ABB	13,385,000	-2,156
Wärtsilä	16,059,566	-5,969
Total		-8,132

Impact on net asset value, 2014, SEK m.



SEB

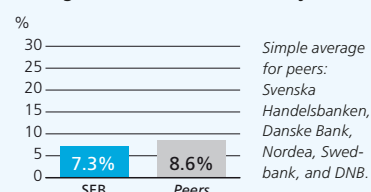
16%
of total assets
www.seb.se

Key figures, SEK m.	2014	2013
Total operating income	46,936	41,553
Operating profit	23,348	18,127
Net profit	19,219	14,778
Earnings per share, SEK	8.79	6.74
Dividend per share, SEK	4.75	4.00
Core Tier 1 ratio, %	16.3	15.0
Market capitalization	218,384	185,947
Number of employees	15,714	15,870

Investor's engagement	2014	2013
Share of capital, %	20.8	20.8
Share of votes, %	20.8	20.9
Value of holding, SEK m.	45,407	38,618

Board Member from Investor: Marcus Wallenberg (Chairman)

Average annual total return, 10 years



A financial services group with main focus on the Nordic countries, Germany and the Baltics

Chairman: Marcus Wallenberg

President and CEO: Annika Falkengren

IMPORTANT EVENTS 2014

- SEB announced refined financial targets, including a Common Equity Tier ratio of around 150bps above the requirement from the Swedish FSA, and a return on equity (ROE) that should be competitive with peers. Long-term the aspiration is to reach a sustainable ROE of 15 percent.

INVESTOR'S VIEW

SEB's ambition remains to be the leading Nordic bank for corporate and institutional clients in its home markets as well as the leading universal bank in Sweden and the Baltics. SEB continues to focus on deepening customer relationships in the Nordic and German corporate franchises by growing ancillary business, offering Swedish small and medium-sized enterprises a full service offering, and growing the savings area while enhancing customer satisfaction. Operating leverage has increased, alongside a strengthened balance sheet. Nonetheless, sustained cost, capital and funding efficiency will continue to be essential in the new regulatory environment and to support sustainable and competitive returns. We support SEB's strategy and believe that the bank is well prepared to meet the new requirements.

Atlas Copco

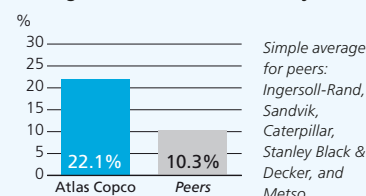
16%
of total assets
www.atlascopco.com

Key figures, SEK m.	2014	2013
Net sales	93,721	83,888
Operating margin, %	18.2	20.3
Net profit	12,175	12,082
Earnings per share, SEK	10.01	9.95
Dividend per share, SEK	6.00	5.50
Net debt	15,428	7,504
Market capitalization	259,258	210,412
Number of employees	44,056	40,241

Investor's engagement	2014	2013
Share of capital, %	16.8	16.8
Share of votes, %	22.3	22.3
Value of holding, SEK m.	44,972	36,687

Board Members from Investor: Hans Stråberg (Chairman), Peter Wallenberg Jr and Johan Forssell

Average annual total return, 10 years



A provider of compressors, vacuum and air treatment systems, construction and mining equipment, power tools and assembly systems

Chairman: Hans Stråberg

President and CEO: Ronnie Leten

IMPORTANT EVENTS 2014

- Atlas Copco acquired Henrob, a self-pierce riveting specialist with annual sales of SEK 1.1 bn.

INVESTOR'S VIEW

Atlas Copco has world-leading market positions as a provider of sustainable productivity solutions, and a strong corporate culture. The company has best-in-class operational performance and has generated a total return significantly higher than its peers. Strong positions in key growth markets such as China, India and Brazil, and world class aftermarket operations have been instrumental to the company's strong performance. Going forward, the strong market positions, a flexible business model and focus on innovation provide an excellent platform for capturing business opportunities and continued outperformance. The strong cash flow allows for both substantial capital distribution to shareholders, and flexibility to act on attractive growth opportunities.



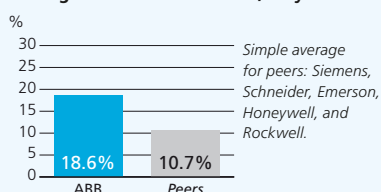
12%
of total assets
www.abb.com

Key figures, USD m.	2014	2013
Net sales	39,830	41,848
Operating margin, %	10.5	10.5
Net profit	2,594	2,787
Earnings per share, USD	1.13	1.21
Dividend per share, CHF	0.72	0.70
Net debt	923	1,539
Market capitalization, SEK m.	372,763	392,307
Number of employees	145,000	147,700

Investor's engagement	2014	2013
Share of capital, %	8.6	8.1
Share of votes, %	8.6	8.1
Value of holding, SEK m.	33,192	31,738

Board Member from Investor: Jacob Wallenberg

Average annual total return, 10 years



A provider of power and automation technologies for utility and industry customers
Chairman: Hubertus von Grünberg
President and CEO: Ulrich Spiesshofer

IMPORTANT EVENTS 2014

- Investor acquired 13.4 million shares, increasing its ownership from 8.1 percent to 8.6 percent.
- New financial targets for 2015-2020 were presented, with an EBITA-margin corridor of 11-16 percent and organic revenue growth (CAGR) of 4-7 percent.
- Ahead of the 2015 AGM, Peter Voser has been nominated as Chairman and Jacob Wallenberg as Vice Chairman.

INVESTOR'S VIEW

The power and automation industries are attractive with large emerging market exposure and structural growth drivers such as electricity build-out, increased focus on energy efficiency and productivity improvement. ABB is well positioned due to its broad industry and geographic presence, leading product portfolio and strong market positions. We believe that it is critical for long-term success that ABB continues to expand in new markets and increase innovation focus. ABB's balance sheet is strong, supporting further growth and distribution to shareholders.



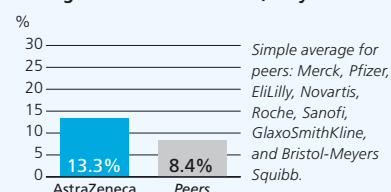
10%
of total assets
www.astrazeneca.com

Key figures, USD m.	2014	2013
Net sales	26,095	25,711
Operating margin, %	26.6	32.6
Net profit	1,233	2,556
Earnings per share, USD (core)	4.28	5.05
Dividend per share, USD	2.80	2.80
Net debt	3,223	-39
Market capitalization, SEK m.	692,203	481,370
Number of employees	51,500	51,500

Investor's engagement	2014	2013
Share of capital, %	4.1	4.1
Share of votes, %	4.1	4.1
Value of holding, SEK m.	28,270	19,753

Board Member from Investor: Marcus Wallenberg

Average annual total return, 10 years



An innovation-driven, integrated biopharmaceutical company
Chairman: Leif Johansson
President and CEO: Pascal Soriot

IMPORTANT EVENTS 2014

- AstraZeneca updated its strategy for delivering shareholder value, which centers on achieving scientific leadership, strengthening its growth platforms and returning to growth. New long-term financial targets were also provided. From 2017, AstraZeneca is targeting strong and consistent revenue growth leading to annual revenue of above USD 45 bn. by 2023.
- AstraZeneca accelerated its pipeline and received several regulatory approvals. It took over the rights to develop and commercialize Almirall's respiratory franchise and announced an alliance with Eli Lilly to develop and commercialize a BACE inhibitor for Alzheimer's disease.

INVESTOR'S VIEW

AstraZeneca faces patent expirations for some of its key products in the coming years, which makes continued strengthening of the research pipeline and bringing new innovative products to the market highly important. AstraZeneca has made some encouraging progress, and we support the company's board's view that this was not reflected in Pfizer's bid during 2014. It is also important that AstraZeneca continues to expand in emerging markets and strives for operational excellence.



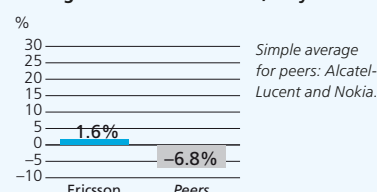
5%
of total assets
www.ericsson.com

Key figures, SEK m.	2014	2013
Net sales	227,983	227,376
Operating margin, excl. JV, %	7.3	7.8
Net profit	11,143	12,174
Earnings per share, SEK	3.54	3.69
Dividend per share, SEK	3.40	3.00
Net debt	-27,629	-37,809
Market capitalization	304,136	252,332
Number of employees	118,055	114,340

Investor's engagement	2014	2013
Share of capital, %	5.3	5.3
Share of votes, %	21.5	21.5
Value of holding, SEK m.	15,807	13,229

Board Members from Investor: Jacob Wallenberg (Vice Chairman) and Börje Ekholm

Average annual total return, 10 years



A provider of communications technology and services
Chairman: Leif Johansson
President and CEO: Hans Vestberg

IMPORTANT EVENTS 2014

- Ericsson discontinued future development of modems, shifting parts of resources in modems to radio network R&D.
- Ericsson announced targets to increase efficiencies and reduce costs by SEK 9 bn., with full effect in 2017.

INVESTOR'S VIEW

Mobile data traffic continues to grow significantly and as the leading provider of technology and services for telecom operators, Ericsson is well positioned to capitalize on this development. Nonetheless, the industry continues to be highly competitive, and sustaining technology and thought leadership remains key for the company. In order to maintain its market position, Ericsson needs to continue to improve its cost and capital efficiency and execute on organic and acquisition-driven growth initiatives.



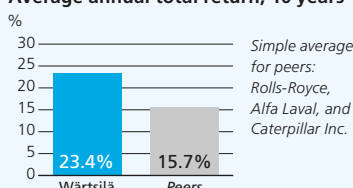
4%
of total assets
www.wartsila.com

Key figures, EUR m.	2014	2013
Net sales	4,779	4,607
Operating margin, %	11.9	12.1
Net profit	351	393
Earnings per share, EUR	1.76	1.98
Dividend per share, EUR	1.15	1.05
Net debt	94	276
Market capitalization	7,315	7,055
Number of employees	17,717	18,663

Investor's engagement	2014	2013
Share of capital, %	16.9	8.8
Share of votes, %	16.9	8.8
Value of holding, SEK m.	11,776	5,537

Board Member from Investor: Sune Carlsson

Average annual total return, 10 years



A provider of complete lifecycle power solutions for the marine and energy markets
Chairman: Mikael Lilius
President and CEO: Björn Rosengren

IMPORTANT EVENTS 2014

- Investor acquired 16.1 million shares from Fiskars and became the lead owner with 16.9 percent of the shares.
- Wärtsilä acquired L-3 Marine Systems for EUR 285 m., strengthen its offering in automation, navigation and electrical system.
- A joint venture with the Chinese State Shipbuilding Corporation, taking over Wärtsilä's 2-stroke engine business, was established.
- At the 2015 AGM, Tom Johnstone was elected new member and Sune Carlsson was elected deputy Chairman.

INVESTOR'S VIEW

Wärtsilä's leading global market positions and large emerging market exposure, provide an excellent platform for profitable growth. To counteract the end-market cyclicality, the company has an asset-light business model focused on the design and development of engines and in-house manufacturing of critical components. It also has a sizeable aftermarket business to support both marine and power customers. We support Wärtsilä's strategy and see good long-term potential driven by environmental regulations, smart power generation and increased penetration of natural gas powered engines.



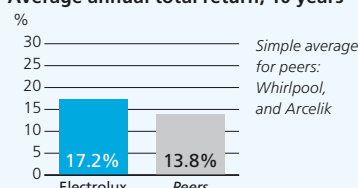
4%
of total assets
www.electrolux.com

Key figures, SEK m.	2014	2013
Net sales	112,143	109,151
Operating margin, excl. EO, %	3.2	1.4
Net profit	2,242	672
Earnings per share, SEK	7.83	2.35
Dividend per share, SEK	6.50	6.50
Net debt	9,631	10,653
Market capitalization	65,510	48,198
Number of employees	60,038	60,754

Investor's engagement	2014	2013
Share of capital, %	15.5	15.5
Share of votes, %	30.0	30.0
Value of holding, SEK m.	10,952	8,061

Board Member from Investor: Petra Hedengran

Average annual total return, 10 years



A provider of household appliances and appliances for professional use
Chairman: Ronnie Leten
President and CEO: Keith McLoughlin

IMPORTANT EVENTS 2014

- Electrolux announced the USD 3.3 bn. acquisition of GE Appliances. The strategic fit in North America is attractive and potential synergies are large. Investor will participate in the rights issue that will partially finance the acquisition.

INVESTOR'S VIEW

The global appliances industry is highly competitive due to low growth in mature markets and a tough industry structure. Emerging markets growth is high, supported by a fast-growing middle class and increased appliance penetration. Industry margins are low, but returns are healthy thanks to high capital turnover. With a successful completion of the GE Appliances acquisition, Electrolux will be the global industry leader. We believe that the strategy is good, progress is becoming visible and we see good potential for a higher long-term operating margin. To achieve this it is critical to improve performance in the important European market and successfully integrate GE Appliances.



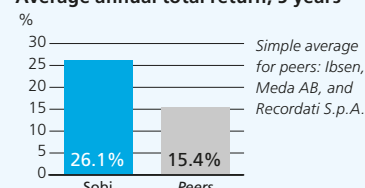
3%
of total assets
www.sobi.se

Key figures, SEK m.	2014	2013
Net sales	2,607	2,177
Operating margin, adjusted, %	11.8	9.7
Net profit	-268	-93
Earnings per share, SEK	-1.01	-0.35
Dividend per share, SEK	0.00	0.00
Net debt	298	353
Market capitalization	21,182	17,603
Number of employees	584	540

Investor's engagement	2014	2013
Share of capital, %	39.7	39.8
Share of votes, %	39.8	39.8
Value of holding, SEK m.	8,532	7,128

Board Members from Investor: Lennart Johansson and Helena Saxon

Average annual total return, 5 years



A specialty healthcare company developing and delivering innovative therapies and services to treat rare diseases
Chairman: Bo Jesper Hansen
President and CEO: Geoffrey McDonough

IMPORTANT EVENTS 2014

- The US FDA approved Eloctate (hemophilia A) and Alprolix (hemophilia B) and Sobi's collaboration partner Biogen Idec launched both products in the U.S.
- Biogen Idec filed a marketing authorization application in Europe for Elocta.
- Sobi decided to exercise its opt-in right to take over final development and commercialization of Elocta for its territories.
- The primary endpoint was not met for the phase III study of Kiobrina, as no statistically significant improvement in growth velocity was demonstrated in preterm infants compared to placebo.
- Sobi expanded its hemophilia development portfolio in a collaboration agreement with Biogen Idec.

INVESTOR'S VIEW

Securing the full commercial potential of Sobi's hemophilia assets is the key focus for the company. Sobi has reported positive phase III data for its two hemophilia products and is now preparing for launch in its territories. Continued focus on operational performance, extending the life of the existing products and commercial agreements is also key near-term.



3%
of total assets
www.nasdaq.com

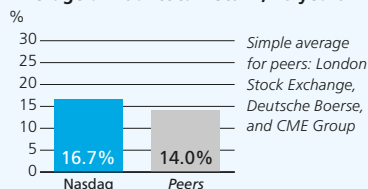
Key figures, USD m.	2014	2013
Net sales	2,067	1,895
Operating margin, %	36.5	36.3
Net profit	413	385
Earnings per share, USD	2.40	2.30
Dividend per share, USD	0.58	0.52
Net debt	1,886	2,209
Market capitalization	8,097	6,663
Number of employees	3,687	3,365

Investor's engagement	2014	2013
Share of capital, %	11.6	11.6
Share of votes ¹⁾ , %	11.6	11.6
Value of holding, SEK m.	7,266	5,023

Board Member from Investor: Börje Ekholm (Chairman)

1) No single owner is allowed to vote for more than 5 percent at the AGM.

Average annual total return, 10 years



A provider of trading, exchange technology, information and public company services across six continents
Chairman: Börje Ekholm
President and CEO: Robert Greifeld

IMPORTANT EVENTS 2014

- Nasdaq announced two new senior leadership roles in order to successfully navigate the global capital markets. Adena Friedman, former CFO of Nasdaq rejoined to become president of the company's Global Corporate, Information, & Technology Solutions. Hans-Ole Jochumsen, former head of Transaction services Nordic, was appointed president of Global Trading & Market Services.

INVESTOR'S VIEW

Nasdaq has strong market positions and a unique brand in an industry that we know well. An exchange is at the core of the financial system's infrastructure and we believe that more financial products will become traded on exchanges. Our view is that continued focus on capturing growth opportunities, such as expansion into new asset classes and adjacent businesses, should create value. The company's strong cash flow supports continued growth initiatives as well as shareholder cash distribution.



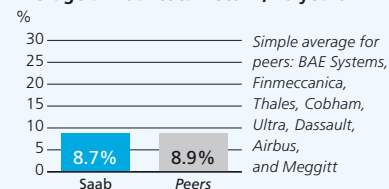
2%
of total assets
www.saabgroup.com

Key figures, SEK m.	2014	2013
Net sales	23,527	23,750
Operating margin, %	7.1	5.7
Net profit	1,168	742
Earnings per share, SEK	10.86	6.98
Dividend per share, SEK	4.75	4.50
Net debt	2,113	-1,013
Market capitalization	21,343	18,356
Number of employees	14,716	14,140

Investor's engagement	2014	2013
Share of capital, %	30.0	30.0
Share of votes, %	39.5	39.5
Value of holding, SEK m.	6,624	5,651

Board Members from Investor: Marcus Wallenberg (Chairman), Johan Forssell and Lena Treschow Torell

Average annual total return, 10 years



A provider of products, services and solutions for military defense and civil security
Chairman: Marcus Wallenberg
President and CEO: Håkan Buskhe

IMPORTANT EVENTS 2014

- The Brazilian government signed an agreement for 36 Gripen NG fighter aircraft and related systems and equipment, for a total SEK 39 bn. Deliveries are expected to commence in 2019.
- Saab acquired TKMS (Saab Kockums), a Swedish shipyard for submarines and surface vessels. In 2013, TKMS' sales and EBIT amounted to SEK 1.7 bn. and SEK 34 m. respectively.

INVESTOR'S VIEW

Saab provides state-of-the-art products and is well positioned in many niche markets globally. With many defense budgets under pressure, Saab's cost competitive product portfolio become increasingly attractive. Although Sweden remains the single largest customer, Saab continues to successfully strengthen its customer relations outside the Nordic region. The acquisition of TKMS, improves Saab's position in the naval domain, and reinforces its position as a comprehensive military systems supplier. Going forward, successful integration of TKMS and execution on large orders are key focus areas. Continued operational efficiency is essential to support internal R&D investments and marketing efforts in order to secure a strong platform for the future.



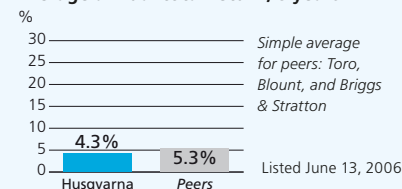
2%
of total assets
www.husqvarna.com

Key figures, SEK m.	2014	2013
Net sales	32,838	30,307
Operating margin, excl. EO, %	7.2	6.1
Net profit	831	916
Earnings per share, SEK	1.44	1.60
Dividend per share, SEK	1.65	1.50
Net debt	7,234	6,659
Market capitalization	33,265	22,148
Number of employees	14,337	14,156

Investor's engagement	2014	2013
Share of capital, %	16.8	16.8
Share of votes, %	31.2	30.5
Value of holding, SEK m.	5,598	3,749

Board Members from Investor: Tom Johnstone, Magdalena Gerger and Daniel Nodhäll

Average annual total return, 8 years



A provider of outdoor power products, cutting equipment and diamond tools as well as consumer watering products
Chairman: Lars Westerberg
President and CEO: Kai Wörn

IMPORTANT EVENTS 2014

- Husqvarna reorganized its forest and garden business into three divisions; Husqvarna, Gardena and Consumer Brands.
- Tom Johnstone, Board member since 2006 has been proposed as Chairman of the Board.

INVESTOR'S VIEW

Total shareholder return for Husqvarna has been unsatisfactory since the spin-off from Electrolux. The company has been negatively impacted by weak markets for outdoor products and an unsatisfactory operational performance. However, the initiatives to focus on core brands and profit pools, differentiate the dealer and retail business models, turn the US operation around, drive operational excellence and grow in emerging markets are starting to yield results. The new organization will increase business model differentiation further and increase end customer focus. We believe in Husqvarna's long-term potential based on its world-leading market positions, strong brands and global sales organization.



8%

of total assets

www.molnlycke.com

Unlisted

Key figures, EUR m.	2014	2013
Net sales	1,213	1,153
Sales growth, %	5	3
In constant currency %	5	5
EBITDA	349	344
EBITDA, %	29	30
Change in working capital	-5	-14
Capital expenditures	-46	-52
Operating cash flow	298	278
Acquisitions (-)/divestments(+)	-	-2
Shareholder contribution (+)/distribution (-)	-130	544
Other	-83	-165
Increase (-)/decrease (+) in net debt	85	655
Net debt	643	728
Working capital/sales, %	11	13
Capital expenditures/sales, %	4	4

Investor's engagement	2014	2013
Share of capital, %	99.0	98.0
Share of votes, %	99.0	96.0
Reported value of holding, SEK m.	22,952	20,684

Board Members from Investor: Gunnar Brock (Chairman) and Helena Saxon

A provider of single-use surgical and wound care products for customers, healthcare professionals and patients

Chairman: Gunnar Brock

President and CEO: Richard Twomey

IMPORTANT EVENTS 2014

- In constant currency, sales grew by 5 percent, and the EBITDA margin was 29 percent. Growth remained strong in North America and APAC and improved in Europe.
- Wound Care continued to develop well, driven by strong growth within Advanced Wound Care.
- Surgical performed well, with stable growth, mainly driven by the ProcedurePak® and Gloves businesses.
- An expansion of the manufacturing site in Wiscasset, Maine, was initiated. Together with the new facility in Brunswick, Maine, this will strengthen the company's North American production hub.
- During the second quarter, Richard Twomey took over as CEO.
- Mölnlycke Health Care was assigned a BBB long-term corporate rating with stable outlook by Standard & Poor's, after which the company successfully issued a EUR 500 m. bond, maturing in February 2022, with an annual fixed coupon rate of 1.50 percent.
- Cash flow remained strong and the net debt was reduced further. During the third quarter, Mölnlycke Health Care made its first capital distribution to Investor, amounting to EUR 130 m. (SEK 1.2 bn.).

INVESTOR'S VIEW

Mölnlycke Health Care is a world-leading provider of single-use surgical and wound care products. The company has a highly competitive product offering and continues to outperform most of its key peers in terms of growth, profitability and cash conversion. Continued focus on product innovation and sales force expansion in both existing and new markets create a robust platform for continued growth. The company's strong balance sheet allows for investments in both organic and non-organic opportunities.



1%

of total assets

www.aleris.se

Unlisted

Key figures, SEK m.	2014	2013
Net sales	7,527	6,975
Sales growth, %	8	4
Organic sales growth, constant currency %	7	5
EBITDA	355	307
EBITDA, %	5	4
Change in working capital	22	33
Capital expenditures	-176	-166
Operating cash flow	201	174
Acquisitions (-)/divestments (+)	-119	-
Shareholder contribution(+)/distribution(-)	-	1,000
Other	-60	-4
Increase(-)/decrease(+) in net debt	22	1,170
Net debt	969	991
Working capital/sales, %	-2	-2
Capital expenditures/sales, %	2	2

Investor's engagement	2014	2013
Share of capital, %	100.0	100.0
Share of votes, %	100.0	100.0
Reported value of holding, SEK m.	3,762	3,830

Board Members from Investor: Peter Wallenberg Jr and Helena Saxon

A private provider of healthcare and care services in Scandinavia

Chairman: Lars Idermark

President and CEO: Liselott Kilaas

IMPORTANT EVENTS 2014

- Organic sales growth amounted to 7 percent, mainly driven by Care, and the EBITDA margin improved slightly.
- In Sweden, the Diagnostics business continued to perform well, and the Care division was stable. Within Healthcare, Aleris initiated the reorganization of Specialist Care in Stockholm in order to improve quality for patients and increase productivity.
- In Norway, performance remained stable within most areas. An investment in a brand new clinic in Stavanger was completed.
- In Denmark, performance improved compared to last year, helped by continued productivity improvements.

INVESTOR'S VIEW

The Scandinavian healthcare and care market offers long-term sustainable growth potential with demographics driving the growing demand for healthcare. Aleris has a strong market position and an attractive platform for growth. Near-term, focus is on improving the performance within units currently operating unsatisfactory and pursuing growth opportunities for the other units. The reorganization of the hospitals is positive. However, our earlier forecast of not expecting any sustainable financial improvement to become visible until the end of 2015, still stands. Delivering high-quality and cost-efficient service is the main differentiator for this business over the long-term, which is why efforts to constantly improve quality and service for patients and payers are the top priorities.

Unlisted

Key figures, SEK m.	2014	2013
Net sales	2,053	1,742
Sales growth, %	18	12
Organic sales growth, constant currency %	6	12
EBITDA	426	255
EBITDA, %	21	15
Change in working capital	-29	-17
Capital expenditures	-155	-98
Operating cash flow	242	156
Acquisitions (-)/divestments (+)	-362	-
Shareholder contribution(+)/distribution(-)	-	-
Other	-214	9
Increase(-)/decrease(+) in net debt	-334	165
Net debt	1,451	1,117
Working capital/sales, %	20	20
Capital expenditures/sales, %	8	6

Investor's engagement	2014	2013
Share of capital, %	94.0	95.0
Share of votes, %	90.0	90.0
Reported value of holding, SEK m.	3,737	3,759

Board Member from Investor: Christian Cederholm

A provider of advanced powered and manual wheelchairs for severely disabled users

Chairman: Martin Lundstedt

President and CEO: Jon Sintorn

IMPORTANT EVENTS 2014

- Sales grew by 6 percent organically, mainly driven by the U.S. market.
- The EBITDA margin was 21 percent, essentially in line with the EBITDA margin in 2013 which was impacted by acquisition-related accounting effects.
- Permobil strengthened its product offering through the acquisition of TiLite, a U.S. based leading manufacturer of advanced manual wheelchairs.
- Several important new products were launched. In the power segment, the F5 Corpus and the F5 Corpus Vertical Stander were introduced in the European market. In the manual segment, the second generation of the TiLite folding aluminium chair was introduced.
- An Advanced Rehabilitation Technology Center was inaugurated in Kunshan City, close to Shanghai. The center is an important initiative to build Permobil's business in China. It will offer education, consultation and fittings of wheelchairs from Permobil and TiLite, but also other rehab technology products from partners.

INVESTOR'S VIEW

Permobil is a global leader in advanced wheelchairs and has a strong dedication to improving the quality of life of its users. Its competitive product offering, innovation capability, leading market positions, good profitability and cash flow generation as well as its strong corporate culture offer an attractive platform for future profitable growth. Permobil should continue its focus on strengthening and broadening the product portfolio to capture additional growth opportunities, both in existing and new markets.

Unlisted

Grand Group

Key figures, SEK m.	2014	2013
Net sales	541	462
Sales growth, %	17	21
EBITDA	30	-5
EBITDA, %	6	-1
Number of employees	350	335

Vectura

Key figures, SEK m.	2014	2013
Net sales	130	124
Sales growth, %	5	7
EBITDA	73	76
EBITDA, %	56	61

Investor's engagement	2014	2013
Share of capital, %	100.0	100.0
Share of votes, %	100.0	100.0
Reported value of holding, SEK m.	1,471	1,258

Board Members from Investor:

Grand Group: Peter Wallenberg Jr (Chairman) and Johanna Klint

Vectura: Lennart Johansson (Chairman), Susanne Ekblom and Christer Eriksson

Grand Group: Grand Hôtel, Scandinavia's leading five-star hotel, and Lydmar Hotel

Chairman: Peter Wallenberg Jr

President and CEO: Pia Djupmark

IMPORTANT EVENTS 2014 Grand Group

- Organic sales growth was 11 percent, and EBITDA improved sharply.
- Acquired the remaining shares in Lydmar Hotel.

INVESTOR'S VIEW

Grand Hôtel and Lydmar Hotel have unique brands and locations. Wide-scale renovations have been made to Grand Hôtel. Various initiatives have been implemented in order to cope with the challenging economic climate. The operations of Lydmar Hotel add a complementing brand with scope for synergies between the hotels.

Vectura: Manages Investor's real estate, including Grand Hôtel and Aleris-related properties

IMPORTANT EVENTS 2014 Vectura

- Sales grew by 5 percent. The decline in reported EBITDA was mainly explained by the positive one-off divestiture last year and one-off costs affecting EBITDA 2014.
- Näckström Fastigheter completed and initiated several development projects related to Aleris.
- At year-end 2014, the market value of Vectura's real estate assets amounted to SEK 3.0 bn. (2.4).

INVESTOR'S VIEW

We see opportunity to create value in Vectura by efficient real estate management and development. Näckström Fastigheter enables Aleris to focus on its core business in well-adapted facilities. The number of projects is likely to grow gradually as Aleris expands and relocates parts of its business. Within the office and hotel business, Vectura can create value by providing efficient real estate management and improving lettable areas.

Unlisted

Impact on Investor's net asset value, SEK m.

	2014	2013
Net asset value, beginning of the year	11,615	10,984
Contribution to net asset value (value change)	4,372	2,414
Draw-downs (investments and management fees)	2,389	1,914
Proceeds to Investor (divestitures, fee surplus and carry)	-4,854	-3,697
Net asset value, end of year	13,522	11,615

Investor's engagement

	2014	2013
Investor's share of funds, %	6-64	6-64
Reported value of holding, SEK m.	13,522	11,615

Board Member from Investor: Peter Wallenberg Jr

SEK m.	EQT's total commitment	Investor's share	Investor's remaining commitment	Market value
Terminated funds ¹⁾	11,325	–	–	3
Fully Invested funds ²⁾	108,548		904	8,884
EQT VI	47,352	6%	905	2,320
EQT Infrastructure II	18,443	8%	964	433
EQT Midmarket	9,772	24%	1,084	1,439
EQT Credit Fund II	8,040	10%	511	274
Total	203,480		4,368	13,353

1) EQT I, EQT II, EQT Denmark, EQT Finland, EQT Asia

2) EQT III, EQT IV, EQT V, EQT Expansion Capital I, EQT Greater China II, EQT Infrastructure, EQT Credit Fund, EQT Opportunity

A private equity group with portfolio companies in Northern and Eastern Europe, Asia and the U.S.

Chairman: Conni Jonsson

President and CEO (EQT Holdings AB): Thomas von Koch

IMPORTANT EVENTS 2014

- Net cash flow to Investor from EQT amounted to SEK 2.5 bn. The reported value change of Investor's investments in EQT funds was 38 percent. In constant currency, the change was 30 percent.
- Investor's total outstanding commitments to EQT funds were to SEK 4.4 bn. at year-end 2014 (6.3).

INVESTOR'S VIEW

Investor has been a sponsor of EQT's funds since its inception 20 years ago. Since then, EQT has delivered top investment performance in its industry and we have received returns on our limited partner interest in the top quartile of the industry. Being a sponsor allows us to capture a portion of both the carry and surplus from management fees. This represents a significant enhancement of our total return from the respective funds over time. Although "lumpy" by nature, depending on whether the funds are in an investment or divestment phase, our investments in the EQT funds are expected to continue to generate strong net cash flow.

Unlisted

Impact on Investor's net asset value, SEK m.

	2014	2013
Net asset value, beginning of the year	10,793	10,727
Contribution to net asset value (value change)	2,171	1,374
Capital contribution from Investor	–	–
Distribution to Investor	-883	-1,308
Net asset value, end of year	12,081	10,793
<i>Of which net cash</i>	<i>4,379</i>	<i>3,792</i>

Investor's engagement

	2014	2013
Share of capital, %	100.0	100.0
Share of votes, %	100.0	100.0
Reported value of holding, SEK m.	12,081	10,793

Manages expansion stage venture capital investments in the U.S. and China

President and CEO: Stephen Campe (Noah Walley, as of January 1, 2015)

IMPORTANT EVENTS 2014

- Net distribution to Investor from IGC amounted to SEK 0.9 bn. The reported value change was 20 percent. In constant currency, the value change was 1 percent.
- The remaining European portfolio was acquired by Investor and included in Other Investments, after which IGC Europe was wound down.
- Divestments included Aptalis, Huayuan and Telepo.
- Agile Therapeutics and NS Focus completed IPOs.

INVESTOR'S VIEW

The shift in strategy to "invest-to-build" in the U.S. makes IGC more aligned with Investor's core strategy. Near-term focus is on realizing values from the existing portfolio.



2%
of total assets
www.tre.se

Unlisted

Key figures SEK m.	2014	2013
Net sales	10,387	9,459
Service revenue	5,763	5,028
EBITDA	2,662	2,344
EBITDA, %	26	25
Net debt	1,118	9,523

Other key figures

Subscribers	3,015,000	2,716,000
Postpaid/prepaid ratio	80/20	83/17
Capital expenditures/sales, %	10	

Investor's engagement

	2014	2013
Share of capital, %	40,0	40,0
Share of votes, %	40,0	40,0
Reported value of holding, SEK m.	6,123	2,643

Board Members from Investor: Lennart Johansson and Christian Cederholm

A provider of mobile voice and broadband services in Sweden and Denmark

Chairman: Canning Fok

President Sweden: Nicholas Högberg

President Denmark: Morten Christiansen

IMPORTANT EVENTS 2014

- 3 Scandinavia added 299,000 new subscribers in total.
- Service revenue increased by 15 percent, driven primarily by subscriber base growth. EBITDA and cash flow grew as well.
- The European Investment Bank (EIB), provided 3 Scandinavia with a SEK 1.8 bn. loan maturing in 2019.
- 3 Scandinavia repaid SEK 7.5 bn. of its bank loans financed by an equity injection, of which Investor provided SEK 3.0 bn. (40 percent).
- At the end of the year, 3 Scandinavia distributed SEK 0.3 bn. to Investor.

INVESTOR'S VIEW

3 Scandinavia has consistently grown by capturing market share in Sweden and Denmark. With strong cost control in place, future revenue growth should translate into enhanced profit and cash flow generation. With a more efficient funding in place, 3 Scandinavia can use a larger part of its cash flow for distribution to its owners. High network quality and fair access to spectrum will continue to be key for 3 Scandinavia's ability to provide superior services to a growing subscriber base.

Other investments

1%
of total assets

Company	Operations
LINDORFF	A full-service European credit management service provider, offering information services, payment services, debt collection and debt purchase. Investor now holds an equity position and shareholder's note in Lindorff.
 Newron	A listed Italian biopharmaceutical company focused on the development of novel therapies for patients with diseases of the Central Nervous System and pain.
tobii	A leader within eye tracking and speech recognition, developing equipment and services used by more than 2,000 companies and 1,500 research institutions.
 memira	The leading eye laser chain in the Nordic countries with around 50 clinics in Sweden, Norway, Denmark and Finland.
 Kunskapsskolan	A leading independent school operator in Sweden, operating 36 schools with around 11,000 students. All schools are publically funded, free of charge and non-selective. Kunskapsskolan is also active in the UK, the U.S. and in India.

Within Financial Investments, there are a number of other smaller holdings. The five largest, which are partially-owned, are presented briefly above. In total, the reported value of Other Investments within Financial Investments amounted to SEK 3,780 m. as of December 31, 2014, representing 1 percent of our total assets.

The Investor share

The total return for the Investor share in 2014 was 33 percent, while the SIXRX total return index rose by 16 percent. The average annualized total return has been 17 percent over the past ten years and 14 percent over the past 20 years. The price of Investor's A-share increased by 31 percent during the year from SEK 215.10 to SEK 281.30. The B-share increased by 29 percent from SEK 221.30 to SEK 284.70.

Turnover

During 2014, the turnover of Investor shares on the Nasdaq Stockholm totaled 290 million (298), of which 21 million were A shares (18) and 270 million were B shares (279). This corresponded to a turnover rate of 7 percent (6) for the A share and 59 percent for the B share (60), compared with 67 percent for the Nasdaq Stockholm as a whole (67). On average, 1.2 million Investor shares were traded daily (1.2). Our B-share was the 18th most actively traded share on the Nasdaq Stockholm in 2014 (18th). Additional Investor shares were also traded on other exchanges.

Ownership structure

At year-end, our share capital totaled SEK 4,795 m., represented by 767,175,030 registered shares, of which 5,796,960 owned by the company, each with a quota value of SEK 6.25. We had a total of 140,774 shareholders at year-end 2014 (132,433). In terms of numbers, the largest category of shareholders is private

investors, and in terms of the percentage of share capital held, institutional owners dominate. The largest single shareholder category is foundations, of which the three largest are Wallenberg foundations. The Wallenberg foundations' aggregated holding amounts to 23.3 percent of the capital and 50.0 percent of the votes in Investor.

Employee share ownership

Within the framework of our long-term share based remuneration, all employees are given the opportunity to invest approximately 10-15 percent (or in some cases more) of their gross fixed base salary in Investor shares. Approximately 87 percent of Investor's employees participated in the Long-Term Variable Remuneration program 2014 (85). In total, employees invested in and contributed Investor shares worth of SEK 14.1 m. within the programs for long-term share based remuneration during 2014. The CEO, senior management and certain key personnel are required to invest a signifi-

cant portion of their fixed base salary in Investor shares. Personal investments mean that the program has both an upside and a downside, aligning the interest of the employees with the shareholders. For more information on remuneration, see Our employees page 26 and note 9, Employees and personnel costs, page 53.

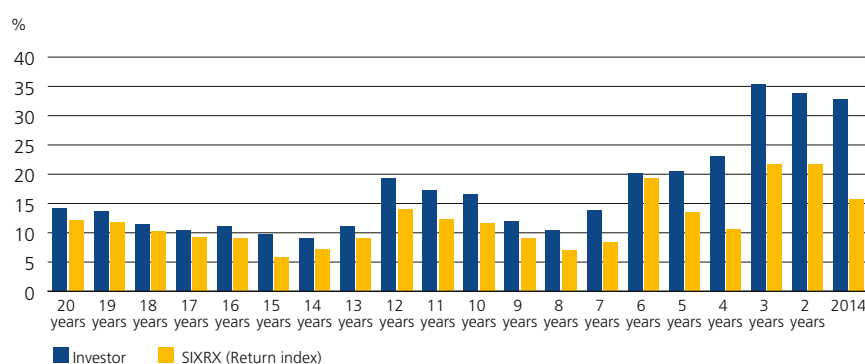
Proposed dividend

The Board and the President propose a dividend to shareholders of SEK 9.00 per share (8.00), corresponding to a maximum of SEK 6,905 m. to be distributed (6,089), based on the total number of registered shares.

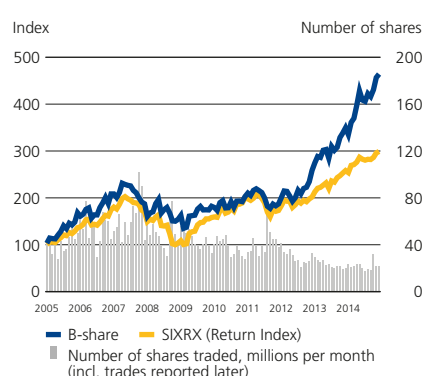
Dividend policy

Our dividend policy is to distribute a large percentage of the dividends received from listed Core Investments, as well as to make a distribution from other net assets corresponding to a yield in line with the equity market. The goal is also to pay a steadily rising dividend.

Average annual total return Investor vs. SIXRX



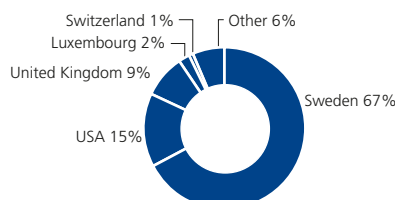
Total return Investor vs. SIXRX



Characteristics of the Investor share

- Our business model to actively develop holdings is well proven and has continuously generated healthy long-term returns to shareholders.
- Our strong financial position, enables us to capture attractive business opportunities for ourselves and for our holdings.
- Our strong cash flow generation, provides both investment and distribution capacity.
- The liquidity of Investor shares is high on Nasdaq Stockholm.
- Investor is a competitive alternative to get exposure to a well-diversified portfolio of listed and unlisted world-class companies.

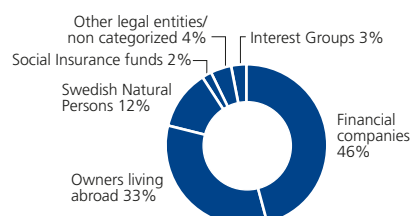
Distribution of ownership by country, % of capital (Euroclear)



Brief facts

- Founded 1916, listed since 1917.
- A shares and B shares are mainly traded on Nasdaq Stockholm.
- The only difference between the A and B share classes is that the A share carries one vote while the B share carries 1/10 vote.
- Total number of registered shares: 767,175,030, of which 311,690,844 A shares and 455,484,186 B shares.
- Ticker codes B share: INVEB.SS (Bloomberg), INVEB.ST (Reuters), INVE.B (FactSet).
- Market capitalization on December 31: SEK 215.7 bn. (adjusted for repurchased shares).
- 11th largest company on Nasdaq Stockholm.

Distribution of shareholders, % of capital (Euroclear)



Shareholders statistics, December 31, 2014 (Euroclear)

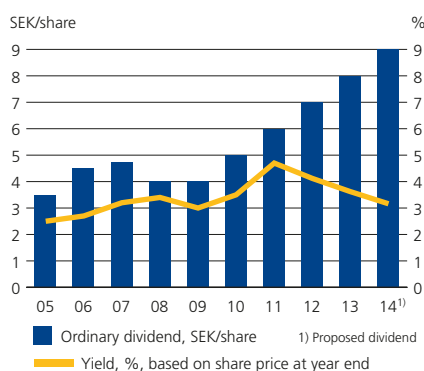
Number of shares	Number of shareholders	Holding, %
1-500	102,324	2
501-1,000	17,249	2
1,001-5,000	16,672	5
5,001-10,000	2,167	2
10,001-15,000	667	1
15,001-20,000	381	1
20,001-	1,314	87
Total	140,774	100

Investor's 15 largest shareholders listed by capital stake¹⁾

12/31 2014	% of capital	% of votes
Knut and Alice Wallenbergs Foundation	19.6	42.0
Alecta	5.2	2.9
AMF	3.9	7.5
The Northern Cross Investments Ltd	2.7	0.6
SEB Foundation	2.3	4.9
Marianne and Marcus Wallenbergs Foundation	2.3	4.9
First Eagle Investment Management	2.1	2.9
Norges Bank Investment Management	1.6	0.4
Marcus and Amalia Wallenberg Memorial Fund	1.4	3.1
SEB Investment Management	1.7	0.6
Handelsbanken funds	1.2	0.4
Robur funds (incl. Swedish church)	1.1	0.7
Fourth AP-fund	1.0	1.0
Invesco Advisers, Inc.	1.0	0.2
Skandia	0.9	1.7

¹⁾ Swedish owners are directly registered or registered in the name of nominees. Foreign owners through filings, custodian banks are excluded. Source: Euroclear.

Dividend



Analyses of Investor

Firms publishing analyses of Investor AB

- ABG Sundal Collier
- BofA Merrill Lynch
- Carnegie
- Citi Research
- Danske Bank
- DNB
- Goldman Sachs
- Handelsbanken
- JP Morgan Cazenove
- Kepler Cheuvreux
- Nordea
- SEB
- Swedbank Markets
- UBS

Investor relations contacts

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magnus.dalhammar@investorab.com

IR Group: +46 8 614 2131

Sustainable business

Investor has a long tradition of acting as a responsible company, owner and employer. We firmly believe that focus on sustainability is critical and that it offers attractive opportunities. Companies that are best-in-class when it comes to operating in a sustainable way will outperform those that do not, be able to provide superior products and services and recruit the best employees.

We are fully committed to the highest standards of corporate governance and we support the UN Global Compact and the OECD guidelines for Multinational Enterprises. The company's basic principle is that long-term profitability and shareholder value is ensured by taking into account the interests of stakeholders, such as shareholders, holdings, employees, suppliers, government, media, local communities and society as a whole.

Guidelines and policies

Investor's Board of Directors, in cooperation with its Management Group, have formulated an internal framework on how Investor shall act as a responsible company, owner and employer, and reflect the UN Global Compact's ten principles. These topics are addressed in the Code of Conduct and the internal policies for Anti-Corruption, Corporate Responsibility and Whistleblowing. Every employee and representative of the company is expected to comply with these policies. Investor's Code of Conduct can be found on our website, www.investorab.com.

As part of our ownership philosophy, Investor strives to ensure that the companies we invest in, and have influence in, conduct their operations in a responsible and ethical manner.

We have high expectations of our holdings regarding Corporate Responsibility (CR) issues. We believe that there is a strong link between long-term profitability and sustainability, and we support our holdings to develop sustainable business models.

As Investor has limited operations, our main focus lies in our role as a responsible

Investor's guidelines

- We expect our holdings to act responsibly and in an ethical manner.
- We expect our holdings to comply with all local and national legislation in each country of operation.
- We expect our holdings to continuously improve their social, environmental and economic impact.
- We expect our holdings to analyze risks, formulate objectives and to have adequate processes to manage and monitor CR risks.
- We expect our holdings to adhere to the UN Global Compact and its ten principles as well as the OECD guidelines for Multinational Enterprises.
- We encourage our holdings to sign the UN Global Compact.
- We encourage our holdings to, in an appropriate form, transparently report CR objectives, risks and progress.
- We encourage our holdings to have an active dialog with their stakeholders such as suppliers and trading partners.

owner, as this is where we can make the most impact. The risks vary depending on company, industry and country, and consist among others of geographical risks, environmental risks, political climate, brand risks as well as supplier risks.

Implementation and monitoring

During the year, Investor had an ongoing dialog with the portfolio companies and worked to support all holdings through their Boards of Directors and via formal and informal contacts. The development and reporting are monitored by Investor's analysts on an ongoing basis. If a serious CR-related matter occurs, the employee who becomes aware of the matter is responsible for raising the matter internally within Investor and directly with the company through our board representatives.

The analysts are responsible for following up the steps the company takes and report to relevant people within Investor.

During 2014 Investor adopted the UN Global Compact's ten principles in the areas of Human Rights, Labor, Environment and Anti-Corruption. Below is a description of progress within these specific areas.

Human Rights

Investor supports the UN Global Compact's ten principles and the OECD guidelines on Multinational Enterprises. We also support and respect internationally proclaimed human rights. Investor expects all holdings to continuously improve their work with human rights.

Actions in 2014 – examples from our holdings

Atlas Copco tested its new human rights due diligence tools and strategy in complex markets, such as Colombia. The approach included human rights training for management and employees, and work to increase leverage by interacting with customers, peers, government, non-governmental organizations, etc. Atlas Copco will use the learnings to continue to develop its approach going forward.

Ericsson updated its Code of Ethics and the Code of Conduct with regards to its commitment to work actively to implement the UN guiding principles for Business and Human Rights in Ericsson's corporate governance.

Saab initiated a project to develop a Code of Conduct for suppliers based on the Global Compact principles. Saab carried out an internal human rights education program in order to increase the understanding of the responsibilities of the company.

Labor

Investor shall ensure compliance with labor and employment laws, including wages and working hours. Furthermore, the right to collective bargaining is recognized in Investor and through the Code of Conduct, it is also stated that no colleagues should be discriminated against because of age, gender, national origin, disability, religion, sexual orientation, marital or maternity status, union membership or political opinion. Violations connected to discrimination must be reported to the closest manager, HR or through our whistleblower system. Investor expects all holdings to continuously improve labor and working conditions.

Actions in 2014 – examples from our holdings

3 Sweden launched a diversity initiative, which allows employees the opportunity of exchangeable holidays. This means that all employees at 3 Sweden with religious or cultural beliefs that do not match up with the traditional Swedish calendar, have the opportunity to swap the traditional Swedish holidays to a day matching their own religious or cultural beliefs.

ABB has an ongoing Supplier Sustainability Development Program to help suppliers to live up to its Supplier Code of Conduct, which covers labor and human rights, health, safety and environment management, business ethics and materials conflict minerals compliance. The program raises suppliers' awareness of and ability to comply with ABB's requirements and incentivizes them to improve performance continuously, and builds capacity within ABB to ensure that appropriate assistance can be provided to suppliers. Over the past four years, ABB has trained 2,600 critical suppliers and more than 2,000 supply chain and quality experts.

Wärtsilä has continued improving, consolidating and spreading the safety culture. By the end of 2014, over 8,900 employees had completed the e-learning focusing on Wärtsilä's Zero Injury approach. Wärtsilä improved in lost time frequency index by 20 percent compared to 2013.

Environment

As an office-based company, Investor's direct environmental impact is limited. Investor strives to avoid unnecessary impact on the environment and to further reduce environmental impact. Investor expects all holdings to continually improve their environmental impact and to encourage their stakeholders such as suppliers and trading partners to meet the same expectations.

Actions in 2014 – examples from our holdings

AstraZeneca was formed in 1999. Since then, it has halved its carbon emissions. In 2014, the Carbon Disclosure Project (CDP) admitted AstraZeneca into their A List of performance leaders. It is one of only three pharmaceutical companies to make the list.

Husqvarna launched two new flat saws for the construction industry during the year. These saws were developed with a clear focus on improved ergonomics for the operator, and the first in the world to comply with both European and US legislation regarding emission regulations.

Mölnlycke Health Care developed a new environmental program to, among other things, improve utilization of working materials, reduce emissions of carbon dioxide and strive to remove hazardous chemicals from all areas of their business, which will drive even higher standards over the next three years.

Nasdaq has implemented a new tool which will track, location by location, the company energy efficiency and resource allocation data in more detail than before. The data will be used for analysis and form the basis for possible future energy efficiency initiatives.

Anti-Corruption

It is of the highest importance that Investor and our holdings adhere to and comply with all given legislations and regulations as well as setting their own bar for how to act and behave in society – always with the highest possible ethics. Investor expects all holdings to continually improve their work against corruption and bribery.

Actions in 2014 – examples from our holdings

SEB conducted internal dilemma discussions on its intranet. Employees globally are presented to realistic dilemma situations targeting areas like ethics, values, gifts and benefits. The dilemmas are seldom "black-or-white", but challenge the respondents with grey-zone answer alternatives. The dilemmas are followed-up with comments by senior persons, such as a compliance officer, HR director or similar.

Electrolux applies a risk-based approach to training relating to corruption and bribery. The company has updated its Code of Conduct which includes provisions on Corruption and bribery. The expectations are extended to the supply chain and are followed-up by audits.

Aleris has developed an internal whistleblower reporting system for the group. The system is a supplement to the regular channels for reporting discrepancies or unacceptable behavior. The notifications are handled by independent external partners, and employees can submit information anonymously. In Sweden, Aleris in early 2014 adopted a policy for a freedom to disclose information (so called "meddelarfrihet"), granting its employees the same rights as public employees. Freedom to disclose information was already in practice, but the policy has been adopted to further strengthen and emphasize this right.

For more information, visit our website:
www.investorab.com

Our employees

Having the right people in the right place at the right time is critical in order to build successful companies. To recruit and retain the right people, we focus on creating an attractive workplace that emphasizes competence, professionalism and quality awareness, as well as on maintaining and developing our international network and brand.

Our organization consists of employees in Corporate Relations & Communications, Group Finance, Human Resources, the Investment Organization, IT, Legal, Corporate Governance & Compliance, Trading and Office Support.

Our team of employees is wide ranging in terms of age, gender and expertise. The representation of women in senior management positions within our own organization is 37 percent (41). Our ambition is to continue to have at least one man and one woman in the final process for every recruitment activity, labor laws permitting.

Since the competence of our employees is of central importance to our ability to develop best-in-class companies, we focus on our employees' individual long-term development and offer the opportunity to advance education and professional knowledge on a continuous basis. During 2014 we continued to focus on improving and developing collaboration and rotations with our holdings.

Our philosophy on remuneration – in short

- Total remuneration, which the individual and the company agree upon, should be competitive in order to attract the right person to the right place at the right time.
- Benchmarking is made annually to ensure that remuneration is competitive and in line with the market.
- A substantial part of the total remuneration package should be variable.
- The system should be linked to long-term shareholder returns by offering the opportunity to build considerable long-term shareholdings. We expect employees to invest their own personal funds in the company.
- The systems should be transparent.
- The remuneration systems should adhere to the "grandfather principle", i.e. all changes in the employee's remuneration are to be approved by the supervisor of the manager proposing the change.

Our culture guides our actions

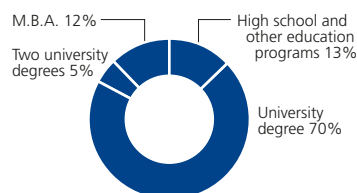
A strong and clear corporate culture is important if we are to successfully achieve our vision and goals. We are constantly developing our corporate culture on the basis of our Core Values; Create Value,

Continuous improvement, Contribute your view and Care for people. The Core Values are an integral part of our way of doing business, as well as our high ethical standards. We conduct a regular employee survey to ensure that our development is progressing and that we offer an attractive workplace.

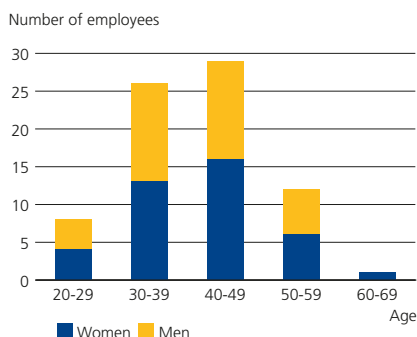
Our global network and international reputation

Our history of owning and developing companies has created a strong international reputation. A key strategic asset is our global network of industrialists that helps us recruit the right talent to our company as well as to our holdings, along with identifying attractive investment opportunities and trends. We work continuously to maintain and develop present relationships while at the same time creating new contacts.

Employees by education



Age distribution



Facts & figures¹⁾ December 31, 2014

- Number of employees: 76 (85).
- Average age: 41.6 years (41.3).
- Invested in education per employee: approximately SEK 24,000 (34,000).
- Percentage of female employees: 53 (56).
- Percentage of women in senior management positions: 37 (41).
- Percentage of women in the Management Group: 40 (40).
- Personnel turnover: 10.6 percent (10.2)

1) Investing activities

Corporate Governance Report

Corporate governance practices refer to the decision making systems through which owners, directly or indirectly, govern a company. Investor's business model of active ownership is to create value in the portfolio companies. Good corporate governance is not only an important matter for Investor's own organization. It is an important part of Investor's core business. Below the corporate governance within Investor is described.

Investor complied with the Code during 2014. Investor did neither deviate from the Nasdaq Stockholm Rule Book for Issuers nor from good stock market practice.

Investor is a Swedish limited liability corporation, publicly traded on the Nasdaq Stockholm exchange, and adheres to the Swedish Code of Corporate Governance (the Code). The Code is published on www.bolagsstyrning.se, where a description of the Swedish Corporate Governance model can be found.

This Corporate Governance Report is submitted in accordance with the Swedish Annual Accounts Act and the Code. It explains how Investor has conducted its corporate governance activities during the 2014 financial year.

This report avoids repeating information in applicable regulations and focuses on presenting the specific corporate governance matters for Investor.

The Corporate Governance Report has been reviewed by Investor's auditor, see page 93.

Annual General Meeting

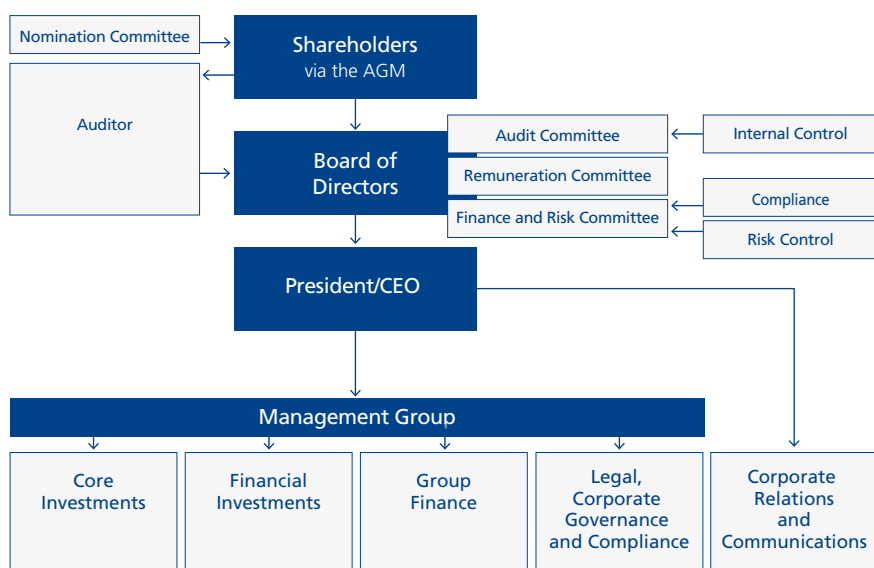
The 2015 Annual General Meeting (AGM) of Investor will take place on May 12 at the City Conference Centre in Stockholm. Shareholders who would like to have a particular matter discussed at the AGM should submit such request to the Nomination Committee before March 17 and to the company before March 24, 2015. Contact information is available on the company website.

Investor always strives to ensure that the Board, the Management Group, the Nomination Committee and the auditor are present at the AGM.

Each Investor shareholder entitled to vote may vote for the entire number of the shares owned and represented by the shareholder without restrictions to the number of votes. A-shares are entitled to one vote and B-shares are entitled to 1/10 vote.

In addition to applicable law, regarding shareholder's right to participate at the AGM, there is a requirement in Investor's Articles of Association of confirming intention to attend within

Corporate Governance at Investor



Examples of external framework for governance at Investor:

- Swedish Companies Act.
- Accounting legislation, e.g. Swedish Accounting Act, Swedish Annual Accounts Act, and IFRS.
- Nasdaq Stockholm's Rule Book for Issuers.
- Swedish Code of Corporate Governance.

Examples of internal framework for governance at Investor:

- Articles of Association.
- Board Instructions, Rules of Procedure.
- Policies such as Compliance Policy, Information Policy, Risk Policy, and Safety Policy.
- Process descriptions for each business area.
- Ethical guidelines.

The corporate culture is based on the core values:
Create value / Continuous improvement / Contribute your view / Care for people

given time, stated in the notice of the AGM. The shareholder shall at the same time also inform of any assistant participation.

The documents from the AGM and the minutes recorded at the AGM are published on the website.

Shares, ownerships and distribution policy

At year-end 2014, Investor had 140,774 shareholders according to the register of shareholders maintained by Euroclear Sweden. Institutional owners dominate the ownership structure. See page 23 for Investor's largest shareholders and page 83 for Investor's share capital.

Investor's distribution policy is to distribute a large percentage of the dividends received from listed Core investments, as well as to make a distribution from other net assets corresponding to a yield in line with the equity market. Investor's goal is to generate a steadily rising annual dividend.

The 2014 AGM decided on a dividend payment of SEK 8.00 per share to shareholders. The Board and President recommend to the 2015 AGM a distribution of dividend to shareholders of SEK 9.00 per share.

Repurchases of own shares

Since year 2000, the Board has requested and been granted a mandate by the AGM to repurchase the company's shares. The company's holding of its own shares should not exceed 1/10 of all shares outstanding in the company. In 2014, no shares were repurchased. However, 496,400 B-shares were transferred. Also, for the 2015 AGM, there is a proposal to give authorization to the Board to buy back Investor shares in order to hedge the long-term share-based remuneration programs.

	Number shares held by Investor	Share of total number of outstanding shares, %	Nominal value, SEK m.	Trans- action price, SEK m.
2014				
Opening balance				
B-shares	6,293,360	0.82	39.3	
Repurchased				
B-shares	0	0	0	
Transferred B-shares	-496,400	-0.06	-3.1	-61.2
Closing balance	5,796,960	0.76	36.2	

Nomination Committee

According to the current instruction for the Nomination Committee, the Committee shall consist of one representative from each of the four shareholders or groups of shareholders controlling the largest number of votes that desire to appoint a representative and the Chairman of the Board. The register of recorded shareholders and shareholder groups from Euroclear Sweden and other reliable shareholder information available to the company as of the last business day of August serves as the basis for

identifying the members. For further information regarding instruction for the Nomination Committee, see the company website.

Up until February 28, 2015, the Nomination Committee had held four meetings at which the minutes were recorded. They also stayed in contact between these meetings. The AGM documents related to the Nomination Committee are published on the website.

Nomination Committee members 2015 AGM

Nomination Committee members	Independent in relation to the company and company Management	Independent in relation to the company's major shareholders	12/31 2014 % of votes
Hans Wibom, Wallenberg Foundations	Yes	No ¹⁾	50.0
Peder Hasslev, AMF	Yes	Yes	7.5
Lars Isacson, SEB Foundation	Yes	Yes	4.9
Ramsay Brufer, Alecta	Yes	Yes	2.9
Jacob Wallenberg, Chairman of the Board	Yes	No ²⁾	

The composition of the Nomination Committee was made public on September 19, 2014. The composition meets the independence criteria set forth by the Code.

1) Representing the Wallenberg Foundations.

2) Member of Knut and Alice Wallenberg Foundation.

Auditor

Pursuant to its Articles of Association, Investor must have one or two auditors, and no more than two deputies. A registered firm of auditors may be appointed as the company's auditor. The auditor is appointed by the AGM for a mandate period of one year, as nothing further is stated in Investor's Articles of Association.

At the 2014 AGM, the registered auditing company, Deloitte AB was re-elected as auditor for the period until the end of the 2015 AGM. The Authorized Public Accountant Thomas Strömberg is the auditor in charge for the audit.

The auditing firm has, besides the audit, conducted a limited number of other assignments on behalf of Investor. These assignments mainly consisted of services associated with auditing, such as in-depth reviews during audit. By limiting the extent to which the auditor is allowed to perform services other than auditing, it is possible to ensure that the auditor is independent of the company. For details on remuneration to auditors, see note 10, Auditor's fees and expenses.

Investor's auditor: Deloitte AB

Auditor-in-charge: Thomas Strömberg, Authorized Public Accountant
Born: 1966

Auditor-in-charge for Investor since 2013

Shares in Investor AB: 0 shares

Other auditing assignments: Karolinska Development AB,
Rezidor Hotel Group AB, Tele2 AB

Board

Pursuant to the Articles of Association, the Board must consist of no less than three and no more than thirteen Directors, as well as no more than four deputies. Since the 2014 AGM, the Board has consisted of thirteen members and no deputies. The percentage of women on the Board, calculated on non-executive Directors, is 25. A more detailed presentation of the Board is found on the adjacent table, on page 36 and on the website.

New Board members are introduced to Investor's business operations by attending an introduction orientation involving, for example, meetings with department managers. Board members are continuously updated on new regulations, practices and statutory requirements that may affect the business.

The composition of Investor's Board meets the requirements concerning the independence of Directors. Several of the Board members are Directors of Investor's holdings and they receive remuneration from these companies. It is the opinion of the Nomination Committee that this remuneration does not entail a dependence of these members on Investor or its Management. Investor is an industrial holding company and work actively through the Boards of its holdings to identify and drive value-creating initiatives. The work of the Board of Directors in Investor's holdings is the core of Investor's active ownership model. For Investor, where a fundamental component is to have the right Board in each company, it is natural that Members of Investor's Board of Directors and Management have Board assignments in Investor's holdings.

The assessment of each Board member's independence is presented on the table below.

The Chairman of the Board, Jacob Wallenberg, is in addition to his active involvement in Investor also involved in a number of other companies and serves on a number of international organizations. He has an extensive international network and he participates in various policy forums.

Evaluation of the Board and CEO

Pursuant to the Rules of Procedure, the Chairman of the Board initiates an annual evaluation of the performance of the Board. The 2014 evaluation was answered by each Board member. In addition, the Chairman met with each Board member separately to discuss the work done by the Board during the year.

The objective of the evaluation is to provide insight into the Board members' opinions about the performance of the Board and identify measures that could make the work of the Board more effective. A secondary objective is to form an overview of the areas the Board believes should be afforded greater scope and where additional expertise might be needed within the Board.

The Board discussed the results of this year's evaluation and the Chairman of the Board presented them to the Nomination Committee.

Investor's Board continuously evaluates the performance of the President by monitoring the development of the business in relation to the established objectives. A formal performance review is carried out once a year.

Board of Directors elected at the AGM 2014

Member	Elected	Position	Year of birth	Nationality	Independent in relation to the company and company Management	Independent in relation to the company's major shareholders
Jacob Wallenberg	1998	Chairman	1956	Swedish	Yes	No ¹⁾
Sune Carlsson	2002	Vice Chairman	1941	Swedish	Yes	Yes
Dr. Josef Ackermann ²⁾	2012	Member	1948	Swiss	Yes	Yes
Gunnar Brock ³⁾	2009	Member	1950	Swedish	Yes	Yes
Börje Ekholm	2006	Member	1963	American/Swedish	No ⁴⁾	Yes
Magdalena Gerger	2014	Member	1964	Swedish	Yes	Yes
Tom Johnstone	2010	Member	1955	British	Yes	Yes
Grace Reksten Skaugen	2006	Member	1953	Norwegian	Yes	Yes
O. Griffith Sexton	2003	Member	1944	American	Yes	Yes
Hans Stråberg	2011	Member	1957	Swedish	No ⁵⁾	Yes
Lena Treschow Torell	2007	Member	1946	Swedish	Yes	Yes
Marcus Wallenberg	2012	Member	1956	Swedish	Yes	No ¹⁾
Peter Wallenberg Jr ²⁾	2006	Member	1959	Swedish	Yes	No ¹⁾

1) Member of Knut and Alice Wallenberg Foundation.

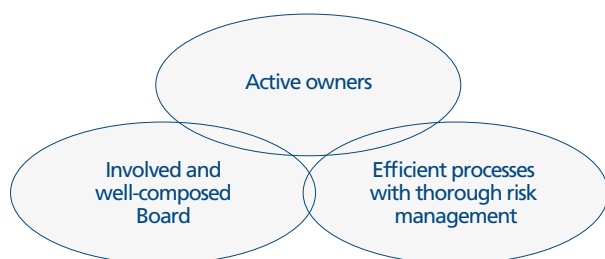
2) As Directors in EQT, Peter Wallenberg Jr and Dr. Josef Ackermann, have the possibility to invest in the funds that EQT establishes. These investments are made in accordance with the same terms and conditions as for other national and international investors. This circumstance does not entail that Peter Wallenberg Jr and Dr. Josef Ackermann, by this reason, are dependent to Investor or its Management. In early 2015, Dr. Josef Ackermann resigned from EQT's Board of Directors.

3) In conjunction with taking over as the Chairman of Mölnlycke Health Care 2007 (which was prior to the Board in Investor), Gunnar Brock acquired shares (ordinary and preferred) in Mölnlycke Health Care as part of the stock investment program for the Board and senior executives of that company. A part of this holding was reinvested in connection with the new program set in place during 2014 and the remainder was exited. However, it has been concluded that this does not make Gunnar Brock dependent on Investor or its Management.

4) President.

5) Has been President of a closely-related company during the last five years.

Cornerstones for good corporate governance



Work of the Board in 2014

During the year, the Board held 14 meetings, of which ten were regular meetings, one was statutory and three were extraordinary. The Board members' attendance is shown in the table on page 32. The secretary of the Board meetings was General Counsel, Petra Hedengran. Prior to each meeting, Board members were provided with written information on the issues that were to be discussed.

During the year, the Board devoted considerable time to acquisition of shares in, inter alia, Wärtsilä and ABB, divestiture of shares in Lindorff, subscription of Electrolux's rights issue regarding the financing of the acquisition of GE Appliances, investments in EQT-funds, value creation plans of the companies, and other strategic matters, such as the creation of Patricia Industries. In addition, the Board has considered the refinancing of Mölnlycke Health Care and 3 Scandinavia, and acquisitions within Financial Investments. Prior to each transaction, extensive analysis were presented to the Board.

During the year the Board also worked with developing Investor's role as an active owner and strengthening the processes relating thereto.

The succession planning of the President has been discussed during the year.

The Board devoted time to both internal and external presentations of the financial markets. The Board discussed the development and the effects on industries, markets and individual companies, paying particularly close attention to Investor's holdings and the long-term strategies of such holdings.

CEOs and the Management team of Mölnlycke Health Care and Permobil have presented their companies. The Board also visited some of the companies' production facilities in the U.S.

An important part of the Board's work is the financial reports presented at every regular Board meeting, including those prior to the year-end, the interim report, and the interim management statements. The Board also receives regular reports on the company's financial position. At regular Board meetings, reports are delivered on the ongoing operations in the business areas, together with in-depth analyses and proposed actions regarding one or more of the company's holdings.

Committee work is an important task performed by the Board. For a description of the work conducted by the Committees during 2014, see page 31.

During the year, the company's Management presented value creation plans for Core Investments, including analyses of the holdings' operations and development potential in the business areas where they are active. These analyses and their implications were discussed and assessed by the Board with a focus on the individual companies as well as in the context of overall strategic discussions. The Board reviewed and approved these value creation plans for all Core Investments. The Board also discussed the overall strategy thoroughly at the yearly strategy review.

The Board received and discussed reports on the composition of portfolios and developments within Financial Investments, including Investor's involvement in EQT and the operations of Investor Growth Capital.

In addition to participating in meetings of the Audit Committee, the company's auditor also attended a Board meeting during which Board members had the opportunity to pose questions to the auditor without representatives of the company's Management being present.

Board Committees

In order to increase the efficiency of its work and enable a more detailed analysis of certain issues, the Board has formed three Committees: the Audit Committee, the Remuneration Committee and the Finance and Risk Committee. The members of the Committees are appointed for a maximum of one year at the statutory Board meeting. The Committee's duties and decision making authorities are regulated in the instruction presented to each Committee annually.

The primary objective of the Committees is to provide preparatory and administrative support to the Board. The issues considered at Committee meetings are recorded in minutes and reported at the next Board meeting. Representatives from the company's specialist functions always participate in Committee meetings.

The Audit Committee is responsible for assuring the quality of the financial reporting and the efficiency in the internal control system. The Audit Committee is the primary way in which the Board and the company's auditor communicate with each other.

The responsibilities of the Remuneration Committee are, among other things, to evaluate and prepare guidelines for salary and other remuneration, and to decide remuneration to the members of the Management Group, except for the President for whom the Board as a whole sets the remuneration.

The Finance and Risk Committee ensures that the company's compliance efforts are effective and monitor risk exposure and financial strategies.

Board Committees' work 2014

	Audit Committee	Remuneration Committee	Finance and Risk Committee
Members	Sune Carlsson (Chairman) Grace Reksten Skaugen Jacob Wallenberg Peter Wallenberg Jr	Jacob Wallenberg (Chairman) O. Griffith Sexton Lena Treschow Torell	Grace Reksten Skaugen (Chairman) Gunnar Brock Jacob Wallenberg
Number of meetings	6	5	3
Focus areas in 2014	<ul style="list-style-type: none"> Analyzed each interim report and the year-end report for completeness and accuracy. Evaluated accurate valuation principles of each business area. Assessed accurate accounting of major transactions. Assessed structural and specific tax related issues. Followed-up Audit reports. Followed-up on the internal control in connection with process changes. 	<ul style="list-style-type: none"> Evaluated and approved remuneration structures for personnel and salary reviews for Management. Evaluated and assessed the President's goals and terms and conditions for remuneration, which were then approved by the Board. Discussed strategic personnel related issues. Evaluated guidelines for salary and other remuneration including the long-term variable remuneration programs. Proposed to the Board to submit to the AGM 2015 a long-term variable remuneration program which is substantially identical to the approved program for 2014. 	<ul style="list-style-type: none"> Followed-up on limits, mandates and risk exposure for each business area at each meeting. Approved updates of Group policies. Assessed the effect on Investor regarding new and coming regulations. Assessed the reported work accomplished by the Security function regarding information security.

The President, the Management Group and the organization

The President's responsibilities include among other things ongoing investments and divestments, personnel, finance and accounting issues and regular contact with the company's stakeholders, such as public authorities and the financial market. The President ensures that the Board is provided with the requisite material for making well-informed decisions.

The President has appointed a Management Group that has day-to-day responsibility for different parts of Investor's business. There has been no change in the Management Group during 2014. In the beginning of 2015 the company announced that the Board of Directors has appointed Johan Forssell as new President and CEO as of May 12, 2015. A new Management Group effective as of the same date was also announced, consisting of Helena Saxon, CFO, Daniel Nodhäll, Head of Listed Core Investments, Petra Hedengran, General Counsel, Corporate Governance and investments in EQT funds, and Stefan Stern, Head of Communication, Public Affairs and CSR. For more information about the President and Management Group, see page 38.

The Management Group holds meetings focused on the company's strategy four to five times a year, including risk assessment.

The Management Group regularly works with specific business transactions. During the year the Management Group focused among others on the acquisition of additional shares in Wärsilä, the divestment of shares in Lindorff and the refinancing of 3 Scandinavia. The Management Group also worked proactively to ensure the company's financial flexibility. The Management Group regularly monitors the organization to ensure that it

has the right competences given the company's strategy, goals and challenges.

The Management Group works actively with engaging all employees to develop the corporate culture and act accordingly. For information on Investor's role as employer and owner regarding sustainable business, see page 24.

Investor's Analysts work in business teams focused on each individual investment. These individuals continuously research each holding, the sector to which it belongs and competitors to identify value creating initiatives, risks and their return potential.

In the listed Core Investments, see page 12, Investor exercises its active ownership through Board representation.

Investor governs its wholly-owned operating subsidiaries, see page 12, through its representation on the Boards of those companies. Investor's Board representatives are appointed by the President of Investor. They are responsible for ensuring that Investor's Management Group and Board are provided with relevant information.

The governance of the partner-owned companies is carried out jointly with each partner.

Investor's Trading function is governed by mandates and limits set by the Board.

Support functions on group level, to the investment organization, are governed by approved policies and instructions.

Control functions

Using the risk policy approved by the Board as framework, the Risk Control function identifies and monitors the major risks that Investor is exposed to. This function is responsible for coordinat-

Attendance record and Board remuneration in 2014

Member Chairman	Audit Com- mittee	Remu- nera- tion Com- mittee	Finance and Risk Com- mittee	Atten- dance record, Board Meetings	Atten- dance record, Committee Meetings	Board fee excl. Committee fees			Committee fees			Total Board Remunera- tion incl. synthetic shares, SEK t ¹⁾
						Cash, SEK t	Value of synthetic shares, SEK t ¹⁾	Number of synthetic shares ^{1,2)}	Audit Commit- tee, SEK t	Remune- ration Commit- tee, SEK t	Finance and Risk Commit- tee, SEK t	
Jacob Wallenberg	■	■	■	100%	100%	2,175	0	0	143	143	72	2,533
Sune Carlsson	■			100%	100%	580	0	0	215			795
Dr. Josef Ackermann				92%		290	290	1,160				580
Gunnar Brock			■	100%	100%	290	290	1,160			72	652
Börje Ekholm				100%								
Magdalena Gerger				100%		290	290	1,160				580
Tom Johnstone				100%		290	290	1,160				580
Grace Reksten Skaugen	■		■	100%	100%	580	0	0	143		143	866
O. Griffith Sexton		■		92%	80%	580	0	0		72		652
Hans Stråberg				100%		290	290	1,160				580
Lena Treschow Torell		■		92%	100%	290	290	1,160		72		652
Marcus Wallenberg				100%		580	0	0				580
Peter Wallenberg Jr	■			100%	100%	290	290	1,160	143			723
Total						6,525	2,030	8,122	644	287	287	9,773

1) At point of allocation.

2) The synthetic shares are valued in connection with allocation after the Annual General Meeting 2014 and shall be based on an average market price of Investor shares of class B during a measurement period in conjunction with the allocation, see note 9, Employees and personnel costs.

For total value of the Board fee including synthetic shares and dividends at year-end, see note 9, Employees and personnel costs.

ing the internal reporting of Investor's significant risks at the aggregate level. The Risk Control function reports to the Finance and Risk Committee.

The Compliance function supports Investor's compliance with laws and regulations, and maintains internal regulatory systems and education to this end. The Compliance function reports to the Finance and Risk Committee.

The Internal Control function is a review function that provides objective support to the Board on matters relating to the internal control structure, partly by investigating major areas of risk and partly by performing reviews and follow-ups in selected areas. The Internal Control function plans its work in consultation with the Audit Committee, Management Group and the external auditor. It also regularly provides reports on its work to the Audit Committee during the year.

Remuneration

Remuneration to the Board

The total remuneration to the Board approved by the AGM 2014 was SEK 9,773 t. Information on specific compensation is provided in the table above and in note 9, Employees and personnel costs.

The Nomination Committee believes it is to the advantage of the company and its shareholders if Board members are either

shareholders in the company or have similar exposure to changes in the price of Investor's share over the long term. Since the 2008 AGM, it is possible for Board members to receive a portion of their compensation in the form of synthetic shares.

At the statutory Board meeting in May 2014, the Board adopted, as in 2011-2013, a policy stating that Board members, who do not already have such holdings, are expected to, over a five-year period, acquire an ownership in Investor shares (or a corresponding exposure to the Investor share, e.g. in the form of synthetic shares) with a market value equivalent to at least one year's Board remuneration, before taxes, excluding remuneration for Committee work.

Remuneration to Management and other employees

The total remuneration for the President is determined by the Board. Remuneration issues concerning other members of the Management Group are decided by the Remuneration Committee, after which the Board is informed.

Investor's policy is for the Management Group to own shares in Investor corresponding to a market value of at least one year's gross salary for the President and at least half of one year's gross salary for the other members of the Management Group.

The development of the programs for long-term variable remuneration is evaluated on a continuous basis throughout the

year. The Remuneration Committee also regularly carries out a more thorough evaluation of the programs. The long-term variable remuneration program proposed by the Board and decided by the AGM in 2014 was substantially identical to the program from 2013.

The Board of Directors' proposal, set out below, regarding guidelines for salary and other remuneration for the President and other Members of the Management Group to the AGM 2015 comply with the guidelines for remuneration decided by the AGM 2014, however, with the exception that it is now proposed that pension benefits shall only consist of a premium based pension plan on parts of salary up to 30 basic income

amounts, and no longer of a defined benefit pension plan.

Furthermore, as of the Annual General Meeting 2015, none of the Members of Investor's Management Group participates in the profit-sharing program in Investor's trading and Investment organization. Pursuant to this, the guidelines are stated below.

See note 9, Employees and personnel costs, page 53, and on the website, for the most recently approved guidelines on remuneration to senior executives and for a description on the long-term variable remuneration programs. See also the website for the information and evaluation that have to be reported according to the Code.

The Board of Directors' proposal regarding Guidelines for salary and other remuneration to the President and other Members of the Management Group, at the 2015 AGM

Investor shall strive to offer a total remuneration in line with market conditions which will enable Investor to recruit and retain the most suitable senior executives. Comparative studies of relevant industries and markets are carried out annually in order to determine what constitutes a total level of remuneration in line with market conditions and in order to evaluate current remuneration levels. The total remuneration shall be based on factors such as position, performance and individual qualification.

The total remuneration to the Management Group shall consist of

- fixed cash salary;
- variable cash salary;
- long-term variable remuneration;
- pension; and
- non-monetary benefits and other remuneration.

Fixed cash salary, variable cash salary and long-term variable remuneration together comprise the total salary for an employee.

Fixed cash salary

The fixed cash salary shall be reviewed annually, and constitutes the basis for calculation of the variable salary.

Variable cash salary

The short-term variable cash salary is dependent upon the individual's achievement to meet annually set goals. The outcome of the short-term variable cash salary is reviewed annually. For the Management Group, the highest possible short-term variable cash salary shall vary due to the position

held and employment agreements and shall, for the Members of the Management Group, generally amount to 10-75 per cent of the fixed cash salary. For the President, the short-term variable cash salary amounted to maximum 10 per cent in 2014. The total short-term variable cash salary before tax for all current Members of the Management Group, and considering the change of President as of AGM 2015, can vary between SEK 0 and SEK 10.0 m. during 2015, depending on whether the goals have been met. The short-term variable cash salary might exceed this amount in the event that the Management Group is expanded. The outcome should only be related to the fulfillment of the individual's goals and thus the remuneration is clearly related to the work contributions and performance of the individual. The goals shall be both qualitative and quantitative and be based on factors which support the company's long-term strategy.

Long-term variable remuneration

Long-term variable remuneration according to decision by the AGM. The Board has decided to propose to the AGM 2015 a long-term variable remuneration program in which all employees may participate and which is substantially identical to the approved program for 2014. See note 9, Employees and personnel costs, and the website for a description on the long-term variable remuneration programs.

Pension

Pension benefits shall, for Members of the Management Group, consist of a premium based pension plan on parts of salary above 20 basic income amounts as a consequence of which the ratio of

pension provisions to fixed cash salary depends on the age of the executive. Pension benefits shall, for all employees, consist of a premium based pension plan on parts of salary up to 30 basic income amounts. In respect of employees working abroad, pension benefits shall be adjustable in line with local pensions practice. The age of retirement for the President and other Members of the Management Group shall be 60 years.

Non-monetary benefits and other remuneration

Non-monetary benefits and other remuneration shall be on market terms and shall contribute to facilitating the executive's discharge of his or her duties.

Termination and severance pay

Investor and Members of the Management Group may mutually terminate employment contracts subject to a six months' notice. Fixed cash salary during the notice period and severance pay shall, for Members of the Management Group with employment contracts entered into after the AGM 2010, in aggregate not exceed the fixed cash salary for two years. For Members of the Management Group employed before the AGM of 2010 the contracts already entered into shall apply. For these Members a mutual termination period of six month applies and severance payment is maximized to 24 months of fixed cash salary.

The Board of Directors may, where particular grounds exist in the individual case, decide to deviate from the guidelines.

The Board's report on Internal control over financial reporting

The Board has the ultimate responsibility of the internal control for the financial reporting.

Investor's system of internal control and risk management, with regard to financial reporting, is designed to manage risks involved in the processes related to financial reporting and ensure a high level of reliability in the financial reporting. It is also designed to ensure compliance with the applicable accounting requirements and other requirements that Investor must meet as a listed company. Investor's main business is the management of financial transactions and the company's internal control over financial reporting is focused primarily on ensuring efficient and reliable management of, and accounting for, purchases, sales and accurate evaluation of securities. Correct consolidation of the operating subsidiaries is also a priority.

Investor's wholly-owned operating subsidiaries have separate internal control structures in place for their operational activities. The Board of each of these companies is responsible for ensuring the efficiency of the operating subsidiary's internal regulations, internal controls, risk management and financial reporting, as well as reporting on these items to respective company's Board of Directors. Investor's Board representatives provide this information to Investor's investment organization, where analysis and follow-up take place.

Control environment

The control environment is built around an organization with clear decision-making channels, powers and responsibilities that are defined by explicit instructions and a corporate culture based on shared values. It also requires each individual's awareness of his/her role in maintaining effective internal control. The corporate culture at Investor is based on four core values: Create value, Continuous improvement, Contribute your view and Care for people.

All of Investor's business areas have policies, instructions and detailed process descriptions for the various phases of each business flow. These documents establish rules on responsibilities for specific tasks, mandates and powers and how validation is to be carried out. The governing documents are presented on the intranet for all employees. The documents are updated yearly or when needed to ensure that they always reflect current legislation, regulations and changes in processes. The Compliance function educates and informs the organization continuously about internal policies and instructions. During 2014 the Compliance function has followed up how the subsidiaries work with their steering documents.

Risk assessment

Risk assessment, i.e. identifying and evaluating risks that could prevent the company from achieving its business goals and having reliable financial reporting, is conducted continuously in the day to day business at Investor. The Board, via the Finance and Risk Committee and the Audit Committee, is responsible for identifying and managing significant financial risks and any risks of material weaknesses in the financial reporting. The Board follows up frequently on limits and risk exposure to ensure the ability to reach business strategies and goals.

The CEO is responsible for ensuring that the organization complies with the Risk policy and for the continuous management of all risks within the business. The Board's and the Management's support function for managing and identifying risks and activities required, is the Risk Control Function.

Investor's Board representative in the subsidiaries ensures that Investor's Board and Management is informed about any issue in the financial reporting, that could affect Investor's business or financial reporting.

Risk measurement is performed daily regarding the Treasury and Trading businesses and provided to the Management Group. The financial reports are compiled monthly and provided to the Management Group.

Risk assessment is carried out yearly in the form of a self-evaluation and includes the establishment of action plans to mitigate identified risks. Risk assessment encompasses the entire organization and all of its processes. It takes into consideration such things as systems, control activities and key individuals. Continued focus during 2014 has been on process enhancement and information security. When needed, action plans were implemented to minimize the probability and impact of identified risks. The identified risks are compiled in a company-wide risk map. Conclusions drawn from the risk assessments are reported to the Management Group and the Board. The CEO and Management Group follow up on the implementation of action plans.

Risk management



Using each business area's risk assessment as a starting point, the Audit Committee determines which of the identified risks for the financial reporting should be prioritized by the Internal Control function. Focus is placed on risks of material weaknesses in the financial reporting for significant Income Statement and Balance Sheet items, which have a higher risk because of the complexity of the process, or where there is a risk that the effects of potential weaknesses may become significant because of the high transaction values involved. Actions such as improved control routines are implemented when needed. The Finance and Risk Committee follows up on the measures in place for dealing with other risks.

For a more detailed description of Investor's risks, see note 3, Risks.

Control activities

To ensure that business is conducted efficiently and that financial reporting gives a true and fair picture on each reporting date, every process incorporates a number of control activities. These involve all levels of the organization, from the Board and company Management to other employees.

At Investor, control activities include approval of business transactions, reconciliation with external counterparties, daily monitoring of risk exposure, daily account reconciliation, monthly custody reconciliation, performance monitoring and analytical monitoring of decisions. During 2014 new controls regarding outsourced processes have been implemented and the controls in the consolidation process and controls in the work with the external reporting have been further developed.

Investor's financial reports are analyzed and validated by the company's control function within Finance. The validation process consists of both automatic checks, including deviation reporting, and manual checks such as analysis and reasonability

assessment of the values found. The effectiveness of the automatic checks in the IT systems is monitored on the basis of information received from system administrators in the business process. Suggestions for improvements are identified and implemented on an ongoing basis.

Information and communication

Investor's Board has adopted a communication policy for the purpose of ensuring that the external information is correct and complete. Within the company, there are also instructions regarding information security and how to communicate financial information between Management and other employees. Investor has an established process for whistle-blowing, accessible for all employees. It can be used anonymously.

The instruction for information security has been updated during the year and education has been held with the employees. During 2014 there has been a specific focus on developing efficient processes for reporting of the financial information from subsidiaries.

Monitoring

Both the Board and the Management Group regularly follow up on the compliance and effectiveness of the company's internal controls to ensure the quality of internal processes. Investor's financial situation and strategy regarding the company's financial position are discussed at every Board meeting and the Board is furnished with detailed monthly reports on the financial situation and development of the business to this end. The Audit Committee plays an important role in ensuring and monitoring that control activities are in place for important areas of risk inherent in the processes for financial reporting. The Audit Committee, Management Group and Internal Control function regularly follow up reported deviations.

Board of Directors



Jacob Wallenberg



Sune Carlsson



Dr. Josef Ackermann



Gunnar Brock



Börje Ekholm



Magdalena Gerger



Tom Johnstone

Jacob Wallenberg

Born 1956, Chairman since 2005
Vice Chairman 1999-2005
Director since 1998
Chairman: Remuneration Committee
Member: Audit Committee, Finance and Risk Committee

Other board assignments

Vice Chairman: Ericsson, FAM, SAS
Director: ABB, The Knut and Alice Wallenberg Foundation, The Royal Swedish Academy of Engineering Sciences (IVA), Stockholm School of Economics
Member: IBLAC (Mayor of Shanghai's International Business Leaders Advisory Council), The European Round Table of Industrialists (ERT), The Confederation of Swedish Enterprise

Work experience

Chairman: SEB
Vice Chairman: Atlas Copco, Stora
President and CEO: SEB
Director: The Coca Cola Company, Electrolux, Stockholm Chamber of Commerce, Stora, WM-data
Executive VP and CFO: Investor

Education

B.Sc. in Economics and M.B.A., Wharton School, University of Pennsylvania
Reserve Officer, Swedish Navy

Independent/Dependent ¹⁾

Shares in Investor ²⁾
192,512, Synthetic shares: 23,125

Sune Carlsson

Born 1941, Vice Chairman since 2011
Director since 2002
Chairman: Audit Committee

Other board assignments

Director: Wärtsilä

Work experience

Chairman: Atlas Copco
Vice Chairman: Scania
President and CEO: SKF
Executive Vice President: ABB, ASEA

Education

M.Sc. in Engineering, Chalmers University of Technology, Gothenburg

Independent/Dependent ¹⁾

Shares in Investor ²⁾
50,000, Synthetic shares: 6,167

Dr. Josef Ackermann

Born 1948, Director since 2012

Other board assignments

Chairman: Bank of Cyprus
Honorary Chairman: St. Gallen Foundation for International Studies
Director: Renova Management
Director International Advisory Board: Akbank

Work experience

Chairman: Zurich Insurance Group
Chairman Management Board and the Group Executive Committee: Deutsche Bank
President Executive Board: Schweizerische Kreditanstalt

Education

Dr. oec, economics and social sciences, University of St. Gallen

Independent/Dependent ¹⁾

Shares in Investor ²⁾
0, Synthetic shares: 4,597

Gunnar Brock

Born 1950, Director since 2009
Member: Finance and Risk Committee

Other board assignments

Chairman: Mölnlycke Health Care, Rolling Optics, Stora Enso
Director: The Royal Swedish Academy of Engineering Sciences (IVA), SOS Children's Villages, Stena, Stockholm School of Economics, Syngenta, Total

Work experience

CEO: Alfa Laval, Atlas Copco, Tetra Pak Group of Companies, Thule International

Education

M.Sc. in Economics and Business Administration, Stockholm School of Economics

Independent/Dependent ¹⁾

Shares in Investor ²⁾
0, Synthetic shares: 8,909

Börje Ekholm

See information on page 38

Magdalena Gerger

Born 1964, Director since 2014

Current position

President and Chief Executive Officer: Systembolaget

Other board assignments

Director: Husqvarna, The Research Institute of Industrial Economics (IFN), The Royal Swedish Academy of Engineering Sciences (IVA)

Work experience

Director: IKEA (Ingka Holding) and Svenska Spel
Vice President, responsible for Fresh Dairy, Marketing and Innovation: Arla Foods
Management consultant: Futoria
Category Director: Nestlé UK
Marketing Director: ICI Paints

Education

M.B.A. Stockholm School of Economics
M.B.A. exchange, McGill University, Montreal
M. Econ., Stockholm School of Economics

Independent/Dependent ¹⁾

Shares in Investor ²⁾
1,200, Synthetic shares: 1,160

Tom Johnstone

Born 1955, Director since 2010

Current role

President and CEO: SKF

Other board assignments

Director: Husqvarna, SKF

Work experience

Director: The Association of Swedish Engineering Industries, Electrolux
Executive Vice President: SKF
President, Automotive Division: SKF

Education

M.A., University of Glasgow

Independent/Dependent ¹⁾

Shares in Investor ²⁾
0, Synthetic shares: 8,909

Assignments as of December 31, 2014. Updated assignments will be reported on Investor's website.

¹⁾ See page 29, table Board of Directors 2014.

²⁾ Includes holdings of close relatives and legal entities. For more information about synthetic shares see note 9, Employees and personnel costs.



Grace Reksten Skaugen



O. Griffith Sexton



Hans Stråberg



Peter Wallenberg



Lena Treschow Torell



Marcus Wallenberg



Peter Wallenberg Jr.

Honorary Chairman Peter Wallenberg

1926 - 2015

Peter Wallenberg passed away on January 19, 2015. At the time of his passing he was Honorary Chairman of The Knut and Alice Wallenberg Foundation, Investor AB and Atlas Copco. Peter held an Honorary Ph.D. from the Stockholm School of Economics, the KTH Royal Institute of Technology, Uppsala University, Stockholm University and Georgetown University. He also held a Bachelor of Laws degree from Stockholm University.

Grace Reksten Skaugen

Born 1953, Director since 2006
Chairman: Finance and Risk Committee,
Member: Audit Committee

Other board assignments

Chairman: Norwegian Institute of Directors
Deputy Chairman: Orkla, Statoil

Work experience

Chairman: Entra Eiendom, Ferd
Director: Atlas Copco, Corporate Finance Enskilda Securities (Oslo), Opera Software, Renewable Energy Corporation, Storebrand, Tandberg

Education

M.B.A., BI Norwegian School of Management, Careers in Business Program, New York University, Ph.D., Laser Physics, Imperial College of Science and Technology, London

Independent/Dependent ¹⁾

Shares in Investor ²⁾
2,000

O. Griffith Sexton

Born 1944, Director since 2003
Member: Remuneration Committee

Work experience

Director: Morgan Stanley
Advisory Director: Morgan Stanley
Managing Director: Morgan Stanley
Adjunct Professor of Finance: Columbia Business School
Visiting Lecturer: Princeton University

Education

M.B.A., Stanford University,
Graduate School of Business B.S.E., Princeton University

Independent/Dependent ¹⁾

Shares in Investor ²⁾
3,550

Hans Stråberg

Born 1957, Director since 2011

Other board assignments

Chairman: Atlas Copco, CTEK, Nikkarit, Orchid, Roxtec
Director: Hedson, Mellbygård, N Holding, The Royal Swedish Academy of Engineering Sciences (IVA), Stora Enso

Work experience

President and CEO: Electrolux
Chief Operating Officer: Electrolux
Various positions with Electrolux

Education

M.Sc. in Engineering, Chalmers University of Technology, Gothenburg
Reserve Officer, The Swedish Army

Independent/Dependent ¹⁾

Shares in Investor ²⁾
8,300, Synthetic shares: 6,795

Lena Treschow Torell

Born 1946, Director since 2007
Member: Remuneration Committee

Other board assignments

Chairman: Chalmers University of Technology, MISTRA
Director: Saab, SKF

Work experience

Chairman: Euro-CASE
Chairman and President: Royal Swedish Academy of Engineering Sciences (IVA)
Vice Chairman: ÅF
Research Director: Joint Research Centre, European Commission (Brussels)
Professor in Physics: Chalmers University of Technology, Uppsala University
Director: Ericsson, Gambro, Getinge, Micronic Mydata, ÅF

Education

Ph.D., Physics, University of Gothenburg
Docent, Physics, Chalmers University of Technology, Gothenburg

Independent/Dependent ¹⁾

Shares in Investor ²⁾
2,500, Synthetic shares: 8,909

Marcus Wallenberg

Born 1956, Director since 2012

Other board assignments

Chairman: FAM, Saab, SEB
Director: AstraZeneca, The Knut and Alice Wallenberg Foundation, Temasek Holding

Work experience

Chairman: Electrolux, LKAB
President and CEO: Investor
Executive VP: Investor
Chairman: International Chamber of Commerce (ICC)
Director: EQT Holdings, SEB (Stockholm, London), Stora Feldmühle, Stora Enso

Education

B. Sc of Foreign Service, Georgetown University, Washington D.C.
Reserve Officer, Swedish Navy

Independent/Dependent ¹⁾

Shares in Investor ²⁾
552,223

Peter Wallenberg Jr.

Born 1959, Director since 2006
Member: Audit Committee

Other board assignments

Chairman: The Berit Wallenberg Foundation, Foundation Administration Management, Grand Group, The Foundation for Economic History Research within Banking and Enterprise, The Knut and Alice Wallenberg Foundation, Marcus Wallenberg Foundation for International Scientific Collaboration, The Royal Swedish Automobile Club
Vice Chairman: Dr.Tech Marcus Wallenberg Foundation for Education in International Industrial Entrepreneurship, Marianne and Marcus Wallenberg Foundation, Peter Wallenberg Foundation
Director: Aleris, Atlas Copco, EQT Holdings, FAM, Scania, Wallenberg Foundations

Work experience

Chairman: FAM
President and CEO: Grand Hôtel Holdings
General Manager: Grand Hôtel
President: Hotel Division Stockholm-Saltsjön

Education

BSBA Hotel Administration, University of Denver, International Bachaloria, American School, Leysin

Independent/Dependent ¹⁾

Shares in Investor ²⁾
57,598, Synthetic shares: 8,909

Assignments as of December 31, 2014. Updated assignments will be reported on Investor's website.

¹⁾ See page 29, table Board of Directors 2014.

²⁾ Includes holdings of close relatives and legal entities. For more information about synthetic shares see note 9, Employees and personnel costs.

Management Group



Börje Ekholm

Born 1963
Director since 2006
President and Chief Executive Officer since 2005
Member of the Management Group since 1997,
employed in 1992

Board assignments

Chairman: KTH Royal Institute of Technology, Nasdaq
Director: Avlis, Avlis Invest, Chalmersinvest, Ericsson
Member of Board of Trustees: Choate Rosemary Hall

Work experience

Director: Biotage, EQT Partners, Greenway Medical
Technology, Husqvarna, Scania, Tessera Technologies,
WM-data
Head of New Investments: Investor
CEO: Novare Kapital
Analyst: Core Holdings, Investor
Associate: McKinsey & Co

Education

M.B.A., INSEAD, Fontainebleau
M.Sc. in Engineering, KTH Royal Institute of Technology,
Stockholm

Shares in Investor¹⁾
456,295



Susanne Ekblom

Born 1966
Chief Financial Officer
Member of the Management Group since 2011,
employed in 2011

Board assignments

Director: Kunskapsskolan, Vectura,
SOS Children's Villages

Work experience

CFO: Sveriges Television
Controller: Scania
Head of Financial and Administration: DynaMate
Head of Accounting: LRF Media
Financial Manager: Ingenjörsköretagen

Education

BSc. in Business and Economics, Stockholm University
Shares in Investor¹⁾
8,681



Johan Forssell

Born 1971
Head of Core Investments
Member of the Management Group since 2006,
employed in 1995

Board assignments

Director: Atlas Copco, Saab

Work experience

Project Director: Aleris
Head of Research, Head of Capital Goods and
Healthcare sector, Head of Capital Goods sector and
Analyst: Core Holdings, Investor

Education

M.Sc. in Finance, Stockholm School of Economics
Shares in Investor¹⁾
62,008



Petra Hedengran

Born 1964
General Counsel, and Head of Corporate Governance
and Compliance
Member of the Management Group since 2007,
employed 2007

Board assignments

Director: The Association for Generally Accepted
Principles in the Securities Market, Electrolux

Work experience

Director: EQT Partners, Lindorff Group
Partner and Head of Banking and Financing Group:
Advokatfirman Lindahl
Legal Counsel and General Counsel: ABB Financial
Services, Nordic Region
Assistant Judge: Stockholms Tingsrätt
Associate: Gunnar Lindhs Advokatbyrå

Education

Bachelor of Laws, Stockholm University
Shares in Investor¹⁾
15,242



Lennart Johansson

Born 1955
Head of Financial Investments
Member of the Management Group since 2006,
employed 2003

Board assignments

Director: Hi3G, IGC, SOBI, Vectura

Work experience

Acting Head of Core Investments
Director: Gambro, Lindorff Group, Saab
CEO: b-business partners and Emerging Technologies
Deputy CEO/Senior Executive Vice President and Senior
Vice President Accounting, Audit and Control: Atlas Copco
Business Area Controller: Atlas Copco Industrial Technique
Management consultant: Nordic Management, SMG

Education

M. Sc. in Business Administration,
Stockholm School of Economics
Shares in Investor¹⁾
39,389

As of May 12, 2015 the Management Group consists of:

Johan Forssell	President and CEO
Helena Saxon	CFO
Daniel Nodhäll	Head of Listed Core Investments
Petra Hedengran	General Counsel, Head of Corporate Governance and investments in EQT funds
Stefan Stern	Head of Communications, Public Affairs and CSR

Assignments as of December 31, 2014. Updated
assignments will be reported on Investor's website.

See note 9, Employees and personnel costs, for shares and
share-related instruments held by Management Group
members.

1) Includes holdings of close relatives and legal entities.

Proposed Disposition of Earnings

The Board of Directors propose that the unappropriated earnings in Investor AB:


Total available funds for distribution		To be allocated as follows:	
Retained earnings	166,139,485,013	Dividend to shareholders, SEK 9.00 per share	6,904,575,270 ¹⁾
Net profit for the year	41,898,302,072	Funds to be carried forward	201,133,211,815
Total SEK	208,037,787,085	Total SEK	208,037,787,085

The consolidated accounts and annual accounts have been prepared in accordance with the international accounting standards in Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of July 19, 2002 on the application of international accounting standards and generally accepted accounting standards in Sweden and give a true and fair view of the Group's and Parent Company's financial position and results of operations. The Administration Report for the Group and the Parent Company gives a true and fair view of the operations, position and results, and describes significant risks and uncertainty factors that the Parent Company and Group companies face. The annual accounts and the consolidated financial statements were approved for release by the Board of Directors and the President on March 26, 2015. The consolidated Income Statement and Balance Sheet, and the Income Statement and Balance Sheet of the Parent Company, will be presented for adoption by the Annual General Meeting on May 12, 2015.

The proposed dividend amounts to SEK 6,905 m. The Group's equity attributable to the shareholders of the Parent Company was SEK 260,963 m. as of December 31, 2014, and unrestricted equity in the Parent Company was SEK 208,038 m. Unrestricted equity includes SEK 128,833 m. attributable to unrealized changes in value according to a valuation at fair value. With reference to the above, and to other information that has come to the knowledge of the Board, it is the opinion of the Board that the proposed dividend is defensible with reference to the demands that the nature, scope and risks of Investor's operations place on the size of the company's and the Group's equity, and the company's and the Group's consolidation needs, liquidity and position in general.

1) Calculated on the total number of registered shares. No dividend is paid for the Parent Company's holding of own shares, whose exact number is determined on the record date for cash payment of the dividend. On December 31, 2014, the Parent Company's holding of own shares totaled 5,796,960.

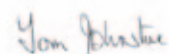
Stockholm, March 26, 2015

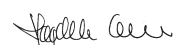

Jacob Wallenberg
Chairman



Dr. Josef Ackermann
Director


Gunnar Brock
Director


Sune Carlsson
Vice Chairman


Tom Johnstone
Director


Magdalena Gerger
Director


Grace Reksten Skaugen
Director


O. Griffith Sexton
Director


Hans Stråberg
Director

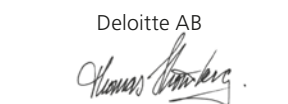

Lena Treschow Torell
Director


Marcus Wallenberg
Director


Peter Wallenberg Jr
Director


Börje Ekholm
President and
Chief Executive Officer

Our Audit Report was submitted on March 27, 2015

Deloitte AB

Thomas Strömberg
Authorized Public Accountant

List of contents of Financials

GROUP

STATEMENTS FOR THE GROUP

41-44

PARENT COMPANY

STATEMENTS FOR THE PARENT COMPANY

81-84

Notes, Group

Note 1	Significant accounting policies	45
Note 2	Critical estimates and key judgments	46
Note 3	Risks	46
Note 4	Business combinations	50
Note 5	Operating Segments	51
Note 6	Changes in value	52
Note 7	Operating costs	52
Note 8	Revenues	53
Note 9	Employees and personnel costs	53
Note 10	Auditor's fees and expenses	60
Note 11	Operating leases	60
Note 12	Shares and participations in associates	60
Note 13	Net financial items	62
Note 14	Income tax	62
Note 15	Earnings per share	64
Note 16	Intangible assets	64
Note 17	Buildings and land	66
Note 18	Long-term receivables and other receivables	67
Note 19	Inventories	67
Note 20	Machinery and equipment	68
Note 21	Prepaid expenses and accrued income	68
Note 22	Other financial investments, short-term investments and cash and cash equivalents	68
Note 23	Equity	69
Note 24	Interest-bearing liabilities	70
Note 25	Provisions for pensions and similar obligations	70
Note 26	Other provisions	72
Note 27	Other long-term and short-term liabilities	73
Note 28	Accrued expenses and deferred income	73
Note 29	Financial instruments	73
Note 30	Pledged assets and contingent liabilities	79
Note 31	Related party transactions	80
Note 32	Subsequent events	80

Notes, Parent Company

Note P1	Accounting policies	85
Note P2	Operating costs	85
Note P3	Results from other receivables that are non-current assets	85
Note P4	Interest expenses and similar items	85
Note P5	Participations in Group companies	86
Note P6	Participations in associates	87
Note P7	Intangible assets	87
Note P8	Property, plant and equipment	87
Note P9	Other long-term holdings of securities	88
Note P10	Receivables from Group companies	88
Note P11	Prepaid expenses and accrued income	88
Note P12	Provisions for pensions and similar obligations	88
Note P13	Other provisions	89
Note P14	Interest-bearing liabilities	89
Note P15	Accrued expenses and deferred income	89
Note P16	Financial instruments	90
Note P17	Pledged assets and contingent liabilities	92
Note P18	Related party transactions	92

Consolidated Income Statement

SEK m.	Note	2014	2013
Dividends	8	7,228	6,052
Other operating income	8	177	362
Changes in value	6	41,960	37,031
Net sales	8	21,200	18,569
Cost of goods and services sold	7,9,11,16,17,20	-13,529	-12,120
Sales and marketing costs	7,9,11,16,17,20	-3,171	-2,786
Administrative, research and development and other operating costs	7,9-11,16,17,20	-2,303	-2,795
Management costs	7,9-11,16,17,20	-368	-359
Share of results of associates	12	903	3,584
Operating profit/loss		52,097	47,538
Financial income	13	1,172	763
Financial expenses	13	-2,961	-3,327
Net financial items		-1,789	-2,564
Profit/loss before tax		50,308	44,974
Tax	14	380	132
Profit/loss for the year	5	50,688	45,106
Attributable to:			
Owners of the Parent Company		50,656	45,165
Non-controlling interest		32	-59
Profit/loss for the year		50,688	45,106
Basic earnings per share, SEK	15	66.55	59.35
Diluted earnings per share, SEK	15	66.40	59.25

Consolidated Statement of Comprehensive Income

SEK m.	Note	2014	2013
Profit/loss for the year		50,688	45,106
Other comprehensive income for the year, including taxes			
<i>Items that will not be recycled to profit/loss for the year</i>			
Revaluation of property, plant and equipment		252	-28
Remeasurements of defined benefit plans		-173	95
<i>Items that have been or may be recycled to profit/loss for the year</i>			
Cash flow hedges		-119	606
Foreign currency translation adjustment		2,191	319
Share of other comprehensive income of associates		-182	63
Total other comprehensive income for the year		1,969	1,055
Total comprehensive income for the year		52,657	46,161
Attributable to:			
Owners of the Parent Company		52,625	46,176
Non-controlling interest		32	-15
Total comprehensive income for the year	23	52,657	46,161

Consolidated Balance Sheet

SEK m.	Note	12/31 2014	12/31 2013
ASSETS			
Non-current assets			
Goodwill	16	27,417	25,819
Other intangible assets	16	11,268	11,530
Buildings and land	17	3,576	2,819
Machinery and equipment	20	2,125	1,847
Shares and participations recognized at fair value	12, 29	243,772	196,581
Shares and participations in associates	12	3,051	6,129
Other financial investments	22	3,283	1,761
Long-term receivables	18	5,568	3,185
Deferred tax assets	14	1,173	643
Total non-current assets		301,233	250,314
Current assets			
Inventories	19	1,785	1,441
Tax assets		162	133
Trade receivables		2,837	2,400
Other receivables	18	363	297
Prepaid expenses and accrued income	21	769	700
Shares and participations in trading operation		68	149
Short-term investments	22	2,827	1,933
Cash and cash equivalents	22	13,443	9,783
Total current assets		22,254	16,836
TOTAL ASSETS		323,487	267,150

SEK m.	Note	12/31 2014	12/31 2013
EQUITY AND LIABILITIES			
Equity			
	23		
Share capital		4,795	4,795
Other contributed equity		13,533	13,533
Reserves		2,482	361
Retained earnings, including profit/loss for the year		240,153	196,728
Equity attributable to shareholders of the Parent Company		260,963	215,417
Non-controlling interest		30	549
Total equity		260,993	215,966
Liabilities			
Non-current liabilities			
Long-term interest-bearing liabilities	24	51,096	42,212
Provisions for pensions and similar obligations	25	853	642
Other provisions	26	218	160
Deferred tax liabilities	14	3,527	3,439
Other long-term liabilities	27	1,193	139
Total non-current liabilities		56,887	46,592
Current liabilities			
Current interest-bearing liabilities	24	240	52
Trade payables		1,532	1,255
Tax liabilities		227	109
Other liabilities	27	725	741
Accrued expenses and prepaid income	28	2,747	2,355
Provisions	26	136	80
Total current liabilities		5,607	4,592
Total liabilities		62,494	51,184
TOTAL EQUITY AND LIABILITIES		323,487	267,150

For information regarding pledged assets and contingent liabilities see note 30, Pledged assets and contingent liabilities.

Consolidated Statement of Changes in Equity

SEK m.	Note 23	Equity attributable to shareholders of the Parent Company							Non-controlling interest	Total equity
		Share capital	Other contributed equity	Translation reserve	Revaluation reserve	Hedging reserve	Retained earnings, incl. profit/loss for the year	Total		
Opening balance 1/1 2014		4,795	13,533	-589	537	413	196,728	215,417	549	215,966
Profit/loss for the year							50,656	50,656	32	50,688
Other comprehensive income for the year				2,005	252	-115	-173	1,969		1,969
Total comprehensive income for the year				2,005	252	-115	50,483	52,625	32	52,657
Release of revaluation reserve due to amortization of revalued amount					-21		21			
Dividend							-6,089	-6,089		-6,089
Change in non-controlling interest							-1,084	-1,084	11	-1,073
Reclassification of non-controlling interest									-562	-562
Stock options exercised by employees							61	61		61
Equity-settled share-based payment transactions							33	33		33
Closing balance 12/31 2014		4,795	13,533	1,416	768	298	240,153	260,963	30	260,993

SEK m.	Note 23	Equity attributable to shareholders of the Parent Company							Non-controlling interest	Total equity
		Share capital	Other contributed equity	Translation reserve	Revaluation reserve	Hedging reserve	Retained earnings, incl. profit/loss for the year	Total		
Opening balance 1/1 2013		4,795	13,533	-972	578	-142	156,906	174,698	408	175,106
Profit/loss for the year							45,165	45,165	-59	45,106
Other comprehensive income for the year				383	-28	555	101	1,011	44	1,055
Total comprehensive income for the year				383	-28	555	45,266	46,176	-15	46,161
Release of revaluation reserve due to amortization of revalued amount					-13		13			
Dividend							-5,331	-5,331		-5,331
Change in non-controlling interest							-67	-67	156	89
Stock options exercised by employees							103	103		103
Equity-settled share-based payment transactions							33	33		33
Repurchases of own shares							-195	-195		-195
Closing balance 12/31 2013		4,795	13,533	-589	537	413	196,728	215,417	549	215,966

Consolidated Statement of Cash Flow

SEK m.	Note	2014	2013
Operating activities			
Core Investments			
Dividends received		6,227	5,445
Cash receipts		21,309	20,008
Cash payments		-17,493	-16,384
Financial Investments and management costs			
Dividends received		1,006	618
Net cash flows, trading operation		298	12
Cash payments		-533	-328
Cash flow from operating activities before net interest and income tax		10,814	9,371
Interest received ¹⁾		537	903
Interest paid ¹⁾		-2,148	-3,258
Income tax paid		-227	-300
Cash flow from operating activities		8,976	6,716
Investing activities²⁾			
Acquisitions		-12,927	-3,484
Divestments		12,931	13,690
Increase in long-term receivables		-2,928	-59
Decrease in long-term receivables		2,576	200
Acquisitions of subsidiaries, net effect on cash flow		-1,572	-3,564
Increase in other financial investments		-5,324	-3,544
Decrease in other financial investments		3,812	2,861
Net changes, short-term investments		-874	722
Acquisitions of property, plant and equipment		-1,045	-772
Proceeds from sale of other investments		5	13
Net cash used in investing activities		-5,346	6,063
Financing activities			
Borrowings		9,845	12,067
Repayment of borrowings		-4,612	-17,155
Repurchases of own shares		-	-195
Dividend		-6,089	-5,331
Net cash used in financing activities		-856	-10,614
Cash flow for the year		2,774	2,165
Cash and cash equivalents at beginning of the year		9,783	7,696
Exchange difference in cash		886	-78
Cash and cash equivalents at year-end	22	13,443	9,783

1) Gross flows from interest swap contracts are included in interest received and interest paid.

2) Mandatory heading in statement of cash flow according to IFRS. Investing activities in this statement are not in accordance with Investor's definition.

Notes to the consolidated financial statements

1 Significant accounting policies

The most significant accounting policies applied in this annual report are presented in this note and, where applicable, in the following notes to the financial statements. Significant accounting policies for the Parent Company can be found on page 85.

Statement of compliance

The consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union. In addition, RFR 1 Supplementary Accounting Policies for Groups, was applied.

Basis of preparation for the Parent Company and consolidated financial statements

The financial statements are presented in SEK, which is the functional currency of the Parent Company. All amounts, unless otherwise stated, are rounded to the nearest million (SEK m.). Due to rounding, numbers presented throughout these consolidated financial statements may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

The majority of the consolidated assets are financial assets and the majority of these as well as the majority of the property within the Group are measured at fair value. Other assets and liabilities are in essence measured at historical cost.

Non-current assets and non-current liabilities consist primarily of amounts that are expected to be settled more than 12 months from the Balance Sheet date. Other assets and liabilities are presented as current assets and current liabilities.

The accounting policies have been consistently applied to all periods presented in the financial statements, unless otherwise noted. The accounting policies have also been consistently applied to the reporting and consolidation of the Parent Company, subsidiaries and associates.

In some of the notes for the Group, information relating to the investing activities is presented. Investing activities include; Parent Company operations, Investor's internal bank and trading operation. Information regarding the investing activities is presented in the notes if the amounts are significant.

Certain comparative figures have been reclassified in order to conform to the presentation of the current year's financial statements. In cases where reclassifications pertain to significant amounts, special information has been provided.

Changes in accounting policies

The following is a description of the revised accounting policies applied by the Group and Parent Company as of January 1, 2014. Other new or revised IFRSs and interpretations from the IFRS Interpretations Committee have had no material effect on the profit/loss, financial position or disclosures for the Group or Parent Company. New or amended standards that will come into effect in forthcoming years, have not been adopted early when preparing these financial statements.

Changes in accounting policies due to new or amended IFRS

IFRS 10 Consolidated Financial Statements; including new requirements regarding investment entities. IFRS 10 introduces a revised definition of control, including the de facto control concept. Investor has analyzed the criteria set out in the revised definition of control and has concluded that the new definition and control concept have no impact on entities subject to consolidation. Further, IFRS 10 also introduce a definition of an investment entity. If the criteria for an investment entity is met, all subsidiaries should be considered as investments and recognized at fair value with fair value movements through profit or loss.

Based on Investor's business model with a long term investment perspective, Investor concluded that the criteria for an investment entity is not met (more specifically Investor does not fulfil the exit strategy criteria set out in IFRS 10).

IFRS 12 Disclosure of Interests in Other Entities: This is a new standard regarding disclosures for investments in subsidiaries, joint arrangements and associates. The standard has led to additional disclosures, see note 12, Shares and participations in associates and P5, Participations in Group companies.

New IFRS regulations and interpretations to be applied in 2015 or later

The new or revised standards described below will be applied from when application is mandatory. Earlier application is not planned.

IFRS 9 Financial Instruments will replace IAS 39 Financial Instruments Recognition and Measurement: with mandatory effective date of January 1, 2018, subject to EU approval. IFRS 9 presents a model for classification and measurement of financial instruments, an expected loss model for the impairment of financial assets and significantly revised requirements related to hedge accounting. The changes are not expected to have any substantial effects on amounts reported in the consolidated financial statements, since the majority of the Group's financial assets are reported in accordance with the fair value option.

IFRS 15 Revenue from Contracts with Customers is a new standard for revenue that will replace all existing standards and interpretations about revenue. Mandatory effective date is January 1, 2017, subject to EU approval. The new standard is not expected to have any substantial effects on amounts reported in the consolidated financial statements. However there will be significantly additional disclosures for the Group.

Other known changes to IFRS and IFRIC to be applied in the future are not expected to have any significant impact on the Group's reporting.

Consolidation principles

The consolidated financial statements comprise of the Parent Company, subsidiaries and associates.

- Subsidiaries are companies over which Investor AB have control. When determining if control is present, power and ability to affect the amount of returns are considered, but also de facto control. Subsidiaries are reported in accordance with the purchase method. For further information see note P5, Participations in Group companies.
- Associates are companies in which Investor has a significant influence, typically between 20 and 50 percent of the votes. Accounting for associates is dependent on how Investor controls and monitors the companies' operations. For further information see note 12, Shares and participations in associates.

Intra-group receivables, payables and transactions as well as gains arising from transactions with associates, that are consolidated using the equity method, are eliminated when preparing the consolidated financial statements.

Foreign currency

Translation to functional currency

Foreign currency transactions are translated at the exchange rate in existence on the date of the transaction. Assets and liabilities in foreign currency are translated at the exchange rate in existence on the balance sheet date, except for non-monetary assets and liabilities which are recognized at historical cost using the exchange rate in existence on the date of the transaction. Exchange differences arising on translation are recognized in the income statement with the exception of effects from cash-flow hedges, see Note 29, Financial Instruments.

Financial statements of foreign operations

Assets and liabilities of foreign operations, including goodwill and other consolidated surpluses/deficits are translated to SEK using the exchange rate in existence on the balance sheet date. Revenues and expenses in a foreign operation are translated to SEK using an average exchange rate that approximates the exchange rates on the dates of the transactions. Translation differences arising when translating foreign operations are recognized directly in other comprehensive income and are accumulated in the translation reserve, which is a separate component of equity.

The following symbols **IS** and **BS** show which amounts in the notes that can be found in the Income Statement or Balance Sheet.

2 Critical estimates and key judgments

In order to close the books and prepare the financial statements in accordance with IFRS, management must make estimates and assumptions that affect the application of the accounting policies and the amounts recognized for assets, liabilities, income and expenses.

Estimates and judgments are based on historical experience, market information and assumptions that management considers to be reasonable based on the circumstances prevailing at the time. Changes in assumptions may result in adjustments to reported values and the actual outcome may differ from the estimates and judgments that were made.

Judgments in relation to the application of accounting policies

Within the scope of IFRS, there are some instances where management must either choose between accounting policies, or choose whether to apply a particular accounting policy, in order to provide a fair view of the Group's activities. The development relating to accounting and the choice of policies are discussed in the Audit Committee.

Significant items for which a special judgment has been made in order to define the Group's accounting policies are presented below.

	Judgments	See note
Participations in Group companies	Control over investment or not	Note P5
Participations in associates	Fair value or equity method	Note 12
Owner-occupied property	Revaluation or cost model	Note 17
Interest-bearing liabilities and related derivatives	Application of hedge accounting	Note 29

Important sources of uncertainty in estimates

The most significant estimation uncertainties in relation to the preparation of the consolidated financial statements are presented below. Changes in assumptions may result in material effects on the financial statements and the actual outcome may differ from estimated values. For more detailed descriptions of the judgments and assumptions, please refer to the specific notes referenced below.

	Estimates and assumptions	See note
Valuation of unlisted holdings	Appropriate valuation method, comparable companies, future revenue and margin	Note 29
Valuation of interest-bearing liabilities and derivatives	Yield curve for valuation of financial instruments for which trading is limited and duration is long-term	Note 29
Valuation of owner-occupied property	Comparable properties, long-term inflation rate, projected cash flows, real interest rate and risk premium	Note 17
Impairment test of intangible assets	Projected cash-flows, growth rate, margins and discount factor	Note 16
Reporting of deferred tax assets	Future possibilities to benefit from tax loss carry forwards	Note 14
Valuation of pension liabilities	Discount rate and future salary increase	Note 25
Purchase Price Allocation	Valuation of acquired intangible assets	Note 4

3 Risks

In its business, the Investor group is exposed to commercial risks, financial risks including market risks such as share price risk, liquidity and financing risks, credit risks. Investor is also exposed to operational, political, legal and regulatory risks. Investor's most significant risk is share price risk.

Risk management is part of the Board's and management's governance and follow-up of the business. At Investor, risk management is an integral part of the Group's processes, meaning that control and responsibility for control is close to the business operations. Investor's Board decides on risk levels, mandates and limits for the Investing activities and Investor's different operations, while the Boards of the operating subsidiaries decide on policies that have been adapted to manage the risks in their respective businesses. For further information on the risk assessment process, see the Corporate Governance Report page 34.

Investor's Risk policy sets measurement and mandates for market risks for the short-term trading, excess liquidity and financing activities. The policy also outlines principles for foreign exchange risk management in connection with investments and cash flows in foreign currency, measurements and limits for credit risks and principles to minimize legal, regulatory and operational risks in the business.

There has been no significant change in the measurement and follow-up of risks compared with the preceding year.

COMMERCIAL RISKS

Maintaining long-term ownership in Core Investments and a flow of investments and divestments in Financial Investments involves commercial risks. These risks include, for instance, having a high exposure to a certain sector or an individual holding, changed market conditions for finding attractive investment candidates and barriers that arise and prevent exits from a holding at the chosen time. In order to manage its various commercial risks, Investor focuses on such factors as diversification of the company portfolio, process development and development of knowledge, experience and expertise.

Investor's subsidiaries operate within the healthcare sector on different geographical markets for products and services. To remain competitive, all business units need to continuously develop innovative products and services that satisfy customer needs in a cost efficient way. New products, services and techniques developed and promoted by competitors can also affect the ability to achieve business plans and objectives. An important component of the subsidiaries' strategies for growth is to make strategic acquisitions and enter strategic alliances that complement their current businesses. A subsidiary's failure to identify appropriate targets for strategic acquisitions, or unsuccessfully integrate its acquisitions, could have a negative impact on competitiveness and profitability.

FINANCIAL RISKS

The main category of financial risks that the Investor Group is exposed to is market risks. These are primarily risks associated with fluctuations in share prices, as well as interest rate risks and foreign exchange rate risks.

Derivative instruments are used to manage financial risks. All derivative transactions are handled in accordance with established guidelines and limits stated in financial policies. The financial risks in the subsidiaries are managed by each subsidiary's Treasury function.

Market risks

Market risks refer to the risk of a change in value of a financial instrument because of changes in share prices, exchange rates or interest rates.

Share price risk

Investor's most significant risk is share price risk. The majority of Investor's share price risk exposure is concentrated to Core Investments. At year-end 2014, Listed Core Investments accounted for 77 percent of total assets (73). For further information about listed Core Investments, see page 12 and pages 14-17. The companies and their share prices are analyzed and continuously monitored by Investor's analysts. Through committed ownership, which is exercised through Board representation and in other ways, Investor influences a company's strategy and decisions. Thus, a large portion of share price exposure in a Core Investment does not necessarily lead to any action. It is the long-term commitment that lays the groundwork for Investor's strategic measures. Investor does not have defined goals for share price risks, as share prices are affected by short term fluctuations. The share price risk for listed Core Investments is not hedged.

Core Investments subsidiaries accounted for 11 percent of total assets (13). Their profit/loss and changes in equity have an impact on Investor's net asset value. The financial assets of each subsidiary primarily consist of trade

3 cont'd Risks

receivables from public hospitals/care institutions resulting from the delivery of health care products and services. Each subsidiary also has financial assets that are cash equivalents. The Group's financial liabilities primarily consists of loans from credit institutes and bondholders that were taken in order to finance acquisitions or for other reasons. In general, Mölnlycke Health Care (Mölnlycke) strives to use hedge accounting to minimize volatility in the Income Statement, which can result from measurement at fair value. Aleris and Permobil do not use hedge accounting. The profit/loss of the consolidated subsidiaries have a direct impact on Investor's net assets. There is no share price risk associated with the wholly-owned subsidiaries.

If the market value of Listed Core investments was to decline by 10 percent, the impact on income and equity would be SEK -21.8 bn. (-17.5). If the consolidated net assets of Core Investment subsidiaries was to decline by 10 percent (generally, simultaneously and holding all other factors constant), the impact on income and equity would be SEK -3.2 bn. (-3.0).

Financial Investments are comprised of investments in EQT, Investor Growth Capital (IGC), partner-owned investments consolidated as associates, trading operations and other investments. EQT and IGC investments are exposed to share price risk. Compared with Core Investments, this area has a higher risk exposure. IGC is mainly exposed to smaller unlisted companies and new technologies and markets. IGC investments are valued in accordance with the guidelines of the International Private Equity and Venture Capital Association. IGC takes an active role in the companies through Board work. At year-end 2014, EQT and IGC investments accounted for 9 percent of total assets (10).

At year-end 2014, the Partner-owned and Other investments represented 3 percent of Investor's assets (5). The impact on Investor's assets is generated by the companies change in equity. There is no share price risk from these investments.

By the end of 2014, Financial Investments accounted for 12 percent of the total assets (15). If the market value or equity of Financial investments was to decline by 10 percent (generally, simultaneously and holding all other factors constant) the impact on income and equity would be SEK -3.5 bn. (-3.4). Investor has a trading operation for the purpose of executing Core Investments transactions and obtaining market information. The trading operation conducts short-term equity trading and deals in equity derivatives (primarily for hedging market risk in the portfolio). The market risk in this activity is measured and monitored in terms of cash delta. Limits on gross, net and maximum position size are measured as well as liquidity risk. At year-end 2014, the trading operation accounted for less than 0.5 percent of total assets (0.5). If the market value of the assets belonging to the trading operation were to decline by 10 percent, the impact on income and equity would be SEK -4 m. (-13).

Listed holdings in all business areas

If the market value of listed holdings in all business areas were to decline by 10 percent, the impact on income and equity would be SEK -22.1 bn. (-17.7), which equals 8.5 percent of Investor's net asset value (8.2). Market risks associated with listed stocks constitute the greatest risk for Investor.

Exchange rate risk

Currency exposure arises from cash flows in foreign currencies (transaction exposure), the translation of Balance Sheet items to foreign currencies (Balance Sheet exposure) and the translation of foreign subsidiaries' Balance Sheets and Income Statements to the Groups accounting currency (translation exposure).

Balance sheet exposure

Since the majority of Core Investments are listed in SEK, there is a limited direct exchange rate risk that affects Investor's Balance Sheet. However, Investor is indirectly exposed to exchange rate risks in Core Investments that are listed on foreign stock exchanges or that have foreign currency as their pricing currency. In addition, there are indirectly exchange rate risks since the majority of the companies in the Core Investments business area are active in several markets. These risks have a direct impact on the company's Balance Sheet and Income Statement, which indirectly affects valuation of the shares.

The operating subsidiaries, IGC, EQT and partner-owned companies are exposed to exchange rate risks in business and investments made in foreign companies.

There is no regular hedging of foreign currency since the investment horizon is more than three years and currency fluctuations are expected to equal out over time. This hedging policy is subject to continuous evaluation and deviations from the policy may be allowed if judged beneficial from a market economic perspective.

Exchange rate risks for investments in the trading operation are minimized through currency derivative contracts at the portfolio level.

Total currency exposure for the Investor Group is provided in the table below. If the SEK were to appreciate 10 percent against both the USD and EUR (holding all other factors constant), the impact on income and equity would be SEK -4.7 bn. (-4.0).

Gross exposure in foreign currencies, SEK m.	Gross assets		Gross liabilities	
	12/31 2014	12/31 2013	12/31 2014	12/31 2013
EUR	52,437	42,642	-34,319	-27,141
USD	23,335	18,447	-2,944	-2,057
Other European currencies	9,264	10,927	-11,486	-12,917
Asian currencies	2,799	712	-2,033	-1,529
Total	88,194	72,728	-50,782	-43,644

Exchange rate risk in excess liquidity resulting from investments in foreign currency is managed through currency derivative contracts.

Exchange rate risk arising in connection with loans in foreign currency is managed by, among other things, exchanging the loans to SEK through currency swap contracts. The objective is to minimize the exchange rate risk in excess liquidity and the debt portfolio. This strategy is applied if there is a high level of net exposure, having considered the holdings in foreign currency.

The net exposure in foreign currencies after hedge is presented in the table below:

Net exposure in foreign currencies after hedge, SEK m.	12/31 2014	12/31 2013
EUR	25,675	22,394
USD	21,520	17,291
Other European currencies	5,784	4,120
Asian currencies	2,595	643
Total	55,575	44,448

The increase in net exposure of the USD relates mainly to value increase in the Nasdaq holding and investments and value increase in EQT funds.

The increased net exposure in the EUR is primarily explained by the acquisition of shares in Wärsilä and value increase in the EQT funds. The EUR exposure has been reduced by the new loan of EUR 540 m. and the sale of Lindorff.

The increased net exposure in Asian currencies relates to value change in IGC holdings.

Currency exposure associated with transactions

Investor's guideline is for future known cash flows in foreign currency exceeding the equivalent of SEK 50 m. to be hedged through forward exchange contracts, currency options or currency swaps. This is valid for forecast or contracted flows for Core Investments and Financial Investments.

Mölnlycke's operational cash flows in foreign currency are estimated at the equivalent of EUR 398 m. (392), corresponding to SEK 3.6 bn. (3.5), for the next 12 months. Only exposures expected to generate cash flow transactions within 12 months are hedged. As of December 31, 2014, 71 percent (66) of the forecasted net transaction flows in foreign currency for the next 12 months were hedged. For outstanding currency hedging as of December 31, 2014, an immediate 10 percent rise in the value of each currency against the EUR would impact net income by EUR -0.5 m. during the next 12 month period (-0.9). The impact on equity from valuation of the financial derivatives that are recognized in hedge accounting would be EUR -19.9 m. (-16.8).

Permobil's operational cash flows in foreign currency are estimated to SEK 764 m. for the coming 12 months (555). An immediate 10 percent rise in the value of each currency against the SEK would impact net income and equity for Permobil by SEK -26 m. the coming 12 months (53).

Currency exposure associated with net investments in foreign operations

Currency exposure associated with investments made in independent foreign entities is considered as a translation risk and not an economic risk. The exposure arises when the foreign net investment is translated to SEK on the balance sheet date and it is recognized in the translation reserve under equity. Net investments are partly neutralized by loans in foreign currencies. Currency exposure due to net investments in foreign operations is normally not hedged.

3 cont'd Risks

The table below shows the exposure, in main currencies, arising from net investments in foreign subsidiaries (in investment currency).

	12/31 2014	12/31 2013
DKK m.	172	181
EUR m.	433	1,048
GBP m.	158	175
NOK m.	407	104
USD m.	1,527	1,624

If the SEK were to appreciate by 10 percent this would decrease equity by SEK –2.1 bn. due to translation effects of currency exposure in net investments in foreign subsidiaries (–2.4).

Interest rate risk

The Groups' interest rate risk is primarily associated with long-term borrowings. In order to minimize the effects of interest rate fluctuations and limits, instructions have been established for such things as fixed interest rate periods.

Excess liquidity and debt portfolio

The Treasury function manages interest rate risks, exchange rate risks, liquidity risks and financing risks associated with the administration of the excess liquidity portfolio and financing activities.

For excess liquidity exposed to interest rate risks, the goal is to limit interest rate risks while maximizing return within the established guidelines of the risk policy. High financial flexibility is also strived for in order to satisfy future liquidity needs. Investments are therefore made in interest-bearing securities of short duration and high liquidity. For further information, see note 22. Other financial investments, short-term investments and cash and cash equivalents. A one percentage point parallel movement upward of the yield curve would reduce the value of the portfolio and affect the Income Statement by SEK –91 m. (–52).

On the liability side, Investor strives to manage interest rate risks by having an interest rate fixing tenor within the established limits and instructions of the Risk Policy. Fixed rates are established to provide flexibility to change the loan portfolio in step with investment activities and to minimize loan costs and volatility in the cash flow over time. A parallel movement of the yield curve downwards by one percentage point would increase the reported value of the hedged portion of loans by SEK 1.3 bn. (1.1). The amount is reduced to 0.2 bn. when hedging derivatives are included (0.1). The interest cost effect for the non-hedged loans would be SEK –2.3 bn. (–1.2), with a movement of the yield curve downwards with one percentage point.

Investor uses derivatives to hedge against interest rate risks (related to both fair value and cash flow fluctuations) in the debt portfolio. Some derivatives do not qualify for hedge accounting, but are still grouped together with loans since the intention of the derivative is to achieve the desired fixed-interest term for each loan. The subsidiaries Aleris and Permobil do not apply hedge accounting.

The distribution between hedged and non-hedged loans is shown in the table below.

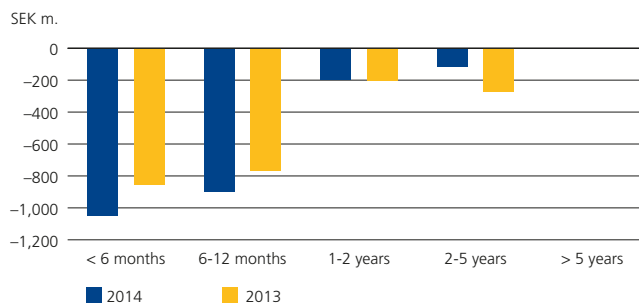
	12/31 2014		12/31 2013	
Outstanding amount allocated to hedged loans and non-hedged loans, SEK m.	Derivatives	Carrying amount	Derivatives	Carrying amount
Hedged loans		20,530		22,247
– related foreign exchange/interest rate derivatives with positive value	–2,053		–191	
– related foreign exchange/interest rate derivatives with negative value	120		976	
Non-hedged loans		29,852		18,528
– related foreign exchange/interest rate derivatives with negative value	691		368	
Total	–1,242	50,382	1,153	40,775

The effect of fair value hedges is recognized in the Income Statement. The remaining maturities of fair value hedges vary between 2 and 23 years. For further information on the maturity structure, see schedule, "Investor AB's debt maturity profile", page 49.

In the case of cash flow hedges, hedging instruments are valued on each balance sheet date and the change in value is recognized in other comprehensive income. The remaining maturities for cash flow hedges are between 1 and 5 years.

During the year, the impact of cash flow hedges on other comprehensive income was SEK –49 m. (23). With a parallel movement of the yield curve by one percentage point, the cash flow hedges effect on other comprehensive income would be SEK –101 m. (–258).

Future cash flows from cash flow hedged transactions



Because the operating subsidiaries are ring-fenced, a sensitivity analysis is also presented for each of the larger subsidiary. For Mölnlycke, a one percentage point increase in interest rates for all currencies, calculated on the Group's net debt as of December 31, 2014, would impact income during the subsequent 12-month period by EUR 0.8 m. (–0.2). A one percentage point decrease in all of the Group's interest rate derivatives that are classified as cash flow hedges, would have an impact on equity of EUR –7.0 m. (–57.5).

For Aleris, the total interest rate risk exposure associated with assets amounts to SEK 398 m. (312). A parallel movement of the yield curve upwards by one percentage point would reduce value by SEK 3 m. (2). Interest rate risk exposure associated with liabilities amounts to SEK 1,308 m. (1,223). A parallel movement downward of the yield curve by one percentage point would impact income and the equity by SEK 10 m. (10).

For Permobil, the total interest rate risk exposure associated with liabilities amounts to SEK 1,792 m. (1,487) and a parallel movement of the yield curve upwards by one percentage point would impact the income statement and equity by SEK –18 m. (10).

Liquidity and financing risk

Liquidity risk refers to the risk that a financial instrument cannot be divested without considerable extra costs, and to the risk that liquidity will not be available to meet payment commitments. To reduce the effect of refinancing risks, limits are set regarding average maturities for loans.

Liquidity risks are minimized in Treasury operations by keeping the maturity of short-term cash investments up to two years and by always maintaining a higher than 1:1 ratio between cash and credit commitments/current liabilities. Liquid funds are invested in deposit markets and short-term interest-bearing securities with low risk and high liquidity. In other words, they are invested in a well-functioning second-hand market, allowing conversion to liquid funds when needed. Liquidity risk in the trading operations is restricted via limits established by the Board.

Financing risks are defined as the risk that financing can not be obtained, or can only be obtained at increased costs as a result of changed conditions in the capital market. In order to minimize financing risks, the Treasury function works actively to ensure financial preparedness by establishing loan and credit limits for both long-term and short-term borrowing. Financing risks are further reduced by allocating loan maturities evenly over time (please refer to the chart below) and by diversifying sources of capital. An important aspect, in this context, is the ambition to have a long borrowing profile. Furthermore, proactive liquidity-planning efforts also help limit both liquidity and financing risk.

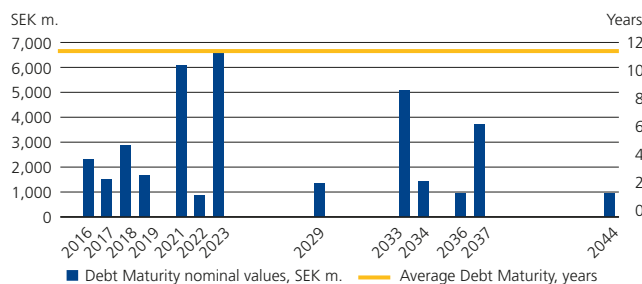
Investor's funding is primarily done through long-term loan programs in the Swedish and European capital markets. Investor has a European Medium Term Note Program (EMTN), which is a loan program intended for long-term financing. The program is for EUR 5.0 bn. (SEK 47.6 bn.), of which EUR 3.4 bn. (SEK 32.4 bn.) has been utilized. For short-term financing, Investor has an uncommitted Swedish and a European Commercial Paper program (CP/ECP) for SEK 10.0 bn. and USD 1.5 bn. (SEK 11.7 bn.), respectively. At year-end 2014 these facilities were unused.

Investor has a committed syndicated bank loan facility of SEK 10.0 bn. 100 percent of this revolving credit facility is available until 2016, 95 percent

3 cont'd Risks

until 2017 and 90 percent until 2018. This facility was unused at year-end. In contrast to an uncommitted credit facility, a committed loan program is a formalized commitment from the credit grantor. There are no financial covenants in any of Investor AB's loan contracts, meaning that Investor does not have to meet special requirements with regard to key financial ratios for the loans it has obtained.

Investor AB's debt maturity profile



The operating subsidiaries ensure their financial preparedness by keeping credit facilities, should there be a need for additional working capital or minor acquisitions. As of December 31, 2014, Mölnlycke had a total credit facility of EUR 1,118 m. (1,116), of which EUR 918 m. was utilized (903). At the same time, Aleris had a total credit facility amounting to SEK 1,560 m. (1,495) of which SEK 1,260 m. (1,195) had been utilized. Also at year-end 2014, Permobil had total credit facilities of SEK 1,651 m. (1,528) of which all was used (1,487) and Vectura used SEK 1,510 m. (1,258) m. of its total credit facility of SEK 1,555 m. (1,258). The terms of the credit facility require the companies to meet a number of key financial ratios. The subsidiaries fulfilled all financial ratios during 2014.

Investor's liquidity and financing risks are considered to be low. With an equity/assets ratio of 81 percent at year-end (81), Investor has considerable financial flexibility, since leverage is low and most assets are highly liquid.

The following table shows the Group's contracted cash flow of loans including other financial payment commitments and derivatives.

	12/31 2014		12/31 2013	
Cash flow of financial liabilities and derivatives ¹⁾ , SEK bn.	Loans and other financial commitments	Derivatives	Loans and other financial commitments	Derivatives
< 6 months	-2.6	0.0	-2.0	-0.1
6-12 months	-0.8	0.2	-0.7	0.1
1-2 years	-4.1	0.2	-4.2	0.0
2-5 years	-18.4	0.7	-19.5	0.1
> 5 years	-41.1	2.6	-28.8	-0.1

1) Interest payments included.

Exposure from guarantees and other contingent liabilities also constitutes a liquidity risk. For such exposure as per December 31, 2014, see note 30, Pledged assets and contingent liabilities.

Credit risk

Credit risk is the risk of a counterparty or issuer being unable to repay a liability to Investor. Investor is exposed to credit risks primarily through investments of excess liquidity in interest-bearing securities. Credit risks also arise as a result of positive market values in derivative instruments (mainly interest rate, currency swaps). In order to limit credit risks, there are specified limits for exposure to single counterparties, with the exception of government debt instruments guaranteed by AAA/Aaa rated sovereigns.

Investor applies a wide-ranging limit structure with regard to maturities, issuers and counterparties in order to control credit risks. With a view to further limiting credit risks in interest rate and currency swaps, and other derivative transactions, agreements are established with counterparties in accordance with the International Swaps and Derivatives Association, Inc. (ISDA), as well as netting agreements. Credit risk is closely monitored each day and the agreements with various counterparties are continuously analyzed. Investor has not recorded any credit losses during the past three years.

The following diagram shows the credit risk exposure in interest-bearing securities, by rating category, as of December 31, 2014.

Instrument	Nominal amount, SEK m.	Average remaining maturity, months	Number of counter-parties	Percentage of the credit risk exposure
Swedish government papers (AAA)	1,700	5.3	1	8
AAA	4,999	12.2	10	23
AA	5,602	1.2	39	26
A	6,704	0.1	58	31
Lower than A	2,520	2.0	10	12
Total	21,525	3.8	118	100

The total credit risk exposure related to the fair value reported items at the end of 2014 amounted to SEK 21,525 m. (13,300). As of December 31, 2014, the credit risks resulting from positive market values for derivatives amounted to SEK 2,053 m. (191), which have been reported in the Balance Sheet.

The operating subsidiaries do not invest excess liquidity, as repayment of loans are prioritized. The credit risk in the operating subsidiaries relates mainly to trade account receivables. Mölnlycke's, Aleris' and Permobil's credit risks are limited due to the fact that a significant portion of their customers are public hospitals/care institutions. The maximum exposure related to commercial credit risk corresponds to the carrying amount of trade receivables.

The following diagram shows the aging of trade receivables and other short-term receivables within the Group.

	12/31 2014			12/31 2013		
Aging of receivables, SEK m.	Gross carrying amount	Impairment	Net	Gross carrying amount	Impairment	Net
Not past due	2,470	-1	2,469	2,004	-	2,004
Past due 0-30 days	363	0	363	295	-	295
Past due 31-90 days	163	-1	162	158	-2	156
Past due 91-180 days	82	-4	78	89	-4	85
Past due 181-360 days	72	-3	69	117	-4	113
More than 360 days	93	-34	59	72	-28	44
BS Total	3,243	-43	3,200	2,735	-38	2,697

Concentrations of credit risks

Concentrations of risk are defined as individual positions or areas accounting for a significant portion of the total exposure to each area of risk. The concentration of credit risk exposure is presented in the table above. The secured bonds issued by Swedish mortgage institutions have the primary rating category of AAA. The proportion of AAA-rated instruments accounted for 31 percent of the total credit risk portfolio's nominal value (34).

Because of the global nature of its business and sector diversification, the Group does not have any specific customers representing a significant portion of receivables.

OTHER RISKS

The Group is also exposed to political risks. To a large extent, spending on healthcare products and services is regulated by various governments. This applies to most markets around the world. Funds are made available or withdrawn from healthcare budgets due to different types of political decisions. In most of the major markets, pricing of the Group's products and services is controlled by decisions made by government authorities. Activities within Health care companies are also heavily regulated. Examples of such laws are the Health and Medical Service Act, the Social Services Act and environmental legislation.

There is a high awareness of legal and regulatory risks within the Investor Group. Risks associated with selling and operating healthcare services are dealt with by the different levels of management for each area of operations. Continuous quality improvement is performed in accordance with ISO-standards.

Property risks, liability risks and interruption risks are covered by insurance policies. Up to this date, very few incidents have occurred.

Follow-up on processes is performed on an ongoing basis to determine and strengthen appropriate control measures aimed at reducing operational risks.

4 Business combinations

Accounting policies

In connection with a business combination, the consolidated cost is established through a purchase price allocation. In the analysis, the fair value of the identifiable assets and the assumed liabilities is determined. For business combinations where the cost exceeds the net carrying amount of the acquired identifiable assets and the assumed liabilities, the difference is reported as goodwill in the Balance Sheet. The purchase price allocation identifies assets and liabilities that are not reported in the acquired company, such as trademarks and customer contracts. Surplus values that have been identified when making the purchase price allocation are depreciated over the estimated useful life. Goodwill and strong trademarks are considered to have an indefinite useful life and are therefore tested annually for impairment, or whenever there is any indication of impairment.

Non-controlling interests

At the time of an acquisition, the Group must choose to either recognize non-controlling interest at fair value, meaning that goodwill is included in the non-controlling interest or recognize the non-controlling interest as the share of the net identifiable assets. The choice between the two methods is made individually for each acquisition.

If a business combination achieved in stages results in a controlling influence, the prior acquired shares are revalued at fair value and the resulting profit or loss is recognized in the Income Statement. Acquisitions that are made subsequent to having obtained a controlling influence and divestments that do not result in a loss of the controlling influence are reported under equity as a transfer between equity attributable to the Parent Company's shareholders and non-controlling interests.

Consideration that is contingent upon the outcome of future events is valued at fair value and the change in value is recognized in the Income Statement.

The financial statements of subsidiaries are reported in the consolidated financial statements as of the acquisition date and until the time when a controlling interest no longer exists.

Acquisition of controlling interest of Affibody

On March 4, 2014, Investor acquired an additional 44 percent of the capital and votes of the Swedish biotech company Affibody Medical AB (publ). An additional 3 percent were acquired during April. The company is focused on developing next generation biopharmaceuticals based on its unique proprietary technology platforms: Affibody® molecules and Albumod™. Following the acquisitions, Investor owns 71 percent of the company. The consideration from Investor amounted to SEK 116 m. and was paid in cash.

In the preliminary purchase price allocation, intangible assets amount to SEK 211 m. and consist of customer contracts that are amortized over the life of the contracts.

Affibody

SEK m.	Preliminary Purchase Price Allocation
Intangible assets	211
Property, plant and equipment	2
Accounts receivables	1
Other current assets	5
Cash and cash equivalents	33
Non-current liabilities and provisions	–3
Deferred tax liabilities	–46
Current liabilities	–12
Net identifiable assets and liabilities	191
Fair value of previously held shares	–74
Non-controlling interest	–1
Consideration	116

Permobil's acquisition of controlling interest in TiLite

On May 27, 2014, Permobil acquired 100 percent of the capital and votes in TiLite, an American leading manufacturer of innovative and individually customized manual wheelchairs. Through the acquisition, Permobil is taking the next step in its strategy to become a leading healthcare company, providing solutions for people with complex rehabilitation needs. The consideration amounted to SEK 362 m. The acquisition is financed by retained cash and new debt.

In the preliminary purchase price allocation, goodwill amounts to SEK 141 m. The goodwill recognized for the acquisition corresponds to the combined company's opportunities for synergies and sales growth due to TiLite's strong market position in the U.S. and Permobil's sales network in Europe among others. The goodwill recognized is not expected to be deductible for income tax purposes.

TiLite

SEK m.	Preliminary Purchase Price Allocation
Intangible assets	164
Property, plant and equipment	38
Inventory	45
Accounts receivables	27
Other current assets	7
Cash and cash equivalents	5
Deferred tax liabilities	–49
Current liabilities	–16
Net identifiable assets and liabilities	221
Consolidated goodwill	141
Consideration	362

Transaction related costs amounted to SEK 14 m. and derives from external legal fees and due diligence expenses. The costs have been included in the item Administrative, research and development and other operating costs in the Group's consolidated Income Statement.

For the seven month period from the acquisition date until December 31, 2014, TiLite contributed net sales of SEK 148 m. and profit of SEK 7 m. to the Group's result. If the acquisition had occurred on January 1, 2014, management estimates that consolidated net sales for the Investor Group would have increased by SEK 81 m. and consolidated profit for the period would have increased by SEK 0 m.

5 Operating Segments

Investor is divided into operating segments based on how operations are reviewed and evaluated by the CEO. Investor's presentation of operating segments corresponds to the internal structure for management and reporting.

During 2014 Investor divides its operations into two segments comprising of its business areas, which have different investment strategies and goals. Segment classification is based on the internal reporting model and consists of Core Investments and Financial Investments.

Core Investments consists of listed holdings and majority-owned operating subsidiaries, see page 12.

Financial Investments consists of the EQT funds, Investor Growth Capital, partner-owned investments and smaller holdings, see page 13.

The reported items in the operating segment profit/loss for the year, assets and liabilities, are presented according to how they are reviewed by the CEO. In the operating segment presentation, items directly attributable and items that can be reliably and fairly allocated to each respective segment are included. Non-allocated items are related to the investing activities and consist, within profit/loss, of management costs, net financial items and components of tax. None of the Group's net debt has been distributed to segments, neither other assets and liabilities within investing activities, for example deferred taxes and provisions. Market prices are used for any transactions that occur between operating segments.

For information about goods, services and geographical areas, see note 8, Revenues.

Performance by business area 2014	Core Investments	Financial Investments	Investor groupwide	Elimination	Total
Dividends	6,227	1,001			7,228
Other operating income	0	177			177
Changes in value	34,935	7,025 ¹⁾			41,960
Net sales	21,147	53			21,200
Cost of goods and services sold	-13,529	0			-13,529
Sales and marketing costs	-3,089	-82			-3,171
Administrative, research and development and other operating costs	-2,134	-169			-2,303
Management costs	-155	-55	-158		-368
Share of results of associates	-6	993	-84		903
IS Operating profit/loss	43,396	8,943	-242	-	52,097
Net financial items	-500	30	-1,319		-1,789
Tax	527	-95	-52		380
IS Profit/loss for the year	43,423	8,878	-1,613	-	50,688
Non-controlling interest	-30	-2			-32
Net profit/loss for the period attributable to the Parent Company	43,393	8,876	-1,613	-	50,656
Dividend			-6,089		-6,089
Other effects on equity ²⁾	149	1,667	-837		979
Contribution to net asset value	43,542	10,543	-8,539	-	45,546
Net asset value by business area 12/31 2014					
Shares and participations	218,517	28,352	22		246,891
Other assets	54,912	7,898	515		63,325
Other liabilities	-23,111	-744	-566		-24,421
Net debt ³⁾			-24,832		-24,832
Total net asset value	250,318	35,506	-24,861	-	260,963
Shares in associates reported according to the equity method		6,310	22		6,332
Cash flow for the year	-1,950	7,771	-3,047		2,774
Non-current assets by geographical area⁴⁾					
Sweden	35,844	2	22		35,868
Europe excl. Sweden	3,462				3,462
Other countries	5,054	2			5,056

1) Includes proceeds from the trading operation amounting to SEK 3,066 m.

2) Refers mainly to revaluation reserve, effects of long-term share-based remuneration, changes in non-controlling interest and changes in the hedging and translation reserves.

3) Net debt refers to other financial investments, short-term investments, cash and cash equivalents, interest-bearing liabilities with related derivatives and defined benefit pensions within investing activities.

4) Non-current assets consists of intangible and tangible assets. Information regarding associates by geographical area is not presented because Investor, as a minority owner, can not access information that can be compiled in a meaningful way.

5 cont'd Operating Segments

Performance by business area 2013	Core Investments	Financial Investments	Investor groupwide	Elimination	Total
Dividends	5,441	611			6,052
Other operating income	99	362		-99	362
Changes in value	32,977	4,054 ¹⁾			37,031
Net sales	18,696			-127	18,569
Cost of goods and services sold	-12,247			127	-12,120
Sales and marketing costs	-2,786				-2,786
Administrative, research and development and other operating costs	-2,663	-132			-2,795
Management costs	-147	-65	-147		-359
Share of results of associates	4	3,580			3,584
IS Operating profit/loss	39,374	8,410	-147	-99	47,538
Net financial items	-1,709	-65	-889	99	-2,564
Tax	130		2		132
IS Profit/loss for the year	37,795	8,345	-1,034	-	45,106
Non-controlling interest	59				59
Net profit/loss for the period attributable to the Parent Company	37,854	8,345	-1,034	-	45,165
Dividend			-5,331		-5,331
Repurchase of own shares			-195		-195
Other effects on equity ²⁾	1,100	190	-210		1,080
Contribution to net asset value	38,954	8,535	-6,770	-	40,719
Net asset value by business area 12/31 2013					
Shares and participations	175,184	26,526	1,149		202,859
Other assets	49,852	6,723	679		57,254
Other liabilities	-20,331	-993	-268		-21,592
Net debt ³⁾			-23,104		-23,104
Total net asset value	204,705	32,256	-21,544	-	215,417
Shares in associates reported according to the equity method		7,792	1,149		8,941
Cash flow for the year	8,351	11,367	-17,553		2,165
<i>Non-current assets by geographical area⁴⁾</i>					
Sweden	34,153		27		34,180
Europe excl. Sweden	3,342				3,342
Other countries	4,490	3			4,493

1) Includes proceeds from the trading operation amounting to SEK 3,682 m.

2) Refers mainly to revaluation reserve, effects of long-term share-based remuneration, changes in non-controlling interest and changes in the hedging and translation reserves.

3) Net debt refers to other financial investments, short-term investments, cash and cash equivalents, interest-bearing liabilities with related derivatives and defined benefit pensions within investing activities.

4) Non-current assets consists of intangible and tangible assets. Information regarding associates by geographical area is not presented because Investor, as a minority owner, can not access information that can be compiled in a meaningful way.

6 Changes in value

Accounting policies

Changes in value consist of realized and unrealized result from long-term and short-term holdings in shares and participations, transaction costs, profit-sharing costs and management fees for fund investments.

For shares and participations that were realized during the period, the changes in value consist of the difference between the consideration received and the value at the beginning of the period. Profit or loss from the divestment of a holding is recognized when the risks and benefits associated with owning the instrument are transferred to the buyer and the Group no longer has control over the instrument.

	2014	2013
Realized and unrealized results from long-term and short-term investments	39,133	37,423
Realized result from associates valued at equity method	3,275	0
Other	-448	-392
IS Total	41,960	37,031

7 Operating costs

	2014	2013
Raw materials and consumables	4,800	4,320
Personnel costs	8,200	7,353
Depreciation, amortization and impairment	1,743	2,543
Other operating expenses	4,628	3,844
Total	19,371	18,060

Cost related to research and development amounts to SEK 349 m. (332).

8 Revenues

Accounting policies

Revenues included in operating profit are dividends, other operating income and net sales.

Dividends received are recognized when the right to receive payment has been established. Other operating income consists primarily of interest on shareholder loans to associates and it is calculated using the effective interest rate method.

Net sales

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer. Services provided as part of healthcare activities are sold via multi-year operating contracts and, in some cases, framework agreements. Revenue from services is recognized based on the stage of completion on balance sheet date. Completion is determined by an assessment of the work done, on the basis of performed examinations. Revenue is not recognized if it is probable that economic benefits will not flow to the Group. No revenue is recognized if there is significant uncertainty regarding the payment, associated costs or the risk of returns. Neither is revenue recognized if the seller remains involved in day-to-day management activities that are typically associated with ownership. Revenue is recognized at the fair value of consideration received or expected to be received, less any discounts. Revenue shall be recognized when the amount of revenue can be measured reliably.

A provision is made for the risk of loss if the total directly attributable costs during the entire term of the contract are expected to exceed the total revenues, including indexation.

Net sales

By category:	2014	2013
Sales of products	12,801	11,094
Sales of services	8,276	7,312
Other income	123	163
IS Total	21,200	18,569
By field of operation:	2014	2013
Health care equipment	13,066	11,094
Health care services	7,580	6,995
Hotel	538	460
Real estate	16	20
IS Total	21,200	18,569
By geographical market:	2014	2013
Sweden	5,516	5,199
Scandinavia, excl. Sweden	4,174	3,665
Europe, excl. Scandinavia	6,682	5,828
U.S.	3,715	2,815
North America, excl. U.S.	288	226
South America	43	52
Africa	42	138
Australia	377	332
Asia	363	314
IS Total	21,200	18,569

External revenues are presented on the basis where the customer is resident. Net sales are attributable to operating subsidiaries. No customer exceeds 10 percent of total net sales.

9 Employees and personnel costs

Accounting policies

Accounting policies on employee benefits such as short-term benefits, termination benefits and share-based payment transactions are presented below. Post-employment benefits are presented in note 25, Provisions for pensions and similar obligations.

Short-term benefits

Short-term employee benefits are measured on an undiscounted basis and are expensed as the related services is provided. A provision is made for the anticipated cost of variable cash salary and profit-sharing contracts when the Group has a current obligation to make such payments (because services have been provided by employees) and when the obligation can be reliably estimated.

Termination benefits

The cost of termination benefits is recognized only if the company is demonstrably committed (without any realistic possibility of withdrawing the commitment) by a formal plan to prematurely terminate an employee's employment.

Share-based payment transactions

Investor AB has issued equity-settled stock option and share programs and cash-settled (synthetic) shares.

Accounting for equity-settled programs

The fair value of stock options and share programs issued is determined at the grant date in accordance with the Black & Scholes valuation model, taking into consideration the terms and conditions that are related to the share price. The value is recognized in the income statement as a personnel cost allocated over the vesting period. The amount charged to the income statement is reversed in equity each time of the income statement charge. The recognized cost corresponds to the fair value of the estimated number of options and shares that are expected to vest. This cost is adjusted in subsequent periods to reflect the actual number of vested options and shares. However, no adjustment is made when options and shares expire only because share-price related conditions do not reach the level needed for the options to vest.

When equity-settled programs are exercised, shares are delivered to the employee. The delivered shares are treasury shares that were repurchased when the program was implemented. When exercised, the payment of the exercise price that was received from the employee is reported under equity.

Equity-settled programs issued to employees in Group companies

In the Parent Company, the value of equity instruments, which is offered to employees of other companies belonging to the Group, is reported as a capital contribution to subsidiaries. The value of participations in subsidiaries increases simultaneously to the Parent Company's reporting of an increase in equity. The costs related to employees in companies concerned are invoiced to the subsidiaries. The cash settlement of the invoices then neutralizes the increase of participations in subsidiaries.

Accounting for cash-settled programs

Cash-settled (synthetic) shares result in an obligation that is valued at fair value and recognized as an expense with a corresponding increase in liabilities. Initial fair value is calculated and the grant value is recognized over the vesting period as a personnel cost, which is similar to the recognition of equity-settled programs. However, cash settled programs are revalued every balance sheet date and at final settlement. All changes in the fair value as a result of changes in share price are recognized in the financial net with a corresponding change in liabilities.

When cash-settled programs are exercised, the liability to the holder of the synthetic shares is settled.

Accounting for social security attributable to share-based payment transactions

Social security expenses attributable to share-based remuneration are recognized and amortized in accordance with the same policies as the costs for synthetic shares.

9 cont'd Employees and personnel costs

Average number of employees in the Group

	2014		2013	
	Total	Of which women	Total	Of which women
Parent Company, Sweden	75	41	84	47
Sweden, excl. Parent Company	5,688	4,303	5,447	4,173
Europe excl. Sweden	5,021	3,418	4,659	3,165
North- and South America	957	338	702	243
Asia	3,757	2,771	3,727	2,775
Australia	62	43	58	44
Total Group	15,560	10,914	14,677	10,447
Of which:				
Investing activities	79	42	88	48

Gender distribution in Boards and Senior management

	2014		2013	
	Men	Women	Men	Women
<i>Gender distribution in percent</i>				
Board of the Parent Company	77	23	77	23
Management Group of the Parent Company incl. the President	60	40	60	40
Boards in the Group ¹⁾	75	25	83	17
Management Groups in the Group	65	35	58	42

1) Based on all Group companies including small, internal companies with minor activity.

Guidelines for remuneration to members of the Management Group and other employees in Investing activities

Investor's Remuneration Committee is appointed each year by the Board. The Committee's main purpose is "to enable an independent and thorough review of all aspects of Investor's total remuneration program and to make decisions about executive remuneration in the company". The Remuneration Committee submits a recommendation to the Board concerning the President and Chief Executives Officer's remuneration and decides on the remuneration for the other members of the Management Group.

Remuneration to the President and other members of the Management Group is based on the Guidelines adopted at the AGM.

The Management Group consists of President Börje Ekholm, along with Susanne Ekblom, Johan Forssell, Petra Hedengran and Lennart Johansson. Investor strives to offer a total remuneration that is competitive and in line with market conditions, thereby enabling it to attract (and retain) the right type of expertise to the company. The total remuneration should be based on factors such as position, performance and individual qualifications.

The total remuneration for the Management Group shall consist of: basic salary, variable cash salary, long-term share-based remuneration, pension and other remuneration and benefits.

Basic salary

Basic salary is reviewed annually for all Investor employees. Basic salary constitutes the basis for calculating variable salary.

Variable cash salary

Investor's employees have a portion of their salary as variable cash salary. The variable portion of salary differs between business areas. For the President, it amounts to a maximum of 10 percent of basic salary. For other employees, the maximum variable salary ranges between 10 and 80 percent of their basic salary, although for a very limited number of key personnel, the variable portion of salary can be a maximum of 100 percent of their basic salary. The President may award additional variable salary to company employees who he feels have made an exceptional contribution during the year. However, any such additional variable salary must be approved by Investor's Remuneration Committee.

The established goals must also be reached in order to receive the variable salary. Goals are reviewed at the end of the year. The focus of the President's goals for the year is determined through a dialog between the President and the Chairman of the Board. The goals for the President are proposed by the Remuneration Committee and later approved by the Board. Goals for other employees are established by each employee's manager.

Long-term share-based remuneration

For long-term variable remuneration programs, it is the Board's ambition to create a structure that results in employee commitment and is based on the long-term development of Investor. As a result, part of the remuneration to employees is related to the long-term performance of Investor and the Investor share, which exposes the employee to both increases and decreases of the share price. In 2006, a Stock Matching Plan was introduced for all Investor employees, as well as a performance based share program for Senior Management. "Senior Management" is defined as the President, other members of the Management Group and a maximum of 20 other senior executives. The structure of the programs for 2007-2014 correspond in all material aspects to the program for 2006. The employee is required to invest his or her own funds, or commit shares, in order to participate in the program. For more details regarding the programs, see page 56.

Pension

During 2014 the pension for the President and Management Group consisted of two components:

- A pension plan based on premiums in accordance with the BTP plan (Swedish pension plan for the banking sector) on parts of salary up to 30 basic income amounts (SEK 1,707 t.) and the option to choose BTP's alternative special pension plan for managers with an annual salary above 10 basic income amounts.
- A pension plan based on special pension regulations ("Särskilt Pensionsreglemente") on parts of salary above 20 basic income amounts. The amount of the pension provision depends on age and is 25 percent until the age of 40, 30 percent between the ages of 41 and 50 and 35 percent for those who are over the age of 50. Only basic salary is used to establish the annual pension premium. The retirement age is 60 years for the President and Management Group.

Other remuneration and benefits

Profit-sharing program for the trading operation

This program includes participants both from the trading organization and the investment organization. The participants in this program receive a variable salary equivalent to 20 percent of the trading function's net result. The program includes a clawback principle by which 50 percent of the variable salary allotment is withheld for one year and will only be paid out in full if the trading result for that year is positive. In order to receive full allotment, two consecutive profitable years are thus required. Approximately 15-20 employees in total participate in the program, including the Management Group Member responsible for Core Investments. For 2014, SEK 0 t. in total has been paid out from this program (1,654).

Severance pay

A mutual six-month term of notice applies between the President and the Company. If the Company terminates the employment, the President will receive severance pay corresponding to 12 months of basic salary. If no new employment has been obtained after one year, the President is entitled to a maximum of 12 months' additional severance pay. The terms and conditions regarding notice and severance pay for other members of the Management Group are the same, provided that the employment contract for that person was entered into before the 2010 Annual General Meeting. If the employment contract was entered into subsequent to the 2010 Annual General Meeting, then the fixed cash salary during the notice period plus the severance pay may not exceed two years' fixed cash salary.

Fees received for Board work

Investor allows Management Group members to keep any fees that they have received for work done on the Boards of the Company's Core Investments. One reason for allowing this practice is that the employee assumes personal responsibility by having a Board position. Fees received for Board work are taken into account by Investor when determining the employee's total remuneration.

Other benefits

Investor offers Management Group members and other employees a variety of non-monetary benefits, including corporate health service, health insurance, subsidized lunches, employee fitness programs and the possibility to rent vacation homes. Managers and employees with young children are also offered in-home services in the form of cleaning and baby-sitting.

9 cont'd Employees and personnel costs

Remuneration and benefits 2010-2014 to Börje Ekholm, President and Chief Executive Officer (SEK t.)

Year	Basic salary	Vacation remuneration	Variable salary for the year	Total cash salary	Change of vacation pay liability	Pension premiums	Benefits	Long-term share-based remuneration value at grant date	Total	Own investment in long-term share based remuneration	Own investment, % of basic salary pre-tax
2014	8,650	125	744	9,519	1,028	3,560	1,522	9,948	25,577	3,762	43.5
2013	7,900	115	727	8,742	962	2,973	1,195	9,085	22,957	3,502	44.3
2012	7,250	105	645	8,000	811	2,605	1,319	8,338	21,073	3,319	45.8
2011	7,000	102	630	7,732	140	2,415	1,092	8,050	19,429	2,921	41.7
2010	7,000	102	–	7,102	440	2,515	1,105	8,050	19,212	3,033	43.3

Expensed remunerations

The amounts in the table below are calculated according to the accruals concept, in which the terms basic salary and variable salary refer to expensed amounts, including any changes to the reserve for variable salary, vacation pay provisions, etc. Variable salary refers to the approved variable salary for the current financial year, unless specified otherwise.

Expensed remuneration to the President and other members of the Management Group in the Parent Company

	Basic salary	Vacation remuneration	Change of vacation pay liability	Variable salary for the year	Cost of long-term share-based remuneration ¹⁾	Total	Pension costs ²⁾	Other remuneration and benefits	Total expensed remuneration
Total remuneration 2014 (SEK t.)									
President and CEO	8,650	125	1,028	744	10,977	21,524	3,560	1,522	26,606³⁾
Management Group, excl. the President	13,960	202	429	6,200	9,171	29,962	7,650	1,113	38,725
Total	22,610	327	1,457	6,944	20,148	51,486	11,210	2,635	65,331
Total remuneration 2013 (SEK t.)									
President and CEO	7,900	115	962	727	10,184	19,888	2,973	1,195	24,056³⁾
Management Group, excl. the President	13,630	197	313	6,215	8,199	28,554	8,284	495	37,333
Total	21,530	312	1,275	6,942	18,383	48,442	11,257	1,690	61,389

1) There is a deviation from the value at grant date according to the previous table, in the table above the cost is calculated based on the principles in IFRS 2 and allocated over the vesting period. The calculation is also adjusted for the actual outcome of allotted performance shares, whereas in the previous table the value is based on an assumed allotment.

2) There are no outstanding pension commitments for the Management Group.

3) Of which expensed in subsidiaries; basic salary SEK 1,218 t. (1,057), pension SEK 42 t. (42), as well as other remuneration and benefits SEK 697 t. (646).

Expensed remuneration from the profit-sharing programs for the trading operation to members of the Management Group totaled SEK 0 t. for the year (80). These remunerations are in addition to the amounts presented in the table above.

Total remuneration - expensed salaries, Board of Directors fees and other remuneration and social security costs

	2014							2013						
Total remuneration (SEK m.), Group	Basic salary ¹⁾	Variable salary	Long-term share-based remuneration	Pension cost	Cost for employee benefits	Social security contributions	Total	Basic salary ¹⁾	Variable salary	Long-term share-based remuneration	Pension cost	Cost for employee benefits	Social security contributions	Total
Parent Company	86	19	39	31	12	92	279	84	21	37	36	13	91	282
Subsidiaries	5,482	382	2	457	152	1,267	7,742	4,818	295	3	443	125	1,118	6,802
Total	5,568	401	41	488	164	1,359²⁾	8,021	4,902	316	40	479	138	1,209²⁾	7,084
Of which: Investing activities	92	20	40	33	13	94	292	89	22	38	39	14	93	295

1) Includes vacation remuneration and change of vacation pay liability.

2) Of which SEK 68 m. refers to social security contribution for long-term share-based remuneration (54).

Expensed wages and remuneration distributed between senior executives, Presidents and Boards in subsidiaries and other employees

	2014				2013			
Remuneration (SEK m.), Group	Salary Senior executives, Presidents and Boards in subsidiaries ^{1, 2)}	Of which variable salary ¹⁾	Other employees	Total	Salary senior executives, Presidents and Boards in subsidiaries ^{1, 2)}	Of which variable salary ¹⁾	Other employees	Total
Parent Company	39	7	66	105	38	7	67	105
Subsidiaries	37	14	5,827	5,864	43	8	5,071	5,114
Total	76	21	5,893	5,969	81	15	5,138	5,219
Of which: Investing activities	39	7	73	112	38	7	72	110

1) The number of people in the Parent Company is 17 (17) and in subsidiaries 27 (30).

2) Pension costs relating to senior executives, Presidents and Boards in subsidiaries amount to SEK 16 m. and are in addition to the amounts presented in the table (20).

9 cont'd Employees and personnel costs

Long-term share-based variable remuneration – program descriptions

Through the long-term variable remuneration programs, part of the remuneration to employees becomes linked to the long-term performance of the Investor share. The program consists of the following two components:

1) Stock Matching Plan in which all employees may participate

Through the Stock Matching Plan, an employee could acquire or commit shares in Investor at the market price during a period (determined by the Board) subsequent to the release of Investor's first quarterly report for each year, respectively (the "Measurement Period"). After a three-year vesting period, two options (Matching Options) are granted for each Investor share acquired or committed by the employee, as well as a right to acquire one Investor share (Matching Share) for SEK 10. The Matching Share may be acquired during a four-year period subsequent to the vesting period. Each Matching Option entitles the holder to purchase one Investor share, during the corresponding period, at a strike price corresponding to 120 percent of the average volume-weighted price paid for Investor shares during the Measurement Period.

The President, other members of the Management Group and a maximum of 20 other senior executives ("Senior Management") are obligated to invest at least 5 percent of their basic salary in Investor shares according to the Stock Matching Plan. Other employees are not obligated to invest, but they are still entitled to invest to the extent that the value of the allotted Matching Options and Matching Shares amounts to a maximum of either 10 or 15 percent of their basic salary. Senior Management has the right to invest to such an extent that the value of the allotted Matching Options and Matching Shares amounts to maximum between 10 and 38 percent of their respective basic salary. In order to participate fully in the Stock Matching Plan for 2014, the President had to invest or commit approximately 44 percent of his basic salary in Investor shares. If the President, through the investment mentioned above, participates fully in the Stock Matching Plan, the theoretical value of the right to receive a Matching Share and two Matching Options per acquired share under the Stock Matching Plan is 38 percent of the basic salary. For 2014 year's program, the President is entitled to exercise Matching Shares and Matching Options during a period of 12 months from the earlier of (i) seven years from the date of allocation and (ii) two months from the expiry of the year during which the President terminates his employment.

2) Performance-Based Share Program, in which Senior management participates in addition to the Stock Matching Plan

Senior management has, in addition to the Stock Matching Plan, the right (and obligation) to participate in a Performance-Based Share Program. Under this program, which presumes participation in the Stock Matching Plan, Senior management, after a three-year vesting period, has the right during four years to acquire additional Investor shares ("Performance Shares") for a price that corresponds to, in 2014 year's program, 50 percent of the price of the shares acquired by the employee ("Acquisition Price"). This right is conditional upon

whether certain financial goals related to the total return of the Investor share are met during the vesting period.

Total return is measured over a three-year qualification period. The average annual total return (including reinvested dividends) must exceed the interest on 10-year government bonds by more than 10 percentage points in order for Senior management to be entitled to acquire the maximum number of Performance Shares that they were allotted. If the total return does not exceed the 10-year interest on government bonds by at least 2 percentage points, Senior management is not entitled to acquire any shares. If the total return is between the 10-year interest on government bonds plus 2 percentage points and the 10-year interest on government bonds plus 10 percentage points, a proportional (linear) calculation of the number of shares that may be acquired is made. The total return is measured quarterly on running 12-month basis during the qualification period, where the total outcome is estimated as the average total return during the three-year period based on 9 measurement points.

For 2014 year's program, the President is entitled to exercise Performance Shares during a period of 12 months from the earlier of (i) seven years from the date of allocation and (ii) two months from the expiry of the year during which the President terminates his employment.

Adjustment for dividend

At the time when Matching Shares and Performance Shares are acquired, employees are entitled to remuneration for dividends paid during the vesting period and up until the acquisition date. This is done so that the program will not be affected by dividends and to avoid the risk that a decision on dividends is affected by the long-term variable remuneration program.

Hedge contracts for employee stock option and share programs

Investor's policy is to implement measures to minimize the effects on equity from the programs in the event of an increase in Investor's share price. For programs implemented in 2006 and later, Investor has been repurchasing its own shares in order to guarantee delivery.

Other programs in subsidiaries

Participation program in Investor Growth Capital (IGC)

Within IGC, selected senior staff and other senior executives are, to a certain extent, allowed to make parallel investments with Investor, or else receive profit-sharing. The programs are linked to realized growth in the value of the holdings, after having deducted costs and any unrealized decline in value, which are viewed as a portfolio. The maximum share that can be credited to program participants is 16 percent, which is in line with practice in the venture capital market.

During the year, a total of SEK 60 m. was paid out from these programs (16). The provision (not paid out) on unrealized gains amounted to SEK 539 m. at year-end (486). Expensed amounts were reported in the item "Changes in Value" in the Income Statement.

Summary of long-term share-based variable remuneration programs 2006-2014

Matching Shares 2006-2014

Year issued	Number of Matching Shares granted	Number at the beginning of the year	Adjustment for dividend	Matching Shares forfeited in 2014	Matching Shares exercised in 2014	Weighted average share price on exercise	Number of Matching Shares at year-end	Theoretical value ¹⁾ , SEK	Fair value ²⁾ , SEK	Strike price, SEK	Maturity date	Vesting period (years) ³⁾
2014	55,451			1,572			53,879 ⁴⁾	219.51	244.29	10.00	12/31 2020	3
2013	72,378	71,798	2,383	3,078	1,308	248.42	69,795 ⁴⁾	167.90	187.33	10.00	12/31 2019	3
2012	120,160	120,837	3,758	7,239	6,760	241.31	110,596 ⁴⁾	109.60	122.17	10.00	12/31 2018	3
2011	88,959	89,029	1,843	2,369	39,709	237.06	48,794	127.15	141.66	10.00	12/31 2017	3
2010	124,543	46,217	1,533		7,660	262.70	40,090	114.91	128.33	10.00	12/31 2016	3
2009	134,540	35,422	1,144	-112	5,425	250.61	31,253	97.64	109.01	10.00	12/31 2015	3
2008	88,075	18,518	547	68	4,484	244.63	14,513	116.71	130.40	10.00	12/31 2014 ⁵⁾	3
2007	70,194	10,906	370				11,276	150.91	168.48	10.00	12/31 2013 ⁶⁾	3
2006	95,497	11,669	396				12,065	109.19	121.34	10.00	12/31 2012 ⁶⁾	3
Total	849,797	404,396	11,974	14,214	65,346		392,261					

1) The value of Matching Shares on the grant date was based on a theoretical value calculated in accordance with the Black & Scholes valuation model.

2) The fair value on the grant date was calculated in accordance with IFRS 2, which was also used for calculating recognized value. See page 57 for specification of the basis of calculation.

3) Under certain circumstances, in conjunction with the end of employment, Matching Shares can be exercised before the end of the vesting period. Matching Shares that have already vested must be exercised within three months from the end of employment if the employment lasted less than four years and 12 months if the holder has been employed longer.

4) Matching Shares not available for exercise at year-end.

5) The President is entitled to exercise Matching Shares during a 12 months period from the earlier of seven years from the date of allocation and two months from the expiry of the year during which the President terminates his employment.

6) The President is entitled to exercise Matching Shares during a 12 months period from the earlier of ten years from the date of allocation and two months from the expiry of the year during which the President terminates his employment.

9 cont'd Employees and personnel costs

Matching Options 2006-2014

Year issued	Number of Matching Options granted	Number at the beginning of the year	Matching Options forfeited in 2014	Number of Matching Options exercised in 2014	Weighted average share price on exercise	Number of Matching Options at year-end	Theoretical value ¹⁾ , SEK	Fair value ²⁾ , SEK	Strike price, SEK	Maturity date	Vesting period (years) ³⁾
2014	110,902		3,145			107,757 ⁴⁾	29.86	34.41	304.50	12/31 2020	3
2013	144,756	143,598	6,475	2,025	264.35	135,098 ⁴⁾	22.63	24.97	236.10	12/31 2019	3
2012	240,320	232,398	13,744	12,974	241.33	205,680 ⁴⁾	14.70	16.87	157.80	12/31 2018	3
2011	177,918	163,468	4,369	60,893	237.05	98,206	19.78	22.82	180.30	12/31 2017	3
2010	249,086	121,216		27,684	253.31	93,532	17.44	19.73	164.60	12/31 2016	3
2009	269,080	97,496	-192	32,260	244.15	65,428	14.52	16.68	141.50	12/31 2015	3
2008	176,150	49,550		26,462	254.91	23,088	16.41	18.98	166.20	12/31 2014 ⁵⁾	3
2007	140,388	17,304				17,304	22.80	18.84	212.00	12/31 2013 ⁶⁾	3
2006	190,994	17,984				17,984	15.62	12.47	155.90	12/31 2012 ⁶⁾	3
Total	1,699,594	843,014	27,541	162,298		764,077					

- 1) The value of Matching Options on the grant date was based on a theoretical value calculated in accordance with the Black & Scholes valuation model.
- 2) The fair value on the grant date was calculated in accordance with IFRS 2, which was also used for calculating recognized values. See below for specification of the basis of calculation.
- 3) Under certain circumstances, in conjunction with the end of employment, Matching Option can be exercised before the end of the vesting period. Matching Options that have already vested must be exercised within three months from end of employment if employment lasted less than four years and within 12 months if the holder has been employed longer.
- 4) Matching Options not available for exercise at year-end.
- 5) The President is entitled to exercise Matching Options during a 12 months period from the earlier of seven years from the date of allocation and two months from the expiry of the year during which the President terminates his employment.
- 6) The President is entitled to exercise Matching Options during a period of 12 months from the earlier of ten years from the date of allocation and two months from the expiry of the year during which the President terminates his employment.

Performance Shares 2006-2014

Year issued	Maximum number of Performance Shares granted	Number at the beginning of the year	Adjustment for dividend	Performance Shares, forfeited in 2014	Performance Shares exercised in 2014	Weighted average share price on exercise	Number of Performance Shares at year-end	Theoretical value ¹⁾ , SEK	Fair value ²⁾ , SEK	Strike price, SEK	Maturity date	Vesting period (years)
2014	258,017						258,017 ³⁾	62.79	70.03	126.89	12/31 2020	3
2013	320,473	320,473	13,763	6,201			328,035 ³⁾	49.33	54.26	95.42	12/31 2019	3
2012	457,517	474,198	14,157	20,913			467,442 ³⁾	32.69	36.41	61.55	12/31 2018	3
2011	663,784	719,195	19,713	20,866	140,803	247.47	577,239	20.56	23.14	134.48	12/31 2017	3
2010	799,197	592,795	16,917		82,215	244.36	527,497	18.34	20.34	118.74	12/31 2016	3
2009	870,373	368,382	10,920		45,424	247.63	333,878	15.45	17.26	99.11	12/31 2015	3
2008	269,640 ⁴⁾	15,496	689	116	314	221.67	15,755	40.04	42.98	69.29	12/31 2014 ⁵⁾	3
2007	139,380 ⁴⁾	6,789	231				7,020	77.78	82.55	10.00	12/31 2013 ⁶⁾	3
2006	187,198 ⁴⁾	8,346	284				8,630	52.35	57.03	10.00	12/31 2012 ⁶⁾	3
Total	3,965,579	2,505,674	76,674	48,096	268,756		2,523,513					

- 1) The value of Performance Shares on the grant date was based on a theoretical value calculated in accordance with the Black & Scholes valuation model.
- 2) The fair value on the grant date was calculated in accordance with IFRS 2, which was also used for calculating recognized values. See below for specification of the basis of calculation.
- 3) Performance Shares not available for exercise at year-end.
- 4) Refers to the maximum number of granted performance shares, regardless of the program's vesting outcome.
- 5) The President is entitled to exercise Performance Shares during a 12 months period from the earlier of seven years from the date of allocation and two months from the expiry of the year during which the President terminates his employment.
- 6) The President is entitled to exercise Performance Shares during a period of 12 months from the earlier of ten years from the date of allocation and two months from the expiry of the year during which the President terminates his employment.

The difference between the theoretical value and fair value is mainly due to the fact that the anticipated personnel turnover is taken into consideration when determining the theoretical value. When estimating the fair value in

accordance with IFRS 2, personnel turnover is not taken into account; instead the anticipated number of vested shares or options is adjusted. The adjustment is based on average historical outcome.

The calculation of the fair value on the grant date, according to IFRS 2, was based on the following conditions:

	2014			2013		
	Matching Share	Matching Option	Performance Share	Matching Share	Matching Option	Performance Share
Averaged volume-weighted price paid for Investor B shares	253.77	253.77	253.77	196.79	196.79	196.79
Strike price	10.00	304.50	126.89	10.00	236.10	98.39
Assumed volatility ¹⁾	30%	30%	30%	30%	30%	30%
Assumed average term ²⁾	5 years	5 years	5 years	5 years	5 years	5 years
Assumed percentage of dividend ³⁾	0%	3.5%	0%	0%	4%	0%
Risk-free interest	1.07%	1.07%	1.07%	1.52%	1.52%	1.52%
Expected outcome ⁴⁾			50%			50%

- 1) The assumed volatility was based on future forecasts based on the historical volatility of Investor B shares, in which the term of the instrument is an influencing factor. The historical volatility has been in the interval of 15 to 30 percent.
- 2) The assumption of average term for the instruments at grant is based on historical exercise patterns and the actual term of the instruments within each remuneration program.
- 3) The dividend for Matching Shares and Performance Shares is compensated for by increasing the number of shares.
- 4) Probability to achieve the performance criteria is calculated based on historic data and verified externally.

9 cont'd Employees and personnel costs

Summary of Long-term Restricted Stock Programs 2004–2005

Year issued	Number of granted Shares	Number of shares at the beginning of the year	Fair value, SEK ¹⁾	Number of Shares exercised 2014	Number of Shares at year-end	Maturity date ²⁾	Vesting period (years)
2005	58,331	9,612	97.04	–	9,612	1/21 2010	5
2004	74,000	3,200	77.00	–	3,200	1/20 2009	5
Total	132,331	12,812		–	12,812		

1) The fair value on the grant date was calculated in accordance with IFRS 2, which was also used for calculating recognized values.

2) The President is entitled to exercise the Shares during a period of twelve months from the earlier of (i) ten years from April 1, 2006 and (ii) two months from the expiry of the year during which the President terminates his employment.

Remuneration to the Board of the Parent Company

At the 2014 Annual General Meeting (AGM), it was decided that Board remuneration should total SEK 9,773 t., of which SEK 8,555 t. would be in the form of cash and synthetic shares and SEK 1,218 t. would be distributed as cash remuneration for committee work done by the Board of Directors. At year-end, total outstanding pension commitments including payroll tax for former members of the Board amounted to SEK 146,629 t. (130,778), of which SEK 81,967 t. pertained to Peter Wallenberg (78,730). Remuneration to Peter Wallenberg of SEK 15,517 t. was paid out during the year (15,367).

Synthetic shares 2008–2014

As of 2008, Board members may choose to receive a part of their gross remuneration, excluding committee fees, in synthetic shares. AGM's decision regarding synthetic shares 2014 is essentially identical to the decision of the AGM 2013. In 2014, Board Members were entitled to receive 50 percent of the proposed remuneration before tax, excluding remuneration for committee work, in the form of synthetic shares and 50 percent in cash (instead of receiving 100 percent of the remuneration in cash). A synthetic share carries the same economic rights as a class B Investor share, which means that the value of the Board of Director's remuneration in synthetic shares, just like for class B shares, is dependent upon value fluctuations as well as the amount of

dividends during the five-year period until 2019, when each synthetic share entitles the Board member to receive an amount corresponding to the share price, at the time, of a class B Investor share.

At the statutory meeting in May 2014 the Board approved, as in 2013, establishment of a policy pursuant to which members of the Board (who do not already have such holdings) are expected to, over a five-year period, acquire ownership in Investor shares (or a corresponding exposure to the Investor share, for example in synthetic shares) for a market value that is expected to correspond to at least one year's remuneration for board work, before taxes and excluding remuneration for committee work.

The Director's right to receive payment occurs after the publications of the year-end report and the three interim reports, respectively, during the fifth year following the general meeting which resolved on the allocation of the Synthetic Shares, with 25 percent of the allocated Synthetic Shares on each occasion. In case the Director resigns as Board Member prior to a payment date the Director has a right, within three months after the Director's resignation, to request that the time of payment shall be brought forward, and instead shall occur, in relation to 25 percent of the total number of allocated Synthetic Shares, after the publications of each of the year-end report and the three interim reports, respectively, which are made during the year after the year when such request was received by the Company.

Expensed remuneration to the Board 2014

Total remuneration for 2014 (SEK t.)	Cash Board fee	Value of Synthetic Shares as at grant date	Commit-tee fee	Total Board fee as at grant date	Effect from change in market value of Synthetic Shares	Effect from change in market value of Synthetic Shares issued 2014	Effect from exercised 2014	Total fee, actual cost	Number of Synthetic Shares at the beginning of the year	Number of Synthetic Shares granted 2014 ¹⁾	Adjust-ment for dividend	Exercised Synthetic Shares, 2014	Number of Synthetic Shares on December 31, 2014
Jacob Wallenberg	2,175		358	2,533	1,624		264	4,421	31,629		1,012	9,516	23,125
Sune Carlsson	580		215	795	434		70	1,299	8,434		270	2,537	6,167
Dr. Josef Ackermann	290	290		580	241	40		861	3,330	1,160	107		4,597
Gunnar Brock ²⁾	290	290	72	652	545	40	70	1,307	9,967	1,160	319	2,537	8,909
Börje Ekholm													
Magdalena Gerger ³⁾	290	290		580		40		620		1,160			1,160
Tom Johnstone	290	290		580	545	40		1,165	7,508	1,160	241		8,909
Carola Lemne ⁴⁾				0	545			545	7,508		241		7,749
Grace Reksten Skaugen	580		286	866				866					
O. Griffith Sexton	580		72	652				652					
Hans Stråberg	290	290		580	396	40		1,016	5,460	1,160	175		6,795
Lena Treschow Torell	290	290	72	652	545	40	70	1,307	9,967	1,160	319	2,537	8,909
Marcus Wallenberg	580			580				580					
Peter Wallenberg Jr. ²⁾	290	290	143	723	545	40	70	1,378	9,967	1,160	319	2,537	8,909
Total	6,525	2,030	1,218	9,773	5,420	282	546	16,017	93,770	8,122	3,001	19,664	85,230

1) Based on weighted average stock price for Investor B in the period May 8 to May 14, 2014: SEK 249.93.

2) Additional remunerations of SEK 970 t. to Gunnar Brock and SEK 303 t. to Peter Wallenberg Jr. have been expensed in the subsidiaries.

3) Member of the Board as of 5/6 2014.

4) Member of the board until 5/6 2014.

9 cont'd Employees and personnel costs

Expensed remuneration to the Board 2013

Total remuneration for 2013 (SEK t.)	Cash Board fee	Value of Synthetic Shares as at grant date	Commit-tee fee	Total Board fee as at grant date	Effect from change in market value of previous years Synthetic Shares	Effect from change in market value of Synthetic Shares issued 2013	Effect from exercised 2013	Total fee, actual cost	Number of Synthetic Shares at the beginning of the year	Number of Synthetic Shares granted 2013 ¹⁾	Adjust-ment for dividend	Exercised Synthetic Shares, 2013	Number of Synthetic Shares on December 31, 2013
Jacob Wallenberg	2,060		340	2,400	1,824		259	4,483	38,437		1,432	8,240	31,629
Sune Carlsson	550		204	754	486		69	1,309	10,249		382	2,197	8,434
Dr. Josef Ackermann	275	275		550	104	64		718	1,729	1,533	68		3,330
Gunnar Brock ²⁾	275	275	68	618	486	64		1,168	8,117	1,533	317		9,967
Börje Ekholm													
Tom Johnstone	275	275		550	344	64		958	5,751	1,533	224		7,508
Carola Lemne	275	275		550	344	64		958	5,751	1,533	224		7,508
Grace Reksten Skaugen	550		136	686				686					
Anders Scharp ³⁾							69	69	2,132		65	2,197	
O. Griffith Sexton	550		68	618				618					
Hans Stråberg	275	275		550	226	64		840	3,780	1,533	147		5,460
Lena Treschow Torell	275	275	68	618	486	64	69	1,237	10,249	1,533	382	2,197	9,967
Marcus Wallenberg	550			550				550					
Peter Wallenberg Jr. ²⁾	275	275	136	686	486	64	69	1,305	10,249	1,533	382	2,197	9,967
Total	6,185	1,925	1,020	9,130	4,786	448	535	14,899	96,444	10,731	3,623	17,030	93,770

1) Based on weighted average stock price for Investor B in the period April 17 to April 23, 2013: SEK 179.36.

2) Additional remunerations of SEK 1,256 t. to Gunnar Brock and SEK 333 t. to Peter Wallenberg Jr. have been expensed in the subsidiaries.

3) Member of the board until 3/31 2009.

Accounting effects of share-based payment transactions

Costs relating to share-based payment transactions, SEK m.

Group	2014	2013
Costs relating to equity-settled share-based payment transactions	32	32
Costs relating to cash-settled share-based payment transactions	9	8
Social security and other costs relating to share-based payment transactions	68	54
Total	109	94

Parent Company

Costs relating to equity-settled share-based payment transactions	30	30
Costs relating to cash-settled share-based payment transactions	9	8
Social security and other costs relating to share-based payment transactions	66	52
Total	105	90

Other effects of share-based payment transactions, SEK m.

Group and Parent Company	2014	2013
Effect on equity relating to Stock-Options exercised by employees	61	104
Carrying amount of liability relating to cash-settled instruments	31	27

10 Auditor's fees and expenses

	2014	2013
<i>Auditor in charge</i>	<i>Deloitte</i>	<i>Deloitte</i>
Auditing assignment	21	15
Other audit activities	1	–
Tax advice	3	4
Other assignments	1	–
Total Auditor in charge	26	19
<i>Other auditors</i>		
Auditing assignment	1	5
Total other auditors	1	5
Total	27	24

11 Operating leases

Accounting policies

Costs related to operating leases are recognized in the Income Statement on a straight-line basis over the lease term.

Operating leases mainly consist of rent of premises, leasing of company cars and office furniture.

Non-cancellable future lease payments

	2014	2013
Less than 1 year from balance sheet date	585	493
1-5 years from balance sheet date	1,058	998
More than 5 years from balance sheet date	449	529
Total	2,092	2,020

Costs for the year

Minimum lease payments	–576	–500
Contingent rent	0	–8
Total	–576	–508

12 Shares and participation in associates

Accounting policies

Associates are companies in which Investor, directly or indirectly, has a significant influence, typically between 20 and 50 percent of the votes. Accounting for associates is dependent on how Investor controls and monitors the companies' operations. The Group applies the equity method for unlisted holdings in those cases where Investor is significantly involved in the associate's operations.

Unlisted associates of Investor Growth Capital and all listed associates are controlled and monitored based on fair value and are accounted for as financial instruments at fair value through profit/loss, according to IAS 39 and IAS 28 p.1.

Reporting of associates in accordance with the equity method

Associates are reported in the consolidated financial statements as of the date when significant influence was obtained. When applying the equity method, the carrying amount of the investments in associates that is reported in the consolidated financial statements, corresponds to the Group's share of the associates' equity, consolidated goodwill, and any consolidated surpluses/deficits.

12 cont'd Shares and participation in associates

In the consolidated Income Statement, the Group's share of the associates' profit/loss that is attributable to the owners of the Parent Company (adjusted for any depreciation, impairment losses or reversals of acquired surpluses/deficits) is recognized as "share of results of associates". These shares of profit/loss (less any dividends received from associates) are the primary component of the change in reported value of participations in associates. The Group's share of other comprehensive income in associates is reported as a separate component of other comprehensive income.

Upon acquisition of an associate, any difference between the cost of the holding including transaction costs and the investor's share of the net fair value of the associate's identifiable assets and liabilities is reported as goodwill corresponding to principles for acquisition of subsidiaries.

When the Group's share of reported losses in the associate exceeds the carrying amount of the participations in the Group, the value of the participations is reduced to zero. Losses are also offset against long-term financial receivables without collateral, the economic substance of which is comprised of part of the investor's net investment in the associate. Continuing losses are not recognized, unless the Group has an obligation to cover the losses incurred by the associate. The equity method is applied until such time when the Group no longer has significant influence.

Specification of carrying amount using the equity method

	12/31 2014	12/31 2013
At the beginning of the year	6,129	7,529
Acquisitions	82	122
Divestments	–2,832	–7,566
Conversion of shareholder loan	–	2,426
Payment of escrow	–1,047	–
Share of results of associates ¹⁾	903	3,584 ²⁾
Exchange rate differences, etc.	–184	34
BS Carrying amount at year-end	3,051	6,129

1) Share of results of associates refers to the participating interest in the company's result after tax and after adjustments in accordance with Investor's accounting policies.

2) Includes results and gains from the divestment of Gambro, formerly held by Indap Sweden AB, amounting to SEK 3,251 m.

Information about material associates

Lindorff First Holding AB, Stockholm, 556714-9413

Lindorff is a leading European provider of debt-related administrative services. In 2013 Investor's share of votes was 50 percent and the investment was included in partner-owned financial investments. The majority of the shares in Lindorff was divested in September 2014. Investor received SEK 6.8 bn. in cash proceeds. In addition, Investor holds a conditional shareholder note in Lindorff contingent on the return on the investment for the new owners. The value of Investor's holding in the note is a maximum of EUR 115 m. plus 8 percent annual interest. Following the completion of the divestment, Investor retains an equity position of 9 percent of the capital in Lindorff.

The reported total value of Investor's remaining holdings in Lindorff, including the conditional shareholder note, amounts to SEK 1.6 bn. This amount is part of the Shares and participations recognized at fair value in the Consolidated Balance Sheet.

Hi3G Holdings AB, Stockholm, 556619-6647,

Hi3G Enterprise AB, Stockholm, 556782-9329

3 Scandinavia is an operator providing mobile voice and broadband services in Sweden and Denmark. Investor's share of votes are 40 percent in both companies and the investment is included in partner-owned financial investments.

3 Scandinavia is consolidated using the equity method and no dividends are distributed to Investor for 2013 or 2014. Investor guarantees SEK 0.7 bn of 3 Scandinavia's external debt. As of December, 2014 Hi3G Enterprise AB is a subsidiary to Hi3G Holdings AB.

12 cont'd Shares and participation in associates

Summarized financial information for associates using the equity method

Material associates	Lindorff First Holding AB ¹⁾		Hi3G Holdings AB		Hi3G Enterprise AB ²⁾		Total	
	12/31 2014	12/31 2013	12/31 2014	12/31 2013	12/31 2014	12/31 2013	12/31 2014	12/31 2013
Ownership capital/votes, %	N/A	51/50	40/40	40/40	N/A	40/40		
Net sales	N/A	4,536	11,398	9,321	N/A		11,398	13,857
Profit/loss for the year	N/A	52	1,485	963	N/A	-330	1,485	685
Total other comprehensive income for the year	N/A	-104	350	168	N/A		350	64
Total comprehensive income for the year	N/A	-52	1,835	1,131	N/A	-330	1,835	749
Investor's share of total comprehensive income for the year	346	-27	734	453	N/A	-132	1,080	294
Adjustments on group level (CTA etc.)	-315	30			N/A		-315	30
Total share of total comprehensive income	31	3	734	453	N/A	-132	765	324
<i>Non-material associates</i>								
Share of profit/loss for the year							-48	38
Share of total other comprehensive income							2	5
Share of total comprehensive income for the year							-46	43
Gains/losses from sale of shares in associates							-1,047	3,251
Total share of total comprehensive income							-328	3,618
<i>Material associates</i>								
Total non-current assets	N/A	13,996	15,433	15,052	N/A		15,433	29,048
Total current assets	N/A	1,597	3,380	3,287	N/A	67	3,380	4,951
Total non-current liabilities	N/A	-8,610	-8,539	-12,420	N/A		-8,539	-21,030
Total current liabilities	N/A	-1,771	-3,444	-1,195	N/A	-1	-3,444	-2,967
Total net assets (100 %)	N/A	5,212	6,830	4,724	N/A	66	6,830	10,002
Investor's share of total net assets		2,670	2,732	1,890	N/A	27	2,732	4,587
Adjustments on group level (CTA etc.)		128			N/A			128
Carrying amount of material associates		2,798	2,732	1,890	N/A	27	2,732	4,715
Carrying amount of non-material associates							319	1,414
BS Carrying amount of associates at year-end valued using the equity method							3,051	6,129

1) The majority of the shares in Lindorff was divested in September 2014 and the remaining holding is no longer reported as Shares and participations in associates.

2) As of December, 2014 Hi3G Enterprise AB is a subsidiary to Hi3G Holdings AB.

Summarized financial information for material associates valued at fair value

12/31 2014 Company, Registered office, Registration number	Ownership capital/votes (%)	Investor's share of		100% of reported values of the associate				Total assets	Total liabilities
		Carrying amount ¹⁾	Dividends received	Net sales	Profit/loss for the year	Other comprehensive income for the year	Total comprehensive income for the year		
SEB, Stockholm, 552032-9081	21/21	45,407	1,825	46,936	19,219	1,030	20,249	2,641,246	2,506,670
Atlas Copco, Stockholm, 556014-2720	17/22	44,972	1,138	93,721	12,175	4,663	16,838	105,281	54,528
Ericsson, Stockholm, 556016-0680	5/21	15,807	525	227,983	11,143	1,566	12,709	293,558	148,249
Electrolux, Stockholm, 556009-4178	15/30	10,952	311	112,143	2,242	1,681	3,923	85,688	69,220
Swedish Orphan Biovitrum AB, Stockholm, 556038-9321	40/40	8,532	-	2,607	-268	5	-263	6,371	1,848
Saab, Linköping, 556036-0793	30/40	6,624	148	23,527	1,168	-1,320	-152	29,556	18,183
Husqvarna, Jönköping, 556000-5331	17/31	5,598	146	32,838	831	796	1,627	29,344	17,174
Total participations in material associates valued at fair value		137,892	4,093	539,755	46,510	8,421	54,931	3,191,044	2,815,872

12/31 2013 Company, Registered office, Registration number	Ownership capital/votes (%)	Investor's share of		100% of reported values of the associate				Total assets	Total liabilities
		Carrying amount ¹⁾	Dividends received	Net sales	Profit/loss for the year	Other comprehensive income for the year	Total comprehensive income for the year		
SEB, Stockholm, 552032-9081	21/21	38,618	1,254	41,553	14,778	5,686	20,464	2,484,834	2,362,020
Atlas Copco, Stockholm, 556014-2720	17/22	36,687	1,138	83,888	12,082	154	12,236	87,891	48,097
Ericsson, Stockholm, 556016-0680	5/21	13,229	479	227,376	12,174	-293	11,881	269,190	127,567
Electrolux, Stockholm, 556009-4178	15/30	8,061	311	109,151	672	-302	370	76,001	61,693
Swedish Orphan Biovitrum AB, Stockholm, 556038-9321	40/40	7,128	-	2,177	-93	4	-89	6,519	1,750
Saab, Linköping, 556036-0793	30/40	5,651	148	23,750	742	642	1,384	27,789	15,562
Husqvarna, Jönköping, 556000-5331	17/31	3,749	146	30,307	916	315	1,231	26,762	15,372
Total participations in material associates valued at fair value		113,123	3,476	518,202	41,271	6,206	47,477	2,978,986	2,632,061

1) Carrying amount for associates valued at fair value, equals the quoted market price for the investment.

13 Net financial items

Accounting policies

Financial income and financial expenses consists mainly of interest, exchange rate differences and changes in the value of financial investments, liabilities and derivatives used to finance operations.

Interest is calculated using the effective interest rate method. The effective interest rate is the rate that discounts estimated future payments or receipts throughout the expected life of the financial instrument to the net carrying amount of the financial asset or liability. Transaction costs, including issuing costs, are expensed at the same point in time that receivables or payables are measured at fair value through profit/loss. When valued at amortized cost, amortization takes place over the remaining life using the effective interest rate. Borrowing costs are recognized in profit/loss using the effective interest rate method except to the extent that they are directly attributable to the acquisition, construction or production of assets that take considerable time to prepare for their intended use or sale. In such cases, they are included in the acquisition cost of the asset. Costs related to unused credit facilities are recognized as interest and are amortized on a straight-line basis over the term of the facilities. Other financial items consist mainly of changes in the value of derivatives and loans that are subject to fair value hedging, and foreign currency result.

	Group		Investing activities	
	2014	2013	2014	2013
Interest				
Interest income	91	138	78	109
Interest expense	-1,472	-2,159	-1,154	-1,157
Total interest	-1,381	-2,021	-1,076	-1,048
Other financial items				
Changes in value, income	15	198	15	175
Changes in value, expenses	-123	-61	-84	-50
Realized results from loans/swaps	-150	-583	-	-30
Exchange gain	1,066	427	955	465
Exchange loss	-942	-375	-1,050	-419
Other items	-274	-149	-59	-49
Total other financial items	-408	-543	-223	92
IS Net financial items	-1,789	-2,564	-1,299	-956

Other financial items consists of unrealized market value changes and realized results of financial items excluding interest. Net financial items include the changes in value attributable to long-term share-based remuneration SEK -64 m. (-50) and revaluations established with valuation techniques totaling SEK -108 m. (157). Liabilities accounted for as hedges have been revalued by SEK -1,541 m. (548) and the associated hedging instruments have been revalued by SEK 1,671 m. (-615). Derivatives included in cash flow hedges are not recognized in the Income Statement but have affected Other Comprehensive income by SEK -140 m. (770). For more information see note 29, Financial instruments.

14 Income tax

Accounting policies

The amount reported as the Group's total income tax for the year consists of current tax and deferred tax. Current tax is tax that must be paid or refunds that will be received for the current year and adjustments to current tax attributable to earlier periods. Deferred tax is based on the temporary differences between the tax base of an asset or liability and its carrying amount. Temporary differences attributable to goodwill are not recognized. Furthermore, temporary differences attributable to investments in subsidiaries or associates are not recognized unless they are expected to reverse within the foreseeable future. The valuation of deferred tax is based on the extent to which underlying assets and liabilities are expected to be realized or settled. Deferred tax is calculated using the tax rates and tax regulations that have been decided or announced at year-end. If the calculations result in a deferred tax asset, it will only be reported as such if it is probable that it will be realized.

Income taxes are reported in the Income Statement unless the underlying transaction is reported as part of Other Comprehensive income or as a component of equity. In such cases, the associated tax effect is also reported as part of Other Comprehensive income or as a component of equity.

Part of the difference between the effective tax rate and the Parent Company's tax rate that occurs upon reconciliation is due to the fact that the Parent Company is taxed in accordance with the rules that apply to industrial holding companies.

Income tax for the year in Income Statement

	2014	2013
Current tax expense	-325	-215
Deferred tax expense relating to changes in temporary differences and losses carry-forward	705	347
IS Total	380	132

Income tax for the year in Other Comprehensive income

	2014	2013
Current tax expense	49	-183
Total	49	-183

Information about the connection between tax expense for the period and reported income before tax

	2014 (%)	2014	2013 (%)	2013
Reported loss/profit before taxes		50,308		44,974
Tax according to applicable tax rate	22.0	-11,070	22.0	-9,894
Effect of other tax rates for foreign subsidiaries	0.2	-84	-0.1	24
Tax from previous years	0.1	-26	0.0	4
Tax effect of non-taxable income	-28.9	14,538	-23.5	10,565
Tax effect status as an industrial holding company ¹⁾	-0.9	437	-1.0	432
Tax effect non-deductible expenses	7.9	-3,993	1.6	-728
Tax effect impairment of goodwill	-	-	0.5	-207
Standard interest on tax allocation reserves	0.0	-2	0.0	0
Current year loss, not recognized as deferred tax asset	0.0	1	0.0	-2
Recognition and utilization of prior years not recognized losses carry-forward	-1.2	609	0.0	3
Controlled foreign company taxation	0.0	-15	0.1	-35
Other	0.0	-15	0.1	-30
Reported tax expense	-0.8	380	-0.3	132

1) For tax purposes, industrial holding companies may deduct the dividend approved at the Annual General Meeting.

14 cont'd Income tax

Deferred taxes

Deferred taxes refer to the following assets and liabilities

	Deferred tax asset		Deferred tax liability		Net	
	12/31 2014	12/31 2013	12/31 2014	12/31 2013	12/31 2014	12/31 2013
Intangible assets	42	48	-2,859	-2,915	-2,817	-2,867
Property, plant and equipment	3	2	-468	-349	-465	-347
Financial assets	0	1	-200	-94	-200	-93
Inventory	140	108	0	-1	140	107
Interest-bearing liabilities	8	0	0	0	8	0
Pension provisions	206	162	-	-	206	162
Provisions	30	18	-3	-7	27	11
Losses carry-forward	744	301	-	-	744	301
Tax allocation reserves	-	-	-83	-160	-83	-160
Other	107	107	-21	-17	86	90
Total deferred tax assets and liabilities	1,280	747	-3,634	-3,543	-2,354	-2,796
Net of deferred tax assets and liabilities ¹⁾	-107	-104	107	104	-	-
BS Net deferred tax	1,173	643	-3,527	-3,439	-2,354	-2,796

1) Deferred tax assets and tax liabilities are offset if a legal right exists for this.

Unrecognized deferred tax assets

Taxes relating to deductible temporary differences for which deferred tax assets have not been recognized amounted to SEK 83 m. on December 31, 2014 (1,101). The amount refers to unrecognized losses carry-forward and pension provisions. The amount does not include the Parent Company due to its status as an industrial holding company for tax purposes.

Change in deferred taxes related to temporary differences and losses carry-forward

12/31 2014	Amount at the beginning of the year	Business combinations	Recognized in the Income Statement	Recognized in Other Comprehensive income	Amount at year-end
Intangible assets	-2,867	-109	289	-130	-2,817
Property, plant and equipment	-347	-76	-19	-23	-465
Financial assets	-93	-	-78	-29	-200
Inventory	107	-	22	11	140
Interest-bearing liabilities	0	-	8	-	8
Pension provisions	162	-	11	33	206
Provisions	11	-	16	0	27
Losses carry-forward	301	-	409	34	744
Tax allocation reserves	-160	-1	78	0	-83
Other	90	-	-31	27	86
Total	-2,796	-186	705	-77	-2,354

12/31 2013	Amount at the beginning of the year	Business combinations	Recognized in the Income Statement	Recognized in Other Comprehensive income	Amount at year-end
Intangible assets	-2,137	-1,026	352	-56	-2,867
Property, plant and equipment	-340	5	-21	9	-347
Financial assets	-60	-	-33	0	-93
Inventory	88	5	12	2	107
Interest-bearing liabilities	16	-	-16	0	0
Pension provisions	89	-6	91	-12	162
Provisions	7	2	2	0	11
Losses carry-forward	396	0	-99	4	301
Tax allocation reserves	-158	-27	25	0	-160
Other	208	9	34	-161	90
Total	-1,891	-1,038	347	-214	-2,796

15 Earnings per share

Accounting policies

The calculation of basic earnings per share is based on the profit/loss for the year attributable to shareholders of the Parent Company and on the weighted average number of shares outstanding during the year. When calculating diluted earnings per share, the average number of shares is adjusted to take into account the effects of dilutive potential ordinary shares, originating during the reported periods from stock option and share programs that have been offered to employees. Dilutions from stock option and share programs affect the number of shares and only occur when the strike price is less than the share price. The potential ordinary shares are not viewed as dilutive if they would result in better earnings per share after dilution, which occurs when net income is negative.

Basic earnings per share

	2014	2013
Profit/loss for the year attributable to the holders of ordinary shares in the Parent Company, SEK m.	50,656	45,165
Weighted average number of ordinary shares outstanding during the year, millions	761.1	761.0
IS Basic earnings per share, SEK	66.55	59.35
Change in the number of outstanding shares, before dilution, millions	2014	2013
Total number of outstanding shares at beginning of the year, millions	760.9	760.9
Repurchase of own shares during the year, millions	0.0	-1.0
Sales own shares during the year, millions	0.5	1.0
Total number of outstanding shares at year-end, millions	761.4	760.9

Diluted earnings per share

	2014	2013
Profit for the year attributable to the holders of ordinary shares in the Parent Company, diluted, SEK m.	50,656	45,165
Weighted average number of outstanding ordinary shares, millions	761.1	761.0
Effect of issued:		
Employee share and stock option programs, millions	1.7	1.3
Number of shares used for the calculation of diluted earnings per share, millions	762.9	762.3
IS Diluted earnings per share, SEK	66.40	59.25

Instruments that are potentially dilutive in the future and changes after the balance sheet date

Outstanding options and shares in long-term share-based programs are to be considered dilutive only if earnings per share was less after than before dilution. Some options are out of money due to a lower average share price (SEK 246.11) compared to exercise price and potential value per option to be expensed in accordance to IFRS 2. Finally there are Performance Shares for which performance terms and conditions are to be met before they can be dilutive. There have been no changes in the number of outstanding shares after the balance sheet date. See note 9, Employees and personnel costs, for exercise price and a description of performance terms and conditions.

16 Intangible assets

Accounting policies

Intangible assets, except for goodwill and trademarks with indefinite life, are reported at cost after a deduction for accumulated amortization or any impairment losses. Goodwill and trademarks have an indefinite life and are reported at cost after any impairment losses.

Goodwill

Goodwill arises when the acquisition cost in a business combination exceeds the fair value of acquired assets and liabilities according to the purchase price allocation.

Trademarks

Trademarks are valued as part of the fair value of businesses acquired from a third party. The trademark must have long-term value and it must be possible to sell it separately. Otherwise, the trademark may arise through a contract or legal rights.

Capitalized development expenditure

Costs attributable to the development of qualifying assets are capitalized as a component of the asset's acquisition cost. An internally generated intangible asset is reported by the Group only if all of the following apply; it is possible to identify the asset that was created, it is both technically and financially feasible to complete the asset, there is both intent and ability to use the asset, it is likely that the asset will generate future economic benefits and it is possible to calculate the expenses in a reliable way. Amortization of the asset begins as soon as it is put into use. All other expenditure is immediately recognized in the Income Statement.

Proprietary technology

Proprietary technology consists of assets such as patents and licenses and is valued as part of the fair value of acquired businesses.

Customer contracts and relations

Customer contracts and relations are valued as part of the fair value of acquired businesses (less any amortization or impairment losses). The useful life of these assets are sometimes long, which reflects the long-term nature of the underlying business. Customer contracts and relations are based on the period of time over which net payments are expected to be received from the contract, as well as legal and financial factors.

Software

Costs for software intended for own administrative use are recognized as an asset in the Balance Sheet when the costs are expected to generate future economic benefits in the form of more efficient processes. Capitalized expenditure for software is amortized from the date it became available for use.

Amortizations

Amortizations are made linearly over the asset's estimated useful life. Goodwill and trademarks have an indefinite useful life and are not amortized.

Estimated useful lives:

Capitalized development expenditure	3-8 years
Proprietary technology	10-20 years
Customer contracts and relations	4-30 years
Software and other	3-10 years

Impairment

The recoverable amount of an asset is calculated whenever there is an indication of impairment. The recoverable amount is calculated once per year or more often if there are any indications of impairment for goodwill, trademarks and other intangible assets with an indefinite useful life and intangible assets that are not yet available for use. The recoverable amount is the higher of the fair value less selling expenses and the value-in-use. When determining the value-in-use, future cash flows are discounted using a discount rate that takes into account the risk-free interest rate and risk associated with the specific asset. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount and the loss is reported in the Income Statement.

16 cont'd Intangible assets

12/31 2014	Goodwill	Trademarks	Capitalized development expenditure	Proprietary technology	Customer contracts and relations	Software and other	Total
<i>Accumulated costs</i>							
Opening balance	26,759	6,357	515	1,911	5,872	340	41,754
Business combinations	246	37			353	1	637
Internally generated intangible assets			130				130
Acquisitions	69			0		47	116
Disposals			-39			-9	-48
Reclassifications			-12	-36	12	21	-15
Exchange rate differences	1,283	314	1	122	219	4	1,943
At year-end	28,357	6,708	595	1,997	6,456	404	44,517
<i>Accumulated amortization and impairment losses</i>							
Opening balance	-940	0	-97	-318	-2,865	-185	-4,405
Disposals			26			8	34
Impairment loss					-49		-49
Amortizations		0	-56	-106	-993	-62	-1,217
Reclassifications			0	11	-11	13	13
Exchange rate differences			-1	-25	-181	-1	-208
At year-end	-940	0	-128	-438	-4,099	-227	-5,832
BS Carrying amount at year-end	27,417	6,708	467	1,559	2,357	177	38,685
<i>Allocation of amortization and impairment in Income Statement</i>							
Costs of goods and services sold		0			-167	-12	-179
Sales and marketing costs				-69	-759	-4	-832
Administrative, research and development and other operating costs			-56	-37	-116	-42	-251
Management costs						-4	-4
Total	-	0	-56	-106	-1,042	-62	-1,266
12/31 2013	Goodwill	Trademarks	Capitalized development expenditure	Proprietary technology	Customer contracts and relations	Software and other	Total
<i>Accumulated costs</i>							
Opening balance	23,996	4,701	316	1,778	3,891	274	34,956
Business combinations	2,156	1,480	103		1,929	18	5,686
Internally generated intangible assets			93				93
Acquisitions			21	36	6	41	104
Disposals	-27		-8	-9		-19	-63
Reclassifications		-2	-10	42	-42	24	12
Exchange rate differences	634	178		64	88	2	966
At year-end	26,759	6,357	515	1,911	5,872	340	41,754
<i>Accumulated amortization and impairment losses</i>							
Opening balance		-1	-59	-195	-1,833	-154	-2,242
Disposals			9	8		19	36
Impairment loss	-940				-13		-953
Amortizations		0	-46	-110	-949	-47	-1,152
Reclassifications		1		-11	11	-1	0
Exchange rate differences			-1	-10	-81	-2	-94
At year-end	-940	0	-97	-318	-2,865	-185	-4,405
BS Carrying amount at year-end	25,819	6,357	418	1,593	3,007	155	37,349
<i>Allocation of amortization and impairment in Income Statement</i>							
Costs of goods and services sold				-8	-180	-2	-190
Sales and marketing costs				-64	-704	-3	-771
Administrative, research and development and other operating costs	-940		-46	-38	-78	-38	-1,140
Management costs						-4	-4
Total	-940	-	-46	-110	-962	-47	-2,105

16 cont'd Intangible assets

Impairment testing

Goodwill and other intangible assets with an indefinite useful life originating from acquisitions are divided between three cash-generating entities; Mölnlycke Health Care, Aleris and Permobil. Investor makes regular tests to determine that the carrying values of these assets do not exceed the value in use. The method for impairment testing is based on a discounted cash flow forecast to determine the value in use. Various assumptions are used to suit the different companies and its business. The calculated value in use is then compared to the carrying amount.

Value in use

Value in use is calculated as Investors share of present value of future estimated cash flow generated from the subsidiaries. The estimate of future cash flows is based upon reasonable assumptions and best knowledge of the company and future economic conditions. The base for the estimate is an assumption of the future growth rate, budgets and forecasts. The chosen discount factor reflects specific risks that are assignable to the asset and marketable assessments of the time value of money. The base for calculation of the discount rate is the company's weighted average cost of capital, where the assumption of the risk free interest rate, market risk premium, leverage, cost of debt and relevant tax rate are important components. The ambition is to use a discount rate which is not dependent on short term market sentiment, but instead reflects a long-term cost of capital corresponding to Investor's long term investment horizon.

Mölnlycke Health Care (Mölnlycke)

Impairment testing of goodwill and trade names for Mölnlycke is based on a calculation of value in use in which assumptions of future growth and operating margins are important components. The estimated value is based on the budget for 2015 and financial forecasts until year-end 2019. A growth rate of 2.2 percent has been used to extrapolate the cash flows for the years beyond 2019 (2.1), which is considered reasonable given the company's historical growth, geographical positioning and industry fundamentals. Estimated cash flows have been discounted using a discount rate of 10.0 percent pre tax (10.0). No impairment requirement has been identified since the carrying value is lower than calculated value in use. The assessment is that no reasonably possible change in any key assumption will lead to a calculated recoverable amount that is lower than the carrying amount. Trademarks of SEK 5,167 m. is included in intangible assets (4,857). Mölnlycke's trademarks, which have a long history, have an indefinite useful life as Mölnlycke has a strong position on all its core markets and will continue to actively use them, expecting continued growth with increased net profit margins. Consolidated goodwill attributable to Mölnlycke amounts to SEK 20,842 m. (19,580).

Aleris

Impairment testing of goodwill for Aleris is based on a value in use calculation in which assumptions of future growth rate and EBITDA margins are important components. The estimated value in use is based on the budget for 2015 and financial forecasts until year-end 2019. A growth rate of 2.8 percent has been used to extrapolate the cash flows for the years beyond 2019 (3.0), which is based on the company's historical growth and the sector's long term growth drivers, such as demographics and lifestyle aspects. Estimated cash flows have been discounted using a discount rate of 9.6 percent pre tax (9.2). No impairment requirement has been identified since the carrying value is lower than calculated value in use. However, a reasonably possible change in any key assumption indicate a calculated recoverable amount which is lower than the carrying amount. The recoverable amount is most sensitive to changes in expected growth rates and the discount factor with which cash flows are discounted representing the interest level and the specific risk in the business. Consolidated goodwill attributable to Aleris amounts to SEK 4,240 m. (4,100).

Permobil

Impairment testing of goodwill for Permobil is based on a calculation of value in use in which assumptions of future growth and operating margins are important components. The estimated value is based on the budget for 2015 and financial forecasts until year-end 2019. A growth rate of 2.4 percent has been used to extrapolate the cash flows for the years beyond 2019 (2.9), which is considered reasonable given the company's historical growth, the market structure and industry fundamentals. Estimated cash flows have been discounted using a discount rate of 10.5 percent pre tax (10.5). No impairment requirement has been identified since the carrying value is lower than calculated value in use. The assessment is that no reasonably possible change in any key assumption will lead to a calculated recoverable amount that is lower than the carrying amount. Consolidated goodwill attributable to Permobil amounts to SEK 2,229 m. (2,034).

17 Buildings and land

Accounting policies

The majority of owner occupied property within the Group is reported according to the revaluation model less accumulated depreciation and revaluation adjustments. Industrial property is reported at cost less accumulated depreciation and any impairment losses.

Owner-occupied property has been categorized based on their characteristics:

Hotel property	Revaluation model
Care property	Revaluation model
Office property	Revaluation model
Industrial property	Cost model

Cost includes the original purchase price and directly attributable costs, including borrowing costs, required to bring the asset to working condition for its intended use. Property consist of parts with different useful lives (such as the framework, roof and basic installations), the parts are treated as separate components of property.

Subsequent expenditure is capitalized only if it is probable that future economic benefits associated with the asset will flow to the company and if the cost can be measured reliably. All other subsequent costs are expensed in the period they arise.

Any undepreciated carrying amount of replaced components, or parts of components, are retired and expensed in connection with the exchange. Repairs are expensed as incurred.

Owner-occupied property is recognized according to the revaluation model less accumulated depreciation and revaluation adjustments. Property is revalued with sufficient regularity to ensure that the carrying amount does not differ materially from the amount established as fair value on the balance sheet date. When an asset's carrying amount is increased as a result of a revaluation, the increase is reported in Other Comprehensive income and accumulated in a separate component of equity, called the Revaluation Reserve. When an asset's carrying amount is decreased as a result of a revaluation and there is a balance in the revaluation reserve attributable to the asset, the decrease in value is recognized in Other Comprehensive income and the amount in the revaluation reserve is also decreased. The difference between depreciation based on the revalued amount, and depreciation based on the original cost, is transferred from the revaluation reserve to retained earnings.

At the time of a revaluation the accumulated depreciation is recalculated in proportion to the change in the asset's increased cost so that the carrying amount of the asset (the net of the adjusted cost and adjusted depreciation) after revaluation corresponds to the revalued amount. When an asset is divested, the value attributable to the asset in the revaluation reserve is transferred to retained earnings, without having any effect on profit/loss or Other Comprehensive income.

Depreciation

Depreciation is made linearly over the asset's estimated useful life. Land is not depreciated.

Estimated useful lives:

Frameworks	50-100 years
Land improvements	20-40 years
Building components	5-40 years

Impairment

The recoverable amount of an asset is calculated whenever there is an indication of impairment. An impairment loss is recognized in the income statement if the carrying amount exceeds the recoverable amount and there is no value relating to the asset to release from the revaluation reserve.

17 cont'd Buildings and land

Valuation of owner-occupied property recognized with the revaluation model

Owner-occupied property recognized with the revaluation model is classified in level 3, according to the definition in IFRS 13. The revaluation model has been applied for properties owned by Swedish and foreign subsidiaries. Property valuations are regularly conducted by external appraisers. Fair value has been determined based on current market prices for comparable property and by using a return model based on a calculation of the present value of future cash flows.

The discount rate has been estimated at 6-6.7 percent and consists of an estimated long-term inflation rate of 2 percent, a risk-free long-term real rate of interest and a risk premium. Payments for operations and maintenance have been assessed following the rate of inflation during the calculation period.

The residual value has been assessed by the long-term, normalized net operating income for the year after the calculation period divided by an estimated long-term yield. The long-term yield requirement has been assessed

to be in a span of 4.5 percent to 7.0 percent. Value determined on an earnings basis nominal development during the calculation period will then be around 2 percent.

All valuations in level 3 are based on assumptions and judgments that management consider to be reasonable based on the circumstances prevailing at the time. Changes in assumptions may result in adjustments to reported values and actual outcome may differ from the estimates and judgments that were made. The valuation of owner-occupied property recognized with the revaluation model is dependent on the level of the discount rate and the long-term yield requirement. A 0.5 percent change of the discount rate would have an effect on the value of the owner-occupied property recognized with the revaluation model of approximately SEK 100 m. Respectively a 0.5 percent change of the long-term yield requirement would have an effect on the value of approximately SEK 180 m.

Part of the properties was revalued during 2014. The Hotel properties and some Office properties have been revalued by December 31, 2014.

	12/31 2014					12/31 2013				
	Revaluation model		Cost model		Total	Revaluation model		Cost model		Total
	Buildings	Land	Buildings	Land		Buildings	Land	Buildings	Land	
<i>Revalued cost</i>										
Opening balance	2,129	628	676	50	3,483	2,156	495	499	27	3,177
Business Combinations	79	37	38		154			82	21	103
Other acquisitions	258	4	49	0	311	126	18	117	3	264
Sales and disposals	-6	-1	-1		-8	-1		-7	0	-8
Reclassifications	-278	269	6		-3	-115	115	1		1
Effect of revaluations on revaluation reserve	53	249			302	-37				-37
Exchange rate differences			86	8	94			-16	-1	-17
At year-end	2,235	1,186	854	58	4,333	2,129	628	676	50	3,483
<i>Accumulated depreciation</i>										
Opening balance	-546	0	-118	0	-664	-510		-104	0	-614
Sales and disposals			2		2			7	0	7
Depreciation for the year	-60	-1	-28	0	-89	-40	0	-23	0	-63
Reclassifications	9				9	4		0		4
Exchange rate differences			-15	0	-15			2	0	2
At year-end	-597	-1	-159	0	-757	-546	0	-118	0	-664
BS Carrying amount at year-end	1,638	1,185	695	58	3,576	1,583	628	558	50	2,819
Carrying amount if acquisition cost model had been used	1,067	351	695	58	2,171	1,013	509	558	50	2,130

18 Long-term receivables and other receivables

	12/31 2014	12/31 2013
<i>Non-current receivables</i>		
Receivables from associates ¹⁾	3,427	2,923
Derivatives	2,053	174
Other	88	88
BS Total	5,568	3,185
<i>Other receivables</i>		
Derivatives	107	91
Incoming payments	49	22
Other	207	184
BS Total	363	297

1) Refers to shareholder loans including capitalized interest.

19 Inventories

Accounting policies

Inventory is valued at the lower of net realizable value (NRV) and cost. The cost of finished goods and work-in-progress includes a reasonable portion of the indirect costs based on normal capacity utilization. The cost of inventories is calculated using the FIFO (first in, first out) method.

Net realizable value is based on the estimated sales price in the ordinary course of business less the estimated costs to bring about a sale.

	12/31 2014	12/31 2013
Raw materials and consumables	561	412
Work in progress	97	66
Finished goods	1,089	931
Supplies	38	32
BS Total	1,785	1,441

The Group's inventories are valued at cost.

20 Machinery and equipment

Accounting policies

Items of machinery and equipment are reported at cost after a deduction for accumulated depreciation and any impairment losses.

Depreciation is made linearly over the assets estimated useful life:

Machinery	3-15 years
Furniture, fixtures and fittings	3-10 years
Expenditure on leased property	7-20 years

	12/31 2014				12/31 2013			
	Machinery	Furniture, fixtures and fittings	Expenditure on leased property	Total	Machinery	Furniture, fixtures and fittings	Expenditure on leased property	Total
<i>Accumulated costs</i>								
Opening balance	927	1,509	327	2,763	691	1,495	142	2,328
Business combinations	0	23	–	23	2	134	8	144
Other acquisitions	77	438	51	566	58	451	27	536
Sales and disposals	–3	–122	–8	–133	–4	–166	–33	–203
Reclassifications	59	–8	20	71	181	–387	189	–17
Exchange rate differences	107	98	6	211	–1	–18	–6	–25
At year-end	1,167	1,938	396	3,501	927	1,509	327	2,763
<i>Accumulated depreciation and impairment</i>								
Opening balance	–255	–477	–184	–916	–172	–520	–41	–733
Sales and disposals	2	73	7	82	2	149	32	183
Reclassifications	7	–69	–15	–77	0	148	–149	–1
Depreciation	–98	–257	–33	–388	–86	–264	–29	–379
Exchange rate differences	–23	–51	–3	–77	1	10	3	14
At year-end	–367	–781	–228	–1,376	–255	–477	–184	–916
BS Carrying amount at year-end	800	1,157	168	2,125	672	1,032	143	1,847

21 Prepaid expenses and accrued income

	12/31 2014	12/31 2013
Interest	410	417
Other financial receivables	13	20
Other	346	263
BS Total	769	700

22 Other financial investments, short-term investments and cash and cash equivalents

Accounting policies

Other financial investments and short-term investments consists of interest-bearing securities which are recognized at fair value through profit/loss.

Short-term investments with a maturity of three months or less from the date of acquisition have been classified as cash and cash equivalents provided that:

- there is an insignificant risk of changes in value
- they are readily convertible to cash

For more information regarding accounting policies, see note 29, Financial instruments.

22 cont'd Other financial investments, short-term investments and cash and cash equivalents

Excess liquidity is to be invested for maximum return within the framework of given limits for foreign exchange, interest rate, credit and liquidity risks, see note 3, Risks.

12/31 2014	0–3 months	4–6 months	7–12 months	13–24 months	Total carrying amount
Short-term investments	6,275	857	1,970		9,102
Cash and bank	7,168				7,168
Other financial investments				3,283	3,283
BS Total	13,443	857	1,970	3,283	19,553

12/31 2013	0–3 months	4–6 months	7–12 months	13–24 months	Total carrying amount
Short-term investments	2,860	1,933			4,793
Cash and bank	6,923				6,923
Other financial investments				1,761	1,761
BS Total	9,783	1,933	–	1,761	13,477

Of the total carrying amount, SEK 11,218 m. is attributable to investing activities and available for investments (6,864).

23 Equity

Share capital

Share capital in the Parent Company.

Other contributed equity

Refers to equity contributed by shareholders. It also includes premiums paid in connection with new stock issues.

Translation reserve

The translation reserve includes all foreign exchange differences arising on the translation of financial statements from foreign operations reported in a currency different from the reporting currency of the Group. The translation reserve also comprises exchange rate differences arising in conjunction with the translation of swap contracts reported as hedging instruments of a net investment in a foreign operation. Changes in translation reserve had no impact on reported tax.

Revaluation reserve

The revaluation reserve includes changes in value relating to owner-occupied property and related taxes.

Hedging reserve

The hedging reserve includes the effective component of the accumulated net change of fair value and related taxes, of an instrument used for a cash flow hedge, relating to hedging transactions not yet accounted for in the Profit/loss.

Specification of reserves in equity	12/31 2014	12/31 2013
Translation reserve		
Opening balance	-589	-972
Translation differences for the year, subsidiaries	2,191	304
Change for the year, associates	-186	79
	1,416	-589
Revaluation reserve		
Opening balance	537	578
Revaluation of non-current assets for the year	305	-28
Tax relating to revaluations for the year	-53	-
Release of revaluation reserve due to depreciation of revalued amount	-21	-13
	768	537
Hedging reserve		
Opening balance	413	-142
Cash flow hedges:		
Change in fair value of cash flow hedges for the year	-90	1,479
Change in Income Statement	-49	-751
Tax relating to changes in fair value of cash flow hedges for the year	20	-154
Change for the year, associates	4	-19
	298	413
Total reserves		
Opening balance	361	-536
Change in reserves for the year:		
Translation reserve	2,005	383
Revaluation reserve	231	-41
Hedging reserve	-115	555
Carrying amount at year-end	2,482	361

Repurchased shares included in retained earnings under equity, including profit/loss for the year

	Number of shares		Amounts affecting equity, SEK m.	
	2014	2013	2014	2013
Opening balance, repurchased				
own shares	6,293,360	6,248,054	-956	-864
Sales/repurchases for the year	-496,400	45,306	61 ¹⁾	-92 ¹⁾
Balance at year-end, repurchased own shares	5,796,960	6,293,360	-895	-956

1) In connection with transfer of shares and options within Investors' long-term variable remuneration program, the payment of strike price has had a positive effect on equity.

Repurchased shares

Repurchased shares include the cost of acquiring own shares held by the Parent Company. On December 31, 2014, the Group held 5,796,960 of its own shares (6,293,360). Repurchases of own shares are reported as a deduction from equity. Cash proceeds from the sale of such equity instruments are reported as an increase in unrestricted equity. Any transaction costs are recognized directly under equity.

Dividend

After the balance sheet date, the Board of Directors proposed a dividend for 2014 amounting to SEK 6,905 m. (SEK 9.00 per share). The dividend is subject to the approval of the Annual General Meeting on May 12, 2015. The dividend for 2013 amounted to SEK 6,089 m. (SEK 8.00 per share) and the dividend for 2012 amounted to 5,331 m. (SEK 7.00 per share). Dividends paid out per share for 2013 and 2012 correspond to proposed dividend per share. Dividends are recognized as a liability as soon as the Annual General Meeting has approved the dividend for the year.

Capital management

In order to be able to act upon business opportunities at any point in time, it is vital for Investor to maintain financial flexibility. The Group's goal is to have leverage (net debt as a percentage of total assets) of 5-10 percent over an economic cycle. The ceiling for Investor's leverage has been set at a maximum of 25 percent, which may only be exceeded on a short-term basis. Investors' leverage at the beginning of the year was 9.7 percent and at the end of the period 8.7 percent. The change is mainly due to cash flows arising from the divestment of Lindorff, the acquisition of additional shares in Wärsilä, as well as dividends paid to shareholders. For more information, see the Administration Report page 4-5.

The Group's total shareholder return objective (sum of the share price change and dividend) is to exceed the risk-free interest rate plus a risk premium, i.e. 8-9 percent. The total shareholder return for 2014 was 33 percent.

Capital is defined as total recognized equity.

Equity	12/31 2014	12/31 2013
Attributable to shareholders of the Parent Company	260,963	215,417
Attributable to non-controlling interest	30	549
BS Total	260,993	215,966

Non-controlling interest

Non-controlling interest are presented in the equity separately from the equity attributable to the shareholders of the Parent Company. In the Consolidated Income Statement and Consolidated Statement of Comprehensive Income, the part attributable to the non-controlling interest are included and separately disclosed in conjunction with the statements.

During the second quarter 2014, Investor acquired shares in Mölnlycke Health Care's Management Participation Program for a total of SEK 1,121 m. As a result of the transaction, Investor's ownership in the company (including shareholder loans) increased from 98 to 99 percent. The shares were purchased at a price exceeding the book value of the minority shareholders' share of equity, and therefore Investor's net asset value was affected by SEK -754 m.

For more information regarding non-controlling interests, see note P5, Participation in Group companies.

Put options to non-controlling interests

Agreements with non-controlling interests exists, that obliges Investor to purchase shares in subsidiaries if the counterparty wants to divest them. The agreement, put option, is a contract to purchase the group's own equity instruments and thus gives rise to a financial liability. The liability is included in Other long-term liabilities, see note 27, Other long-term and short-term liabilities. When the redemption amount corresponds to the fair value of the shares at the time of the divestment, the put option is valued to the present value of the shares part of the estimated fair value for the subsidiary. At remeasurement of the liability, the change of value is recognized in net financial items.

At initial recognition of the put option as a liability, equity is reduced by an amount corresponding to its fair value. Firstly equity attributable to the non-controlling interests are reduced and if this is insufficient in retained earnings attributable to shareholders of the Parent Company.

24 Interest-bearing liabilities

Accounting policies

For more information relating to accounting policies for financial liabilities see note 29, Financial instruments.

Leasing

In the consolidated financial statements, leases are classified as either finance or operating leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. Assets that are classified as financial leases are reported as assets in the Consolidated Balance Sheet. Obligations to pay future lease payments are reported as a liability. Leased assets are depreciated according to plan, whereas the leasing payments are apportioned between the finance charge and a reduction of the outstanding liability.

Interest-bearing liabilities

	12/31 2014	12/31 2013
<i>Long-term interest-bearing liabilities</i>		
Bond	37,180	28,901
Bank loans	12,981	11,834
Interest rate derivatives with negative value	796	1,344
Finance lease liabilities	121	118
Other long-term interest-bearing liabilities	18	15
BS Total	51,096	42,212

Short-term interest-bearing liabilities

Bank loans	134	1
Interest rate derivatives with negative value	53	–
Finance lease liabilities	22	27
Other short-term interest-bearing liabilities	31	24
BS Total	240	52

Total interest-bearing liabilities and derivatives

Long-term interest rate derivatives positive value	–2,053	–174
Short-term interest rate derivatives positive value	–	–17
Total	–2,053	–191

Total interest-bearing liabilities and derivatives

49,283	42,073
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Of which:

Investing activities

	12/31 2014	12/31 2013
<i>Long-term interest-bearing liabilities</i>		
Bond loans	37,180	28,901
Interest rate derivatives with negative value	699	1,086
Total Investing activities	37,879	29,987

Long-term interest rate derivatives positive value

–2,053	–174
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Total

–2,053	–174
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Total interest-bearing liabilities and derivatives, investing activities

35,826	29,813
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Finance lease liabilities

Maturity, 12/31 2014	Future minimum lease payments	Interest	Present value of minimum lease payments
Less than 1 year from balance sheet date	30	–7	22
1-5 years from balance sheet date	54	–21	33
More than 5 years from balance sheet date	122	–35	88
Total	206	–63	143

Maturity, 12/31 2013

Less than 1 year from balance sheet date	33	–6	27
1-5 years from balance sheet date	61	–19	42
More than 5 years from balance sheet date	109	–33	76
Total	203	–58	145

25 Provisions for pensions and similar obligations

Accounting policies

Defined contribution plans

Defined contribution plans are plans under which the company's obligations are limited to the premium of fixed contributions. In such cases, the size of the employee's pension depends on the contributions the company makes to the plan, or to an insurance company, along with the return that the capital contributions generate. Consequently, the employee carries both the actuarial risk (i.e. the risk that benefits will be lower than expected) and the investment risk (i.e. the risk that invested assets will be insufficient for providing the expected benefits). The company's obligations to pay contributions to defined contribution plans are recognized as an expense in the Income Statement at the rate that employees provide services to the company during a period.

Defined benefit plans

In defined benefit pension plans, payments are made to employees and former employees based on their salary at the time of retirement and the number of years of service. The Group carries the risk for making the payments. The net obligation under defined benefit plans is measured separately for each plan, by estimating the future benefits earned, including taxes, by the employees, in current and prior periods.

This benefit is discounted to a present value with a discount rate representing the closing day rate on high quality corporate bonds, mortgage backed bonds or government bonds with a life corresponding to the duration of the pension obligations. The measurement is made by a qualified actuary using the projected unit credit method. The fair value of any plan assets is calculated on the closing date.

When determining the present value of the obligation and the fair value of plan assets, actuarial gains and losses may arise. This is either because the actual outcome differs from the previous assumption or because the assumptions have changed. Remeasurements of defined benefit obligations are recognized as income or expenses in other comprehensive income.

The value presented in the Balance Sheet for pensions and similar commitments corresponds to the obligation's present value at year-end, less the fair value of plan assets. When the calculation results in a Group asset, the carrying amount of the asset is limited to the present value of future repayments from the plan or decreased future payments to the plan (asset ceiling).

The net of the interest on pension liabilities and the yield on adherent management assets is recognized in net financial items. Other components are recognized in operating profit/loss.

Risks associated with the defined benefit plan

Investment risks

The defined benefit obligation is calculated using discount rates with references to, for example, corporate bond yields. If assets in funded plans under perform this yield, it will increase the amount of deficit. Allocation of assets among different categories is important to reduce the portfolio risk. The time horizon for the investments is also an important factor.

Interest risks

A decrease in corporate bond yields will increase the value of the defined benefit obligation for accounting purposes.

Longevity risk

The majority of the obligations are to provide benefits for the life of the plan member, so increases in life expectancy will result in an increase in the defined benefit obligation.

Salary risk

The majority of the obligations are to provide benefits for plan members based on annual salaries. If salaries increase faster than has been assumed, this will result in an increase in the defined benefit obligation.

Pension benefits

Employees in Group companies have various kinds of pension benefits. These benefits are either defined contribution plans or defined benefit plans. In Sweden the total retirement benefit package is often a mixed solution with some parts being defined contribution pension plans and others being defined benefit pension plans. Salaried employees' plans comprise of the optional defined benefit plans BTP and the defined benefit plan ITP, and the additional defined contribution plans BTPK and ITPK.

25 cont'd Provisions for pensions and similar obligations

The BTP plan is secured with the insurance company SPP and the ITP plan is secured with the insurance company Alecia. Since the information provided by Alecia is not sufficient to be able to account for as a defined benefit plan, the Alecia plan has been reported as a defined contribution plan (multi-employer plan).

The ITP plan has contracts with a premium, where benefits continue unchanged until retirement. This means that premiums can not be changed to the policyholder's or the insured's disadvantage.

The Group operates defined contributions plans in Sweden, Australia, Canada, the Czech Republic, Denmark, Finland, Malaysia and the UK. The plans imply that the Group obtains pension insurances or makes cash payments to foundations.

71 percent of the Group's defined benefit plans exist in Sweden. Other defined benefit plans exist in the U.S., Belgium, Germany, the Netherlands, Thailand, Italy, Norway, France and Austria. The plans in Belgium, the U.S. and the Netherlands are funded. In Sweden and Norway there are funded and unfunded plans and the plans in other countries are unfunded.

Amounts recognized in Profit/loss and Other Comprehensive income for defined benefit plans

Components of defined benefit cost (gain -)	2014	2013
Current service cost	41	56
Past service cost and gains/losses from settlements	-21	-4
Other values	3	3
Total operating cost	23	55
Net interest expense	21	21
Exchange rate differences	0	2
Other values	-	1
Total financial cost	21	24
Components recognized in profit/loss	44	79
Remeasurement on the net defined benefit liability (gain -)	2014	2013
Return on plan assets (excl. amounts in interest income)	-44	3
Actuarial gains/losses, demographic assumptions	25	10
Actuarial gains/losses, financial assumptions	226	-153
Actuarial gains/losses, experience adjustments	-5	-6
Adjustments for restrictions, defined benefit asset	0	0
Components in Other Comprehensive income	202	-146

Provision for defined benefit plans

The amount included in the consolidated Balance Sheet arising from defined benefit plan	12/31 2014	12/31 2013
Present value of funded or partly funded obligations	860	679
Present value of unfunded obligations	607	483
Total present value of defined benefit obligations	1,467	1,162
Fair value of plan assets	-620	-525
NPV of obligations and fair value of plan assets	847	637
Restriction on asset ceiling recognized	6	5
BS Net liability arising from defined benefit obligations	853	642

Changes in the obligations for defined benefit plans recognized during the year	12/31 2014	12/31 2013
Defined benefit plan obligations, opening balance	1,162	1,281
Current service cost	52	61
Interest cost	44	38
Remeasurement of defined benefit obligations		
Actuarial gains/losses, demographic assumptions	25	10
Actuarial gains/losses, financial assumptions	226	-153
Actuarial gains/losses, experience adjustment	-5	-6
Contributions to the plan from the employer	2	1
Past service cost and gains/losses from curtailments	-21	-4
Liabilities extinguished on settlements	0	-70
Liabilities assumed in a business combination	-	72
Benefit paid	-45	-43
Other	-1	-16
Exchange rate difference	28	-10
Obligations for defined benefit plans at year-end	1,467	1,162

Changes in fair value of plan assets during the year	12/31 2014	12/31 2013
Fair value of plan assets, opening balance	525	536
Interest income	21	17
Remeasurement of fair value plan assets		
Return on plan assets (excl. amounts in interest income)	44	-3
Contributions from the employer	38	33
Contributions from plan participants	1	2
Assets distributed on settlements	-	-43
Assets acquired in a business combination	-	28
Exchange differences on foreign plans	-1	-19
Benefit paid	-17	-14
Other	-1	-17
Exchange rate difference	10	5
Fair value of plan assets at year-end	620	525

The fair value of the plan asset at the end of the reporting period for each category are as follows	12/31 2014	12/31 2013
Cash and cash equivalents	13	15
Equity investments	87	60
Debt investments ¹⁾	349	331
Properties	37	32
Other values ²⁾	134	87
Total	620	525

1) The Majority of the debt investments represents of Swedish government bonds.
2) Includes insurance contracts from countries where the liabilities are insured (the Netherlands, Belgium and Norway). There are no split of the underlying assets available.

Changes in restriction asset ceiling in the current year	12/31 2014	12/31 2013
Restriction asset ceiling, opening balance	5	4
Interest net	0	0
Changes asset ceiling, OCI	1 ¹⁾	1 ¹⁾
Restriction asset ceiling at year-end	6	5

1) The changes of asset ceiling in current year is netted out in OCI with the actuarial gain/losses from the present value on the obligation and the FV of the plan assets.

The Group estimates that SEK 47 m. will be paid to defined benefit plans during 2015.

25 cont'd Provisions for pensions and similar obligations

Assumptions

Assumptions for defined benefit obligations 2014	Sweden	Norway	Other (weighted average)
Discount rate	3.2	3	2.4
Future salary growth	2.5-3.0	3.25	2.9
Future pension growth	2.0-2.5	2.23-3.0	1.2
Mortality assumptions used	DUS14, PRI	K2013, K2013BE	Local mortality tables

Assumptions for defined benefit obligations 2013	Sweden	Norway	Other (weighted average)
Discount rate	4	4.1	3.5
Future salary growth	2.5-3.0	3.75	2.7
Future pension growth	2.0-2.5	2.72	2.0
Mortality assumptions used	DUS06, PRI	K2013, 2013BE	Local mortality tables

Basis used to determine the discount rate

The discount rate has been set separately for each country by reference to market rates on high quality corporate bonds with a duration and currency that is consistent with the duration and currency of the defined benefit obligation. This may involve interpolation of bond yield curves where there is no direct match for duration or the market is not deep for matching bond durations. The market for high quality Swedish and Norwegian mortgage backed bonds is considered to be deep and thereby fulfills the requirements of high quality corporate bonds according to IAS 19. Swedish and Norwegian mortgage backed bonds have therefore served as reference when determining the discount rate used for the calculation of the defined benefit obligations in Sweden and Norway. In countries where there is no deep market for high quality corporate bonds, government bonds are used as a reference when determining the discount rate.

Maturity profile of the defined benefit obligation

Maturity profile	0-3 year	4-6 year	7-15 year	Over 15 year	Total
Cash flows	79	58	139	614	890

Multi-employer plans

The Swedish ITP plan is secured with the insurance company Alecta, which is a mutual life insurance company, owned by its customers, i.e. businesses and their employees. The company form means that any surplus in operations is returned to the customers and the insured population is responsible for any deficit. For the fiscal year the Investor Group did not have access to information that would make it possible to recognize it as a defined benefit plan. The ITP pension plan secured through insurance from Alecta is therefore recognized as a defined contribution plan. The premium for the defined benefit pension plan is calculated individually and depends on salary, pension already earned and expected remaining period of service. For 2015, the Investor Group expect to pay SEK 99 m. for premiums to Alecta. Alecta's total premiums per year for defined benefit pensions is about SEK 19 bn.

A measure of the financial strength of a mutual insurance company is the solvency margin, which shows the relationship between the assets and the total insurance undertaking. The funding ratio is based on the market value of Alecta's assets as a percentage of insurance obligations calculated using Alecta's actuarial assumptions, which do not conform to IAS 19. Alecta aims to have a solvency margin varying between 125 and 155 percent, with a target level of 140 percent. The assets that exceed the insurance undertaking are a surplus to policyholders' behalf. Surplus can be used to increase future pensions, reduce future premiums or reimbursement for already-made premium payments. The solvency margin in Alecta was 143 percent December 31, 2014.

Defined contribution plans

Defined contribution plans	2014	2013
Expenses for defined contribution plans	442	402

26 Other provisions

Accounting policies

The Group reports a provision in the Balance Sheet when there is a formal or informal obligation as a result of a past event for which it is probable that an outflow of resources will be needed to settle the obligation and when a reliable estimate of the amount can be made.

A restructuring provision is recognized when the Group has a detailed, formal plan for the restructuring, and the restructuring plan has commenced or has been publicly announced.

For medical care and health care operations, a provision is made for the risk of loss if the total directly attributable costs during the entire term of the contract are expected to exceed the total revenues, including indexation. Provisions are reviewed at each balance sheet date.

	12/31 2014	12/31 2013
<i>Provisions expected to be paid after more than 12 months</i>		
Reserve related to business combinations	17	17
Restructuring reserve	21	20
Provision for social security contributions for LTVR	130	80
Other	50	43
BS Total non-current other provisions	218	160
<i>Provisions expected to be paid within 12 months</i>		
Reserve related to business combinations	4	–
Restructuring reserve	124	53
Provision for social security contributions for LTVR	0	0
Other	8	27
BS Total current other provisions	136	80
Total other provisions	354	240

Reserves related to business combinations

In connection to acquisitions of subsidiaries in Group companies, provisions has been made for acquisition related costs. The majority of the reserves related to business combinations are expected to be stated and paid during 2017.

Provision for social security contributions for long-term share-based remuneration (LTVR)

Investor operates LTVR programs which are offered to all employees. Provision is made for social security contributions connected to these programs. The provision will be used during the years 2015-2021.

Other

Provisions for guarantees and other provisions that have been considered immaterial to specify are included in other and intend to be settled with SEK 8 m. in 2015, SEK 37 m. in 2016 and SEK 13 m. in 2018.

	Reserve related to business combinations	Restructuring reserve	Social security LTVR	Other	Total other provisions
12/31 2014					
Opening balance	17	73	80	70	240
Provisions for the year	4	115	51	20	190
Reversals for the year	–	–43	–1	–32	–76
Carrying amount at year-end	21	145	130	58	354
12/31 2013					
Opening balance	86	114	52	27	279
Provisions for the year	16	40	28	48	132
Reversals for the year	–85	–81	0	–5	–171
Carrying amount at year-end	17	73	80	70	240

27 Other long-term and short-term liabilities

	12/31 2014	12/31 2013
Acquisition related liabilities	225	121
Non controlling interest	740	–
Other	228	18
BS Total other long-term liabilities	1,193	139
Derivatives	191	101
Shares on loan	31	39
Incoming payments	2	10
VAT	156	159
Personnel-related	229	293
Other	116	139
BS Total other current liabilities	725	741

28 Accrued expenses and deferred income

	12/31 2014	12/31 2013
Interest	858	768
Personnel-related expenses	1,186	1,092
Other	703	495
BS Total	2,747	2,355

29 Financial instruments

Accounting policies

Financial instruments recognized in the consolidated Balance Sheet include assets such as the following: shares and participations recognized at fair value, other financial investments, loan receivables, trade receivables, short-term investments, cash and cash equivalents, and derivatives. Liabilities recognized in the Balance Sheet include the following: loans, shares on loan, trade payable and derivatives.

A financial asset or financial liability is recognized in the Balance Sheet when the Group becomes party to the instrument's contractual terms.

Trade receivables and trade payables are recognized in the Balance Sheet when an invoice is sent or received.

A financial asset or part thereof is derecognized in the Balance Sheet when the rights in the agreement have been realized, upon maturity, or when the Group loses control over them. A financial liability or part thereof is derecognized in the Balance Sheet when the obligations in the contract have been fulfilled or no longer exist for some other reason.

A financial asset and liability are offset against one another and the net amount is reported in the Balance Sheet only when there is a legally enforceable right and an intention to set off the recognized amounts.

A purchase or sale of financial assets is recognized on the trade date, which is the date that an entity commits itself to purchase or sell an asset.

Classification and measurement

Financial instruments are allocated to different categories. A financial instrument is classified upon initial recognition based on the purpose for which it was acquired. The classification determines how the financial instrument is measured after initial recognition, as described below.

Financial instruments belonging to the category, "Financial assets recognized at fair value through profit/loss", are initially recognized at fair value (excluding transaction costs). Other financial instruments are initially recognized at cost, which corresponds to the instrument's fair value (including transaction costs).

Cash and cash equivalents consists of cash and demand deposits in banks and similar institutions and short-term investments with a maturity of three months or less from the acquisition date, which are subject to an insignificant risk of changes in value.

Financial assets

Financial assets at fair value through profit/loss

This category consists of two subcategories: financial assets that are initially placed in this category (via the fair value option) and held-for-trading financial assets. Financial assets in this category are continuously measured at fair value and value changes are reported in the Income Statement.

Financial assets recognized in accordance with the fair value option

This category primarily includes short-term investments, other financial assets and shares/participations recognized at fair value. In this category, the Group has chosen, on initial recognition, to designate financial assets that are managed and measured on the basis of fair values, in accordance with the risk management and investment strategies.

Financial assets held for trading

Shares and participations belonging to the trading operation are recognized as held-for-trading financial assets. The same applies to derivatives with a positive fair value (except for derivatives identified as effective hedging instruments).

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. These assets are recognized at amortized cost. Trade receivables are recognized at net realizable value less any deductions for bad debts, which are assessed on an individual basis. Trade receivables are short term in nature, which is why they are reported at nominal amounts without any discounting.

Available-for-sale financial assets

To the available-for-sale financial assets category, Investor has allocated a few financial assets that do not belong to any of the other categories.

29 cont'd Financial instruments

Financial liabilities

Financial liabilities at fair value through profit/loss

This category includes financial liabilities held for trading. For example, this includes shares on loan in the trading operation. When shares on loan are sold, an amount corresponding to the fair value of the shares is recorded as a liability. The category also includes any derivatives with a negative fair value (except for identified derivatives that are effective hedge instruments).

Other financial liabilities

This category includes loans and other financial liabilities. Loans are recognized at amortized cost, except when they are used for fair value hedging. For more information, see the heading below, "Hedging of the Group's interest rate exposures - fair value hedges". Amortized cost is calculated based on the effective interest that was determined when the loan was obtained. This means that surpluses/deficits, as well as direct issuing costs, are amortized over the life of the liability. Trade payables are short-term in nature, which is why they are recognized at nominal amounts without any discounting.

Derivatives

Derivatives, such as forwards, options and swaps, are used to offset the risks associated with fluctuations in exchange rates and share prices, as well as the exposure to interest rate risks. Derivatives are initially recognized at fair value through profit/loss, which means that transaction costs are charged to profit/loss for the period. In the following periods, the derivative instrument is recognized at fair value and changes in the value are recognized in the Income Statement as income or expense (part of operating profit) or as part of net financial items. Where they are reported is based on the purpose of the derivative and whether its use is related to an operating item or a financial item. The interest rate coupon from an interest rate swap is recognized as interest and value changes are recognized as other financial items as a component of financial net, provided that the interest rate swap is not part of a cash flow hedge, which is accounted for according to the description below.

Hedge accounting

Investor applies hedge accounting in order to reduce fluctuations in profit/loss related to hedging of interest rate risks and currency risks. When hedge accounting is applied, value changes related to the hedging instrument is presented in profit/loss at the same time as the result from the hedged item. The effective part of the hedge is presented in the same component of the income statement as the hedged item.

Receivables and liabilities in foreign currency

Currency derivatives are used to hedge receivables and liabilities against foreign exchange rate risks. Hedge accounting is not used to protect against foreign exchange risk since an economic hedge has already been reflected in the financial statements. This occurs by recognizing the underlying receivable or liability at the closing rate and the hedge instrument at fair value in the Income Statement.

Forecast transactions in foreign currency - cash flow hedges

In order to hedge currency risks from forecast transactions, derivatives are used. These derivatives are often subject to hedge accounting. The derivatives are recognized at fair value in the Balance Sheet. Changes in value for the period are recognized in Other Comprehensive income and the accumulated changes in value are recognized in the Hedging Reserve until the hedged cash flow affects profit for the period, whereas the accumulated value changes of the hedging instrument are recycled to profit/loss for the period.

Hedging the Group's interest rate risk - cash flow hedges

The Group uses interest rate swaps to control the uncertainty of future interest rate fluctuations for loans with a variable interest rate. In the Balance Sheet, interest rate swaps are valued at fair value. The interest rate coupon is recognized on an on-going basis in the Income Statement as a component of interest expense. Unrealized changes to the fair value of interest rate swaps are recognized in Other Comprehensive income and are included as a component of the hedging reserve until the hedged item has an effect on the Income Statement and as long as the criteria for hedge accounting and effectiveness are met. The gain/loss attributable to the ineffective component of the unrealized value changes on interest rate swaps is recognized in the Income Statement.

Hedging of the Group's interest rate exposure - fair value hedges

The Group uses interest rate swaps to hedge the risk of changes in the fair value of its own borrowings that have a fixed rate of interest. The interest rate swaps are recognized at fair value in the Balance Sheet and the hedged item is recalculated at the fair value of the hedged risk (the risk-free interest rate). Changes in the fair value of the derivative and hedged item are recognized in the Income Statement.

The interest rate coupon is recognized on an on-going basis in the Income Statement as a component of interest expense.

Hedging of currency risk in foreign net investments

In the consolidated Balance Sheet, investments in foreign operations are reported as net assets in subsidiaries. To a certain extent, currency risks associated with such investments are reduced by entering into forward contracts in the same currency as the net investments. In order to match the translation differences relating to the net investments in the hedged foreign operations, the effective component of the period's exchange rate fluctuations for hedging instruments is reported under Other Comprehensive income, and the cumulative changes are reported under Translation Reserve. The amount in the Translation Reserve, which is related to currency changes in both the net investment and the hedging instrument is reversed and recognized in the Income Statement when a foreign operation is divested. When hedging has not been effective, the ineffective component is recognized in the Income Statement.

Impairment testing of financial assets

On each reporting date, an assessment of the need for impairment of a financial asset or group of assets is performed. Since the majority of the Group's assets are included in the category "Financial assets at fair value through profit/loss", most negative changes in value affect the Income Statement on an on-going basis. If any event has occurred that might have a negative impact on the collectability of assets belonging to the category "Loans and Receivables", the recoverable amount is calculated. The recoverable amount is calculated as the present value of future cash flows discounted at the effective interest rate upon initial recognition of the asset. Assets with short maturities are not discounted. Impairment losses are reported in the Income Statement.

Impairment losses on loans and trade receivables (which are recognized at amortized cost) are reversed if the prior reasons for the impairment no longer exist and full payment is expected.

Financial guarantees

Financial guarantee contracts commit the Group to reimburse the holder of a debt instrument for the losses incurred when a specified debtor fails to make payment when due, in accordance with the contract terms. Financial guarantee contracts are initially recognized at fair value less the fair value of contracted guarantee fees. However, an asset will not be reported in the Balance Sheet if the difference is positive.

Subsequent to initial recognition, financial guarantee contracts are continuously recognized at the higher of:

- the best estimate of the present value of anticipated net fees to settle the guarantee commitment less the present value of future guarantee fees, and
- the original amount booked as a liability less reversed cumulative straight line amortization over the contracted guarantee period.

29 cont'd Financial instruments

Measurements of financial instruments at fair value

Following is a description of the methods and assumptions used to determine the fair value of financial assets and liabilities shown in this Annual Report.

Measurements of financial instruments in level 1

Listed holdings

Listed holdings are valued on the basis of their share price (bid price, if there is one quoted) on the balance sheet date.

Measurements of financial instruments in level 2

Shares and participations

Shares and participations in level 2 consist of holdings in listed shares for which the classes are not actively traded. The measurement of these shares is based on the market price for the most traded class of shares for the same holding.

Derivatives

Derivatives in level 2 consist mainly of currency and interest rate swaps for which the valuation is based on discounted future cash flows according to the terms and conditions in the agreement and based on the market rate of interest for similar instruments with different durations.

Measurement of financial instruments in level 3

Unlisted holdings and fund holdings

Unlisted holdings are measured on the basis of the "International Private Equity and Venture Capital Valuation Guidelines". For directly owned holdings (i.e. those owned directly by a company in the Investor Group), an overall evaluation is made to determine the measurement method that is appropriate for each specific holding. It is first taken into account whether a recent financing round or "arm's length transaction" has been made, after which a valuation is made by applying relevant multiples to the holding's key ratios (for example, EBITDA), derived from a relevant sample of comparable companies, with deduction for individually determined adjustments as a consequence of, for example, the size difference between the company being valued and the sample of comparable companies. In those cases when other measurement methods better reflect the fair value of a holding, this value is used. Method of how the credit risk is calculated is presented in note 3, Risks.

Unlisted holdings in funds are measured at Investor's share of the value

that the fund manager reports for all unlisted fund holdings (Net Asset Value) and is normally updated when a new valuation is received. If Investor's assessment is that the fund manager's valuation does not sufficiently take into account factors that affect the value of the underlying holdings, or if the valuation is considered to deviate considerably from IFRS principles, the value is adjusted.

When estimating the fair value market conditions, liquidity, financial condition, purchase multiples paid in other comparable third-party transactions, the price of securities of other companies comparable to the portfolio company, and operating results and other financial data of the portfolio company are taken in considerations as applicable. Representatives from Investor's management participate actively in the valuation process within Investor Growth Capital (IGC) and evaluate the estimated fair values for holdings in IGC and the EQT funds in relation to their knowledge of the development of the portfolio companies and the market. Listed holdings in funds are measured in the same way as listed holdings, as described above.

Derivatives

The valuation of currency interest rate swaps with long duration and limited liquidity is based on discounted cash flows according to the terms and conditions of the agreement and based on an estimated market rate for similar instruments with diverse durations.

Options

The value of unlisted options is calculated in accordance with the Black & Scholes valuation model.

Fair value of assets and liabilities not measured at fair value in the Balance Sheet

Interest-bearing liabilities

The fair value would be classified in level 3 and is based on market prices and generally accepted methods, in which future cash flows have been discounted at the current interest rate, including Investor's current credit rating, for the remaining life.

Loans, trade receivables and trade payables

The carrying amounts of loans, trade receivables and trade payables are considered to reflect their fair value.

The table below indicates which valuation technique and which important unobservable input that has been used in order to estimate the carrying amounts of financial instruments in level 3. The inputs in the table below are not indicative of all the unobservable inputs that may have been used for an individual investment.

Valuation techniques

12/31 2014	Fair value	Valuation technique	Input	Range
Shares and participations	21,869	Last round of financing Comparable companies	N/A EBITDA multiples Sales multiples	N/A 5.1–6.7 0.5–6.4
		Comparable transactions NAV	Sales multiples N/A	1.1–7.1 N/A
Long-term receivables	1,382	Present value computation	Market interest rate	N/A
Long-term interest bearing liabilities	231	Present value computation	Market interest rate	N/A
Other long-term liabilities	840	Discounted cash flow		N/A

All valuations in level 3 are based on assumptions and judgments that management consider to be reasonable based on the circumstances prevailing at the time. Changes in assumptions may result in adjustments to reported values and the actual outcome may differ from the estimates and judgments that were made.

A significant part of IGC's portfolio companies are valued based on comparable companies, and the value is dependent on the level of the multiples. A 10 percent change of the multiples would have an effect on the portfolio value of IGC of approximately SEK 400 m.

For the derivatives, a parallel shift of the interest rate curve upwards by one percentage point would affect the value positively by approximately SEK 1,100 m.

29 cont'd Financial instruments

Financial assets and liabilities by valuation category

	Financial assets and liabilities measured at fair value through profit/loss							
12/31 2014	Fair value option	Held for trading	Derivatives used in hedge accounting	Loans and receivables	Financial assets available-for-sale	Other financial liabilities	Total carrying amount	Fair value
<i>Financial assets</i>								
Shares and participations recognized at fair value	243,767				5		243,772	243,772
Other financial investments	3,283						3,283	3,283
Long-term receivables			2,053	3,515			5,568	5,568
Accrued interest income				410			410	410
Trade receivables				2,837			2,837	2,837
Other receivables		79	28	256			363	363
Shares and participations in trading operation		68					68	68
Short-term investments	2,827						2,827	2,827
Cash and cash equivalents	13,443						13,443	13,443
Total	263,320	147	2,081	7,018	5	–	272,571	272,571
<i>Financial liabilities</i>								
Long-term interest-bearing liabilities		819	160			50,117	51,096	55,765 ¹⁾
Current interest-bearing liabilities			89			151	240	240
Trade payables						1,532	1,532	1,532
Accrued interest expenses						858	858	858
Other liabilities		152	69			1,697	1,918	1,918
Total	–	971	318	–	–	54,355	55,644	60,313

	Financial assets and liabilities measured at fair value through profit/loss							
12/31 2013	Fair value option	Held for trading	Derivatives used in hedge accounting	Loans and receivables	Financial assets available-for-sale	Other financial liabilities	Total carrying amount	Fair value
<i>Financial assets</i>								
Shares and participations recognized at fair value	196,576				5		196,581	196,581
Other financial investments	1,761						1,761	1,761
Long-term receivables			174	3,011			3,185	3,185
Accrued interest income				417			417	417
Trade receivables				2,400			2,400	2,400
Other receivables		74	17	206			297	297
Shares and participations in trading operation		149					149	149
Short-term investments	1,933						1,933	1,933
Cash and cash equivalents	9,783						9,783	9,783
Total	210,053	223	191	6,034	5	–	216,506	216,506
<i>Financial liabilities</i>								
Long-term interest-bearing liabilities		597	747			40,868	42,212	43,958 ¹⁾
Current interest-bearing liabilities						52	52	52
Trade payables						1,255	1,255	1,255
Accrued interest expenses						768	768	768
Other liabilities		39	101			740	880	880
Total	–	636	848	–	–	43,683	45,167	46,913

1) The Groups loans are valued at amortized cost. Fair value on loans are presented, for other assets and liabilities there are no differences between carrying amount and fair value.

29 cont'd Financial instruments

Result from financial assets and liabilities by valuation category

2014	Financial assets and liabilities measured at fair value through profit/loss		Derivatives used in hedge accounting	Loans and receivables	Other financial liabilities	Total
	Fair value option	Held for trading				
<i>Operating profit/loss</i>						
Dividends	7,227	1				7,228
Other operating income				177		177
Changes in value, including currency	38,828	4			-122	38,710
Cost of sales, distribution expenses		-123		195		72
<i>Net financial items</i>						
Interest	41	-311	338	-37	-1,608	-1,577
Changes in value	15	-214	1,671		-1,541	-69
Exchange rate differences		27	905	1,064	-1,872	124
Total	46,111	-616	2,914	1,399	-5,143	44,665

2013	Financial assets and liabilities measured at fair value through profit/loss		Derivatives used in hedge accounting	Loans and receivables	Other financial liabilities	Total
	Fair value option	Held for trading				
<i>Operating profit/loss</i>						
Dividends	6,049	3				6,052
Other operating income				362		362
Changes in value, including currency	37,019	12				37,031
Cost of sales, distribution expenses		42		-59		-17
<i>Net financial items</i>						
Interest	138	-149	-35		-1,975	-2,021
Changes in value	-32	198	-1,193		548	-479
Exchange rate differences		-182	-8	439	-197	52
Total	43,174	-76	-1,236	742	-1,624	40,980

Assets and liabilities measured at fair value

The table below indicates how fair value is measured for the financial instruments recognized at fair value in the Balance Sheet. The financial instruments are categorized on three levels, depending on how the fair value is measured:

Level 1: According to quoted prices (unadjusted) in active markets for identical instruments

Level 2: According to directly or indirectly observable inputs that are not included in level 1

Level 3: According to inputs that are unobservable in the market

Financial assets and liabilities by level

12/31 2014	Level 1	Level 2	Level 3	Other ¹⁾	Total
<i>Financial assets</i>					
Shares and participations recognized at fair value	219,696	2,083	21,869	124	243,772
Other financial instruments	3,281			2	3,283
Long-term receivables		671	1,382	3,515	5,568
Other receivables		107		256	363
Shares and participations in trading operation	68				68
Short-term investments	2,827				2,827
Cash and cash equivalents	13,443				13,443
Total	239,315	2,861	23,251	3,897	269,324
<i>Financial liabilities</i>					
Long-term interest-bearing liabilities		748	231	50,117	51,096
Other long-term liabilities			840	353	1,193
Short-term interest-bearing liabilities		89		151	240
Other liabilities	31	190		2,894	3,115
Total	31	1,027	1,071	53,515	55,644

1) To enable reconciliation with balance sheet items, financial instruments not valued at fair value as well as other assets and liabilities that are included within balance sheet items have been included within Other.

29 cont'd Financial instruments

Financial assets and liabilities by level

12/31 2013	Level 1	Level 2	Level 3	Other ¹⁾	Total
Financial assets					
Shares and participations recognized at fair value	175,027	1,578	19,973	3	196,581
Other financial instruments	1,761				1,761
Long-term receivables		174		3,011	3,185
Other receivables		91		206	297
Shares and participations in trading operation	149				149
Short-term investments	1,933				1,933
Cash and cash equivalents	9,783				9,783
Total	188,653	1,842	19,973	3,221	213,689
Financial liabilities					
Long-term interest-bearing liabilities		999	345	40,868	42,212
Other liabilities	39	101		2,815	2,955
Total	39	1,100	345	43,683	45,167

1) To enable reconciliation with balance sheet items, financial instruments not valued at fair value as well as other assets and liabilities that are included within balance sheet items have been included within Other.

The table below shows a reconciliation between opening and closing balance for the financial instruments recognized at fair value in the Balance Sheet derived from a valuation technique of unobservable input (level 3). No transfers have been made between level 1 and 2.

Changes of financial assets and liabilities in level 3

12/31 2014	Shares and participations recognized at fair value	Long-term receivables	Total financial assets	Long-term interest-bearing liabilities	Other long-term liabilities	Total financial liabilities
Opening balance	19,973	–	19,973	345	–	345
Total gains or losses						
in profit/loss	3,566	1,382	4,948	–114	278	164
in other comprehensive income	1,043		1,043			
Acquisitions	2,909		2,909			
Divestments	–6,028		–6,028			
Reclassifications					562	562
Transfers to level 3	1,646 ¹⁾		1,646			
Transfers from level 3	–1,240		–1,240			
Carrying amount at year-end	21,869	1,382	23,251	231	840	1,071
<i>Total gains or losses for the period included in profit/loss for assets and liabilities held at the end of the period (unrealized results)</i>						
Changes in value	3,446	1,382	4,828	–114	–122	–236
Net financial items					–156	–156
Total	3,446	1,382	4,828	–114	–278	–392

1) Transfer between 'Shares and participations in associates' to 'Shares and participations recognized at fair value' due to the divestment of Lindorff.

12/31 2013	Shares and participations recognized at fair value	Long-term receivables	Total financial assets	Long-term interest-bearing liabilities	Total financial liabilities
Opening balance	18,323	372	18,695	93	93
Total gains or losses					
in profit/loss	3,717	–372	3,345	252	252
in other comprehensive income	32		32		
Acquisitions	2,112		2,112		
Divestments	–4,158		–4,158		
Transfers from level 3	–53		–53		
Carrying amount at year-end	19,973	–	19,973	345	345
<i>Total gains or losses for the period included in profit/loss for assets and liabilities held at the end of the period (unrealized results)</i>					
Changes in value	3,008	–372	2,636	252	252
Total	3,008	–372	2,636	252	252

29 cont'd Financial instruments

Net amounts of financial assets and liabilities

No financial assets and liabilities have been set off in the Balance Sheet.

Financial assets				12/31 2013			
		12/31 2014				12/31 2013	
		Not set off in the Balance Sheet				Not set off in the Balance Sheet	
SEK m.	Gross and net amounts of financial assets	Financial instruments	Net amounts of financial assets	Gross and net amounts of financial assets	Financial instruments	Net amounts of financial assets	
Shares ¹⁾	219	–31	188	191	–39	152	
Derivatives ²⁾	2,053	–699	1,354	174	–174	–	
Derivatives ³⁾	107	–107	–	79	–78	1	
Total	2,379	–837	1,542	444	–291	153	

1) Included in the Balance sheet under Shares and participations recognized at fair value, SEK 243,772 m. (196,581).

2) Included in the Balance sheet under Long-term receivables, SEK 5,568 m. (3,185).

3) Included in the Balance sheet under Other receivables, SEK 363 m. (297).

Financial liabilities				12/31 2013			
		12/31 2014				12/31 2013	
		Not set off in the Balance Sheet				Not set off in the Balance Sheet	
SEK m.	Gross and net amounts of financial liabilities	Financial instruments	Net amounts of financial liabilities	Gross and net amounts of financial liabilities	Financial instruments	Net amounts of financial liabilities	
Derivatives ¹⁾	755	–699	56	1,342	–190	1,152	
Derivatives ²⁾	53	–	53	76	–62	14	
Securities lending ³⁾	221	–138	83	39	–39	–	
Total	1,029	–837	192	1,457	–291	1,166	

1) Included in the Balance sheet under Long-term interest bearing liabilities, SEK 51,096 m. (42,212).

2) Included in the Balance sheet under Current interest bearing liabilities, SEK 240 m. (52).

3) Included in the Balance sheet under Other liabilities, SEK 725 m. (741).

The Groups derivatives are covered by ISDA agreements. For repurchase agreements GMRA agreements exist and for securities lending there are GMSLA agreements. According to the agreements the holder has the right to set off the derivatives and keep securities when the counterparty does not fulfill its commitments.

30 Pledged assets and contingent liabilities

Accounting policies

A contingent liability exists when there is a possible obligation depending on whether some uncertain future event occurs, or, when there is a present obligation, but payment is not probable or the amount cannot be measured reliably. A provision must be recognized if and only if a present obligation (legal or constructive) has arisen as a result of a past event (the obligating event), the payment is probable (more likely than not), and the amount can be estimated reliably.

Pledged assets	12/31 2014	12/31 2013
<i>In the form of pledged securities for liabilities and provisions</i>		
Real estate mortgages	385	310
Shares etc. ¹⁾	4,199	4,257
<i>Other pledged and equivalent collateral</i>		
Real estate mortgages	221	211
Total pledged assets	4,805	4,778

1) Pledged shares for loans in subsidiaries.

Contingent liabilities	12/31 2014	12/31 2013
Guarantee commitments to FPG/PRI	1	1
Guarantees on behalf of associates	700	4,001
Other contingent liabilities	299	192
Total contingent liabilities	1,000	4,194

The credit facilities within the operating subsidiaries are subject to financial covenants.

In addition, the Group's share of contingent liabilities related to the associated companies amounts to SEK – m. (313).

31 Related party transactions

The following additional information about related parties is being provided in addition to what has been reported in other notes to the financial statements.

Relations with related parties with significant influence

The Wallenberg foundations have significant influence over Investor (in accordance with the definition in IAS 24 Related Party Disclosures). The largest of these foundations are the Knut and Alice Wallenberg Foundation, the Marianne and Marcus Wallenberg Foundation and the Marcus and Amalia Wallenberg Memorial Fund.

Investor's support functions provide a limited scope of services for Foundation Asset Management Sweden AB and Foundation Administration Management Sweden AB, which are owned by the Wallenberg foundations. Transactions with these companies are priced according to market terms.

Companies with common board members

In addition to the above-noted relations with related parties, there are a number of companies in which Investor and the company have common board members. Information has not been provided in this note because these situations are either not considered to involve influence of the type described in IAS 24, or the transactions refer to non material amounts.

Related party transactions

Transactions with related parties are priced according to market terms, for information about the Parent Company see note P18, Related party transactions.

With key persons

See note 9, Employees and personnel costs for information about salaries and other compensation, costs and commitments regarding pensions and similar benefits, and severance payment agreements for the board, President and other senior executives.

Investment programs

Carried interest plans

Within Financial Investments, selected senior staff and other senior executives have had the opportunity for a number of years to make parallel investments to some extent with Investor. The plans are designed in accordance with market practice in the venture capital market and are evaluated periodically against similar programs in Europe, the U.S. and Asia. Carried interest plans provide an economic incentive for managers and encourage personal commitment to analysis and investment work since the result is directly connected to the financial performance of the business.

Carried interest plans are linked to realized growth in the value of holdings, after deduction for costs, seen as a portfolio. This means that when an investment is realized with a profit, each parallel investor receives his or her share of the profit, after provisions for any unrealized declines in value or write-downs of other investments. The plans allow a maximum share of 16 percent that can be given to parallel investors, which is in line with practice in the venture capital market.

Due to the restructuring of Investor Growth Capital (IGC) during 2011, a handful of employees have exchanged their participation in IGC's main program for parallel investments/profit-sharing for participation in a profit sharing program that is better adapted to reflect the decision to restructure IGC. This program is linked to the realized proceeds of holdings in excess of a pre-defined threshold that was established in relation to the holding's market value. The total maximum share that can be credited to program participants is 10 percent of the proceeds above the threshold.

31 cont'd Related party transactions

Management Participation Programs

Board members and senior executives in unlisted investments, including Mölnlycke Health Care (Mölnlycke) and Permobil, are offered the opportunity to invest in the companies through management participation programs. The terms of the programs are based on market valuations and are designed to yield lower return to the participants than that of the owners if the investment plan is not reached but higher return to the participants than that of the owners if the plan is exceeded. In connection with the position as Chairman of the Board of Mölnlycke in 2007, prior to election to the Board of Directors of Investor in 2009, Gunnar Brock acquired shares for an amount of approximately SEK 6.4 m. during 2012 and SEK 3.6 m. during 2014 under the Mölnlycke's Management Participation Program. As part of the transactions described above, Gunnar Brock has sold his remaining holding of shares to Investor for approximately net SEK 17.1 m.

No other members of the Board of Directors of Investor AB participate in these programs.

Related party transactions

	Associates		Other related party ¹⁾	
	2014	2013	2014	2013
Sales of products/services	26	17	1	1
Purchase of products/services	7	31		
Financial expenses	336	541		
Financial income	631	367		
Dividends/redemptions	10,364	3,962		
Capital contributions	82	120		
Receivables	2,130	4,522		
Liabilities	2,291	3,058		

1) Wallenberg foundations

32 Subsequent events

New CEO and structure

On January 28, 2015, Investor's Board of Directors announced the appointment of Johan Forssell as new President and CEO of Investor as of May 12, 2015. Johan Forssell succeeds Börje Ekholm. Börje Ekholm will also resign from Investor's Board of Directors on May 12, 2015.

On January 28, 2015, Investor also announced the creation of a new division, Patricia Industries, focusing on the development and expansion of Investor's portfolio of wholly-owned subsidiaries. The division will include all existing wholly-owned subsidiaries and all holdings within Financial Investments except EQT and Investor's trading. Börje Ekholm will be responsible for Patricia Industries.

New CFO

On February 16, 2015 Helena Saxon was appointed CFO and member of Investor's Management Group. Helena Saxon was previously an Investment Manager at Investor and has assumed her new position as from March 1, 2015.

Investor's previous CFO Susanne Ekblom was appointed new CEO of Vectura, in which she has been a member of the board since 2012. Vectura manages Investor's real estate property, including Grand Hôtel and healthcare properties run by Aleris.

Parent Company Income Statement

SEK m.	Note	2014	2013
Dividends		6,033	5,271
Changes in value	P6, P9	32,568	30,453
Net sales		9	7
Operating costs	P2	-361	-348
Result from participations in Group companies		3,050	-1,140
Result from participations in associated companies		653	-
Operating profit/loss		41,952	34,243
Profit/loss from financial items			
Results from other receivables that are non-current assets	P3	4,531	3,111
Interest income and similar items		-6	-1
Interest expenses and similar items	P4	-4,579	-2,399
Profit/loss after financial items		41,898	34,954
Tax	P1	-	-
Profit/loss for the year		41,898	34,954

Parent Company Statement of Comprehensive Income

SEK m.	2014	2013
Profit/loss for the year	41,898	34,954
Other Comprehensive income for the year, net taxes		
<i>Items that will not be recycled to profit/loss for the year</i>		
Remeasurements of defined benefit plans	-79	31
<i>Items that have been or may be recycled to profit/loss for the year</i>		
Change in fair value of cash flow hedges for the year	-	-
Total Other Comprehensive income for the year	-79	31
Total Comprehensive income for the year	41,819	34,985

Parent Company Balance Sheet

SEK m.	Note	12/31 2014	12/31 2013
ASSETS			
Non-current assets			
Intangible assets			
Capitalized expenditure for software	P7	5	7
Property, plant and equipment			
Equipment	P8	17	19
Financial assets			
Participations in Group companies	P5	53,611	51,449
Participations in associates	P6	137,892	114,725
Other long-term holdings of securities	P9	63,128	51,491
Receivables from Group companies	P10	37,911	34,321
Total non-current assets		292,564	252,012
Current assets			
Trade receivables		1	2
Receivables from Group companies		665	711
Receivables from associates		0	1
Tax assets		14	13
Other receivables		2	16
Prepaid expenses and accrued income	P11	62	67
Cash and cash equivalents		0	0
Total current assets		744	810
TOTAL ASSETS		293,308	252,822

SEK m.	Note	12/31 2014	12/31 2013
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital		4,795	4,795
Statutory reserve		13,935	13,935
		18,730	18,730
Unrestricted equity			
Accumulated profit/loss		166,140	137,260
Profit/loss for the year		41,898	34,954
		208,038	172,214
Total equity		226,768	190,944
Provisions			
Provisions for pensions and similar obligations	P12	213	147
Other provisions	P13	142	101
Total provisions		355	248
Non-current liabilities			
Interest-bearing liabilities	P14	34,593	27,541
Liabilities to Group companies		1,159	796
Total non-current liabilities		35,752	28,337
Current liabilities			
Trade payables		13	14
Liabilities to Group companies		29,630	32,597
Liabilities to associates		0	2
Tax liabilities		0	1
Other liabilities		9	15
Accrued expenses and deferred income	P15	781	664
Total current liabilities		30,433	33,293
TOTAL EQUITY AND LIABILITIES		293,308	252,822
PLEDGED ASSETS AND CONTINGENT LIABILITIES			
Pledged assets	P17	71	61
Contingent liabilities	P17	700	10,001

Parent Company Statement of Changes in Equity

SEK m.	Restricted equity		Unrestricted equity		Total equity
	Share capital	Statutory reserve	Accumulated profit/loss	Profit/loss for the year	
Opening balance 1/1 2014	4,795	13,935	172,214		190,944
Profit/loss for the year				41,898	41,898
Other Comprehensive income for the year			-79		-79
Total Comprehensive income for the year			-79	41,898	41,819
Dividend			-6,089		-6,089
Stock options exercised by employees			61		61
Equity-settled share-based payment transactions			33		33
Closing balance 12/31 2014	4,795	13,935	166,140	41,898	226,768

SEK m.	Restricted equity		Unrestricted equity		Total equity
	Share capital	Statutory reserve	Accumulated profit/loss	Profit/loss for the year	
Opening balance 1/1 2013	4,795	13,935	142,619		161,349
Profit/loss for the year				34,954	34,954
Other Comprehensive income for the year			31		31
Total Comprehensive income for the year			31	34,954	34,985
Dividend			-5,331		-5,331
Stock options exercised by employees			103		103
Equity-settled share-based payment transactions			33		33
Sales of own shares			-195		-195
Closing balance 12/31 2013	4,795	13,935	137,260	34,954	190,944

Distribution of share capital

The Parent Company's share capital on December 31, 2014, as well as on December 31, 2013, consists of the following numbers of shares with a quota of SEK 6.25 per share.

Share class	Number of shares	Number of votes	Share in % of	
			Capital	Votes
A 1 vote	311,690,844	311,690,844	40.6	87.2
B 1/10 vote	455,484,186	45,548,418	59.4	12.8
Total	767,175,030	357,239,262	100.0	100.0

For information regarding repurchased own shares, see the Corporate Governance Report page 28.

Parent Company Statement of Cash Flow

SEK m.	2014	2013
Operating activities		
Dividends received	6,033	5,270
Cash payments to suppliers and employees	–273	–263
Cash flow from operating activities before net interest and income tax	5,760	5,007
Interest received	1,710	2,609
Interest paid	–1,503	–2,294
Income tax paid	–3	1
Cash flow from operating activities	5,964	5,323
Investing activities¹⁾		
Share portfolio		
Acquisitions	–4,028	–846
Divestments	108	–
Other items		
Divestment of subsidiary	6,010	–
Liquidation of subsidiary	930	–
Capital contributions to subsidiaries	–3,716	–8,190
Acquisitions of property, plant and equipment/intangible assets	–4	–4
Net cash used in investing activities	–700	–9,040
Financing activities		
Borrowings	4,835	2,759
Repayment of borrowings	–	–3,390
Change, intra-group balances	–4,010	9,874
Repurchases of own shares	–	–195
Dividends paid	–6,089	–5,331
Net cash used in financing activities	–5,264	3,717
Cash flow for the year	0	0
Cash and cash equivalents at beginning of the year	0	0
Cash and cash equivalents at year-end	0	0

1) Mandatory heading in statement of cash flow according to IFRS. Investing activities in this statement are not in accordance with Investor's definition.

The Parent Company does not report cash and cash equivalents since liquidity needs are covered by funds in the joint bank account for the Group. These funds are reported as balances with the Group's internal bank, AB Investor Group Finance.

Notes to the Parent Company's financial statements

P1 Accounting policies

The Annual Accounts Act and RFR 2 Accounting for Legal Entities has been applied for the Parent Company. The Parent Company applies the same accounting policies as the Group unless otherwise noted. Any differences between the accounting policies of the Parent Company and those of the Group are caused by limitations to the application of IFRS in the Parent Company because of the Swedish Annual Accounts Act. Significant accounting policies for the Parent Company that differs from the Group are presented in this note. Other significant accounting policies are presented in note 1, Significant accounting policies on page 45, and in connection to respective note to the consolidated financial statements.

Subsidiaries

Subsidiaries are companies in which Investor AB is able to exert a controlling influence. Controlling influence is the power to, either directly or indirectly, govern the financial and operating policies of an entity in order to obtain economic benefits from its activities.

In the Parent Company, participations in Group companies are recognized in accordance with the cost method and in legal entities, transaction costs attributable to business combinations will be included in the acquisition cost.

Contingent consideration is valued according to the likelihood that the consideration will be paid. Any changes to the provision/receivable result in an increase/decrease in the cost of acquisition. On each balance sheet date, the carrying amounts are reviewed to determine if there are any indications of impairment. Dividends from subsidiaries are included in the Parent Company's operating profit/loss.

Shareholders' contribution

Shareholders' contributions are recognized directly in equity by the receiver and are capitalized in participations by the giver to the extent that no impairment loss is required.

Associates

Participations in associates are recognized at cost or fair value in accordance with IAS 39. The method is dependent on how Investor controls and monitors the companies' operations. For further information see note 12, Shares and participations in associates. On each balance sheet date, the carrying amounts are reviewed to determine if there are any indications of impairment.

Borrowing costs

In the Parent Company, borrowing costs are charged to profit/loss during the period they pertain to. Borrowing costs are not capitalized.

Financial guarantees

The Parent Company's financial guarantee contracts consist primarily of guarantees on behalf of subsidiaries and associates.

The Parent Company applies RFR 2 IAS 39 item 2, to account for financial guarantee contracts issued on behalf of subsidiaries and associates, which is somewhat more lenient than the rules in IAS 39, due to the relationship between accounting and taxation. The Parent Company recognizes financial guarantee contracts as a provision in the Balance Sheet when the company has a commitment for which payment will most likely be required.

Tax regulation

The regulations for industrial holding companies imply that capital gains on shares are not taxable and corresponding capital losses are non-deductible. Dividends received and interest income are both taxable items, while administrative costs, interest expenses and dividend paid are all deductible. Moreover, the Parent Company declares a standard income of 1.5 percent on the market value of listed shares when the voting rights at the beginning of the year are less than 10 percent, or when they exceed 10 percent but, at the beginning of the year, had been owned for less than one year. As a consequence of these tax regulations, the Parent Company typically does not pay income tax. For the same reason, the Parent Company does not report deferred tax attributable to temporary differences. The regulations for industrial holding companies also imply that the Parent Company may neither give nor receive Group contributions.

P2 Operating costs

Depreciation

Operating costs includes amortizations and depreciation of SEK 8 m. (8) of which SEK 4 m. relates to machinery and equipment (4) and SEK 4 m. to other intangible assets (4).

Personnel

Expensed wages, salaries and other remunerations amounted to SEK 279 m. (282), of which social costs SEK 92 m. (91) and pension costs to SEK 30 m. (36).

The average number of employees 2014 was 75 (84). For more information see note 9, Employees and personnel costs on page 53.

Auditor's fees and expenses

	2014	2013
Auditor in charge	Deloitte	Deloitte
Auditing assignment	1	1
Total	1	1

Operating leases

	2014	2013
Non-cancellable future lease payments		
Less than 1 year from balance sheet date	11	15
1-5 years from balance sheet date	–	–
Total	11	15

Costs for the year

Minimum lease payments	–15	–15
Total	–15	–15

P3 Results from other receivables that are non-current assets

	2014	2013
Interest income from Group companies	1,922	2,359
Changes in value	818	196
Other interest income	63	39
Exchange rate differences	1,728	517
IS Total	4,531	3,111

P4 Interest expenses and similar items

	2014	2013
Interest expenses to Group companies	–464	–553
Changes in value	–801	–235
Changes in value attributable to long-term share-based remuneration	–62	–48
Net financial items, internal bank ¹⁾	–212	–167
Interest expenses, other borrowings	–1,390	–1,243
Exchange rate differences	–1,615	–120
Other	–35	–33
IS Total	–4,579	–2,399

1) Settlement of net financial items between the Parent Company and the Group's internal bank company, AB Investor Group Finance.

P5 Participations in Group companies

Specification of the Parent Company's direct holdings of participations in Group companies

Subsidiary, Registered office, Registration number	Number of participations	Ownership interest in % ¹⁾		Carrying amount	
		12/31 2014	12/31 2013	12/31 2014	12/31 2013
Investor Holding AB, Stockholm, 556554-1538	1,000	100.0	100.0	21,293	21,533
Invaw Holding AB, Stockholm, 556904-1212	50,000	100.0	100.0	9,880	3,944
Invifed 2 AB, Stockholm, 556752-6057	100,000	100.0	100.0	9,485	9,484
Rotca AB, Stockholm, 556693-6661	1,000	100.0	100.0	6,798	4,865
Patricia Holding AB, Stockholm, 556619-6753	1,000	100.0	100.0	2,669	2,669
Intre Holding AB, Stockholm, 556981-3065	50,000	100.0	–	2,337	–
Indap Invest AB, Stockholm, 556690-7084	1,000	100.0	100.0	621	4,621
Vectura Fastigheter AB, Stockholm, 556903-0587	50,000	100.0	100.0	262	262
The Grand Group AB, Stockholm, 556302-9650	10,000	100.0	100.0	204	204
AB Investor Group Finance, Stockholm, 556371-9987 ²⁾	100,000	100.0	100.0	54	54
AB Cator, Stockholm, 556619-6811	1,000	100.0	100.0	6	6
Duba AB, Stockholm, 556593-5508	1,000	100.0	100.0	2	2
Indif AB, Stockholm, 556733-9915	–	–	100.0	–	3,412
Vectura Holding AB, Stockholm, 556012-1575	–	–	100.0	–	393
BS Carrying amount				53,611	51,449

1) Refers to share of equity, which also corresponds to the share of voting power.

2) The Group's internal bank.

Other material indirect holdings in subsidiaries

Subsidiary, Registered office	Ownership interest in % ¹⁾	
	12/31 2014	12/31 2013
Investor Growth Capital AB, Stockholm ²⁾	100.0	100.0
Investor Investment Holding AB, Stockholm ³⁾	100.0	100.0
Investor Investment Northern Europe Ltd, Guernsey ⁴⁾	–	100.0
Mölnlycke AB, Gothenburg	98.8	94.1
Aleris Group AB, Stockholm	100.0	100.0
Permobil Holding AB, Timrå	94.4	95.0

1) Refers to share of equity.

2) Holding company of Investor Growth Capital.

3) Holding company of EQT.

4) The business of the company is share portfolio management.

Changes in participations in Group companies	12/31 2014	12/31 2013
Accumulated costs		
Opening balance	52,589	44,399
Acquisitions and capital contributions	10,408	8,190
Liquidation of Group company	–392	–
Divestments and repaid capital contributions	–7,854	–
At year-end	54,751	52,589
Accumulated impairment losses		
Opening balance	–1,140	–
Impairment losses	–	–1,140
At year-end	–1,140	–1,140
BS Carrying amount at year-end	53,611	51,449

Impairment losses in participations in Group companies was due to the fact that the value of shares and participations held by these companies developed negatively during 2013.

The Investor Group consists of 12 wholly owned subsidiaries to Investor AB, see table above, and a number of indirect holdings of which the material indirect holdings in subsidiaries are stated in the table above. In the subgroups Mölnlycke Health Care and Permobil non-controlling interests exists. None of these are considered material for Investor. Investor have assessed control over all subsidiaries due to the high ownership interest and Investor AB having direct or indirect power of the companies and has the right and ability to affect the returns. Investor also continuously assess whether it controls companies with ownership interests below 50 percent. The assessment is based on whether Investor has the practical ability to direct relevant activities unilaterally either through the boards or the annual general meetings of the companies. No companies where de facto control exists have been identified.

P6 Participations in associates

Specification of carrying amount for participations in associates valued at cost method

	12/31 2014	12/31 2013
<i>Accumulated costs</i>		
Opening balance	6,182	6,062
Acquisitions and capital contributions	82	120
Divestments and transfers	-6,264	-
At year-end	-	6,182
<i>Accumulated impairment losses</i>		
Opening balance	-4,580	-4,580
Reversed impairment losses for the year	4,580	-
At year-end	-	-4,580
Carrying amount at year-end	-	1,602

Specification of carrying amount for participations in associates valued at fair value

	12/31 2014	12/31 2013
Opening balance	113,123	93,251
Acquisitions	108	59
Divestments	-101	-
Revaluations disclosed in Income Statement	24,762	19,813
Carrying amount at year-end	137,892	113,123

Specification of participations in associates

Company, Registered office, Registration number	12/31 2014				12/31 2013		
	Number of shares	Ownership capital/votes (%)	Investor's share of		Investor's share of		Profit/loss for the year ⁽⁴⁾
			Carrying amount ^(1,2)	Equity ⁽³⁾	Carrying amount ^(1,2)	Equity ⁽³⁾	
Financial Investments:							
Hi3G Holdings AB, Stockholm, 556619-6647 ⁽⁵⁾					1,432	1,890	385
Hi3G Enterprise AB, Stockholm, 556782-9329 ⁽⁵⁾					170	27	-135
Total participations in associates valued at cost					1,602		
Core Investments:							
SEB, Stockholm, 552032-9081	456,198,927	21/21	45,407	27,980	3,996	38,618	3,072
Atlas Copco, Stockholm, 556014-2720	206,895,611	17/22	44,972	8,540	2,049	36,687	2,033
Ericsson, Stockholm, 556016-0680	175,047,348	5/21	15,807	7,696	590	13,229	645
Electrolux, Stockholm, 556009-4178	47,866,133	15/30	10,952	2,552	347	8,061	104
Swedish Orphan Biovitrum, Stockholm, 556038-9321	107,594,165	40/40	8,532	1,797	-104	7,128	-37
Saab, Linköping, 556036-0793	32,778,098	30/40	6,624	3,415	351	5,651	223
Husqvarna, Jönköping, 556000-5331	97,052,157	17/31	5,598	2,049	140	3,749	154
Total participations in associates valued at fair value			137,892			113,123	
BS Total participations in associates			137,892			114,725	

- 1) Carrying amount includes acquisition cost, additional investments and divestments for the period and value changes due to write-downs to correspond with the fair value of the investments valued at cost and fair value for participations in associates valued at fair value, respectively.
- 2) Carrying amount for associates valued at fair value, equals the quoted market price for the investment.
- 3) Equity refers to the ownership interest in the equity of a company including the equity component in untaxed reserves and after adjustments to Investor's accounting policies.
- 4) Profit/loss for the year refers to the share of the company's results after tax including the equity component in the change for the year in untaxed reserves after adjustments to Investor's accounting policies.
- 5) Moved from Investor AB to a new parent company Intre Holding AB, a subsidiary to Investor AB.

P7 Intangible assets

	12/31 2014	12/31 2013
Capitalized expenditure for software		
<i>Accumulated costs</i>		
Opening balance	27	27
Acquisitions	2	-
At year-end	29	27
<i>Accumulated amortization and impairment losses</i>		
Opening balance	-20	-16
Amortizations	-4	-4
At year-end	-24	-20
BS Carrying amount at year-end	5	7
<i>Allocation of amortizations in Income Statement</i>		
Operating costs	-4	-4
Total	-4	-4

P8 Property, plant and equipment

	12/31 2014	12/31 2013
Equipment		
<i>Accumulated costs</i>		
Opening balance	46	42
Acquisitions	2	4
Sales and disposals	-2	-
At year-end	46	46
<i>Accumulated depreciation and impairment</i>		
Opening balance	-27	-23
Sales and disposals	2	-
Depreciation for the year	-4	-4
At year-end	-29	-27
BS Carrying amount at year-end	17	19

P9 Other long-term holdings of securities

	12/31 2014	12/31 2013
Opening balance	51,491	40,178
Acquisitions	3,824	660
Revaluations disclosed in Income Statement	7,813	10,653
BS Carrying amount at year-end	63,128	51,491

P10 Receivables from Group companies

	12/31 2014	12/31 2013
Opening balance	34,321	29,066
New lending	4,634	18,635
Divestments/due/redeemed	-3,587	-14,574
Unrealized change in value	2,543	1,194
BS Carrying amount at year-end	37,911	34,321

P11 Prepaid expenses and accrued income

	12/31 2014	12/31 2013
Interest	34	34
Other financial receivables	13	20
Other	15	13
BS Total	62	67

P12 Provisions for pensions and similar obligations

For more information see note 25, Provision for pensions and similar obligations.

Amounts recognized in Profit/loss for the year and Other Comprehensive income for defined benefit plans

	2014	2013
Components of defined benefit cost (gain -)		
Current service cost	5	5
Past service cost and gains/losses from settlements	-	-
Total operating cost	5	5
Net interest expense	5	6
Exchange rate differences	-	-
Other values	-	1
Total financial cost	5	7
Components recognized in profit or loss	10	12

P12 cont'd Provisions for pensions and similar obligations

	2014	2013
Remeasurement on the net defined benefit liability (gain -)		
Return on plan assets (excl. amounts in interest income)	-6	1
Actuarial gains/losses, demographic assumptions	20	-
Actuarial gains/losses, financial assumptions	58	-41
Actuarial gains/losses, experience adjustments	7	9
Adjustment for restrictions, defined benefit asset	0	0
Components in Other Comprehensive income	79	-31

Provision for defined benefit plans

	12/31 2014	12/31 2013
The amount included in the Balance Sheet arising from defined benefit plan		
Present value of funded or partly funded obligations	282	219
Present value of unfunded obligations	146	131
Total present value of defined benefit obligations	428	350
Fair value of plan assets	-221	-208
NPV of obligations and fair value of plan assets	207	142
Restriction on asset recognized	6	5
BS Net liability arising from defined benefit obligations	213	147

	12/31 2014	12/31 2013
Changes in the obligations for defined benefit plans during the year		
Defined benefit plan obligations, opening balance	350	393
Current service cost	4	5
Interest cost	13	13
Remeasurement of defined benefit obligations		
Actuarial gains/losses, demographic assumptions	20	-
Actuarial gains/losses, financial assumptions	58	-41
Actuarial gains/losses, experience adjustment	7	9
Contributions to the plan from the employer	0	-
Exchange difference on foreign plans	5	1
Benefit paid	-29	-31
Other	0	1
Obligations for defined benefit plans at year-end	428	350

	12/31 2014	12/31 2013
Changes in fair value of plan assets		
Fair value of plan assets, opening balance	208	203
Interest income	8	7
Remeasurement of fair value plan assets		
Return on plan assets (excl. amounts in interest income)	6	-1
Contributions from the employer	7	7
Benefit paid	-8	-8
Fair value of plan assets at year-end	221	208

	12/31 2014	12/31 2013
The fair value of the plan asset at the end of the reporting period for each category are as follows:		
Equity investments	27	43
Debt investment	181	153
Properties	13	12
Total fair value plan assets	221	208

	12/31 2014	12/31 2013
Changes in restriction asset ceiling in the current year		
Restriction asset ceiling, opening balance	5	4
Changes asset ceiling, OCI	1 ¹⁾	1 ¹⁾
Restriction asset ceiling at year-end	6	5

1) The changes of asset ceiling in current year is netted out in Other Comprehensive income with the actuarial gain/losses from the present value on the obligation and the FV of the plan assets.

P12 cont'd Provisions for pensions and similar obligations

Estimated premiums to be paid for defined benefit plans during 2015 amounts to SEK 5 m. in the Parent Company.

Assumptions

Assumptions for defined benefit obligations	12/31 2014	12/31 2013
Discount rate	3.2	4.0
Future salary growth	3.0	3.0
Future pension growth	2.0	2.0
Mortality assumption used	DUS14	DUS06

In the Parent Company Swedish mortgage backed bonds have been used as reference when determining the discount rate used for the calculation of the defined benefit obligation. The market for high quality Swedish mortgage backed bonds is considered to be deep and thereby fulfill the requirements of high quality corporate bonds according to IAS 19.

Sensitivity analysis

Valuation of provision for pensions and similar obligations are estimates of present and future values. There are always uncertainty involved. Alternative assumptions will give different present values.

The sensitivity analysis below shows for example the impact of discount rate changes, from the current rate of 3.2 percent and the impact of mortality assumptions.

	1 percent increase	1 percent increase
Discount rate		
Present value of defined benefit obligations	350	506
Current service cost	4	8
Interest expense	14	10

	1 year increase	1 year increase
Mortality assumptions		
Present value of defined benefit obligations	434	400
Current service cost	6	6
Interest expense	13	12

Defined contribution plans

Defined contribution plans	2014	2013
Expenses for defined contribution plans	32	20

P13 Other provisions

	12/31 2014	12/31 2013
<i>Provisions expected to be paid after more than 12 months</i>		
Provision for social security contributions for LTVR	125	78
Other	14	12
Total non-current other provisions	139	90
<i>Provisions expected to be paid within 12 months</i>		
Restructuring reserve	–	11
Other	3	–
Total current provisions	3	11
BS Total other provisions	142	101

P13 cont'd Other provisions

Provision for social security contributions for long-term share-based remuneration (LTVR)

Investor operates LTVR programs which are offered to all employees. Provision is made for social security contributions connected to these programs. The provision will be used during the years 2015-2021.

Other

Provisions that have been considered immaterial to specify are included in other and intend to be settled with SEK 12 m. in 2016.

12/31 2014	Restructuring reserve	Social security LTVR	Other	Total other provisions
Opening balance	11	78	12	101
Provisions for the year	–	47	6	53
Reversals for the year	–11	–	–1	–12
Carrying amount at year-end	0	125	17	142

12/31 2013	Restructuring reserve	Social security LTVR	Other	Total other provisions
Opening balance	34	50	13	97
Provisions for the year	–	28	1	29
Reversals for the year	–23	–	–2	–25
Carrying amount at year-end	11	78	12	101

P14 Interest-bearing liabilities

	12/31 2014	12/31 2013
<i>Interest-bearing liabilities</i>		
Long-term interest-bearing liabilities	34,431	27,452
Related interest rate derivatives with negative value	162	89
BS Total	34,593	27,541

	12/31 2014	12/31 2013
<i>Carrying amounts</i>		
Maturity, 1-5 years from balance sheet date	8,214	6,346
Maturity, more than 5 years from balance sheet date	26,379	21,195
BS Total	34,593	27,541

P15 Accrued expenses and deferred income

	12/31 2014	12/31 2013
Interest	665	554
Other financial receivables	43	95
Other	73	15
BS Total	781	664

P16 Financial instruments

Accounting policies

For accounting policies see note 29, Financial instruments, page 73.

Financial assets and liabilities by valuation category

	Financial assets and liabilities measured at fair value through profit/loss		Derivatives used in hedge accounting	Loans and receivables	Other assets and liabilities	Total carrying amount	Fair value
12/31 2014	Fair value option	Held for trading					
<i>Financial assets</i>							
Other long-term holdings of securities	63,128					63,128	63,128
Participations in associates	137,892					137,892	137,892
Receivables from Group companies (non-current)			191	37,720		37,911	37,911
Accrued interest income				34		34	34
Trade receivables				1		1	1
Receivables from Group companies (current)				665		665	665
Receivables from associates				0		0	0
Other receivables				2		2	2
Total	201,020	–	191	38,422	–	239,633	239,633
<i>Financial liabilities</i>							
Loans (non-current)		162			34,431	34,593	42,010 ¹⁾
Liabilities to Group companies (non-current)			1,159			1,159	1,159
Trade payables					13	13	13
Liabilities to Group companies (current)					29,630	29,630	29,630
Liabilities to associates (current)					0	0	0
Accrued interest expenses					665	665	665
Other liabilities					9	9	9
Total	–	162	1,159	–	64,748	66,069	73,486
	Financial assets and liabilities measured at fair value through profit/loss		Derivatives used in hedge accounting	Loans and receivables	Other assets and liabilities	Total carrying amount	Fair value
12/31 2013	Fair value option	Held for trading					
<i>Financial assets</i>							
Other long-term holdings of securities	51,491					51,491	51,491
Participations in associates	113,123				1,602	114,725	114,725
Receivables from Group companies (non-current)				34,321		34,321	34,321
Accrued interest income				34		34	34
Trade receivables				2		2	2
Receivables from Group companies (current)				711		711	711
Receivables from associates				1		1	1
Other receivables				16		16	16
Total	164,614	–	–	35,085	1,602	201,301	201,301
<i>Financial liabilities</i>							
Loans (non-current)		89			27,452	27,541	30,736 ¹⁾
Liabilities to Group companies (non-current)			796			796	796
Trade payables					14	14	14
Liabilities to Group companies (current)					32,597	32,597	32,597
Liabilities to associates (current)					2	2	2
Accrued interest expenses					554	554	554
Other liabilities					15	15	15
Total	–	89	796	–	60,634	61,519	64,714

1) The Parent company's loans are valued at amortized cost, fair value on loans are presented in the table.
For other assets and liabilities there are no differences between carrying amount and fair value.

P16 cont'd Financial instruments

Result from financial assets and liabilities by valuation category

2014	Financial assets and liabilities measured at fair value through profit/loss		Derivatives used in hedge accounting	Loans and receivables	Other financial liabilities	Total
	Fair value option	Held for trading				
<i>Operating profit/loss</i>						
Dividends	6,033					6,033
Changes in value, including currency	32,568					32,568
<i>Net financial items</i>						
Interest	21	10	-39	1,812	-1,920	-116
Changes in value		-15	-172	446	-304	-45
Exchange rate differences		-57	0	1,902	-1,738	107
Total	38,622	-62	-211	4,160	-3,962	38,547

2013	Financial assets and liabilities measured at fair value through profit/loss		Derivatives used in hedge accounting	Loans and receivables	Other financial liabilities	Total
	Fair value option	Held for trading				
<i>Operating profit/loss</i>						
Dividends	5,271					5,271
Changes in value, including currency	30,453					30,453
<i>Net financial items</i>						
Interest		8	-39	2,247	-1,813	403
Changes in value		22	83	196	-389	-88
Exchange rate differences		-106	0	516	-14	396
Total	35,724	-76	44	2,959	-2,216	36,435

Assets and liabilities measured at fair value

The table below indicates how fair value is measured for the financial instruments recognized at fair value in the Balance Sheet. The financial instruments are categorized on three levels, depending on how the fair value is measured:

Level 1: According to quoted prices (unadjusted) in active markets for identical instruments

Level 2: According to directly or indirectly observable inputs that are not included in level 1

Level 3: According to inputs that are unobservable in the market

Financial assets and liabilities by level

12/31 2014	Level 1	Level 2	Level 3	Other ¹⁾	Total
<i>Financial assets</i>					
Participations associates	135,809	2,083			137,892
Receivables from Group companies (non-current)			191	37,720	37,911
Other long-term holdings of securities	61,462		1,666		63,128
Total	197,271	2,083	1,857	37,720	238,931
<i>Financial liabilities</i>					
Liabilities to Group companies (non-current)			1,159		1,159
Interest-bearing liabilities (non-current)		162		34,431	34,593
Total	–	162	1,159	34,431	35,752
12/31 2013	Level 1	Level 2	Level 3	Other ¹⁾	Total
<i>Financial assets</i>					
Participations associates	111,545	1,578		1,602	114,725
Other long-term holdings of securities	51,491				51,491
Total	163,036	1,578	–	1,602	166,216
<i>Financial liabilities</i>					
Liabilities to Group companies (non-current)			796		796
Interest-bearing liabilities (non-current)		89		27,452	27,541
Total	–	89	796	27,452	28,337

1) To enable reconciliation with balance sheet items, financial instruments not valued at fair value as well as other assets and liabilities that are included within balance sheet items have been included within Other.

P16 cont'd Financial instruments

The table below shows a reconciliation between opening and closing balance for the financial instruments recognized at fair value in the Balance Sheet derived from a valuation technique of unobservable input (level 3). No transfers have been made between level 1 and 2.

Changes of financial assets and liabilities in level 3

12/31 2014	Other long-term holdings of securities	Long-term receivables	Total financial assets	Long-term interest- bearing liabilities	Total financial liabilities
<i>Financial assets and liabilities</i>					
Opening balance				796	796
Total gains or losses in profit/loss	-1	191	190	363	363
Acquisitions	1,667		1,667		
Carrying amount at year-end	1,666	191	1,857	1,159	1,159
<i>Total gains or losses for the period included in profit/loss for assets and liabilities held at the end of the period (unrealized results)</i>					
Changes in value	-1	191	190	363	363
Total	-1	191	190	363	363
<i>12/31 2013</i>					
<i>Financial assets and liabilities</i>					
Opening balance				879	879
Total gains or losses in profit/loss				-83	-83
Carrying amount at year-end				796	796
<i>Total gains or losses for the period included in profit/loss for assets and liabilities held at the end of the period (unrealized results)</i>					
Changes in value				-83	-83
Total				-83	-83

P17 Pledged assets and contingent liabilities

	12/31 2014	12/31 2013
<i>Pledged assets</i>		
<i>In the form of pledged securities for liabilities and provisions</i>		
Shares	71	61
BS Total pledged assets	71	61
<i>Contingent liabilities</i>		
Guarantees on behalf of Group companies	-	6,000
Guarantees on behalf of associates	700	4,001
BS Total contingent liabilities	700	10,001

Contingent liabilities decreased with SEK 3.0 bn. due to refinancing of 3 Scandinavia. In connection, the intragroup guarantee between the parent company Investor AB and its subsidiary AB Investor Group Finance expired.

P18 Related party transactions

The Parent Company is related with its subsidiaries and associated companies see note P5, Participations in Group companies and note P6, Participations in associates.

In addition to the above stated information, guarantees on behalf on the associate 3 Scandinavia amounts to SEK 0.7 bn. (4.0). For more information about related party transaction see note 31, Related party transactions.

Related party transactions

	Group companies		Associates		Other related party ¹⁾	
	2014	2013	2014	2013	2014	2013
Sales of products/services	1	5	8	7	1	1
Purchase of products/services	9	9	6	10		
Financial expenses	464	558	18	19		
Financial income	1,922	2,359				
Dividends/redemptions			4,092	3,476		
Capital contributions	6,053	8,190	82	120		
Receivables	38,361	35,016	4	1		
Liabilities	40	45		9		

1) Wallenberg foundations

Auditor's Report

To the annual meeting of the shareholders of Investor AB (publ.)

CORP. ID 556013-8298

Report on the annual accounts and consolidated accounts

We have audited the annual accounts and consolidated accounts of Investor AB (publ) for the financial year ended December 31, 2014. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 4-5, 12-13 and 22-92.

Responsibilities of the Board of Directors and the President for the annual accounts and consolidated accounts

The Board of Directors and the President are responsible for the preparation and fair presentation of these annual accounts in accordance with the Annual Accounts Act and of the consolidated accounts in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act, and for such internal control as the Board of Directors and the President determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the President, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2014 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2014 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. A Corporate

Governance report has been prepared. The statutory administration report and the Corporate Governance report are consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the parent company and the group.

Report on other legal and regulatory requirements

In addition to our audit of the annual accounts and consolidated accounts, we have also examined the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the President of Investor AB (publ) for the financial year ended December 31, 2014.

Responsibilities of the Board of Directors and the President

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the President are responsible for administration under the Companies Act.

Auditor's responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

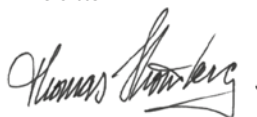
As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the President is liable to the company. We also examined whether any member of the Board of Directors or the President has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Opinions

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the President be discharged from liability for the financial year.

Stockholm, 27 March, 2015
Deloitte AB



Thomas Strömberg
Authorized Public Accountant

Ten-year summary

Investor Group

SEK m.	2005 ¹⁾	2006	2007	2008	2009	2010	2011	2012	2013	2014	Annual average growth 5/10 years, %
Net asset value¹⁾											
<i>Core Investments</i>											
Listed	115,419	135,274	127,293	73,272	106,231	134,314	118,016	141,456	175,174	218,396	
Subsidiaries	1,505	1,477	7,066	7,335	7,436	17,111	18,400	21,291	29,531	31,922	
<i>Financial Investments</i>	17,875	22,693	25,041	25,321	30,111	30,036	37,215	35,144	32,256	35,506	
<i>Other assets and liabilities</i>	-631	-540	-613	-432	-517	-603	-651	-428	1,560	-29	
Total assets	134,168	158,904	158,787	105,496	143,261	180,858	172,980	197,463	238,521	285,795	
Net debt (-)/Net cash (+)	-223	416	-3,583	9,737	-588	-11,472	-16,910	-22,765	-23,104	-24,832	
Net asset value	133,945	159,320	155,204	115,233	142,673	169,386	156,070	174,698	215,417	260,963	
Change in net asset value with dividend added back, %	47	21	0	-23	26	21	-6	15	27	24	16/14
Condensed Balance Sheet											
Shares and participations	133,521	157,481	153,781	97,628	134,728	160,210	148,991	164,431	202,859	246,891	
Other	28,612	23,459	23,450	43,031	35,496	60,557	64,616	65,214	64,291	76,596	
Balance Sheet total	162,133	180,940	177,231	140,659	170,224	220,767	213,607	229,645	267,150	323,487	
Profit and loss											
Profit/loss for the year attributable to											
Parent Company shareholders	43,842	28,468	-365	-36,708	31,379	30,631	-9,229	24,226	45,165	50,656	
Comprehensive income	-	-	-	-36,093 ²⁾	30,858 ²⁾	30,510	-9,553	23,857	46,161	52,657	
Dividends											
Dividends received	2,415	3,171	3,474	4,147	2,866	3,622	4,330	5,177	6,052	7,228	
of which from Core Investments Listed	2,163	2,852	3,161	3,803	2,358	3,203	3,998	4,782	5,441	6,227	21/15
Contribution to NAV¹⁾											
Contribution to NAV, Core Investments Listed	39,587	30,112	-4,376	-31,466	31,942	27,098	-17,889	23,312	38,433	41,311	
Total return, Listed Core Investments, %	45	26	-3	-25	44	26	-13	20	27	24	
Contribution to NAV, Core Investments Subsidiaries	-43	-31	-17	329	204	2,346	87	-194	668	2,386	
Contribution to NAV, Financial Investments, Partner-owned	-1,516	-2,063	-1,013	-375	-1,607	-304	5,475	57	4,109	4,221	
Contribution to NAV, IGC and EQT	6,053	583	5,907	-3,582	396	1,201	4,201	305	3,788	6,543	
Transactions¹⁾											
Investments, Listed Core Investments	1,157	3,125	5,571	2,150	3,825	1,693	5,104	2,762	719	8,233	
Divestments & redemptions, Listed Core Investments	10,570	10,530	6,015	20,902	450	-	1,057	-	-	101	
Investments, Core Investments Subsidiaries	-	-	5,702	166	17	7,198	1,019	3,386	7,558	1,121	
Divestments, Core Investments Subsidiaries	-	-	-	-	-	-	-	-	-	1,197	
Investments, Partner-owned financial investments	1,340	5,585	1,286	4,507	247	568	55	376	15	3,011	
Divestments, Partner-owned financial investments	4,202	11	-	-	5	16	-	80	7,646	8,712	
Investments, IGC and EQT	4,580	4,490	3,627	3,729	2,921	3,308	3,652 ³⁾	2,034 ³⁾	1,914	2,389	
Divestments, IGC and EQT	9,268	5,630	7,401	2,937	563	3,811	4,193 ³⁾	4,067 ³⁾	5,005	5,737	
Key figures per share											
Net asset value, SEK	175	208	203	150	187	223	205	230	283	343	
Basic earnings, SEK	57.15	37.13	-0.48	-47.98	41.12	40.24	-12.14	31.85	59.35	66.55	
Diluted earnings, SEK	57.02	37.03	-0.48	-47.98	41.08	40.20	-12.14	31.83	59.25	66.40	
Equity, SEK	175	208	203	150	187	224	206	230	284	343	
Key ratios											
Leverage, %	0	0	2	-9	0	6	10	12	10	9	
Equity/assets ratio, %	83	88	88	82	84	77	73	76	81	81	
Return on equity, %	39	19	0	-27	24	20	-6	15	23	21	
Discount to net asset value, %	21	20	28	24	29	37	39	27	23	17	
Management costs, % of net asset value	0.4	0.4	0.4	0.5	0.4	0.3	0.3	0.2	0.2	0.1	
Share data											
Total number of shares, million	767.2	767.2	767.2	767.2	767.2	767.2	767.2	767.2	767.2	767.2	
Holding of own shares, million	-	0.7	1.4	2.5	4.7	6.7	6.7	6.2	6.3	5.8	
Share price on December 31, SEK ⁴⁾	139.00	168.00	147.00	117.00	132.90	143.90	128.40	170.00	221.30	284.70	16/13
Market capitalization on December 31	106,326	127,950	111,244	88,066	100,992	107,907	96,028	128,048	166,451	215,705	
Dividend paid to Parent Company shareholders	2,685	3,449	3,637	3,059	3,050	3,802	4,603	5,331	6,089	6,905 ^{5,6)}	
Dividend per share, SEK	3.50	4.50	4.75	4.00	4.00	5.00	6.00	7.00	8.00	9.00 ⁵⁾	18/15
Dividend payout ratio, %	124	121	115	80	130	119	115	111	113	111 ⁵⁾	
Dividend yield, %	2.5	2.7	3.2	3.4	3.0	3.5	4.7	4.1	3.6	3.2	
Total annual turnover rate, Investor shares, % ⁴⁾	130	146	165	135	117	100	112	78	60	59	
Total return, Investor shares, % ⁴⁾	68	24	-10	-18	18	11	-8	38	35	33	21/17
SIXRX (return index), %	36	28	-3	-39	53	27	-14	16	28	16	14/12
OMXS30 index, %	29	20	-6	-39	44	21	-15	12	21	10	9/7
Foreign ownership, capital, %	20	28	28	31	29	31	33	33	34	34	

1) The present business area reporting was implemented in 2011. For the years 2005-2010 a reallocation of values has been made in order to, as far as possible, resemble the present business area reporting.

2) New statement from 2009, comparative from 2008 have been restated.

3) From July 1, 2011, invested includes a capital contribution from Investor to IGC of SEK 1,137 m. (2011) and SEK 750 m. (2012). Divested includes dividends from IGC to Investor of SEK 674 m. (2011) and SEK 607 m. (2012).

4) Pertains to class B shares.

5) Proposed dividend of SEK 9.00/share.

6) Based on the total number of registered shares.

Definitions

Basic earnings per share

Profit/loss for the year attributable to the Parent Company's shareholders in relation to the weighted average number of shares outstanding.

Diluted earnings per share

Profit/loss for the year attributable to the Parent Company's shareholders, plus interest expenses after tax related to convertible debenture loans, in relation to the weighted average number of shares outstanding after full conversion and adjusted for the effect of share-based payments.

Discount to net asset value

The difference between net asset value and market capitalization as a percentage of net asset value. If market capitalization is lower than net asset value, the share is traded at a discount. If market capitalization is higher, it is traded at a premium.

Dividend payout ratio

Dividends paid in relation to dividends received from Core Investments.

Dividend yield

Dividend per share in relation to share price on the Balance Sheet date.

EBITDA

Earnings before interest, taxes, depreciation and amortization.

Equity/assets ratio

Shareholders' equity and convertible debenture loans as a percentage of the balance sheet total.

Equity per share

Equity including convertible debenture loans in relation to the number of shares on the Balance Sheet date after full conversion.

Industrial holding company

A company that offers shareholders the possibility to spread their risks and get attractive returns through long-term ownership of a well-distributed holdings of securities. Its shares are typically owned by a large number of individuals.

Leverage

Net debt/Net cash as a percentage of total assets.

Market cost of capital

Risk-free interest rate plus the market's risk premium.

Multiple valuation

A method for determining the current value of a company by examining and comparing the financial ratios of relevant peer groups.

Net asset value

The market value of total assets less net debt (corresponds to equity).

Net debt/Net cash

Interest-bearing current and long-term liabilities, including pension liabilities, less cash and cash equivalents, short-term investments and interest-bearing current and long-term receivables.

Return on equity

Profit/loss for the year as a percentage of average shareholders' equity.

Risk-free interest rate

The interest earned on an investment in government bonds. In calculations, Investor has used SSVX 90 days.

Risk premium

The surplus yield above the risk-free interest rate that an investor requires to compensate for the higher risk in an investment in shares.

SIX's Return Index, SIXRX

A Swedish all shares total return index calculated on share price change and reinvested dividends.

Total assets

All assets and liabilities not included in net debt or net cash, which is the same as the Balance Sheet total less asset items included in net debt or net cash and less non-interest-bearing liabilities.

Total comprehensive income for the year

Change in equity during the period resulting from transactions and other events, other than those changes resulting from transactions with the owners in their capacity as owners.

Turnover rate

Number of shares traded during the year as a percentage of the total number of shares outstanding.

History

Investor has operated with the same business philosophy since the company was founded in 1916 – to invest in companies and actively contribute as a leading shareholder to their long-term success. Over the years, we have steadily evolved in step with boom times, depressions and recessions, with globalization trends and with constantly changing capital markets, all to capture new opportunities and create value. We have invested in new, exciting companies and industries, and left others along the way. Over the years, we have built expertise, a unique international network and a strong reputation, which together form our competitive edge as we enter the future with an eye for long-term ownership.

1900s

1916 Investor is established. The equity shareholdings of Stockholms Enskilda Bank are transferred to the industrial holding company Investor. Atlas Copco, SEB and Scania are part of the original portfolio.

1917-25 Investor is listed on the Stockholm Stock Exchange (1917). Shares are acquired in Astra and ASEA.

1937-46 Investor acquires shares in the newly founded military aircraft company Saab. Stockholms Enskilda Bank forms the industrial holding company Providentia. Jacob Wallenberg (1892-1980) is elected Chairman of Investor (1946).

1950-56 Investor acquires shares in Ericsson and Electrolux.

1971-72 Stockholms Enskilda Bank and Skandinaviska Banken merge to Skandinaviska Enskilda Banken (SEB). The industrial holding company Export-Invest is established in connection with the merger.

1978 Marcus Wallenberg (1899-1982) is elected Chairman of Investor and Claes Dahlbäck is appointed President and CEO.

1982 Peter Wallenberg is elected Chairman of Investor.

1984-91 Kema Nobel is sold and the following companies are merged: STORA/Billerud, STORA/Papyrus, STORA/ Swedish Match, ASEA/Brown Boveri, STORA/Feldmühle Nobel. The holding in Alfa Laval is divested to Tetra Pak. Saab-Scania and GM form the jointly owned company Saab Automobile, and OM Gruppen is formed.

1991-92 Investor and Providentia privatize Saab-Scania. Incentive is listed on the Stockholm Stock Exchange following its demerger from ASEA/ABB. Investor and Providentia merge (1992).

1994-95 Investor acquires Export-Invest and invests in WM-data. Investor forms EQT together with SEB and AEA. Saab-Scania is divided into two independent companies. The venture capital-arm Novare Kapital, later renamed Investor Growth Capital (IGC), is formed.

1996-99 Investor sells 55 percent of its holding in Scania and the company becomes listed. An option agreement is reached between Investor and GM to regulate the long-term ownership of Saab Automobile. Investor's holding in TV4 is sold. OM Gruppen and the Stockholm Stock Exchange merge as well as SEB and Trygg-Hansa. Percy Barnevik is elected Investor's Chairman (1997). Stora Enso is formed through a merger between STORA and Enso. British Aerospace becomes part owner of SAAB, which is then listed (1998). Investor reaches an agreement to sell its entire holding in Scania to Volvo, but the planned merger is rejected by the EU. Astra and Zeneca merge. Marcus Wallenberg is appointed President and CEO of Investor (1999).

2000s

2000-04 Investor sells shares in Scania to Volkswagen, which becomes the leading shareholder. 3 Scandinavia, co-owned with Hutchison Whampoa, is founded. Investor increases its ownership in ABB and Electrolux. In a transaction with the Wallenberg foundations, Investor exchanges its holdings in Stora Enso, SKF and SAS for the foundations' holdings in Ericsson and SEB. Investor sells its entire holding in Volvo, relinquishes its remaining interest in Saab Automobile and divests part of its holding in AstraZeneca. Claes Dahlbäck is elected Chairman of Investor (2002). Investor participates in Ericsson's and ABB's rights issues.

2005 Jacob Wallenberg is elected Chairman of Investor and Börje Ekholm is appointed President and CEO. Investor sells part of its holding in ABB, AstraZeneca, Scania and SEB, to restore strong financial flexibility. The Private Equity business area finalizes a number of successful transactions, such as the divestments of Bredbandsbolaget and Tessera.

2006-09 Investor and EQT take Gambro private. Husqvarna is spun out of Electrolux. WM-data is sold to LogicaCMG (U.K.). MAN makes a hostile bid for Scania that Investor, and later Volkswagen, rejects. Mölnlycke Health Care and Lindorff are acquired and positions are increased in a number of Core Investments. Gambro Healthcare is divested and Investor sells OMX to NASDAQ/Borse Dubai and the minority holding in Scania to Volkswagen. Investor invests in Biovitrum and supports the merger between Biovitrum and Swedish Orphan International. Investor participates in SEB's and Husqvarna's rights issues.

2010 Investor adds two subsidiaries through the acquisition of Aleris and by acquiring additional shares in Mölnlycke Health Care. Investor acquires additional shares in Saab from BAE Systems and makes add-ons in Atlas Copco, Electrolux and Husqvarna. Shares are acquired in NASDAQ OMX. Throughout 2009-2010, Investor makes investments totaling approximately SEK 23 bn.

2011 Investor updates its strategy, presenting a new business structure, strongly focused on Core Investments. In addition, Investor Growth Capital is launched as a stand-alone entity of Investor. A platform for healthy future cash flow generation is created and substantial cost savings are initiated. Investor further strengthens its position in ABB, Atlas Copco, Electrolux, Ericsson, Husqvarna and NASDAQ OMX. CaridianBCT is divested.

2012 Investor acquires shares in Wärtsilä, in consensus with the main owner Fiskars, which becomes a new core investment. Investor further strengthens its positions in ABB and NASDAQ OMX. The cost reduction program, initiated in 2011, continues and Investor reaches a more sustainable run rate of SEK 360-380 m. subject to inflationary adjustments. Investor and EQT enter into an agreement to divest Gambro.

2013 Investor acquires the medical technology company Permobil, which becomes a new wholly-owned subsidiary. Investor further strengthens its positions in ABB and Ericsson. Mölnlycke Health Care and Aleris are refinanced with all senior debt structures. Investor and EQT complete the divestiture of Gambro.

2014 Investor acquires additional shares in Wärtsila and becomes the largest shareholder. The majority in Lindorff is divested and Mölnlycke Health Care makes its first capital distribution to Investor, showing that the Investor cash flow generation model works. Investor further strengthens its position in ABB.

As a long-term owner, we actively support the building and development of best-in-class companies.