

CREATING VALUE



INVESTOR AB

ANNUAL REPORT

1995

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*Cover: An Astra pharmaceutical under study. Astra has grown to become an international leader through innovative research in a variety of scientific disciplines.
Photo: Pelle Stackman*

Creating Value

EVERY BUSINESS, regardless of where it is based, where it operates or what its industry, is driven by the market, i.e. its customers. Investor is no exception.

Investor's customers are its shareholders. These shareholders want a high long-term return on their investment with limited risk exposure. Over the past 25 years Investor's total annual return has exceeded 20 percent on average. Our shareholders also expect their company to act responsibly—toward them, our employees and society at large. And they want prompt, accurate information.

In Investor's case, its responsibility and the role it plays are even more prominent due to its history, reputation, its broad base of assets and the influence it commands at home and abroad.

Investor is a dominant owner of industrial companies that are based in Sweden and operate globally. Since 1916, its strategy has been one of long-term, active ownership, in accordance with the philosophy of the Wallenberg sphere of businesses and interests.

Investor's board of directors is made up of some of Europe's most knowledgeable and distinguished business executives. More than just an impressive roster of names, these individuals take an active part in guiding Investor and the companies of the sphere. They set demands and formulate objectives. Their expertise in industry and finance and their contacts are tapped to enhance the performance of the companies and help them realize their earnings potential.

Among leading institutional investors in the world, two current trends stand out: an increasing internationalization of investments and a major improvement in

analytical resources and expertise. With this in mind, Investor has expanded its organization so it can effectively help its global companies and closely follow the competitive and market conditions in which they operate. All four investment offices are now playing a more active role, with Stockholm, London and New York each covering specific industries, and Hong Kong maintaining geographic responsibility for Asia.

In 1995 Saab-Scania was separated into two independent companies. Scania AB, which will now become a listed company, specializes in the manufacture of technologically advanced trucks and buses. Saab AB is a maker of military and commercial aircraft as well as defense and industrial electronics. Investor also has a 50 percent interest in Saab Automobile.

Astra, one of the world's fastest growing pharmaceutical companies, is among Investor's main holdings, as are STORA, a forest products company also ranking among the world leaders, and Incentive, an industrial group with holdings in medical equipment maker Gambro and electrical engineering giant ABB. Investor's main holdings also extend to the industrial company Atlas Copco, global telecommunication leader Ericsson, roller bearing manufacturer SKF and Electrolux, one of the world's top names in household appliances. OM Gruppen, TV4, S-E-Banken, SILA, Orrefors Kosta Boda and WM-data round out the main holdings.

Today Investor is one of the largest publicly traded companies in Sweden. Its share is traded on the stock exchanges in Stockholm and London.



ASTRA

INCENTIVE

ASEA ABB

STORA

ERICSSON

Atlas Copco

SKF



Skandinaviska Enskilda Banken



WM-data

Electrolux

**ORREFORS
KOSTA BODA**



PETER WALLENBERG, *Chairman*

To the Shareholders,

WHEN 1995 began, prospects for the global economy were rather good. Developments, however, were not as positive as we had anticipated. Beginning in the spring there was concern in financial circles. Tragically, hostilities and political instability continued in various parts of the world. As a whole, the trend was one of financial turbulence, causing interest rates to rise.

During the second half of the year the situation stabilized somewhat, but at the same time real economic growth slowed. A number of foreign economies showed signs of a slowdown. Consumer confidence in Sweden also began to stagnate. At year-end it appeared we were on the way to a weakening across the entire European continent.

The Swedish krona rose in value during the second part of 1995. If higher exchange rates continue, our export industry will face a more difficult situation in 1996. One bright spot is that weak economic growth forced central banks to lower interest rates, which should help to ensure that the economic slowdown we expect ahead will not be too lengthy.

For your company, 1995 meant significant changes. Operations are gradually becoming more internationally focused. With offices staffed by qualified analysts in Hong Kong, London, New York and Stockholm, Investor can now more effectively follow developments in the world markets. This gives us a better opportunity to enhance our ability as a long-term investor in an international perspective and to identify the growth companies of tomorrow.

Being present in the most important foreign markets is a big advantage in terms of evaluating the increasingly international operations of Sweden's export companies. Our organization and the way our employees work have to be adapted continuously so that Investor can be an effective owner for these globally active groups. Extensive understanding of their competitive and market conditions is necessary to set demands and objectives and thereby play an active ownership role.

Knowledge and experience have always been core concepts at Investor. Through active ownership and consistently strong involvement in a number of major, Swedish-based international corporations, Investor has gained a unique competence. On the boards, accomplished industrial leaders share experiences. Managers are trained to handle greater responsibility and duties. Ensuring that these companies are managed and develop as effectively as possible continues to be one of our most important tasks as an active, responsible owner.

Investor today is a very strong company with good future prospects. The introduction of Scania on the stock market will provide an excellent foundation for continued expansion and thereby further improve Investor's opportunities as an internationally active industrial holding company. Identifying companies in future-oriented industries and investing in them will serve as an important complement to the current holdings.

There is good reason to be pleased with the results presented by Investor in 1995. The main objective of the company continues to be to provide the shareholders with long-term appreciation in value. If we look at the trend over the past 25 years, the Investor share has risen by more than 16 percent a year on average, which is two percent more than the Stockholm Stock Exchange as a whole. If we then add the dividends that have been paid over that period, Investor has generated a total annual return of more than 20 percent. These figures, my fellow shareholders, speak for themselves.

Without the exceptional involvement and outstanding efforts of the employees, your company would not have been able to report such impressive figures. As a representative of the shareholders, I would therefore like to express my heartfelt thanks to them.

Stockholm, February 1996



PETER WALLENBERG
Chairman

VOTING RIGHTS

as of February 15, 1996

Engineering

Scania 100%

Saab 100%

Saab
Automobile 50%

Electrolux 45%

Incentive
including ASEA/ABB 36%

SKF 30%

Atlas Copco 20%

Pharmaceuticals

Astra 12%

Telecommunications

Ericsson 22%

Banking and Finance

OM Gruppen 20%

S-E-Banken 2%

Forest Products

STORA 20%

Other Investments

TV4 24%

Orrefors 20%

SILA 20%

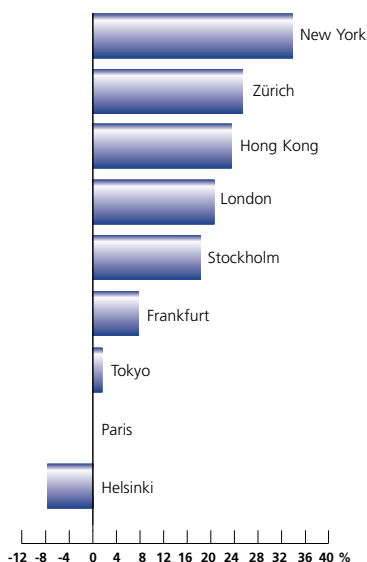
WM-data 5%

A STRONG YEAR FOR INVESTOR



CLAES DAHLBÄCK, *President*

The world's stock exchanges 1995
appreciation, %



Source: Bloomberg

IN 1995 we once again saw how dependent the financial markets are on one another and how much turbulence can arise as a result of individual events. Questionable speculation on the part of a single derivatives trader in Singapore shook the entire global financial structure and led to the collapse of one of the world's oldest and most respected investment banks, Barings.

In the U.S., the stock market continued its five-year rise, setting all-time highs time and again over the course of the year. The Swedish stock market also performed well in an international comparison, as indicated in the adjacent diagram, due to strong corporate profits and lower interest rates.

For Investor, 1995 was a good year in terms of both income and the appreciation in the value of our share portfolio. The portfolio rose by 20 percent, slightly more than the Affärsvärlden General Index, thanks in large part to our holdings in two of the market's leaders, Astra and Ericsson.

The strong increase in income at Scania AB, which is wholly owned by Investor, was naturally very important to our own income trend. The aircraft operations of Saab AB improved over past performances, but the commercial aircraft business is still producing unsatisfactory results. The operations of Saab Automobile AB, in which we own 50 percent, did not develop well enough, either.

During the past year we instituted a number of organizational changes to adapt to an increasingly global capital market, which we also see reflected in substantially higher foreign ownership on the Stockholm Stock Exchange. More and more Swedish stocks are being priced in the international market, where professionalism, particularly in analysis work, is continually improving.

The fact that we are now in four locations in the world with stronger resources is a natural development and a necessity for us to be competitive in the future. We can now divide responsibility for monitoring various industries between our offices to increase specialization and gain a broader perspective. This is important for following our traditional corporate holdings and for finding new investment opportunities.

In Hong Kong, Investor's operations are managed by Claes von Post, who, together with his staff, is following the exciting, expansive markets of Asia. Telecommunications, information technology, aviation, the service sector and the media are followed from London, under the management of Thomas Nilsson. Pharmaceuticals, medical technology, banking and insurance are followed from New York, where Sven Nyman is in charge. The Stockholm office under Ulla Litzén monitors the forest products, engineering and automotive industries, as well as consumer goods.

The investments added through Investor's new geographically and sector-oriented investment organization will serve as a complement to the main holdings we currently have. The period we hold these new investments will depend on how the companies and their industries develop over time. The aim is to build up this partially new portfolio gradually, over a long period, so that the companies can be monitored and evaluated effectively.

We have already seen that the new organization works well in the short time it has been in place. Besides improving the opportunities we have to follow the international customer markets of the companies that have traditionally been

FINANCIAL HIGHLIGHTS (SEK m.)

	1993 12/31	1994 12/31	1995 12/31	1996 2/14
Net worth ¹⁾				
Total	37,493	43,493	51,225	54,662
SEK per share after full conversion	206	218	257	274
Income				
Operating income after depreciation	2,451	4,060	5,615	
Income after financial items	410	2,972	4,660	
Net income	474	2,812	3,008	
Liquidity, equity/assets ratio and net debt				
Current and long-term loan liabilities	16,450	13,188	15,226	
Cash and short-term investments	8,292	6,064	5,863	
Net debt ²⁾	4,850	3,589	5,343	
Equity/assets ratio	55%	58%	59%	
Ordinary dividend				
Per share, SEK	5.25	8.00	9.00 ³⁾	
Yield	3.3%	4.3%	4.1%	

1) Scania, Saab and Saab Automobile are reported at book value plus subordinated loans at year-end. Because of the de-merger of Saab-Scania on May 16, 1995, yield value – i.e. EBIT value – is no longer reported.

2) Adjusted for finance company loan liabilities.

3) Proposed ordinary dividend. Does not take into account the proposed special dividend.

our main holdings, we have also been able to invest in new industries and companies. Even in terms of investing in Swedish and Scandinavian companies, it is often an advantage in the international world in which we live to be able to follow industry developments from the places in the world where the most analyses are done. Examples of new investments we have made are WM-data of Sweden, TT Tieto of Finland, Neuromedical of the U.S., and PT Telkom of Indonesia. Computers and telecommunications as well as pharmaceuticals and medical technology are very attractive future industries for Investor.

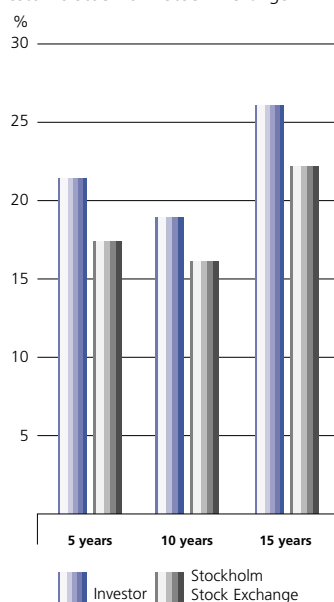
Investor's organization also includes an efficient corporate finance and treasury unit. Its function is to support the investment operations by creating financial solutions for acquisitions, divestments and financial restructurings.

In addition to long- and medium-term investments, Investor has an active trading business in stocks, options, currencies and interest-bearing instruments. Currency and interest trading is handled from the office in Stockholm, while short-term trading in stocks and derivatives is also done in London, New York and Hong Kong in support of the investment operations. Operations, which are managed under tight risk controls and with very strict limits, have maintained good profitability.

Perhaps the most successful investment we have made in recent years was the acquisition of Saab-Scania, which was made possible thanks to the shareholders, who provided Investor with capital in the form of a convertible debenture loan. For that reason, the Board of Directors feels the shareholders

Total annual return

Investor vs Stockholm Stock Exchange



Source: Findata

now certainly should be given the opportunity to benefit from the initial public offering of Scania.

That Investor for many years has maintained an efficient, successful business is best evident, I feel, in the diagram showing the total annual return the shareholders have received. By total annual return I mean the sum of the appreciation in value of the Investor share and the dividend paid, which for 1995 was 22.7 percent. Even if we look back as far as 25 years, the average total annual return to shareholders has exceeded 20 percent. I expect there are few investments that compare if you also consider the security Investor offers because of the scope of our holdings, our active ownership and our continuous analysis.

By expanding information activities we now hope to also attract new shareholder groups and get them interested in Investor. One of the channels we are using is the Internet global computer network, on which we are providing background facts and an avenue for dialogue as well as the opportunity to access continually updated news about Investor and the companies in which we have our main holdings.

One issue that has been discussed a great deal of late is corporate governance, specifically how the influence of a company's shareholders can be increased and the distribution of responsibilities between the board of directors and management. The need for nominating committees, appointed by their board, has also been discussed. Such committees prepare elections of board members and compensation policies.

We at Investor do not feel that nominating committees are an appropriate way to handle these issues other than in exceptional cases.

Investor has instead taken the initiative in instituting a nomination process that ties in with the recommendations of the Swedish Industry and Commerce Stock Exchange Committee. In practical terms, it works as follows: A representative of the main shareholder calls together the other major shareholders of the company well in advance of the annual meeting to discuss and prepare the proposals that will be presented at the meeting as to the make-up of the board and the compensation its members receive.

As Investor's representative for the companies in which we are the largest shareholder, I invited in 5-6 of the other largest shareholders for a series of discussions in the autumn of 1995 during which these issues were prepared. In my opinion, this process proved expedient, practical and unbureaucratic – a feeling I know is shared by a number of institutional investors.

I would like to return to Investor's development. As this is being written, there are reasons for being optimistic for the year ahead. We have decided to seek an initial public offering and divestment of Scania, a decision that will naturally affect not only the upcoming year, but Investor's development further into the future. The divestment will largely eliminate our net borrowings. Moreover, liquidity will increase, thereby freeing up resources for future investments in new industries and companies.

We intend to retain a major interest in Scania AB, and there is good reason to believe the company will continue to develop positively. Its new model range, which was introduced at the end of 1995, has been very well received.

Good profits are also expected from most of the other companies in which we have large shareholdings, which, together with declining interest rates, should lead to stable share prices.

With our new organization and stronger financial position, I expect we will be able to make other attractive investments to complement our main holdings. On the whole, it is therefore my hope that 1996 will be another good year for Investor.

Stockholm, February 1996



CLAES DAHLBÄCK
President

HIGHLIGHTS 1995

FEBRUARY

Investor sells its 25-percent interest in Rikskuponger to Accor of France.

MAY

Saab-Scania is formally divided into two separate companies, Scania AB and Saab AB.

Together with Skandinaviska Enskilda Banken, Investor establishes Novare Kapital, a venture capital firm which focuses on minority investments in small Swedish companies with the potential to grow at home and abroad.

JUNE

AB Export-Invest is merged with the Parent Company, Investor AB.

A total of 3,968,800 shares of SILA are purchased for SEK 349 m.

JULY

Scandinavian EQT Partners, a SEK 2.5 billion private equity fund launched by Investor, Skandinaviska Enskilda Banken and AEA Investors Inc. at the end of 1994, announces its first investment, Brukens Nordic AB, a Swedish heat treatment company, for approximately SEK 500 m.

OCTOBER

Investor launches a new shareholder information and interactive media program on the Internet called Investor Dialogen.

NOVEMBER

The U.S. Securities and Exchange Commission (SEC) rules that Investor will be considered a diversified industrial holding company, which permits Investor to actively market the company and its securities to a wider audience of potential American investors.

DECEMBER

An additional 400,000 Class B shares of WM-data are acquired from the company's chairman, Hans Mellström, making Investor's total purchases during the year 1,184,600 shares. WM-data is added to Investor's main holdings. From year-end 1995 through March 1996 827,500 shares are acquired.

From October 7,177,500 shares of Ericsson are acquired for SEK 880 m. by means of subscriptions and purchases.

FEBRUARY 1996

Investor announces plans for an initial public offering of Scania AB on the Stockholm and New York Stock Exchanges.

INVESTOR – A BRIEF HISTORY

DURING the period 1916–1972 Investor was part of a group of financial and holding companies related to Stockholms Enskilda Bank.

The industrial companies in the Wallenberg sphere maintained ties to the bank via Investor. They placed their surplus liquidity in deposit accounts and had the bank work up funding solutions for new projects. The bank's experts also provided contacts in and outside the country that benefited the companies.

At year-end 1971 Stockholms Enskilda Bank merged with Skandinaviska Banken. It was not until Marcus Wallenberg passed away in 1982, however, that the relationship between the bank and its affiliated investment companies changed dramatically.

From having been an integrated part of the Wallenberg banking organization, Investor developed into a company with independent operations. At the board level, Investor became the center of a well developed network for communication and exchanges of ideas and experiences nationally and internationally.

When his father died, Peter Wallenberg succeeded him as president. Under his leadership, Investor during the 1980s was distinguished to a great extent by its involvement in a long line of major deals that restructured the sphere, not to mention entire industries in Sweden. At the same time, Investor's portfolio of main holdings was concentrated to a limited number of companies in which it plays an active ownership role through its work on their boards.

In the 1990s Investor is broadening the scope of its operations through international investments via offices in Hong Kong, London and New York.

1856

Stockholms Enskilda Bank is founded by André Oscar Wallenberg. The bank plays a part in the industrialization of Sweden by providing capital to entrepreneurs and innovative companies—often at its own risk.

1856–1916

Through investments and as collateral for its loans, the bank becomes a major shareholder in a number of industrial companies.

1916

Investor is established when a law is adopted making it more difficult for banks to own stocks. Stockholm Enskilda Bank's shareholdings are transferred to Investor. Several of the companies still in the portfolio have been there since the start: STORA, Atlas Copco, SKF and Scania.

1946

The investment company Providentia is formed by Stockholms Enskilda Bank.

Jacob Wallenberg is named chairman of Investor.

1971–1972

Stockholms Enskilda Bank and Skandinaviska Banken merge.

In connection with this, the investment company Export Invest is established.

1978

Marcus Wallenberg is appointed chairman of Investor.

1982

Peter Wallenberg becomes chairman of Investor.

1984–1991

Major structural changes are made within the Wallenberg sphere, including the sale of KemaNobel and the following mergers: STORA/Billerud, STORA/Papyrus, STORA/Swedish Match, ASEA/Brown Boveri, Saab-Scania/GM, ASEA/Incentive, STORA/Feldmühle Nobel, Tetra Pak/Alfa Laval.

1991

Investor and Providentia make an offer for the outstanding shares of Saab-Scania.

1992

Investor and Providentia merge.

1994

Investor acquires Export-Invest.

1995

The board of Saab-Scania decides to divide the Saab-Scania group into two independent companies, Scania AB and Saab AB.

1996

In February the Board of Investor AB makes a decision to seek an initial public offering of Scania AB on the Stockholm and New York Stock Exchanges.

THE INVESTOR SHARE

THE INVESTOR SHARE has been traded on the Stockholm Stock Exchange since the company was established in 1916 and on SEAQ International in London since 1992.

CONVERTIBLE DEBENTURE LOAN

A convertible debenture loan was issued to partially finance the acquisition of Saab-Scania in 1991. The loan was subsequently increased in connection with the acquisition of Förvaltnings AB Providentia.

The total nominal value of the loan at year-end 1995 was SEK 6,847 m., of which SEK 5,494 m. in nominal value was listed on the Stockholm Stock Exchange. If fully converted, the loan would add a total of 44.5 million Class B shares.

The loan carries an annual interest rate of 8 percent. Conversion may be made to new B shares through May 2001. The loan falls due for repayment on June 21, 2001. At year-end 1995 it was quoted at 143.25 percent of nominal value.

The conversion price is currently SEK 154. On the condition that Scania's initial public offering is implemented as planned and that the shareholders decide in favor of the special dividend of covered warrants and a nonrecurring cash payment, the conditions of the convertible debenture loans will be modified. The period during which conversion will entitle participants to share in the ordinary dividend, the covered warrants and the special cash dividend will be extended to May 24, 1996.

The conversion price will also be recalculated to account for the offer to the shareholders. Detailed information can be found in the prospectus distributed to convertible holders.

SECURED EXCHANGEABLE BONDS

In 1992 SEK 1,353 m. in nominal value of Investor's convertible debenture loan was converted to ECU 183 m. This portion is held by Investor International Placements Ltd, which in turn has issued so-called secured exchangeable bonds with a nominal value of ECU 200 m. and an interest rate of 7.25 percent.

The secured exchangeable bonds may be exchanged for the B shares in Investor that Investor International Placement Ltd. would receive if it converts its debentures.

The bonds are listed on the Luxembourg Stock Exchange and are traded on the OTC in London. Prices are set by Morgan Stanley and are quoted on Reuters. At year-end 1995 they were traded at 112.75 percent of their nominal value.

The changes proposed in the convertible debentures will also benefit in a corresponding manner the holders of "Investor International Placement Ltd's ECU 200,000,000 7 1/4% secured exchangeable bonds".

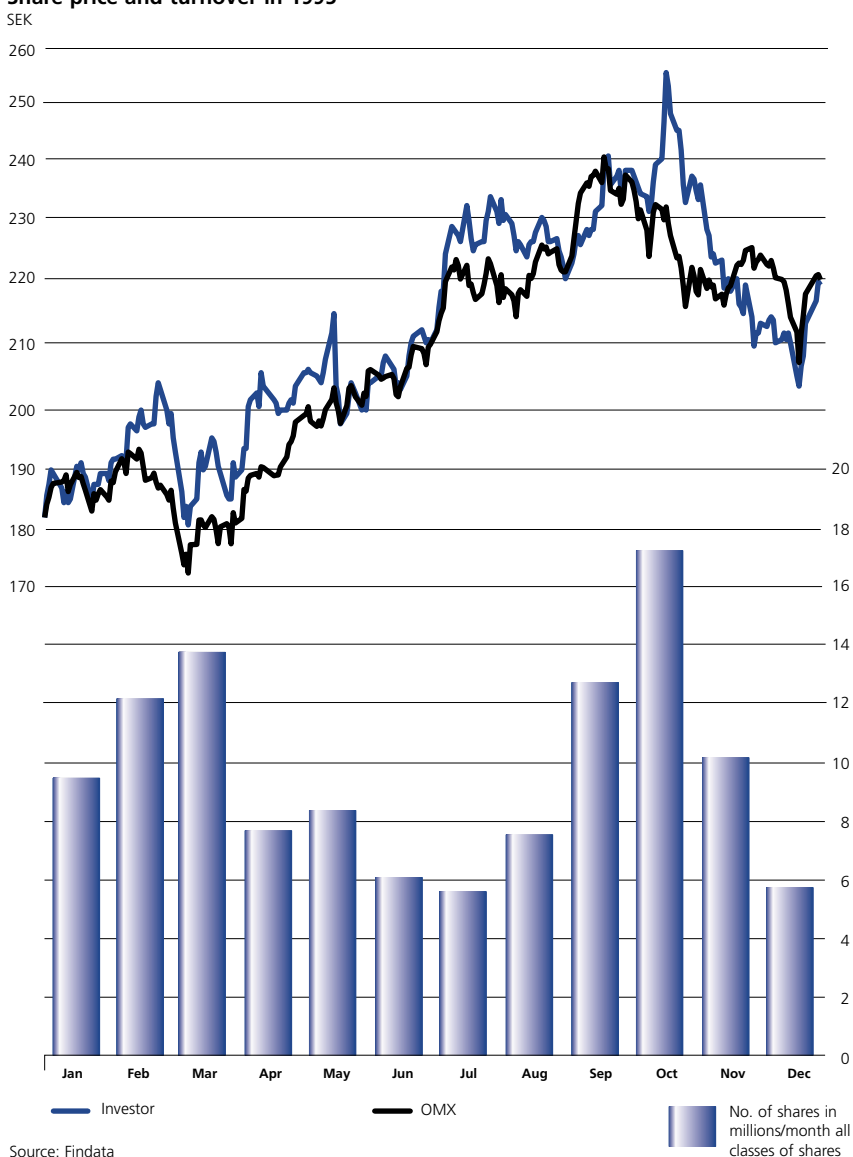
OM OPTION

Interest in the Investor option listed on Stockholm's OM options market remains high. In 1995 an average of 2,040 options contracts were traded a day, corresponding to a daily volume of 203,956 shares, an increase of nearly 34 percent from the previous year.

SHARE PRICE TREND AND TURNOVER

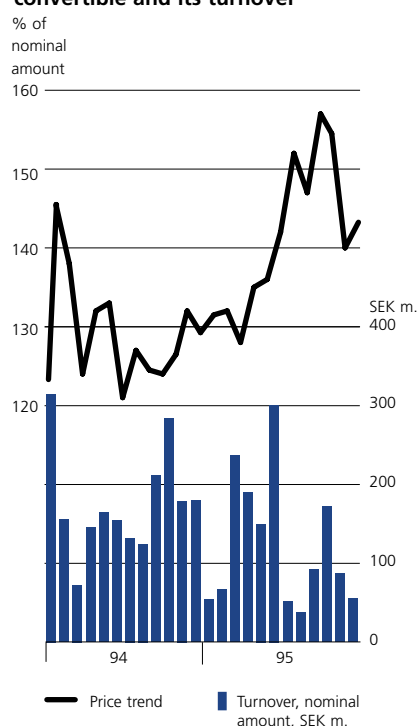
At year-end 1995 Investor's market capitalization amounted to SEK 33.9 billion. Including the convertible debenture loan, it was SEK 40.8 billion. This makes the company the fifth largest on the Stockholm Stock Exchange, after Astra, Ericsson, Volvo and ASEA. Investor's share of the Stockholm Stock Exchange's total market capitalization corresponded to 3 percent. This compares, for example, with Astra's 14 percent and Ericsson's 11 percent.

Share price and turnover in 1995



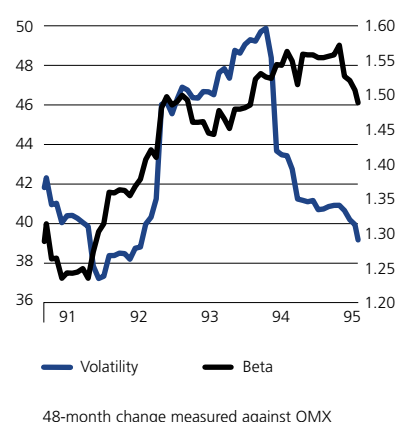
The price of Investor's most heavily traded share, its Class B share, rose from SEK 185 to SEK 219 in 1995, a gain of 18 percent. This corresponded to the trend of the Affärsvärlden General Index and of Stockholm's 16 most actively traded stocks. During the same period the OMX rose by 19 percent. The

Trend in the price of the convertible and its turnover



Source: Findata

Beta and volatility



Source: Findata

price of Investor's Class A share rose from SEK 184 to SEK 219 in 1995.

Total turnover on the Stockholm Stock Exchange continued to rise in 1995, setting a record of nearly SEK 665 billion. Trading was again influenced by a high level of activity among foreign investors, who at year-end accounted for 35 percent of turnover on the Stockholm Stock Exchange.

In 1995 the value of net exports of Swedish shares was approximately SEK 26 billion (adjusted for the merger of Pharmacia and Upjohn). This is half the previous year's amount, with the lowest volume during the first calendar months of the year. The value of net exports of Investor shares in 1995 was SEK 1.5 billion.

Rate of turnover thousands	Stockholm	Total Stockholm	London	Total London
Jan–March				
Series A	6,346.6		2,614.8	
Series B	29,107.3	35,453.9	10,272.1	12,886.9
April–June				
Series A	3,019.5		954.1	
Series B	19,082.5	22,102.0	6,207.1	7,161.3
July–Sept				
Series A	3,465.2		704.8	
Series B	21,979.1	25,444.3	11,757.1	12,461.9
Oct–Dec				
Series A	4,583.5		114.4	
Series B	28,673.0	33,256.4	17,800.2	17,914.6
Total		116,256.7		50,424.8

The rate of turnover on the Stockholm Stock Exchange as a whole decreased from 69 to 61 percent. At the same time, the rate of turnover in both of Investor's classes of shares was 75 percent, making the company the sixth most heavily traded on the market. On SEAQ International, Investor's turnover was 32 percent. The corresponding figures for 1994 were 91 percent in Stockholm and 36 percent in London.

Trading in the B share dominated, with a turnover of 128 percent, compared with 22 percent for the A share. The corresponding figures on SEAQ in London were 60 and 6 percent.

Turnover in Stockholm and London in both classes of Investor shares in 1995 together represented 107 percent of the total number of shares outstanding.

Investor's convertible debenture was quoted at a low of 122.50 percent of its nominal amount in March 1995. In October it reached its high for the year, 168 percent, corresponding to a yield of 5.6 percent. Approximately 27 percent of the loan, or approximately SEK 1.5 billion in nominal value, was traded on the Stockholm Stock Exchange in 1995.

BETA AND VOLATILITY

Beta is a covariance of a share relative to an index, for example, the OMX. If a share has a beta greater than one, it indicates that it is more sensitive to market swings than other shares, and if it has a beta less than one, it indicates that it is less sensitive.

At year-end 1995 Investor's beta was 1.5 for its A and B shares. The weighted beta for Investor's main holdings was 0.9. Since Astra accounts for approximately 40 percent of the portfolio's value, the company weighs heavily in a weighted beta. The weighted average for the portfolio is reduced by the fact that pharmaceutical shares are relatively unaffected by changes in the business cycle and therefore often have a low beta.*

The relatively high beta of the Investor share compared with the portfolio can be attributed in part to Investor's borrowings and in part to wholly owned Scania, which is more cyclical than the portfolio of listed holdings as a whole.

Volatility is a measure of the fluctuations in the Investor share over a specific period. Volatility is measured as a percentage with the help of the standard deviation of the share's changing price.

* Astra has a beta of 0.8.

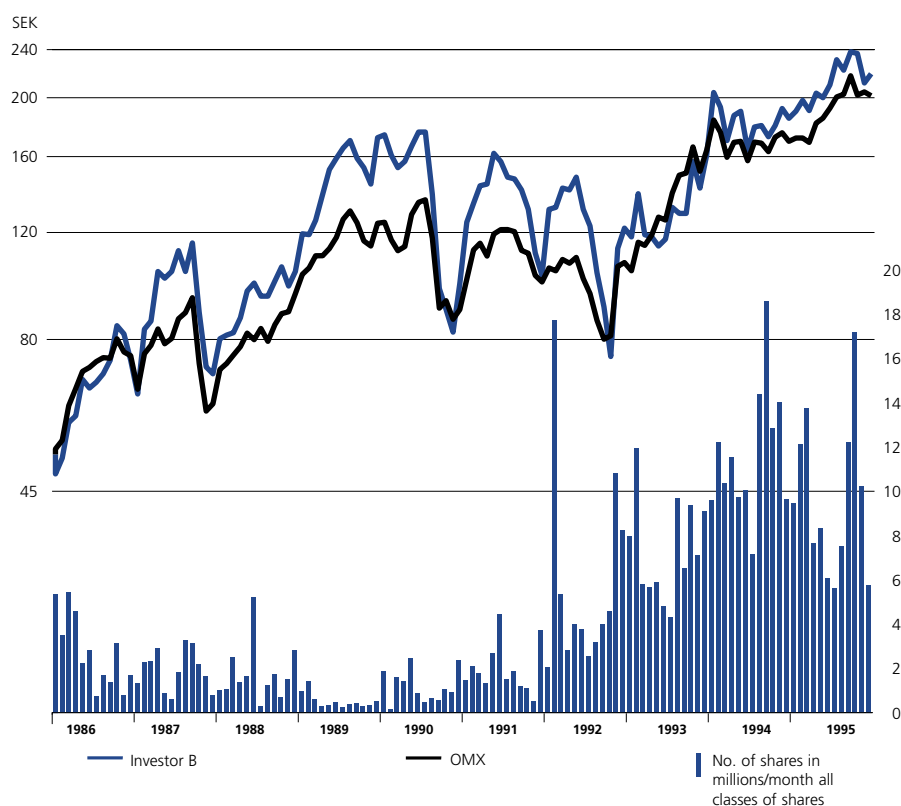
SHARE PRICE TREND AND TURNOVER OVER TEN YEARS

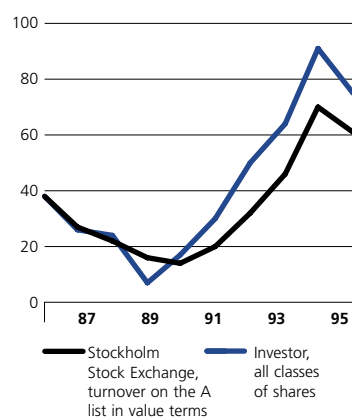
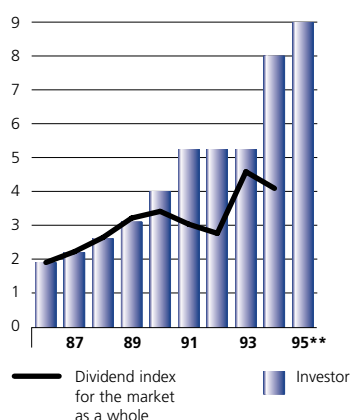
Over the past ten years, the price of Investor's B share has risen by an average of 15.5 percent a year. During the same period, the OMX has risen by an average of 14.6 percent a year.

Trading on the Stockholm Stock Exchange has risen overall in recent years thanks to the growing interest of foreign investors, as well as an increased number of new issues and initial public offerings.

Over the past ten years, the rate of turnover of Investor shares has risen from 38 percent in 1986 to 75 percent in 1995. Turnover has risen most notably

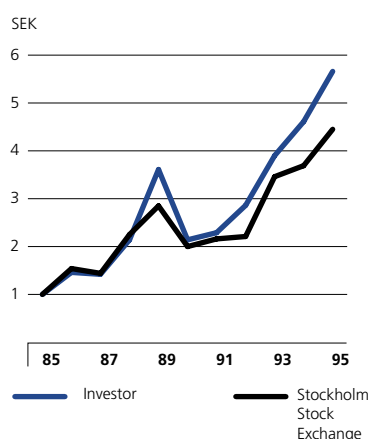
Share price and turnover



Turnover over a ten-year period, %**Dividend paid per share***
SEK/share

* Adjusted for new share issues
** Proposed ordinary dividend for 1995

Source: Findata

Total annual return

SEK 1.00 invested in Investor in 1985 has grown in 10 years to SEK 5.66, compared with an average of SEK 4.46 for the Stockholm Stock Exchange as a whole.

Source: Findata

in recent years, when Investor has been among the ten most actively traded companies on the Stockholm Stock Exchange.

Of particular note is the increase in trading in the B share, which has been affected positively by the increase in the number of B shares from 12 percent before the acquisition of Saab-Scania, Providentia and Export-Invest to 50 percent today. After full conversion of outstanding convertible debentures, the figure climbs to 61 percent.

DIVIDEND

On the condition that Scania's initial public offering is implemented as planned, Investor's Board of Directors will propose to the Annual Meeting on May 14, 1996 that, in addition to an ordinary dividend of SEK 9.00 per share, it also approve a dividend of one covered warrant in Scania per Investor share and a special cash dividend of SEK 20.00 per Investor share. Over the past ten years the growth in the dividend was averaged approximately 18 percent a year.

Investor's dividend policy is to distribute a large share of the dividends it receives from its main holdings as well as a fair share of the earnings of its remaining wholly owned subsidiaries. Furthermore, the dividend should grow steadily over time.

TOTAL ANNUAL RETURN

Total annual return takes into account the appreciation in the value of a share and its dividend, assuming it is reinvested at the end of the year. Over the past ten years Investor's average total annual return has been 18.9 percent, compared with 16.1 percent for the Stockholm Stock Exchange.

This means that one krona invested in Investor at year-end 1985 had grown to SEK 5.66 at year-end 1995. For the stock market as a whole, one krona grew to SEK 4.46 during the same period.

SHARE AND CONVERTIBLE DEBENTURE STRUCTURE

At year-end 1995 Investor's capital stock amounted to SEK 3,875 m., divided among 155 million shares with a par value of SEK 25 each.

Share and convertible debenture structure

Class of share	No. of shares	No. of shares	% of capital	% of voting rights
Before conversion				
A (1 vote)	77,922,711	77,922,711	50.3	91.0
B (1/10 vote)	77,058,129	7,705,813	49.7	9.0
Total	154,980,840	85,628,524	100.0	100.0
Convertible debenture loan*				
B (1/10 vote)	44,463,524	4,446,352		
After full conversion				
A (1 vote)	77,922,711	77,922,711	39.1	86.5
B (1/10 vote)	121,521,653	12,152,165	60.9	13.5
Total	199,444,364	90,074,876	100.0	100.0

* The nominal value of the loan is SEK 6,847 m. and they carry an 8.00 percent interest until June 21, 2001. The conversion price is SEK 154 (see special prospectus).

The nominal value of Investor's convertible debenture loan at year-end 1995 was SEK 6,847 m. If fully converted, the number of shares increases to approximately 199 million. The number of B shares increases from 77 million to more than 121 million, or from 50 percent to 61 percent of the capital stock.

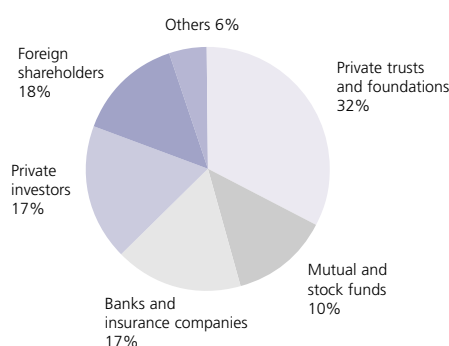
During the year the number of shareholders increased by 15 percent to 56,650 at year-end. Investor's ownership structure is concentrated, with the 15 largest shareholders accounting for 57 percent of the capital and 72 percent of the voting rights. At the same time, 76 percent of the shareholders own only slightly more than 4 percent of the shares.

Shareholder statistics according to VPC, December 31, 1995*

Size of holding		Number of shareholders	Total number of shares as % of capital stock
1-	500	43,129	4.6
501-	5,000	12,228	11.4
5,001-	10,000	621	2.9
10,001-	20,000	290	2.7
20,001-	50,000	184	3.8
50,001-	100,000	82	3.9
100,001-	500,000	81	12.6
500,001-	1,000,000	13	6.1
1,000,001-	2,000,000	11	10.1
2,000,001-		10	41.9
		56,650	100.0

*Holdings registered directly and in the name of nominees.

Distribution of Investor's shareholders % of capital



This concentration reflects the overall pattern that has gradually developed on the Stockholm Stock Exchange, with a growing number of institutional investors. In Investor institutional investors (numbering approximately 5,300) own 83 percent of the shares. Many of them represent individuals, however, who invest in stocks through mutual funds, for example.

The largest single shareholder is the Knut and Alice Wallenberg Foundation, a private trust, with 37.1 percent of the voting rights and 20.5 percent of the capital stock. The three Wallenberg foundations that are among Investor's largest shareholders together represent approximately 40 percent of the voting rights and 23 percent of the capital.

In March 1995 Mutual Series Fund Inc. became one of the largest foreign shareholders. The fund has since successively increased its holding, with its largest increase in October. It is now the third largest shareholder in terms of voting rights and the second in terms of capital.

Foreign ownership as a result continued to rise in 1995 and at year-end accounted for 18 percent of the capital and 10 percent of the voting rights. For the Stockholm Stock Exchange as a whole, approximately 31 percent of the shares were owned by foreign interests. Investor's foreign shareholders primarily own B shares, representing nearly 30 percent of the total number before full conversion. The majority of the foreign shareholders are from the U.S., Great Britain, Luxembourg, Switzerland, Germany and Belgium.

In terms of voting rights, the largest foreign shareholders are Mutual Series Fund Inc. and SBC Warburg.

Nordbanken's securities funds decreased its holding during the second half of 1995.

**Investor's fifteen largest shareholders
Listed by their voting rights**

December 31, 1995*

	% of voting rights	% of capital stock
Knut and Alice Wallenberg Foundation	37.1	20.5
Nordbanken's securities funds	8.1	4.5
Mutual Series Fund Inc.	4.9	7.1
S-E-Banken's securities funds	3.4	2.3
EB Foundation	2.9	1.8
SPP	2.8	3.7
Fifth AP Fund	2.6	1.4
Marianne and Marcus Wallenberg Foundation	2.0	1.1
Trygg-Hansa	1.9	1.2
Skandia	1.4	2.7
Marcus and Amalia Wallenbergs Foundation	1.3	1.3
Folksam incl. AMF-s	1.1	2.5
AMF-p	1.1	3.9
SBC Warburg	0.9	1.6
Handelsbanken's securities funds	0.6	1.7
Total	72.1	57.3
* Holdings registered directly and in the name of nominees Before conversion of outstanding convertibles		

CHANGES IN THE CAPITAL STOCK AND ITS STRUCTURE 1975–1995

Year	Capital stock SEK m.	Convertible debenture loans SEK m.	No. of shares		No. of shares after full conversion	Par value SEK	Issue terms
1975	180		Restr.	2,880,006			N 1:4 SEK 50 B 1:4
			Unrestr.	719,994			
			Total	3,600,000			
1979	270		Restr.	4,320,009			B 1:2
			Unrestr.	1,079,991			
			Total	5,400,000			
1982	405		Restr.	12,960,026		25	B 1:2 + split 2:1
			Unrestr.	3,239,974			
			Total	16,200,000			
1984	810		A Restr.	23,004,001			B 1:1 (3A+1B unrestr. on 4 old)
			A Unrestr.	5,345,999			
			B Unrestr.	4,050,000 ¹⁾			
			Total	32,400,000			
1990	2,025		A Restr.	57,510,003			B 3:2 (3A:2A, 3B:2B)
			A Unrestr.	13,364,997			
			B Unrestr.	10,125,000			
			Total	81,000,000			
1991		3,564 ²⁾	A Restr.	59,886,758 ³⁾			
			A Unrestr.	10,988,242			
			B Unrestr.	10,125,000			
			Total	81,000,000			
1992	3,434 ⁴⁾	6,855 ⁵⁾	A Restr.	59,886,758	A Restr.	59,886,758	
			A Unrestr.	10,988,242	A Unrestr.	10,988,242	
			B Unrestr.	66,478,396	B Unrestr.	110,993,390	
			Total	137,353,396	Total	181,868,390	
1994	3,874 ⁶⁾	6,850	A	77,922,711	A	77,922,711	N: New issue B: Bonus issue
			B	77,039,669	B	121,521,653	
			Total	154,962,380	Total	199,444,364	
1995	3,875	6,847	A	77,922,711	A	77,922,711	
			B	77,058,129 ⁷⁾	B	121,521,653	
			Total	154,980,840	Total	199,444,364	

1) The B share was introduced in 1984.

2) In connection with the acquisition of Saab-Scania.

3) In connection with the acquisition of Saab-Scania, 2,376,755 A unrestricted shares were converted to A restricted shares.

4) Increase in the capital stock by a nominal value of SEK 1,409 m. in connection with the acquisition of Förvaltnings AB Providentia through a preferred issue of 56,353,396 B unrestricted shares.

5) Increase in the convertible debenture loan by a nominal value of SEK 3,291 m. in connection with the acquisition of Förvaltnings AB Providentia.

6) Increase in the capital stock by a nominal value of SEK 439 m. in connection with the acquisition of Export-Invest through a non-cash issue of 7,047,711 A unrestricted shares and of 10,528,263 B unrestricted shares and by a nominal value of SEK 1 m. through conversion of convertible debenture loan.

7) Increase of 18,460 B shares through conversions.

TEN-YEAR SUMMARY *

THE INVESTOR GROUP

SEK m.	1986	1987	1988	1989	1990	Pro forma 1991	1992	1993	1994	1995	Average annual growth 5/10 yrs., %
Dividend income ¹⁾	162	210	249	285	390	666	546	390	427	656	
Yield on the portfolio ¹⁾	1.8%	2.5%	2.4%	1.6%	2.5%	3.3%	2.3%	1.4%	1.4%	1.7%	
Ordinary dividend paid	162	194	227	275	348	721 ²⁾	721	721	1,240	1,795 ³⁾	
Sales ¹⁾	487	1,420	1,817	394	560	5,898	5,289	4,178	986	–	
Capital gains, net ¹⁾	186	864	1,068	232	450	2,517	2,271	1,408	608	–	
Turnover, %	8%	17%	16%	3%	3%	19%	21%	16%	3%	–	
Purchases and new subscriptions ¹⁾	978	2,050	400	1,959	3,782	808	482	246	2,223	1,429	
Income after financial items	324	958	1,210	464	419	2,165	1,482	410	2,972	4,660	
Market value portfolio ¹⁾	9,162	8,492	10,550	17,397	15,900	20,411 ⁴⁾	23,238	27,964	30,457	37,817	
Change in value of the portfolio, % ¹⁾	56%	-14%	45%	47%	-25%	14% ⁴⁾	26% ⁴⁾	41%	4%	20%	
Change in the Affärsvärlden General Index, %	51%	-8%	52%	24%	-31%	5%	-1%	54%	5%	18%	
Change in the OMX, %	45%	-17%	52%	31%	-28%	11%	8%	53%	3%	19%	
Total yield on the portfolio, % ¹⁾	59%	-12%	48%	49%	-23%	6%	45%	43%	6%	23%	
Surplus value of the portfolio ¹⁾	6,176	3,972	6,377	11,426	6,259	7,638	10,367	17,617	18,265	24,605	
Net worth	9,942	8,693	12,866	18,872	11,280	26,430	30,122	37,493	43,493	51,225	
Equity/assets ratio	69%	63%	74%	77%	52%	42%	47%	55%	58%	59%	
Share of risk-bearing capital	70%	63%	74%	77%	52%	48%	52%	58%	60%	61%	
<i>Summarized balance sheet</i>											
– Cash and short- term investments	31	21	29	5	2	14,205	10,410	8,292	6,064	5,863	
– Other assets	5,379	6,445	6,146	6,748	10,650	55,695	53,205	51,020	56,912	62,559	
– Liabilities incl. minority interest	2,780	3,036	1,758	2,093	7,307	51,108	43,860	39,436	37,681	41,901	
– Convertible debenture loans						6,356	6,619	6,816	6,829	6,768	
– Shareholders' equity	2,630	3,430	4,417	4,660	3,345	12,436	13,136	13,060	18,466	19,753	
Total assets, book value	5,410	6,466	6,175	6,753	10,652	69,900	63,615	59,312	62,976	68,422	
Total assets, market value	12,722	11,729	14,624	20,965	18,587	77,538	73,982	76,929	81,174	93,126	
Number of employees	29	34	40	1 ⁵⁾	1 ⁵⁾	30,656	29,690	27,372	27,503	29,406	
Number of shares millions ^{6) 7)}	87.8	87.8	87.8	87.8	87.8	181.9	181.9	181.9	199.4	199.4	
Shareholders' equity per share, SEK ⁶⁾	30	39	50	53	38	68	72	72	93	99	
Net worth per share, SEK ⁶⁾	113	99	147	215	128	145 ⁷⁾	166 ⁷⁾	206 ⁷⁾	218 ⁷⁾	257 ⁷⁾	15%/13%
Share price, Dec. 31, SEK ^{6) 8)}	74	70	104	172	99	102	122	161	185	219	17%/15%
Ordinary dividend per share, SEK ⁶⁾	1.90	2.20	2.60	3.10	4.00	5.25 ²⁾	5.25	5.25	8.00	9.00 ³⁾	18%/18%
Yield, %	2.6%	3.1%	2.5%	1.8%	4.0%	5.1%	4.3%	3.3%	4.3%	4.1%	

* For definitions see page 81.

1) Listed Swedish shares, main holdings.

2) Actual dividend paid.

3) Proposed ordinary dividend of SEK 9.00 per share or – on the assumption that all outstanding convertible debentures are converted to shares – a maximum total of SEK 1,795 m. In addition, a special nonrecurring cash dividend has been proposed of SEK 20.00 per share, or a maximum total of SEK 3,989 m.

4) Excluding Skandia.

5) Pertains to the president of the parent company. A company in the Patricia Group provided the necessary administrative services, for which they were compensated.

6) Adjusted for share issues.

7) After full conversion.

8) Pertains to the B unrestricted share.

NET WORTH*

The net worth of the Investor Group can be calculated by subtracting operating and financial liabilities from assets at market value. Alternatively, it can be computed from the balance sheet at market value by adding the surplus value of the assets and the convertible debenture loan to reported shareholders' equity.

For shares and participations, listed market prices are available, making it simple to calculate the market value of these assets. For portions of the other operations, and primarily Scania and Saab, it is considerably more difficult to objectively determine a market value. For practical purposes, the assets and liabilities of these operations are therefore valued at their book value without regard to whether their market value may be higher. On the basis of this method of calculation, the net worth of the entire Investor Group may deviate from a purely objective market valuation.

	12/31 1995		12/31 1994	
	SEK/share**	SEK m.	SEK/share**	SEK m.
Astra	82	16,299	59	11,808
Incentive	27	5,370	24	4,735
STORA	21	4,113	22	4,435
Ericsson	18	3,597	10	1,980
Atlas Copco	13	2,647	13	2,465
SKF	9	1,877	10	2,044
SILA	8	1,540	4	700
Other main holdings	12	2,374	11	2,290
Other holdings and equity trading	22	4,422	16	3,093
Total	212	42,239	169	33,550
Saab Automobile 50% ¹⁾	15	2,996	15	2,996
Scania AB ²⁾	41	8,096	31	6,096
Saab AB ³⁾	30	5,924	29	5,754
GHH Grand Hôtel Holdings	4	850	4	867
Land and other real estate ⁴⁾	4	713	4	721
Other assets, net	0	-55	0	-13
Total investments	306	60,763	251	49,971
Consolidated goodwill	17	3,435	18	3,654
Net external borrowings				
excl. Scania and Saab ⁵⁾	-51	-10,111	-51	-10,132
Internal eliminations				
Internal receivable from Scania	34	6,833	52	10,299
Internal debt to Saab	-48	-9,583	-51	-10,099
Other internal eliminations	-1	-112	-1	-200
Total net worth	257	51,225	218	43,493

* For a balance sheet at market value for 1995 and 1994 see page 58.

**The number of shares after full conversion amounts to 199.4 million.

1) Assigned book value of shareholders' equity + subordinated loan

2) Book value of shareholders' equity + debenture loan 1994

3) Book value of shareholders' equity

4) Book value

5) Including accrued interest

Reconciliation

Book value of Saab-Scania's operations according to the 1994 net worth statement

17,534

Plus:

Cash and short-term investments,
including internal receivables
Finance companies' net assets
Other adjustments

15,468

830

685

Less:

Loans, Scania and Saab, according to balance sheet
Unutilized portion of advance payments
Goodwill
Total book value of Saab Automobile,
Scania and Saab

-13,253

-2,764

-3,654

14,846

Distributed as follows: Saab Automobile
Scania
Saab

2,996

6,096

5,754

14,846

INDUSTRIAL INVESTMENTS

THE INDUSTRIAL INVESTMENTS consist of Investor's main holdings and other holdings as well as trading activities.

MAIN HOLDINGS

The main holdings comprise a number of Sweden's largest, most successful and most internationally active companies. The market value of these holdings on December 31, 1995 was SEK 37.8 billion. Adjusted for shares bought and sold during the year, this represents an increase of 20 percent from year-end 1994. During the same period, the OMX index rose by 19 percent.

The combined market value of these 13 companies is approximately SEK 432 billion, which corresponds to 37 percent of the entire market capitalization of the Stockholm Stock Exchange. Together with ABB, in which company Investor has an indirect ownership through its holding in Incentive, these companies had annual sales in 1994 of SEK 600 billion and more than 535,000 employees. On average, 90 percent of their sales and about 76 percent of their employees were outside Sweden.

INVESTOR'S MAIN HOLDINGS (as of December 31, 1995)

Company	No. of shares (000s)	Whereof on loan (000s)	Market value (SEK m.)	Change in share price 1995 (%) *	Share of portfolio (%)	Share of voting rights (%) **	Share of capital (%) **
Astra	61,512	90	16,299	+38	43.1	11.8	10.0
Incentive	18,518		5,370	+21	14.2	35.7	27.1
STORA	52,729 ¹⁾		4,113	-13	10.9	19.7	16.4
Ericsson	26,538 ¹⁾	89	3,597	+32	9.5	22.2	2.7
Atlas Copco	25,950	155	2,647	+7	7.0	20.2	14.1
SKF	14,955		1,877	+4	4.9	30.3	11.4
SILA	13,156	5	1,540	+42	4.1	20.0	18.7
S-E-Banken	13,085	69	720	+29	1.9	2.5	2.4
TV4	4,241	7	488	-30	1.3	24.2	21.2
OM Gruppen	4,795 ²⁾	14	479	+40	1.3	20.3	20.3
WM-data	1,185	100	355	+180	0.9	3.3	8.0
Electrolux	936		259	-28	0.7	45.2	1.3
Orrefors	741		73	+8	0.2	20.5	20.5
Total			37,817		100.0		

* Most heavily traded class of share.

** After full dilution.

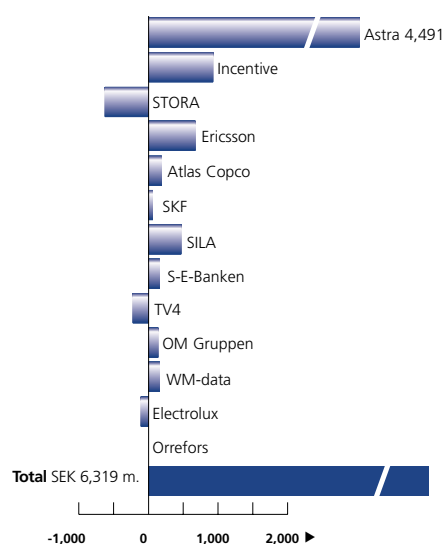
1) Adjusted for splits.

2) Adjusted for split and stock dividend.

Of the four largest holdings, Astra and Ericsson in particular performed better than the index. Incentive also noted a positive trend, while STORA's share underperformed the index in 1995.

During the year 7,177,500 shares of Ericsson were acquired for SEK 880 m.

Appreciation in the value of the portfolio



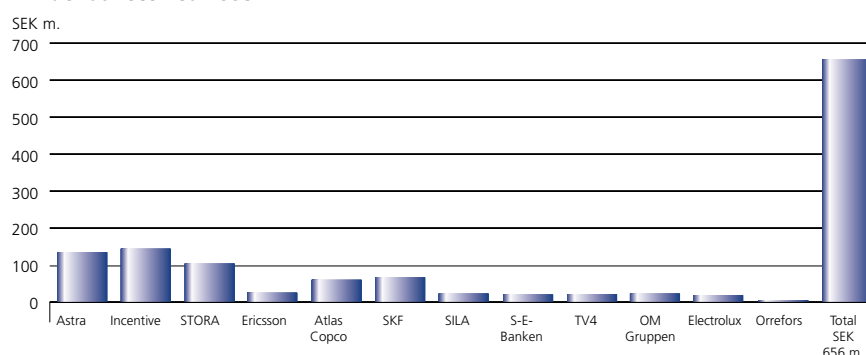
The diagram shows each holding's contribution to the appreciation in the value of the portfolio.

through subscriptions and purchases. In June 3,968,800 shares of SILA were purchased for SEK 349 m.

WM-data, one of the leading computer services companies in the Nordic countries, was added to the main holdings in 1995. During the year 1,184,600 shares of WM-data were acquired for SEK 200 m. From year-end 1995 through March 1996 827,500 additional shares were acquired for SEK 254 m. Investor's total holding of WM-data shares subsequently amounts to 2,012,100 B shares, corresponding to 13.6 percent of the capital and 5.5 percent of the voting rights.

The diagram below shows the main holdings' contribution to Investor's dividends received. In 1995 dividend income totaled SEK 656 m. (427).

Dividends received 1995

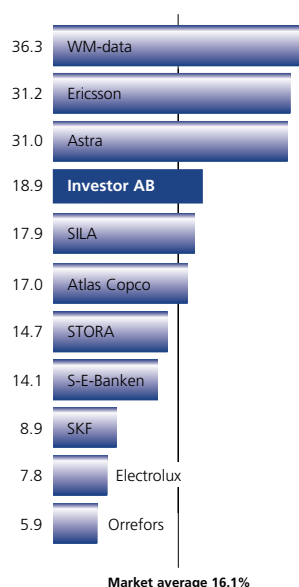


DISTRIBUTION BY INDUSTRY

The diagrams below show the distribution by industry of Investor's main holdings and the corresponding distribution for the Stockholm Stock Exchange as a whole. Investor's main holdings are concentrated in the engineering (including telecommunications), pharmaceutical and forest-products industries, which together accounted for 90 percent of the value of the portfolio. The corresponding figure for the stock exchange was 63 percent. The difference is Investor's greater exposure in pharmaceuticals, via Astra, and forest products, via STORA.

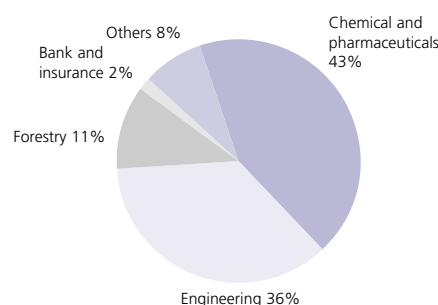
Total annual return

over the past ten years compared with Investor and the market as a whole, %.



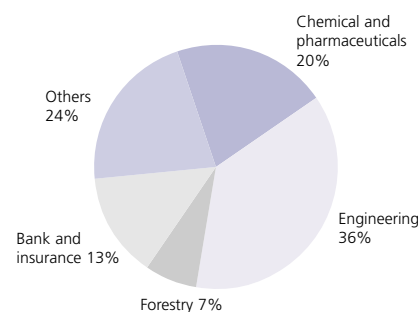
Source: Findata

Investor



Source: Findata and Stockholm Stock Exchange

Stockholm Stock Exchange



ASTRA

Chairman: Bo Berggren

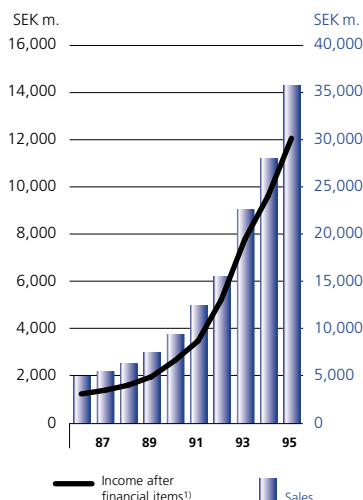
President and CEO: Håkan Mogren

FOR PRACTICALLY A DECADE, Astra has remained one of the world's fastest growing pharmaceutical companies, thanks in large part to the strength of its high-profile research. Operations are currently divided into seven product groups, of which the largest are gastrointestinal, respiratory, cardiovascular and local anesthetics.

Astra has been part of Investor's portfolio since 1955, when it first offered its shares to the public. Over the years Investor has increased its holding. Since 1990 Astra has been the largest of Investor's main holdings, at the same time that it has seen its earnings rise to record levels.

The Astra share is listed on the Stockholm and London Stock Exchanges. In 1995 Astra was the second most heavily traded share on the Stockholm Stock Exchange, with a turnover rate of 59 percent. At year-end the company had a market capitalization of SEK 163 billion, corresponding to 14.3 percent of the total value of the Stockholm stock market.

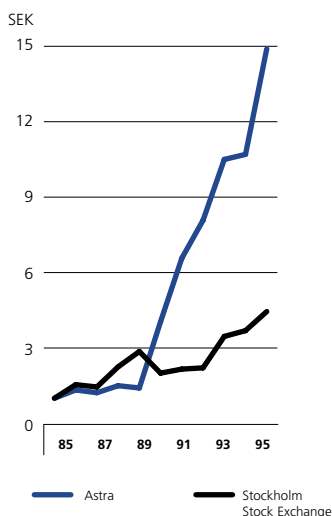
Sales and income



¹⁾ After deduction of minority interests

Source: Annual report 1994, year-end report 1995

Total return



Source: Findata

HIGHLIGHTS IN 1995

- Astra's focus on R&D took on even greater emphasis through the acquisition of a strategic research operation from the British pharmaceutical company Fisons, which was finalized in May. The SEK 2.4 billion acquisition pertains to facilities in the U.S. and U.K., where studies are focused on respiratory and cardiovascular diseases and diseases of the central nervous system.
- Late in the year Astra submitted an application for registration of the Pulmicort Turbuhaler, an antiasthma agent, in Japan, a market with strong sales potential.
- Astra established an independent research unit in Boston, in the U.S., to study infectious diseases.
- The gastrointestinal agent Losec, Astra's largest single product, was approved by the Food and Drug Administration for broader use in the U.S., where it is marketed by Astra Merck Inc., a company owned jointly by Astra and Merck, one of the largest pharmaceutical makers in the world. According to an analysis released by a leading investment bank at year-end, Losec potentially could be the top-selling drug in the world by the year 2000.
- Research cooperations were agreed to with four U.S. companies: CytoTherapeutics, on a new treatment for chronic pain; Centaur Pharmaceuticals, on new medications for Alzheimer's disease and stroke; Genome Therapeutics, on new treatment methods for the bacterium related to the cause of peptic ulcers; and Millennium Pharmaceuticals, on the genetic factors that contribute to asthma.

KEY DATA

	1993	1994	1995
Sales, SEK m.	22,600	28,030	35,800
Income after financial items, SEK m. ¹⁾	7,818	9,616	12,061
Dividend, SEK per share	1.60	2.25	3.00 ²⁾

¹⁾ After deduction of minority interests

²⁾ Proposed dividend for 1995

Source: Annual report 1994, year-end report 1995

INCENTIVE

Chairman: Anders Scharp

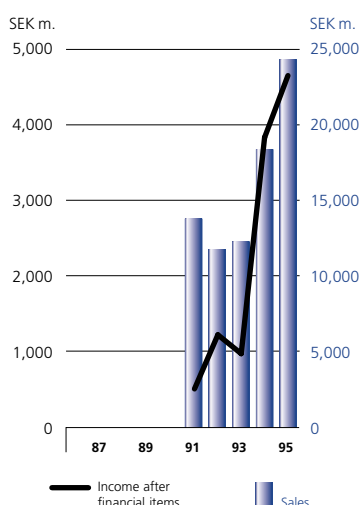
President: Mikael Lilius

INCENTIVE IS AN INTERNATIONAL INDUSTRIAL GROUP with five main business areas: Medical Technology, Transportation, Environment, Materials Handling and Power. In recent years a series of divestments has concentrated operations on a fewer areas where technology plays a key role and growth prospects are strong. Incentive is also a major shareholder of Electrolux and ASEA.

Incentive's roots date back to the early 1960's, when it was established on the initiative of Marcus Wallenberg. After a brief period under ASEA's ownership, Incentive again went public in 1991. Investor, which has maintained ties with Incentive throughout its history, is the largest shareholder.

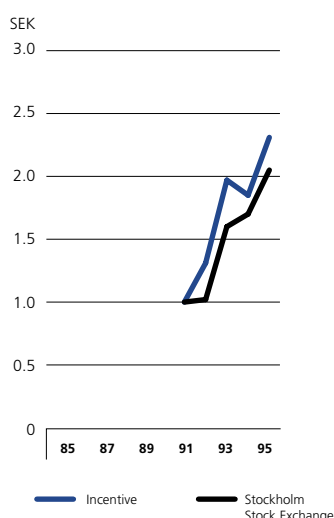
The Incentive share is listed on the Stockholm Stock Exchange. In 1995 the share price rose by 21 percent on total turnover of SEK 4.9 billion. The company's market capitalization at year-end amounted to SEK 19.8 billion.

Sales and income



Source: Annual report 1994, year-end report 1995

Total return



Source: Findata

HIGHLIGHTS IN 1995

- On January 2, 1996 Incentive announced an offer to acquire the remaining shares it did not already own in the medical equipment company Gambro, a high-tech specialist in renal care products.
- A number of non-core businesses were divested during the year, including Skega, a maker of rubber products, and Precon, a concrete product company. The holdings in Skåne-Gripen and SILA were also sold.
- In December Hägglunds Vehicles received an order valued at over SEK 250 m. from the Norwegian Armed Forces for customization work on the Leopard battle tank.
- After year-end it was announced that camera maker Hasselblad will be sold to an international group that includes the company's management.

ASEA/ABB

- ABB's announced merger of its worldwide railway activities with those of Daimler-Benz was approved by the EU. The new combined company has revenues of \$5 billion and a current order book of \$10 billion.
- Major orders during the year included nuclear reactor equipment from South Korea valued at \$200 million and metro train cars for Stockholm's public transportation authority (SL) for \$240 million.
- A \$300 million contract was received to supply coal-fired boilers for Indonesia's first major privately owned power plant. A similar order from Colombia, for Latin America's largest independent power plant, was won by a consortium led by ABB, with ABB's part of the project valued at \$260 million.
- At year-end ABB received a \$470 million contract for a gasification power plant in Italy, the country's first to produce electrical power from oil refinery residues.

KEY DATA

	1993	1994	1995
Sales, SEK m.	12,271	18,389	24,324
Income after financial items, SEK m.	966	3,832	4,653
Dividend, SEK per share	7.00	8.00	9.00 ¹⁾

¹⁾ Proposed dividend for 1995

Source: Year-end report 1995

STORA[®]

Chairman: Bo Berggren

President and CEO: Lars-Åke Helgesson

STORA IS ONE OF THE WORLD'S largest forest products companies and a leading manufacturer of pulp, printing papers, packaging paper, board and fine papers.

STORA is also one of Investor's oldest holdings, having been a part of the portfolio since Investor was established in 1916.

In 1995 the STORA share, which is listed in Stockholm, London and Frankfurt, decreased by 13 percent on a turnover of SEK 17.8 billion. STORA's market capitalization at year-end was SEK 25 billion.

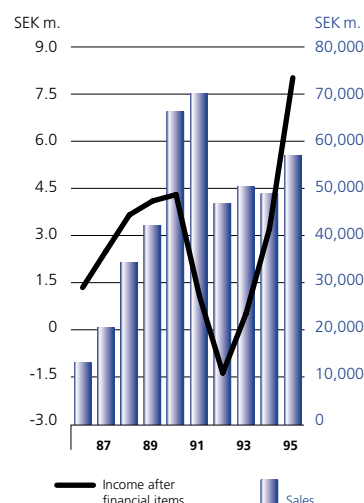
HIGHLIGHTS IN 1995

- In May, STORA acquired the remaining 29 percent interest it did not already own in the Portuguese pulp manufacturer Celbi from the state-owned company IRE. The purchase price was approximately SEK 500 m.
- In June STORA sold Newton Falls, a fine paper manufacturer in the U.S., to Arjo Wiggins Appleton, resulting in a capital gain of roughly SEK 200 m.
- STORA's board of directors during the year approved an investment of over SEK 3 billion in a new board machine in Skoghall, which will have a capacity of 320,000 tons and be ready in early 1997. The investment will help to consolidate the Group's position as a leading producer of liquid packaging board, for which it currently has a 25 percent share of the European market and 13-14 percent of the world market.

STORA will also invest SEK 485 m. in a new bleach plant at Skoghall to replace an existing unit.

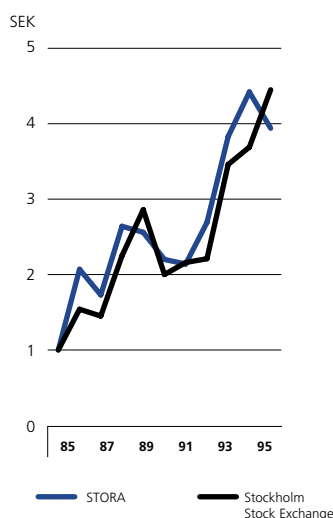
- As part of a program to restructure the Group's pulp plants, SEK 390 m. will be invested in Skutskär to rebuild an evaporation plant and modernize existing soda recovery boilers.
- In December the board authorized another major investment, an estimated SEK 3 billion in a new machine for the production of uncoated magazine paper at Stora Forest Industries in Nova Scotia, Canada. The new 350,000-ton machine is scheduled to be placed in operation during the first quarter of 1998.

Sales and income



Source: Annual report 1994, year-end report 1995

Total return



Source: Findata

KEY DATA

	1993	1994	1995
Sales, SEK m.	50,435	48,894	57,106
Income after financial items, SEK m.	529	3,217	8,020
Dividend, SEK per share	1.30	2.00	3.75 ¹⁾

¹⁾ Proposed dividend for 1995

Source: Annual report 1994, year-end report 1995



Chairman: Björn Svedberg

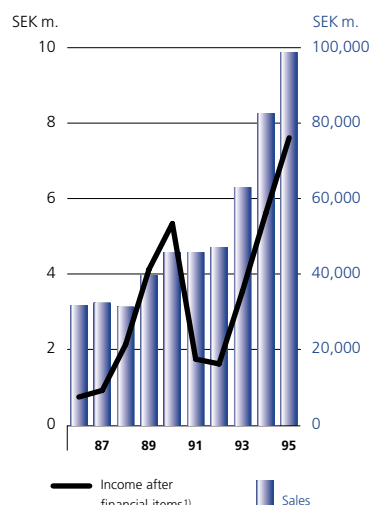
President and CEO: Lars Ramqvist

TELECOMMUNICATIONS LEADER ERICSSON is recognized around the world for its advanced systems and products for wired and mobile telecommunications in public and private networks. Ericsson is also a leading supplier of electronic defense systems.

Ericsson has been in Investor's portfolio since 1960, when Investor played a part in a Swedish consortium that repurchased a major holding of Ericsson shares from ITT of the U.S. In 1995 Investor substantially increased its holding by 7,177,500 shares through subscriptions and new purchases.

The Ericsson share is traded on nine exchanges in Europe and on the NASDAQ Exchange in the U.S. In 1995 trading volume reached SEK 86.7 billion, making Ericsson the most heavily traded share on the Stockholm Stock Exchange. At year-end the company's market capitalization was SEK 125 billion.

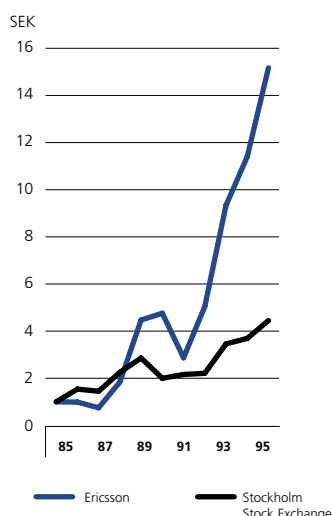
Sales and income



¹⁾ After deduction of minority interests

Source: Annual report 1994, year-end report 1995

Total return



Source: Findata

HIGHLIGHTS IN 1995

- Ericsson's success in China continued in 1995. The company won a series of important orders, including cellular system installation and expansion contracts in Guagxi, Guangdong, Liaoning, Hunan, Shandong and Hebei. In June Ericsson received an order for paging equipment that will be part of the first phase of a nationwide system, and in September it won a strategic contract covering 2.6 million AXE lines from the Chinese Ministry of Post and Telecommunications.
- In April Ericsson signed a three-year GSM equipment agreement with Telecom Italia to expand its GSM network in Italy. The value of the contract is estimated at SEK 1.5 billion.
- Ericsson was also awarded a SEK 2.2 billion, five-year contract from Pacific Bell to provide wireless personal communications services (PCS) in the western U.S. as well as a breakthrough billion-kronor contract for a personal communications network in Malaysia.
- A turnkey contract was awarded to Ericsson by Mercury One-2-One in the U.K. to expand its mobile phone system, and now gives Ericsson nearly SEK 4 billion in current business with Mercury.
- In June Tanzania became the 113th market for Ericsson's AXE public switches.
- Just prior to year-end Ericsson Components, together with Electrotech Ltd. and Texas Instruments' German subsidiary, was commissioned by the EU to carry out one of the largest ventures in semiconductor technology ever undertaken in Europe.

KEY DATA

	1993	1994	1995
Sales, SEK m.	62,954	82,554	98,780
Income after financial items, SEK m. ¹⁾	3,108	5,610	7,610
Dividend, SEK per share	1.10	1.30	1.75 ²⁾

¹⁾ After deduction of minority interests

²⁾ Proposed dividend for 1995

Source: Annual report 1994, year-end report 1995

Atlas Copco

Chairman: Peter Wallenberg

President and CEO: Michael Treschow

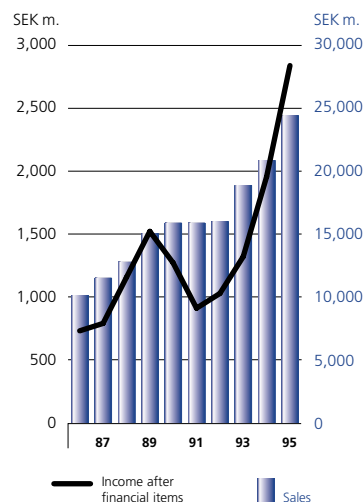
1995 WAS THE BEST year in Atlas Copco's history, with Group profit after net financial items of SEK 2,840 m. (1,955). Earnings per share rose by 53 percent to SEK 9.93. The improvement was mainly due to increased sales volumes and higher efficiency.

The Atlas Copco Group works on a worldwide basis to provide a broad range of products and services which improve production productivity. Operations are conducted in three business areas: Compressor Technique, Construction and Mining Technique and Industrial Technique.

Atlas Copco has been part of the portfolio since Investor was established in 1916.

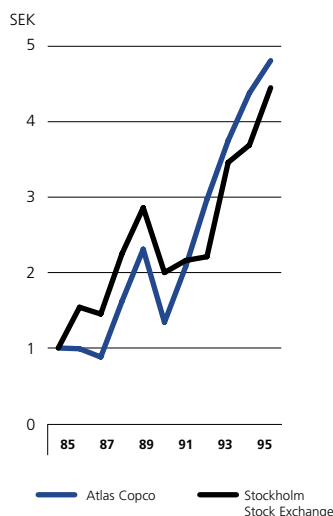
In 1995 the Atlas Copco share, which is listed on the Stockholm Stock Exchange and on the London, Düsseldorf, Frankfurt and Hamburg Stock Exchanges, rose by 7 percent on a turnover of SEK 10.8 billion. The company's market value at year-end was SEK 18.6 billion.

Sales and income



Source: Annual report 1994, year-end report 1995

Total return



Source: Findata

HIGHLIGHTS IN 1995

- One of the highlights of 1995 was the acquisition of the U.S. company Milwaukee, a leading producer of electric tools for professional users. The acquisition gives Atlas Copco a strong position in the growing world market for electric tools and more than doubles its total sales of hand-held electric tools to over SEK 5 billion.
- In the same sector, a joint venture was established in China, Atlas Copco Changchun Electric Power Tools, for the local manufacture of electric tools.
- Atlas Copco also acquired the Swiss company Socapel S.A., which is active in the area of sophisticated motion control products for industrial machines. Socapel is a leader in this field.
- In addition to acquisitions, Atlas Copco continued to grow organically by maintaining a consistent focus on new products, applications and markets. During the year operations were started in MyanMar (formerly Burma), the 72nd market for the Group. Atlas Copco also launched new oil-free and centrifugal compressors, drilling rigs, demolition tools and industrial tools.
- An agreement in principle was reached in December to sell VOAC Hydraulics to the U.S. company Parker Hannifin. VOAC Hydraulics has been a subsidiary of the holding company AVC Intressenter, owned jointly by Atlas Copco and Volvo Aero Corporation. In February 1996 the sale was finalized.

KEY DATA

	1993	1994	1995
Sales, SEK m.	18,906	20,914	24,454
Income after financial items, SEK m.	1,320	1,955	2,840
Dividend, SEK per share	1.80	2.30	3.00 ¹⁾

¹⁾ Proposed dividend for 1995

Source: Annual report 1994, year-end report 1995



Chairman: Anders Scharp

President and CEO: Peter Augustsson

CUTTING EDGE TECHNOLOGY HAS made SKF a world leader in the rolling bearing industry and a supplier to major manufacturers around the world. Besides rolling bearings, its product range also comprises seals and specialty products. Its Ovako Steel subsidiary manufactures special steels.

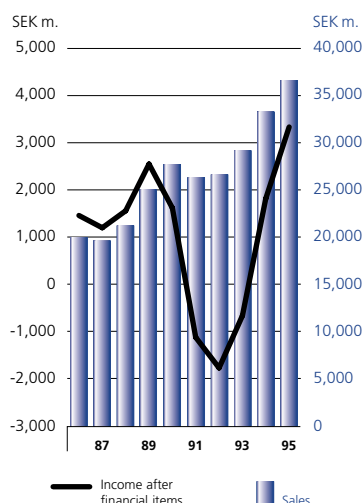
One of Investor's original holdings, SKF has been part of the portfolio since 1916.

The SKF share is traded on the stock exchanges in Stockholm, London, Paris, Geneva, Basel, Zurich and on the NASDAQ Exchange in the U.S. In 1995 the share price rose by 4 percent, with a turnover of SEK 12.4 billion. SKF's market capitalization at year-end was SEK 14.3 billion.

HIGHLIGHTS IN 1995

- In 1995 SKF introduced a completely new type of bearing called CARB™ that reduces friction, handles higher loads and offers customers significant cost advantages.
- During the year SKF bolstered its presence in the Asian market by announcing an investment of SEK 150 m. in a new bearing plant in Korea along with plans to study an expanded cooperation with China's Shanghai Bearing Corporation.
- The acquisition at the beginning of the year of Germany's Goetze Elastomere, now named CR Elastomere, has strengthened SKF's seals operations and led to higher volume in Europe and the U.S.

Sales and income



Source: Annual report 1994, year-end report 1995

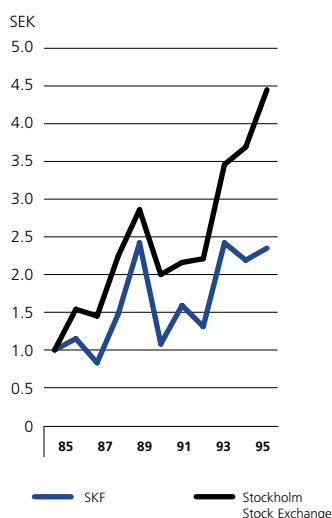
KEY DATA

	1993	1994	1995
Sales, SEK m.	29,200	33,273	36,700
Income after financial items, SEK m.	-669	1,817	3,334
Dividend, SEK per share	0	4.25	5.25 ¹⁾

¹⁾ Proposed dividend for 1995

Source: Annual report 1994, year-end report 1995

Total return



Source: Findata



Chairman: Bo Berggren

President: Christer Nilsson

SAS IS THE NATIONAL CARRIER of Denmark, Norway and Sweden, which also share ownership of the airline. Sweden's 3/7 interest is held by SILA, which in turn is 50-percent owned by the Swedish state. The largest private shareholder is Investor, one of the original backers of a domestic airline industry in the years after World War II.

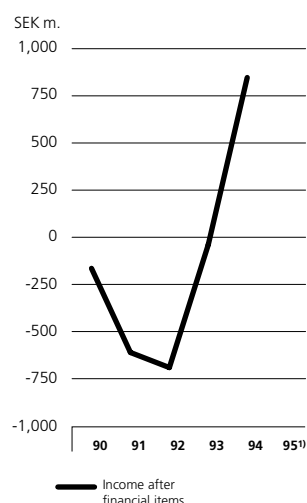
Investor substantially increased its holding in SILA in 1995 through the purchase of nearly 4 million additional shares.

The SILA share is listed on the Stockholm Stock Exchange. The share price rose by 42 percent in 1995 on a turnover of approximately SEK 193 m. SILA's market capitalization at year-end was SEK 8.2 billion.

HIGHLIGHTS IN 1995

- Although SAS's traffic volume remained at largely the same level as in 1994, 1995 revenues were significantly higher thanks in part to gains in the number of EuroClass business class passengers. Overall, Group income also rose substantially.
- Labor conflicts had a negative effect on earnings in 1995. Efforts to minimize the risk of future conflicts have been given high priority.
- The cooperation SAS International Hotels (SIH) established at the end of 1994 with Radisson Hotels International contributed positively to the SAS Group's income in 1995.

Income



¹⁾ Information not available
Source: Annual report 1994

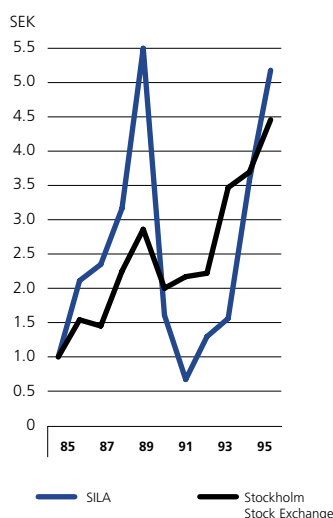
KEY DATA

	1993	1994	1995
Income after financial items, SEK m.	-39	847	1,134 ¹⁾
Dividend, SEK per share	0	2.50	n.a.

¹⁾ Jan-Sept

Source: Annual report 1994, interim report Jan-Sept 1995

Total return



Source: Findata

Skandinaviska Enskilda Banken

Chairman: Curt G. Olsson

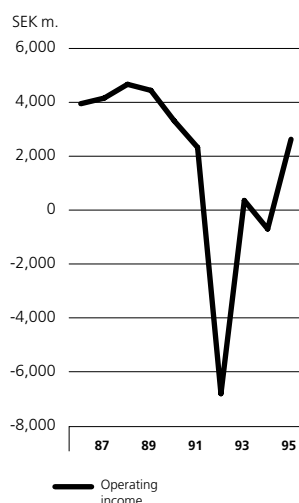
President and CEO: Björn Svedberg

THE S-E-BANK GROUP, one of the largest commercial banks in Scandinavia, has two main divisions: S-E-Banken (retail banking) and Enskilda (corporate and investment banking). Diligentia, a sub-group, handles real estate taken over to protect claims. The Group also maintains an extensive network of branches and offices around the world.

Investor has maintained an interest in S-E-Banken since 1975, although the connection between the two companies dates back much further, to 1916, when Investor was established by the bank to manage its stock portfolio.

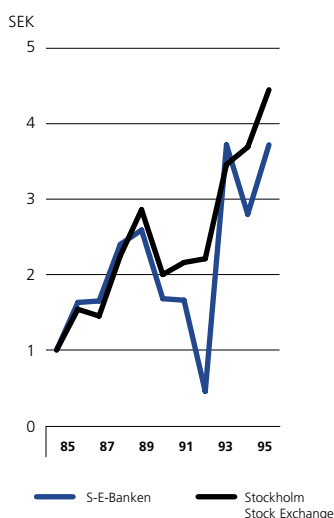
The S-E-Banken share is listed on the Stockholm Stock Exchange. In 1995 its share price rose by 29 percent on a turnover of approximately SEK 17 billion. At year-end the company's market capitalization was approximately SEK 29 billion.

Operating income



Source: Annual report 1994, year-end report 1995

Total return



Source: Findata

HIGHLIGHTS IN 1995

- Falling bond rates in 1995 were good news for Sweden's banks, including S-E-Banken, whose balance sheet was strengthened significantly.
- Lending losses and problem loans decreased significantly during the year.
- The Enskilda division held its position as the market leader in mergers and acquisitions and in trading in equities, foreign exchange and interest rates.
- On the retail side, competition increased dramatically as a result of deregulation. This is partly why the S-E-Banken division has continued to remain on the cutting edge in innovations in video technology and computer and telephone banking. Notwithstanding the competition, S-E-Banken remains Sweden's largest credit and charge card company and has retained its strong position in asset management services, among other things.
- The risk of further lending losses relating to the swap contracts taken over from Luxonen, a firm that trades and manages currencies and other financial assets, has practically been eliminated.

Measures earlier were instituted to strengthen the bank's credit organization and in 1995 a new risk control unit was put into place.

KEY DATA

	1993	1994	1995
Operating income, SEK m.	679	-701	2,628
Dividend, SEK per share	0	1.50	1.50 ¹⁾

¹⁾ Proposed dividend for 1995

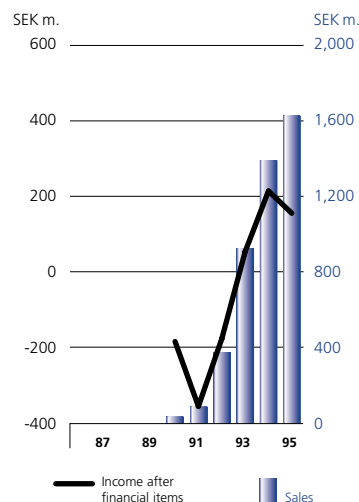
Source: Annual report 1994, year-end report 1995



Chairman: Erik Belfrage

President: Christer Forsström

Sales and income



Source: Annual report 1994, year-end report 1995

THROUGHOUT ITS 80-YEAR HISTORY Investor has sought out investments in innovative new companies, sometimes even in industries outside its traditional sphere. TV4 is a perfect example. In the autumn of 1990, TV4 began broadcasting as Sweden's first domestically owned, advertising supported television channel. Less than five years later it was the most popular channel in the country.

Investor was one of the original backers of Nordisk Television, the company that later became TV4. Following TV4's listing on the Stockholm Stock Exchange in 1994, Investor retained a substantial interest in the company, which it includes among its main holdings.

In 1995 the TV4 share, which is traded on the Stockholm Stock Exchange, fell by 30 percent on a turnover of approximately SEK 1.6 billion. At year-end its market capitalization was around SEK 2 billion.

HIGHLIGHTS IN 1995

- TV4 extended its programming schedule in 1995 by adding new productions of its own and by signing a so-called output deal with the British TV company BRIT (Granada/ London Weekend Television/Yorkshire Television/Tyne Tees TV) giving TV4 an option over the next two years on all of Granada's productions.
- In 1995 TV4 moved into new facilities and agreed to invest approximately SEK 140 m. in state-of-the-art digital production and transmission equipment from U.S. supplier Grass Valley Group.
- In February 1996 TV4 signed an agreement with Grundy Worldwide of Australia to produce a drama series in Sweden to be shown five nights a week. The series, based on one of Grundy's English-language programs, will initially consist of 140 half-hour episodes and will employ a number of actors and writers potentially for several years' time. A new studio will be built in an old factory in Stockholm, in an area the owners hope will eventually be expanded to include other cultural facilities.
- TV4 received a big boost to its sports coverage when it agreed with Sveriges Television to purchase the broadcast rights to certain portions of the 1996 Summer Olympics in Atlanta.

KEY DATA	1993	1994	1995
Sales, SEK m.	926	1,387	1,628
Income after financial items, SEK m.	53	214	155
Dividend, SEK per share	0	5.00	5.00 ¹⁾

¹⁾ Proposed dividend for 1995

Source: Annual report 1994, year-end report 1995



Chairman: Olof Stenhammar
(elected March 12, 1996)

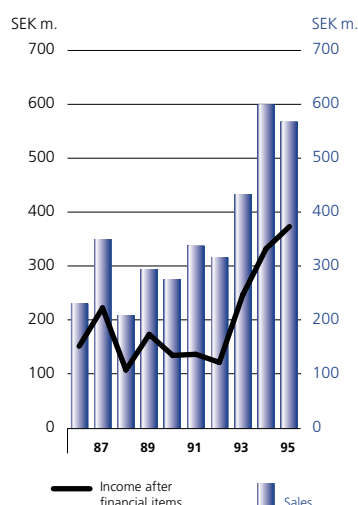
President: Per E. Larsson
(elected March 12, 1996)

OM GRUPPEN, WHICH WAS established in 1985 in part through the backing of Investor, has as its mission to create opportunities to efficiently manage financial risk. It does so by offering a unique range of services to both institutional and retail customers.

Exchange & Clearing owns and operates the OM Stockholm - Europe's second largest equity options exchange - and OMLX, the London Securities and Derivatives Exchange. Systems International is currently the world's leading supplier of exchange and clearing systems. Financial Services handles the administrative end of financial transactions and offers stock lending services.

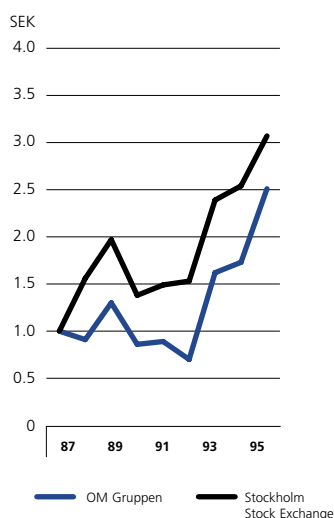
In 1995 the OM share, which is traded on the Stockholm Stock Exchange, rose by 40 percent on a turnover of approximately SEK 1.1 billion. Its market capitalization at year-end was over SEK 2.3 billion.

Sales and income



Source: Annual report 1995

Total return



Source: Findata

HIGHLIGHTS IN 1995

- In December OM signed a joint venture agreement with the Oslo Stock Exchange and Norwegian Futures & Options Clearing House that will link the Norwegian marketplaces with OM Stockholm and OMLX, the first time such a system with real-time trading has been implemented by independent exchanges and clearing houses in different countries. The scheduled commencement date is during the autumn of 1996.
- In May OM initiated a long-term relationship with Suomen Optimeklarit, the Finnish derivatives exchange. As a first step, a clearing link was established to allow OM Stockholm members to trade Finnish interest rate derivatives and clear them through OM's clearing facility.
- The OM PowerCLICK Exchange System was selected at the end of the year by Norway's new deregulated electricity market, Statnett Marked, for its futures trading. At the beginning of 1996 OM also reached agreement with the Finnish electricity exchange, EL-EX, to manage the exchange and its clearing system.
- A major breakthrough was achieved in the Asian market when the Hong Kong Futures Exchange commenced trading in currency options using OM's CLICK Exchange System, which was delivered during the year.
- As part of its ongoing expansion, OM in November acquired Lendtech, an intermediary and administrator for stock lending transactions. In September the OM subsidiary Värdepappersadministration (VPA) purchased the Finess back-office system and operations. VPA currently administers more than 15 percent of transaction volumes on the Stockholm Stock Exchange and in the Swedish money market.

KEY DATA

	1993	1994	1995
Sales, SEK m.	433	600	567
Income after financial items, SEK m.	246	322	373
Dividend, SEK per share	3.30	5.00	7.00 ¹⁾

¹⁾ Proposed dividend for 1995

Source: Annual report 1995



Chairman: Hans Mellström

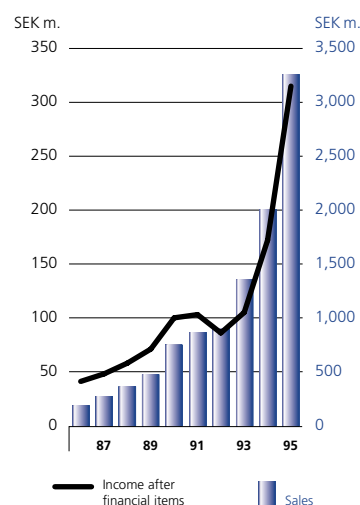
President: Thord Wilkne

WM-DATA IS ONE OF the leading computer service companies in the Nordic countries, specializing in integrated solutions in information technology. The company specifies and installs hardware systems, custom-designs software solutions and markets a range of computer services. Its customers consist mainly of large companies, organizations and public authorities.

Investor first invested in WM-data in 1994, substantially increasing its holding over the course of the year. Investor is now WM-data's third largest shareholder and includes the fast-growing company among its main holdings.

The WM-data share is listed on the Stockholm Stock Exchange. In 1995 the share price rose by 180 percent on a turnover of SEK 830 m. At year-end the company had a market capitalization of SEK 3.7 billion.

Sales and income



Source: Findata

HIGHLIGHTS IN 1995

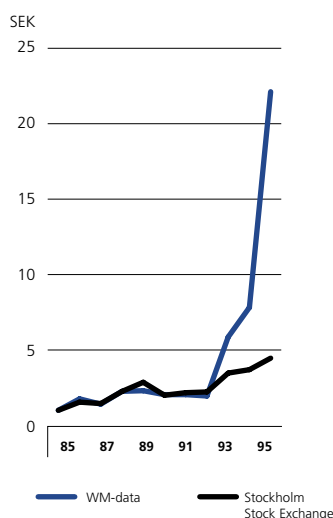
- 1995 was WM-data's best year ever. Income after financial items improved by 83 percent to a record level, SEK 315 m., as the company strengthened its position as the market leader.
- During the year WM-data acquired Owell, Sweden's leading retailer of personal computers, with annual sales of approximately SEK 1.6 billion and 550 employees. The acquisition complements WM-data's operations by adding a supplier of workstations and associated services to its existing consulting and service organization.
- Operations were also expanded outside Sweden, through the acquisitions of Systla Oy of Finland, CRI-Mentor A/S of Denmark (effective January 1, 1996) and Akademiets AS of Norway.

KEY DATA

	1993	1994	1995
Sales, SEK m.	1,357	2,009	3,260
Income after financial items, SEK m.	105	172	315
Dividend, SEK per share	1.50	2.50	n.a.

Source: Annual report 1994, year-end report 1995

Total return



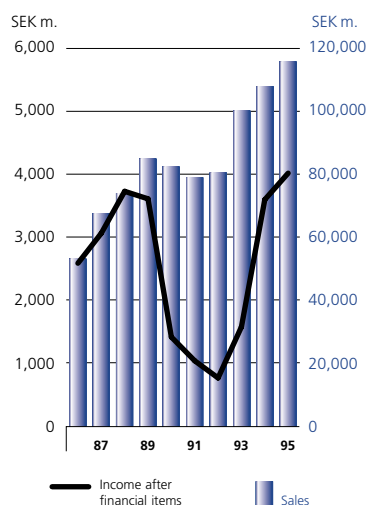
Source: Findata

Electrolux

Chairman: Anders Scharp

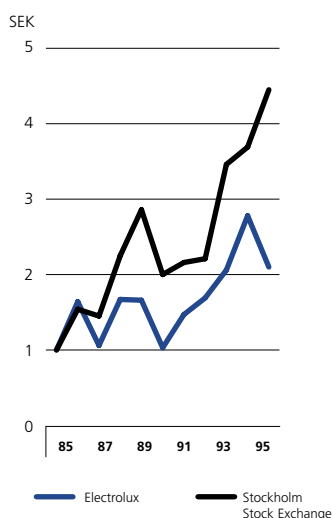
President and CEO: Leif Johansson

Sales and income



Source: Annual report 1994, year-end report 1995

Total return



Source: Findata

ELECTROLUX IS ONE OF the world's leading manufacturers of household appliances, with more than 90 percent of its sales outside Sweden. The Group is the market leader in Europe and, as owner of Frigidaire Company, the third largest make in the U.S. Electrolux is also the world's largest company in floor-care products, compressors for refrigerators and freezers, and absorption refrigerators for recreational vehicles and hotel rooms. In areas outside household appliances, the Group is the largest or second largest in the global market for food service equipment, industrial laundry equipment, and forestry and garden equipment.

Investor has held an interest in Electrolux since the mid-1950s.

The Electrolux share is listed on the stock exchanges in Stockholm, London, Geneva, Paris, Zurich, Basel and on the NASDAQ Exchange in the U.S. In 1995 58.6 million shares of Electrolux were traded on the Stockholm Stock Exchange for a turnover of more than SEK 19.5 billion. This represented almost 3 percent of the Swedish Stock Exchange's total trading volume. Electrolux's market capitalization at year-end was approximately SEK 20 billion.

HIGHLIGHTS IN 1995

- The Group during the year continued its strategy to concentrate on core business areas by divesting non-strategic operations, improving internal efficiency and raising productivity. As part of the streamlining of the Group's structure, its operation in materials handling equipment, the Constructor group, was sold.
- Increasing investments are being made in new markets, with substantial resources being devoted to establishing Electrolux as the Group's leading global brand. Product launches during the year included a new line of refrigerators that are up to 95 percent recyclable and have the lowest energy consumption in the market.
- AEG Hausgeräte, a major German white goods manufacturer acquired in 1994, is being integrated according to plan and contributed to Group income in 1995.
- In 1995 Electrolux increased its expansion program into new markets in Eastern Europe, Asia and Latin America. Majority stakes were taken in two appliance companies in India, in a Brazilian floor-care product manufacturer and, at the beginning of 1996, in Refripar, Brazil's second largest appliance manufacturer with sales of approximately SEK 5 billion and 5,000 employees.
- Electrolux also entered joint ventures in China, Poland and Saudi Arabia, in addition to acquiring stakes in companies in Mexico, Costa Rica and Egypt.

KEY DATA

	1993	1994	1995
Sales, SEK m.	100,121	108,004	115,800
Income after financial items, SEK m.	1,250	3,595	4,016
Dividend, SEK per share	6.25	12.50	12.50 ¹⁾

¹⁾ Proposed dividend for 1995

Source: Annual report 1994, year-end report 1995

ORREFORS KOSTA BODA

Chairman: Lars V. Kylberg

President: Göran Bernhoff

ORREFORS AND KOSTA BODA are recognized around the world as two of the leading names in crystal, glassware and art glass. Orrefors Kosta Boda works strictly with high-quality modern glass and crystal. Few other glassmakers in the world are as closely associated with as many top designers and few devote as much emphasis to the design of their products.

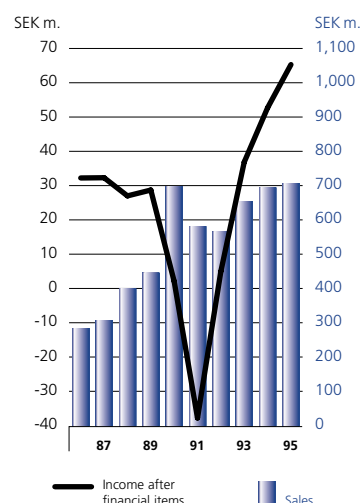
Following a spin-off by Incentive to its shareholders in 1994, Investor became the largest single owner of Orrefors Kosta Boda.

The Orrefors Kosta Boda share is traded on the Stockholm Stock Exchange. In 1995 its share price rose by 8 percent on a turnover of approximately SEK 110 m. The company's market capitalization at year-end was roughly SEK 350 m.

HIGHLIGHTS IN 1995

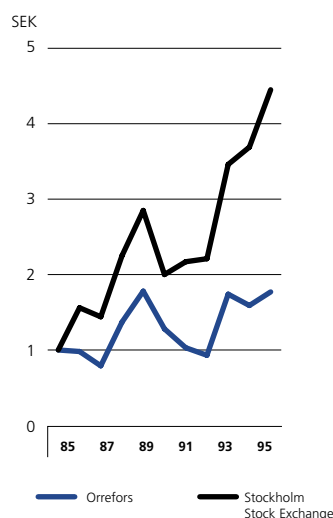
- In 1995 earnings improved for the fourth consecutive year, owing primarily to efficiency gains.
- Sales growth was weak in Sweden but stronger abroad, including in the U.S., the company's largest export market. Sales under the Orrefors trademark declined by 2.5 percent, while an overall increase of 5 percent was reported for the Kosta Boda trademark.
- One of the goals of Orrefors Kosta Boda's quality program was achieved during the year when all the company's operating units were certified in accordance with the ISO 9001 standards.
- Consumer marketing efforts were stepped up in 1995 with increased advertising spending in Sweden and the U.S., among other markets. The basis for these campaigns is a number of customer and consumer surveys conducted both domestically and internationally.

Sales and income



Source: Annual report 1994, year-end report 1995

Total return



Source: Findata

KEY DATA

	1993	1994	1995
Sales, SEK m.	658	695	707
Income after financial items, SEK m.	37	53	65
Dividend, SEK per share	2.00	3.50	4.25 ¹⁾

¹⁾ Proposed dividend for 1995

Source: Annual report 1994, year-end report 1995

OTHER INVESTMENTS

INVESTOR'S OTHER INVESTMENTS are concentrated in areas with high, long-term growth potential, such as information technology, health care and services. The companies themselves may be either publicly or privately held, but most importantly there should be opportunities to capitalize on Investor's global network of contacts.

New investments during the year include PT Telkom and Neuromedical.

During the year, the holdings in AGA and Sydkraft were sold, as was one-third of the holding in Roche. Also sold was the holding in Lendtech - to OM - and the interest in Hasselfors.

In 1995 Investor purchased its own convertibles for a net of SEK 852 m. The market value of Investor's total holding of its own convertibles amounts to SEK 1,538 m.

TRADING ACTIVITIES

Investor trades in shares and other equity instruments as well as foreign currencies and interest-bearing instruments.

Trading is managed under tight risk controls and with very strict limits.

SCANDINAVIAN EQT PARTNERS

The private equity fund Scandinavian EQT Partners was established in 1994 by Investor, Skandinaviska Enskilda Banken and AEA Investors Inc. of the U.S. to invest in medium-size companies in the Nordic countries.

The fund, which has SEK 2.5 billion in investment capital at its disposal, is affiliated with a group of business executives with an impressive network of international contacts. This network comes into play in evaluating potential investments and after an acquisition as a source of experience and expertise for the management of the acquired company.

Scandinavian EQT Partners' goal is to work with the managements of the companies it invests in to enhance the value of their businesses and increase profitability.

During 1995 EQT Partners made its first investment, in Brukens Nordic AB.

NOVARE KAPITAL

In 1995 Investor and Skandinaviska Enskilda Banken teamed up again to establish the venture capital firm Novare Kapital, which specializes in minority investments in small Swedish companies with the potential to grow at home and abroad. Its goal is to serve as a partner to these companies, providing them not only capital but also expertise and a source of international contacts. Novare Kapital's disposable equity amounts to SEK 100 m., of which Investor has committed SEK 75 m. and Skandinaviska Enskilda Banken SEK 25 m.

SCANIA YEAR-END REPORT 1995

FOR SCANIA, 1995 was a successful year in terms of both sales and income.

As demand rose, Scania was able to increase its production rate thanks to recent years' investments to boost capacity. Production rose at the same rate as in 1994, i.e. approximately 35 percent. The assembly plant in France, which was fully operational when the upswing began, was an important contributing factor.

TRUCKS

During the fourth quarter of 1995 Scania introduced the first models of its new truck generation, the 4-series, with a new cab, new 12-litre engine and new chassis. Nearly 20,000 people visited Scania during this time. They represented various customer groups, the media and Scania's global sales organization.

The L-class in the 4-series, trucks designed primarily for the long-haul segment, was awarded "International Truck of the Year 1996" by an international trade press jury. In its decision, the jury praised the 4-series for being designed with customer requirements in mind, i.e. a high payload, the maximum possible cargo capacity, the lowest possible energy consumption and a high degree of flexibility for different uses. The jury also commended Scania as a technological leader for its fully integrated powertrain and extensive modularisation.

The international truck market continued to grow during the year. World-wide production of heavy trucks, i.e. with a gross weight of over 16 tonnes, was approximately 620,000 units, an increase of about 25 percent compared with 1994.

In western Europe, the total market rose from 133,000 heavy trucks in 1994 to 173,000 in 1995, an increase of 30 percent. Order bookings remained at a high level. Most manufacturers raised their production rates. Delivery times were reduced and as a result order stocks decreased slightly during the year.

Scania strengthened its position in most European markets in 1995. Overall, its market share in western Europe rose from 12.8 percent to 14.3 percent.

In the Nordic countries, the total market expanded by 44 percent. Scania raised its sales by 60 percent, thereby increasing its market share to 33 (32) percent.

In the UK, Scania's largest market in Europe, its positive trend continued. Scania's market share rose from 14.3 percent to 16.6 percent. Sales rose by 42 percent.

Continued deregulation of the transport sector in the European Union led to higher efficiency, primarily in Germany, which has had Europe's most strictly regulated transport market. This development limited growth in the German market. Scania's sales rose by 30.5 percent, which led to an increase in market share from 6.4 percent to 7.4 percent. Scania thus remained the largest imported make in a market otherwise dominated by domestic manufacturers.

Economic development was positive in France, which led to substantially higher demand for heavy trucks. In the French market, Scania continued to expand its distribution network and raised its market share to 9.8 (9.4) percent.

A new importer organization and greatly expanded service network in central and eastern Europe led to a doubling of Scania's sales in these markets.

Scania's strong growth in volume and market share also continued in other European markets. Since manufacturers tend to lose market share in the year prior to the introduction of a new generation of trucks, this clearly demon-

strates the strong position of Scania's products in the market.

In South America, Scania maintained its position as the leader in its single largest market, Brazil, with a 33.9 (36.2) percent market share. Total market volume was at about the same level as in 1994. The substantial growth in volume that began in 1994 carried over into the first half of 1995. The second half of the year, however, was distinguished by declining demand, due primarily to domestic fiscal measures. Credit restrictions reduced the opportunities available to finance truck purchases. Nevertheless, Scania's total sales in Brazil during the year remained at approximately the same level as in 1994.

Argentina fell into a recession during the year, which considerably reduced the demand for heavy trucks and buses. Scania improved its market share to 40 (32) percent.

In South-East Asia, Scania's successes continued. Sales of tractor units to Hong Kong doubled during the year. Taiwan and South Korea, where trucks are delivered primarily for container haulage and construction and civil engineering operation, continued to be Scania's largest markets in the region.

During the fourth quarter demand for heavy trucks in western Europe stabilized at the high level established during the third quarter. Sales in January 1996 confirm this trend. The introduction of the new truck generation, the 4-series, has proceeded according to plan.

In South-East Asia, demand during the fourth quarter remained unchanged at a good level.

Demand in South America during the fourth quarter was somewhat weaker than the third quarter of 1995. As a consequence, the annualized market volume in Brazil at the end of the year matched the level of 1993, i.e. approximately 14,000 heavy trucks, a high level for this market.

In 1995 Scania sold 40,467 (30,835) trucks, an increase of 31 percent. Order bookings rose to 40,135 (38,113) trucks, an increase of 5 percent.

BUSES & COACHES

The total market for buses in Scania's segment, heavy buses and coaches for more than 30 passengers, increased in western Europe by 17 percent to approximately 15,600 units. Scania increased its sales in western Europe by 67 percent. Its market share rose from 7.3 to 8.8 percent (including DAB-Silkeborg).

In the rapidly growing UK bus market, Scania consolidated its position with a market share of 12.5 (12.3) percent. Spain was again Scania's largest European bus market, with sales there doubling during the year. Its market share was 19.2 (13.1) percent. In the Nordic region, sales developed very positively. Scania became the market leader in Denmark, with a share of 45.4 percent.

In Brazil, where Scania has concentrated on the intercity and tourist coach segment, the positive trend in demand for buses that began in 1994 continued during the first half of 1995. During the last quarter of the year the rate of growth tailed off, however. Scania strengthened its position in the market, raising its share from 6.3 percent to 8.9 percent. Brazil again was Scania's largest single bus market.

Scania increased its sales of buses to 4,170 (2,687) units, up 55 percent.

Order bookings totaled 4,678 (3,161) buses, an increase of 48 percent.

INDUSTRIAL AND MARINE ENGINES

Sales of Scania industrial and marine engines rose to 3,100 (2,800) units, or by 11 percent. The increase was primarily attributable to Europe.

V.A.G SVERIGE AB

As a whole, the Swedish market for passenger cars rose by 8.6 percent in 1995, to 169,756 (156,375) vehicles. The market share for the cars imported by V.A.G Sverige AB, the Swedish importer of Audi, Porsche, Volkswagen, Seat and Skoda, increased to 15.1 (14.3) percent. Sales of V.A.G products amounted to SEK 3,124 m. (2,560), an increase of 22 percent.

SALES AND EARNINGS

Sales of Scania products amounted to SEK 31,716 m. (24,088), an increase of 32 percent. Scania's total sales including V.A.G rose to SEK 34,840 m. (26,648). Scania's order bookings during the period amounted to SEK 34,867 m. (30,971).

Operating income after depreciation amounted to SEK 5,352 m. (3,909), corresponding to an operating margin of 15.4 (14.7) percent. The improvement in operating income was attributable mainly to higher sales volume and resulting higher capacity utilization. Operating income for European operations increased to SEK 4,598 m. (2,816).

Operating income for Latin American operations gradually declined during the year, owing to lower demand in the second half of the year as a result of fiscal restraints. This led to increasing pressure on prices. In addition, cost levels, particularly wages, increased in the automotive and supplier industries. Income amounted to SEK 413 m. (915).

Income from customer finance operations rose to SEK 98 m. (5), due to higher lending and the recovery of credit losses. V.A.G's operating income improved to SEK 243 m. (173).

During the fourth quarter operating income amounted to SEK 1,464 m. (1,411), corresponding to a margin of 15.6 (17.9) percent. Higher sales volume led to an improvement in income for European operations. Income was affected, however, by the costs associated with the introduction of the new truck range. Income for Latin American operations declined substantially, compared with the very high figure for the fourth quarter of the previous year, to practically a break-even level after the recovery of provisions of SEK 120 m. for disputes settled during the year.

Net financial items amounted to SEK -505 m. (-223). This was due to higher net debt this year as well as exceptionally high interest income in South America last year.

Income after financial items rose to SEK 4,847 m. (3,686), or 13.9 (13.8) percent of sales.

Tax expenses for the year amounted to SEK 1,566 m. (1,125), corresponding to 32 (31) percent of income before taxes. Of the total tax charge, SEK 551 m. (72) was deferred tax.

Net income rose to SEK 3,280 m. (2,556).

The return on capital employed rose to 31.0 (27.2) percent.

CAPITAL EXPENDITURES

Scania's gross capital expenditures for property, plant and equipment, excluding leasing assets, amounted to SEK 2,056 m. (2,343), of which SEK 1,435 m. (1,124) was in Sweden. Investments for the new truck range and capacity-raising measures at production units in Europe and South America amounted to SEK 1,793 m. Net capital expenditures during the period, including leasing assets, were SEK 2,500 m. (2,593).

FINANCING AND LIQUIDITY

Net indebtedness, excluding pension liabilities and net debt in customer finance companies, amounted to SEK 6,168 m., against SEK 6,526 m. in 1994. Net indebtedness was affected by the SEK 800 m. dividend paid to the Parent Company. Working capital increased as December's production, particularly of the new truck range, could not be delivered in its entirety despite a high level of deliveries. This temporarily resulted in higher inventories and accounts receivable as of year-end.

At year-end Investor converted its debenture loan of SEK 3,000 m. to shareholder's equity through a shareholder's contribution.

Net indebtedness as a ratio of shareholder's equity (treating debenture loans as equity in 1994) amounted to 0.76 (1.12). The interest coverage ratio was 4.9 (4.3).

In December 1995 Scania signed a five-year loan facility of USD 1,700 m. in the international bank market, which is intended to be used primarily to replace debt to Investor. At year-end 1995 the facility had not been utilized.

PERSONNEL

At year-end the number of employees totaled 22,061, an increase of 1,636 from the beginning of the year. In Sweden, the number of employees rose by 932.

DIVIDEND

The Board of Directors has proposed to the Annual Meeting a dividend of SEK 5.50 per share.

Södertälje February 15, 1996



Leif Östling
President and CEO

INCOME STATEMENT

SEK m.	1995	1994	Change in %
Sales			
- Scania products	31,716	24,088	32
- V.A.G products	3,124	2,560	22
Total sales	34,840	26,648	31
Manufacturing, selling and administrative expenses	-28,793	-21,868	
Other income and expenses	98	5	
Operating income before depreciation	6,145	4,785	28
Depreciation according to plan	-1,136	-1,085	
Share in income of associated companies	343	209	
Operating income after depreciation	5,352	3,909	37
Financial income and expenses	-505	-223	
Income after financial items	4,847	3,686	31
Taxes	-1,566	-1,125	
Minority interest	-1	-5	
Net income	3,280	2,556	28

INCOME TREND BY QUARTER

1995	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Number of trucks and buses	10,840	11,971	9,488	12,338
Sales, SEK m.	8,525	9,490	7,427	9,398
Operating income after depreciation, SEK m.	1,521	1,533	834	1,464
As a percentage of sales	17.8	16.2	11.2	15.6
Income after financial items, SEK m.	1,401	1,405	706	1,335
1994	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Number of trucks and buses	6,927	8,600	7,954	10,041
Sales, SEK m.	5,707	6,666	6,418	7,857
Operating income after depreciation, SEK m.	639	1,046	813	1,411
As a percentage of sales	11.2	15.7	12.7	17.9
Income after financial items, SEK m.	517	917	876	1,376

BALANCE SHEET

SEK m.	12/31 1995	12/31 1994
Assets		
Cash and short-term investments	1,047	3,187
Receivables	8,813	7,911
Inventories	5,656	4,413
Shares and participations	1,046	966
Machinery, equipment, real estate etc.	12,127	10,861
Total assets	28,689	27,338
Liabilities and shareholders' equity		
Loans	3,745	2,329
Internal loans from Parent Company	6,833	10,299
Pension liabilities	1,540	1,425
Other liabilities	8,475	7,456
Debenture loan		3,000
Shareholders' equity	8,096	2,829
Total liabilities and shareholders' equity	28,689	27,338

CHANGE IN ACCOUNTING PRINCIPLE

Commitments arising from benefit plans for post-retirement benefits in the Brazilian subsidiary and for certain retirement plans are accrued as of 1995 for their expected costs. Previously these expenses were accounted for as they became due and payable. Comparable figures for previous periods have been adjusted to conform to the new accounting principles. The cumulative effect was a reduction in shareholders' equity at January 1, 1995 of SEK 268 m.

THE SAAB GROUP YEAR-END REPORT 1995¹⁾

SAAB TODAY IS an aircraft and defense group with advanced high-technology products. The Group also includes Saab Combitech, which is active in several commercial high-technology niches.

Over a period of many years, Saab has developed the ability to combine different technologies and apply them in practical solutions. Major, targeted research and development investments have been a prerequisite for creating competitive products. Investments in recent years have resulted in products such as the JAS 39 Gripen and Saab 2000.

Defense operations are dominated at present by the JAS 39 Gripen, though they also comprise guided weapons, defense electronics, optronics and military training materiel. The comprehensive development program behind the JAS 39 Gripen is now shifting into the series production phase for the Swedish Air Force, at the same time as export activities are being intensified. Other defense operations in recent years have noted significant success in export markets and major deliveries of laser simulators have been made, particularly in 1995.

Deliveries of the Saab 340 and Saab 2000 increased significantly in 1995 compared with the previous year. The Saab 340 has a strong, established position, with a share of approximately 30 percent in its market segment. The Saab 2000 is a turboprop aircraft with jet-like performance, qualities that are very valuable in a commercial aircraft market that remains extremely difficult. Because of the saturated market that exists today among manufacturers of regional aircraft, an emphasis is placed on efficiency and product features. Saab has been working actively to meet these demands, and further measures are planned.

Commercial operations, aside from the aircraft sector, comprise the space technology, industry, traffic systems and information systems businesses of the Combitech Group. The focus in recent years on new high-technology niches has led, among other things, to acquisitions in the information systems area and the development of innovative free-flow traffic systems for road tolls. The earlier established areas of space technology and industry have been successful and strengthened their positions in 1995.

SALES AND EARNINGS

Group sales rose during the year by 63 percent to SEK 7,925 m. (4,852). Sales outside Sweden amounted to SEK 4,777 m. (2,375), or 60 (49) percent of total sales. The increase in sales is attributable primarily to the delivery of a higher number of commercial aircraft, 15 (10) Saab 340 and 20 (5) Saab 2000, a high level of deliveries from Saab Training Systems and the delivery by Saab Military Aircraft of 9 (3) JAS 39 Gripen. A total of 14 aircraft have been delivered to the Swedish Air Force. Sales of Saab Dynamics decreased compared with the previous year, due mainly to a lower volume of missile sales, a new generation of which is under development. Saab Combitech's sales rose, owing mainly to the increased sales of Saab Ericsson Space and Saab Marine and acquisitions in information systems.

The operating loss after depreciation was reduced by SEK 168 m. to

1) Formally, Saab AB remains the owner of 50 percent of the shares of Saab Automobile. It is intended, however, that this interest will be transferred to Investor or one of Investor's subsidiaries.

SEK -354 m. (-522). The year's loss was affected by the depreciation of product development expenses for the Saab 2000 of SEK 206 m. (34). Other income and expenses amounted to SEK -111 m. (30) and was attributable to the loss incurred by Saab Aircraft's customer finance operations, which was affected negatively by loss provisions brought on by the financial problems of the U.S. airline Business Express. The operating result was affected positively by higher volume in defense operations. The commercial aircraft business is continuing to incur losses. Saturation in the industry is making operating conditions very difficult.

Net interest income amounted to SEK 670 m. (541). The improvement is mainly the result of higher interest rates and a higher net liquidity.

Income after financial items improved to SEK 316 m. (19).

Paid and deferred taxes amounted to SEK -121 m. (-9).

Net income for the year was SEK 184 m. (0).

The return on capital employed, before taxes, was 5.7 (2.3) percent.

ORDERS

The Group's order bookings amounted to SEK 6,053 m. (3,806). During the year orders were received for 31 (3) Saab 340, of which 25 were ordered by AMR Eagle in the U.S., and for 5 (3) Saab 2000 from the Swiss airline Crossair.

The order backlog at year-end was SEK 20,509 m. (22,195), of which orders for batches 1 and 2 of the JAS 39 Gripen amounted to SEK 13,948 m. Saab Aircraft's order backlog amounted to SEK 3,057 m. (3,881). The order backlog comprises 25 (9) Saab 340 and 16 (31) Saab 2000.

SAAB MILITARY AIRCRAFT

Order bookings received by Saab Military Aircraft amounted to SEK 1,849 m. (1,136). Among other things, orders were received for service contracts on the JAS 39 Gripen and JA 37 Viggen for 1995 and 1996, as well as for the integration of the Amraam air-to-air guided missile for the JAS 39 Gripen.

Sales rose by 36 percent to SEK 2,547 m. (1,870). During the year Saab Military Aircraft delivered 9 (3) JAS 39 Gripen to the Swedish Air Force.

Testing of the Gripen has continued successfully and at the end of December a total of more than 2,000 test flights had been conducted. During the year the production edition of the flight control system software was test-flown for the first time. The test flights with this edition have produced very good results. In 1996 the software will be introduced in all production aircraft.

In June Saab and British Aerospace (BAe) signed a cooperation agreement on the joint marketing of the Gripen in export markets. This cooperation improves the JAS 39 Gripen's prospects in the international market through BAe's strong marketing organization. The two-seater version of the Gripen, the JAS 39B, was introduced in a roll-out ceremony at the end of September. Among notable export activities during the year was the signing of a Memorandum of Understanding on the possible procurement of the Gripen and preparations for comprehensive industrial cooperation in Hungary.

SAAB DYNAMICS

Order bookings for Saab Dynamics amounted to SEK 484 m. (1,047). During the year orders included electronic counter-measure equipment as well as development work and equipment involved in the Swedish programs for the procurement of the Leopard 2 battle tank and Amraam guided missile. In addition, during the last quarter, an order was received for the EOS-400 electro-optic sighting system from the Brazilian Navy.

Sales decreased, owing primarily to lower deliveries of missile systems, to SEK 632 m. (826). The lower volume had a negative effect on income.

The company is now in an active period in terms of the export marketing of its existing products and positioning in future international alliances, including the area of missiles.

SAAB TRAINING SYSTEMS

Order bookings were largely unchanged compared with the previous year at SEK 438 m. (473). Orders received during the year included simulators for the Leopard battle tank from the Swedish Defense Materiel Administration. In addition, options were exercised on simulators for tanks by the U.S. Army. The target materiel business area has achieved significant success, with major order bookings.

Sales rose substantially due to major deliveries of laser simulators to Sweden, the U.S. and the U.K., among other countries, and amounted to SEK 727 m. (491). Income improved in pace with the rise in volume.

SAAB AIRCRAFT

Order bookings were significantly higher in 1995 than in 1994. During the year orders were received for 31 (3) Saab 340 and 5 (3) Saab 2000. The order backlog has been reduced by 20 Saab 340, with a value of SEK 1,077 m., previously intended for Business Express.

Sales increased substantially with increased aircraft deliveries and higher volume in the after-sales market. During the year 15 (10) Saab 340 were delivered, including seven to the U.S. airline AMR Eagle, as well as the first Saab 340 AEW to the Defense Materiel Administration. A total of 20 (5) Saab 2000 were delivered and are now being flown by five carriers on three continents: Crossair, Deutsche BA, REGIONAL, Air Marshall Islands and General Motors.

In late January 1996 Chapter 11 bankruptcy proceedings were filed on Saab's initiative by Business Express in the U.S. as a result of overdue leasing payments on 32 Saab 340. This measure is intended to create conditions for a reconstruction of Business Express' operations.

Saab Aircraft's earnings continued to be negative, and further measures will be taken to improve profitability.

SAAB COMBITECH

Order bookings rose by 45 percent to SEK 1,254 m. (864). Saab Ericsson Space signed an agreement on antennas and electronics for telecommunication satel-

lites for mobile telephony. Saab Marine Electronics strengthened its position during the year in the market for radar-based level gauging. During the last quarter Combitech acquired Innovativ Vision, another investment in the expansive field of information systems. Innovativ Vision is active in image-based information systems. During the year the world's first commercial road toll system with multi-lane traffic, developed by Combitech Traffic Systems, was placed in operation in Austria.

Sales rose to SEK 1,175 m. (758), up 55 percent. The increase was the result of higher volume for all companies in the group as well as acquisitions in information systems and space technology.

Essentially all the companies in the group improved their income. For the group as a whole, income rose compared with the previous year but was affected by the continued high development costs of Combitech Traffic Systems.

FINANCING AND LIQUIDITY

Cash and marketable securities, including intra-Group transactions and less external borrowings, increased by SEK 857 m. to SEK 12,513 m. (11,656). The increase is due to a reduction in working capital and a decrease in leasing assets reported on the Group's balance sheet.

CAPITAL EXPENDITURES - RESEARCH AND DEVELOPMENT

The Group's gross capital expenditures for property, plant and equipment, excluding leasing assets, amounted to SEK 258 m. (272). Net capital expenditures, including leasing assets, amounted to SEK 340 m.

The year's allocations for research and development amounted to SEK 1,934 m. (1,748). More than 2,000 Group employees are engaged in research and development.

PERSONNEL

The number of employees in the Group rose by 549 to 8,426. The increase is primarily attributable to higher volume in the Parent Company and acquisitions by Saab Combitech.

PARENT COMPANY SAAB AB

The Parent Company comprises Saab Military Aircraft, Saab Aircraft and corporate staff units. Sales amounted to SEK 5,424 m. (2,912), an increase of 86 percent. An operating loss was reported in the amount of SEK 339 m., against a corresponding year-earlier loss of SEK 900 m. Net financial income amounted to SEK 938 m. (868) and income after financial items was SEK 599 m. (-32).

Linköping, February 15, 1996



Bengt Halse
President and CEO

INCOME STATEMENT

SEK m.	1995	Pro forma 1994	Change %
Sales			
– Saab Military Aircraft	2,547	1,870	36
– Saab Dynamics	632	826	-23
– Saab Training Systems	727	491	48
– Saab Aircraft	3,391	1,360	249
– Saab Combitech	1,175	758	55
Less inter-company sales	-547	-453	
Total sales	7,925	4,852	63
Manufacturing, selling and administrative expenses	-7,622	-5,026	
Other income and expenses	-111	30	
Operating income before depreciation	192	-144	
Depreciation according to plan	-547	-378	
Share in income of associated companies	1		
Operating income after depreciation	-354	-522	
Financial income and expenses	670	541	
Income after financial items	316	19	
Taxes	-121	-9	
Minority interest	-11	-10	
Net income	184	0	

BALANCE SHEET

SEK m.	December 31, 1995	Pro forma January 1, 1995
Assets		
Cash and marketable securities	3,640	2,182
Receivables from Group companies	9,583	10,099
Receivables	1,813	1,736
Inventories	3,891	3,314
Shares and participations	23	14
Goodwill	141	43
Property, plant and equipment, etc.	3,488	3,833
Total assets	22,579	21,221
Liabilities and shareholders' equity		
Loans	710	625
Provisions for pensions	1,936	1,870
Advance payments from customers	6,862	6,036
Other liabilities	7,147	6,936
Shareholders' equity	5,924	5,754
Total liabilities and shareholders' equity	22,579	21,221

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 Saab's annual report can be ordered by phoning: +46-13-18 71 61 or faxing: +46-13-18 71 70.

SAAB AUTOMOBILE

Chairman: Louis R. Hughes

President: Keith O. Butler-Wheelhouse

Income statement

Sek m.	1995	1994
Sales	19,965	19,303
Operating income after depreciation	745	1,297
Capital expenditures	1,008	713
Number of employees	8,092	7,830

Summary of balance sheet

Current assets	6,034	6,760
Fixed assets	10,342	9,706
Total assets	16,376	16,466
Current liabilities	6,940	7,577
Long-term liabilities	3,306	2,999
Subordinated debenture loan	4,714	4,473
Shareholders' equity	1,416	1,417
Total liabilities and shareholders' equity	16,376	16,466

Sales by market area

Sek m.	1995	1994	Change
Sweden	4,104	3,867	+6%
Other Nordic countries	1,148	1,006	+14%
Other European countries	7,818	7,163	+9%
America	5,016	5,151	-3%
Asia/Pacific	1,829	2,113	-13%
Other	50	3	
Group	19,965	19,303	+3%

SAAB AUTOMOBILE IS PART of Sweden's industrial heritage, the essence of which is high quality combined with care and consideration for the environment and personal safety. The name Saab has been synonymous with automotive innovation for almost 50 years.

The current model range consists of two series, the Saab 900 and Saab 9000, competing in the performance, luxury midsize and large car classes. The Saab 900 is available in three models: a 5-door, 3-door coupe and exclusive all-season convertible. The larger Saab 9000 is available in two body versions, with four or five doors. A wide selection of engine options are available, from a 130-hp, 4-cylinder to a 225-hp turbocharged high performance engine, as well as V6's.

Until 1989 Saab's automotive operations were a division of Saab-Scania. In 1990 a separate company was formed, Saab Automobile AB, owned jointly by Saab-Scania and General Motors (each with a 50-percent holding). Following the de-merger of Saab-Scania, the interest in Saab Automobile is expected to be transferred to Investor or one of Investor's subsidiaries.

HIGHLIGHTS IN 1995

- Saab's retail sales in 1995 showed a robust increase, reaching 98,700 vehicles, compared with 88,700 in 1994. Strong performances were noted in some of Saab's most important markets, such as the U.S., Italy and Great Britain.
- Long-term plans to establish Saab in new markets continued. In 1995 sales were started in South Africa, with efforts in Korea, Hungary, Poland and the Czech Republic developing according to plan. In Russia, where Saab began selling cars in 1993, sales jumped by 230 percent to nearly 2,000 vehicles during the year.
- In February the one-millionth Saab 900 was manufactured since the vehicle went into production in 1978.
- Ground was broken during the year on a SEK 1.2 billion paint shop in Trollhättan, one of last year's largest industrial investments in Sweden. When it is completed in 1999, emissions from the paint process will be reduced by more than half to 2.3 kg per car, primarily through the use of water-based paints.
- The Saab Ecopower turbocharged engine concept was introduced at the Frankfurt Auto Show. The distinctive feature of all Saab's Ecopower engines is the unique combination of high performance, low exhaust emissions and noise levels, and low fuel consumption.
- In the U.S., The Car Book named the Saab 9000 a "Best Bet" in 1996, while Consumers Digest named the Saab 900 a "Best Buy" for the third consecutive year.

OTHER INDUSTRIAL OPERATIONS

IN ADDITION to Scania, Saab and Saab Automobile, the Industrial Operations consist of GHH Grand Hôtel Holdings, the real estate management and advisory company Newsec and the real estate management operations of Stockholm-Saltsjön and Näckström.

The wholly owned U.S. subsidiary Utica was sold during the year.

GHH GRAND HÔTEL HOLDINGS AB

Grand Hôtel Holdings, which was established in 1994, conducts hotel, conference and banquet operations at Grand Hôtel Stockholm, Grand Hôtel Saltsjöbaden and Hotell Skansen in Båstad.

GHH owns the hotel property in Stockholm and intends to acquire the property in Saltsjöbaden in the future. Both properties are included in the net worth of GHH Grand Hôtel Holdings.

1995 was a good year for GHH, with both revenues and income developing positively. Revenues amounted to SEK 258 m., an increase of 10 percent. Grand Hôtel Stockholm accounted for 82 percent of sales, Grand Hôtel Saltsjöbaden for 14 percent and Hotell Skansen for 4 percent. Income after financial items rose by 65 percent to SEK 61 m. The improvement is due to a strong economy with positive impact on business travel, together with continued improvements in operating efficiency.

Major renovation work will be carried out at Grand Hôtel Stockholm in 1996. The entire fifth and sixth floors will be rebuilt and modernized. Two new suites will be added on the upper floor, in what has been the attic. And, an exercise and relaxation facility will be constructed in the Grand's cellar.

In 1996 the economy will probably level off and the growth rate in industry will decline, which will affect business travel. For GHH, 1996 is expected to be a positive year, although not on par with the past two years.

LAND AND REAL ESTATE

Investor's land and real estate holdings in the companies Näckström and Stockholm-Saltsjön at year-end had a book value of SEK 713 m. Näckström owns office buildings in central Stockholm, including the one at Arsenalsgatan 8c where Investor has its headquarters. Stockholm-Saltsjön owns land on the island of Värmdö in the Stockholm archipelago and in the Sickla Udde section of Stockholm. In the beginning of 1996 a new company was formed, Sickla Udde Development AB, which will be responsible for the development and construction of Investor's portion of the Hammarby Sjöstad project.

NEWSEC

Newsec was formed at the beginning of 1994 through the merger of the real estate management operations of FastighetsRenting and Stockholm-Saltsjön. Newsec's collective expertise cuts across the entire real estate industry for analysis, consulting, management and corporate finance. The company also encompasses a number of specialized units: Newsec Analys, Newsec Fund Management, Newsec Agency, Newsec Tenant and Newsec Förvaltning.

Through its cooperation with Jones Lang Wootton, Newsec also offers consulting and services for international purposes.

Newsec currently manages properties with a combined value of SEK 7 billion and handles the day-to-day management of Investor's land and real estate holdings.

In March 1996 Newsec acquired Mälarstaden Förvaltning, which manages 13,000 apartments and 1,000 other properties on behalf of 140 clients in the Stockholm area.

ADMINISTRATION REPORT

THE BOARD OF DIRECTORS and the President hereby present their report on the operations of Investor AB in 1995, its seventy-ninth year of business. The following income statements, balance sheets, statements of changes in financial position, accounting principles and notes to the financial statements constitute an integral part of the annual report.

Saab-Scania AB was acquired by Investor AB in 1991. In February 1995 the decision was made to separate Saab-Scania into two independent companies, Saab AB and Scania AB. Investor announced at the time that it intended to seek broader ownership for Scania when market conditions were felt to be favorable.

On February 15, 1996 the Board of Directors decided to seek an initial public offering (IPO) of Scania AB on the Stockholm and New York Stock Exchanges. Investor intends to offer around 50 percent of the shares of Scania to Swedish and international institutional investors as well as the Swedish public. Another 20 percent of the shares will be offered to Investor's shareholders, who will receive a combination of covered warrants in Scania and a nonrecurring cash dividend. The planned IPO will be one of the largest non-privatization issues ever in the international capital market.

For Investor, the IPO of Scania will free up substantial capital, which will be used primarily to reduce net borrowings. The capital will also be used to make new, though limited, investments in growth industries.

The Investor Group's two business areas in 1995 were: the **industrial investments**, with main holdings, other investments and trading activities, and the **industrial operations**, comprising Scania, Saab, GHH Grand Hôtel Holdings, the real estate management and advisory company Newsec and the real estate management operations of Stockholm-Saltsjön and Näckström.

CONSOLIDATED INCOME

The Group's consolidated income after depreciation amounted to SEK 5,615 m. (4,060). Income after financial items amounted to SEK 4,660 m. (2,972). Net income was SEK 3,008 m. (2,812).

THE GROUP'S LIQUIDITY, EQUITY/ASSETS RATIO AND NET DEBT

The Group's cash and short-term investments amounted to SEK 5,863 m. (6,064). Short- and long-term loan liabilities amounted to SEK 15,226 m. (13,188). The equity/assets ratio was 59 (58) percent (shareholders' equity including surplus values and convertible debenture loans as a ratio of total assets less cash and short-term investments).

Adjusted for finance company loan liabilities, net debt amounted to SEK 5,343 m. (3,589). Net debt increased in 1995 due, among other things, to increased investment activities and higher working capital tied up in Scania during the fourth quarter.

INDUSTRIAL INVESTMENTS

During the year Investor instituted a number of organizational changes to better adapt the company to an increasingly global operating environment. Telecommunications, information technology, aviation, the service sector and the media are

monitored from London. Pharmaceuticals, medical technology, banking and insurance are monitored from New York. The forest products, engineering and automotive industries, along with consumer products, are followed from Stockholm. The Hong Kong office follows the Asian markets.

The investments added through this new geographically and sector-oriented investment organization will serve as a complement to Investor's current portfolio. The period these new investments are held will depend on how the companies and their industries develop over time. The aim is to build up this partially new portfolio gradually, over a relatively long period, so that the companies can be monitored and evaluated effectively.

Aside from the main holdings and other investments, trading is conducted in stocks and other equity instruments as well as foreign currencies and interest-bearing instruments. Trading is managed under tight risk controls and with very strict limits.

The industrial investment operations developed positively in 1995. The reported operating income, which does not take into account any unrealized appreciation in value, amounted to SEK 1,118 m. (1,274). The slightly lower figure is due primarily to fewer sales of shares and thus lower capital gains compared with the previous year. Dividend income rose by SEK 229 m. to SEK 656 m.

During the year 7,177,500 shares of Ericsson were acquired for SEK 880 m. through subscriptions and purchases. In June 3,968,800 shares of SILA were purchased for SEK 349 m. In addition, 1,184,600 shares of WM-data were acquired during the year for SEK 200 m.

An additional 627,500 shares of WM-data were acquired after year-end for SEK 199 m. Investor's total holding of WM-data shares subsequently amounts to 1,812,100 B shares, corresponding to 12.3 percent of the capital and 5 percent of the voting rights.

Operating income from other investment operations, including trading, amounted to SEK 462 m. (239). The shareholdings in AGA, Sydkraft, Hasselfors, Lendtech and Rikskuponger were sold, as was one-third of the holding in Roche. New investments during the year include PT Telkom and Neuro-medical.

During the year Investor purchased its own convertibles for a net of SEK 852 m. The market value of Investor's total holding of its own convertibles amounts to SEK 1,538 m.

The value of the main holdings, adjusted for net changes, rose by 20 percent in 1995 to SEK 37,817 m. During the same period the OMX index rose by 19 percent. Of the four largest holdings, Astra and Ericsson in particular performed better than the index. Incentive also noted a positive trend, while STORA's share underperformed the index in 1995.

Together with Skandinaviska Enskilda Banken, Investor during the year established a venture capital firm, Novare Kapital AB, which specializes in minority investments in small Swedish companies with the potential to grow at home and abroad. The company's disposable equity amounts to SEK 100 m., of which Investor has committed SEK 75 m. and Skandinaviska Enskilda Banken SEK 25 m.

During the year Investor was involved to a limited extent in stock lending for the purpose of increasing the return on the Parent Company's portfolio. The Group's policy is to lend a maximum of 2 percent of the voting rights of any individual stock. Any shares on loan can be recalled at Investor's request. Stock lending is conducted only with major players with a strong financial position.

INDUSTRIAL OPERATIONS

Following the de-merger of Saab-Scania on May 16, 1995, the industrial operations comprise Scania, Saab, GHH Grand Hôtel Holdings, Newsec, and the real estate management operations of Stockholm-Saltsjön and Näckström. Scania will be included among the main holdings after its initial public offering and divestment.

Operating income of the industrial operations amounted to SEK 5,048 m. (3,270). During the year the wholly owned U.S. company Utica was sold.

SCANIA

Scania's order bookings during the year amounted to SEK 34,867 m. (30,971). Scania's total sales including V.A.G products rose to SEK 34,840 m. (26,648).

Operating income after depreciation amounted to SEK 5,352 m. (4,006), corresponding to an operating margin of 15.4 (14.7) percent. The improvement in operating income is attributable primarily to higher volume and, as a result, better capacity utilization.

Income after financial items amounted to SEK 4,847 m. (3,686).

Net income rose to SEK 3,280 m. (2,556).

At year-end 1995 Investor converted its debenture loan of SEK 3,000 m. to Scania to shareholders' equity through a shareholder's contribution.

SAAB

Saab AB is the parent company of the Saab Group, which comprises Saab Military Aircraft, Saab Dynamics, Saab Training Systems, Saab Aircraft and Saab Combitech.

The Group's order bookings during the year amounted to SEK 6,053 m. (3,806) and the order backlog at year-end was SEK 20,509 m. (22,195). Group sales amounted to SEK 7,925 m. (4,852), an increase of 63 percent.

The operating loss after depreciation was reduced by SEK 168 m. to SEK -354 m. (-522). The year's loss was affected by the depreciation according to plan beginning in late 1994 of product development expenses for the Saab 2000 of SEK 206 m. (34). Other income and expenses amounted to SEK -111 m. (30), related to the loss by Saab Aircraft's customer finance operations, which were affected negatively by the suspension of payments by the U.S. airline Business Express. The operating result was affected positively by higher volume in defense operations. The commercial aircraft business is continuing to incur losses. Saturation in the industry is making operating conditions very difficult.

Income after financial items improved to SEK 316 m. (19).

Net income for the year was SEK 184 m.

SAAB AUTOMOBILE

Due to the de-merger of Saab-Scania, Saab Automobile is treated in Investor's accounts in the same manner as Investor's other main holdings. Previously, Saab Automobile was reported by Saab-Scania in accordance with the equity accounting method.

OTHER INDUSTRIAL OPERATIONS

GHH Grand Hôtel Holdings AB continued to develop positively during the year. Operating income amounted to SEK 60 m. (50).

PARENT COMPANY INVESTOR AB

During the year the subsidiaries AB Export-Invest and AB Cutex were merged with the Parent Company, Investor AB.

Income after financial items amounted to SEK 374 m. (6,574). Net income amounted to SEK 7,698 m. (6,574).

During the year shares were purchased and subscribed for SEK 1,237 m. and sold for SEK 668 m. Previously issued call options were exercised in September for a total of SEK 389 m.

Cash, short-term investments and current receivables amounted to SEK 89 m. (1,323). Current liabilities amounted to SEK 2,081 m. (4,208).

On November 7 Investor received a ruling from the U.S. Securities and Exchange Commission (SEC) that gives Investor the right to market the company and its securities to a wider audience of potential investors in the U.S. The SEC ruling means that Investor is considered a diversified industrial holding company according to U.S. law.

During the year a U.S. private placement of SEK 3.3 billion raised in 1993 by the Group treasury company was transferred to Investor AB. The loan falls due in 2006.

BOARD OF DIRECTORS AND PERSONNEL

Details on the number of employees and their wages, salaries and other remuneration are shown in Note 30.

PROPOSED DISPOSITION OF EARNINGS

The Board of Directors and the President propose that the following unappropriated earnings at the disposal of the Annual Meeting:

Retained earnings from 1994	SEK 8,674,876,844
Net income for the year	SEK 7,698,057,824
Total	SEK 16,372,934,668

Be allocated in such a way that shareholders receive:

an ordinary dividend of sek 9.00 per share or,

on the assumption that all outstanding convertible debentures are converted to shares,

a maximum total of SEK 1,794,999,276

and, on the condition that the divestment and initial public offering of the shares of Scania AB is implemented as planned,

a special cash dividend of SEK 20.00 per share,	
or a maximum total of	SEK 3,988,887,280
together totaling no more than	SEK 5,783,886,556

and one three-year covered warrant per share, where five covered warrants give the right to purchase one Class B share of Scania AB.

The remaining funds, SEK 10,589,048,112, are to be carried forward.

The Group's unrestricted reserves on December 31, 1995 amounted to SEK 6,551 m. No allocations to restricted reserves are required.

Stockholm, February 1996



Peter Wallenberg
Chairman



Percy Barnevik



Erik Belfrage



Bo Berggren



Håkan Mogren



Mauritz Sahlin



Anders Scharp



Peter D. Sutherland



Tom Wachtmeister



Marcus Wallenberg

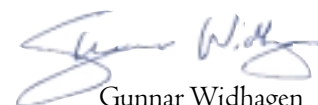


Claes Dahlbäck
President

Our audit report was submitted on March 18, 1996.



Caj Nackstad
Authorized Public Accountant



Gunnar Widhagen
Authorized Public Accountant

CONSOLIDATED INCOME STATEMENT

SEK m.	Note	1995	1994 ¹⁾
Dividend income		656	427
Capital gains, net		–	608
Sales	1	43,282	32,037
Manufacturing, selling and administrative expenses	2	-37,171	-27,789
Other income and expenses, net	3	450	274
Depreciation according to plan	4	-1,947	-1,706
Share in income of associated companies	5	345	209
Operating income after depreciation		5,615	4,060
Financial expenses, convertible debenture loans	6		
– interest expenses and capital discount		-628	-625
– currency translation		112	34
Net financial expenses, other	7	-439	-497
Net financial expense		-955	-1,088
Income after financial items		4,660	2,972
Income, Export-Invest, prior to acquisition		–	-233
Share in income of Saab Automobile		–	351
Income before tax		4,660	3,090
Tax paid	8	-1,005	-198
Change in deferred tax	9	-638	-65
Minority interest	10	-9	-15
Consolidated net income		3,008	2,812
Specification of operating income			
Industrial investments			
Dividend income		656	427
Capital gains		–	608
Other holdings and trading		462	239
Total, industrial investments		1,118	1,274
Industrial operations, etc.			
Scania		5,352	4,006
Saab		-354	-522
GHH Grand Hôtel Holdings		60	50
Other		-10	-264
Total, industrial operations		5,048	3,270
General Group expenses		-331	-264
Depreciation of goodwill		-220	-220
Total operating income		5,615	4,060

1) The comparable figures for 1994 have been adjusted in accordance with the changed format of the income statement.

CONSOLIDATED BALANCE SHEET

SEK m.	Note	12/31 1995	12/31 1994
Assets			
Current assets			
Cash and short-term investments	11	5,863	6,064
Shares and participations	12	2,560	1,825
Current receivables	13	9,358	8,475
Inventories	14	9,553	7,792
		27,334	24,156
Fixed assets			
Shares and participations	16	16,330	14,793
Long-term receivables	18	4,154	4,192
Goodwill	19	3,587	3,710
Machinery, equipment, real estate, etc.	20	17,017	16,125
		41,088	38,820
Total assets		68,422	62,976
Liabilities and shareholders' equity			
Current liabilities			
Current loan liabilities	21	9,336	5,501
Other current liabilities	22	13,704	13,204
		23,040	18,705
Advance payments from customers		7,109	6,447
		30,149	25,152
Long-term liabilities			
Long-term loan liabilities	21	5,890	7,687
Provision for pensions	23	3,468	3,129
Deferred tax liability	24	2,319	1,648
		11,677	12,464
Convertible debenture loans	25	6,768	6,829
Minority interest in subsidiaries		75	65
Shareholders' equity	26		
Restricted shareholders' equity			
Capital stock		3,875	3,874
Restricted reserves		9,327	9,346
		13,202	13,220
Unrestricted shareholders' equity			
Unrestricted reserves		3,543	2,434
Net income for the year		3,008	2,812
		6,551	5,246
		19,753	18,466
Total liabilities and shareholders' equity		68,422	62,976
Assets pledged	27	5,281	5,037
Contingent liabilities	28	7,104	6,369

BALANCE SHEET AT MARKET VALUE

Not included in the audited annual report

SEK m.

	Note	12/31 1995	12/31 1994
Assets			
Current assets			
Cash and short-term investments	11	5,863	6,064
Shares and participations	12	2,560	1,825
Current receivables	13	9,358	8,475
Inventories	14	9,553	7,792
		27,334	24,156
Fixed assets			
Shares and participations	16	41,034	32,991
Long-term receivables	18	4,154	4,192
Goodwill	19	3,587	3,710
Machinery, equipment, real estate, etc.	20	17,017	16,125
		65,792	57,018
Total assets		93,126	81,174
Liabilities and shareholders' equity			
Current liabilities			
Current loan liabilities	21	9,336	5,501
Other current liabilities	22	13,704	13,204
		23,040	18,705
Advance payments from customers		7,109	6,447
		30,149	25,152
Long-term liabilities			
Long-term loan liabilities	21	5,890	7,687
Provision for pensions	23	3,468	3,129
Deferred tax liability	24	2,319	1,648
		11,677	12,464
Convertible debenture loans	25	6,768	6,829
Minority interest in subsidiaries		75	65
Surplus values arising from market valuation		24,704	18,198
Shareholders' equity	26		
Restricted shareholders' equity			
Capital stock and restricted reserves		13,202	13,220
Unrestricted reserves and net income		6,551	5,246
		19 753	18 466
Total liabilities and shareholders' equity		93,126	81,174
Equity/assets ratio		59%	58%
Net debt			
Cash and short-term investments		5,863	6,064
Short- and long-term loans		-15,226	-13,188
Less finance company loans		4,020	3,535
Total net financial debt		-5,343	-3,589

BALANCE SHEET AT MARKET VALUE BY COMPANY

Not included in the audited annual report

As of Jan. 1, 1995 (SEK m.)	Investor Group excl Scania and Saab	Scania ¹⁾	Pro forma Saab ²⁾	Eliminations	Investor Group
Assets					
Cash and short-term investments	695	3,187	2,182	–	6,064
Internal receivables	10,299	–	10,099	-20,398	–
Receivables	3,020	7,911	1,736	–	12,667
Inventories	65	4,413	3,314	–	7,792
Shares and participations	33,836	966	14	–	34,816
Shareholders' equity Scania, Saab	8,850	–	–	-8,850	–
Debenture loan Scania	3,000	–	–	-3,000	–
Goodwill	3,454	13	43	200	3,710
Machinery, equipment, real estate, etc.	1,644	10,848	3,833	-200	16,125
	64,863	27,338	21,221	-32,248	81,174
Liabilities and shareholders' equity					
Loans	10,234	2,329	625	–	13,188
Internal loans from Group companies	10,099	10,299	–	-20,398	–
Provision for pensions	101	1,425	1,870	-267	3,129
Advance payments from customers	–	411	6,036	–	6,447
Other liabilities	936	7,045	6,936	–	14,917
Debenture loan	–	3,000	–	-3,000	–
Convertible debenture loans	6,829	–	–	–	6,829
Surplus values arising from market valuation	18,198	–	–	–	18,198
Shareholders' equity	18,466	2,829	5,754	-8,583	18,466
	64,863	27,338	21,221	-32,248	81,174
As of Dec. 31, 1995 (SEK m.)					
	Investor Group excl Scania and Saab	Scania	Pro forma Saab ²⁾	Eliminations	Investor Group
Assets					
Cash and short-term investments	1,176	1,047	3,640	–	5,863
Internal receivables	6,833	–	9,583	-16,416	–
Receivables	2,886	8,813	1,813	–	13,512
Inventories	6	5,656	3,891	–	9,553
Shares and participations	42,525	1,046	23	–	43,594
Shareholders' equity Scania, Saab	14,020	–	–	-14,020	–
Debenture loan Scania	–	–	–	–	–
Goodwill	3,235	11	141	200	3,587
Machinery, equipment, real estate, etc.	1,613	12,116	3,488	-200	17,017
	72,294	28,689	22,579	-30,436	93,126
Liabilities and shareholders' equity					
Loans	10,771	3,745	710	–	15,226
Internal loans from Group companies	9,583	6,833	–	-16,416	–
Provision for pensions	80	1,540	1,936	-88	3,468
Advance payments from customers	2	245	6,862	–	7,109
Other liabilities	721	8,230	7,147	–	16,098
Debenture loan	–	–	–	–	–
Convertible debenture loans	6,768	–	–	–	6,768
Surplus values arising from market valuation	24,704	–	–	–	24,704
Shareholders' equity	19,665	8,096	5,924	-13,932	19,753
	72,294	28,689	22,579	-30,436	93,126

1) Scania's balance sheet as per January 1, 1995 has been adjusted with respect to the change the company made in 1995 in the reporting of post-retirement benefits, etc.

2) The pro forma balance sheet does not take into account the fact that Saab formally owns the 50-percent interest in Saab Automobile. Ownership of the shares of Saab Automobile is expected to be transferred to Investor or one of Investor's subsidiaries.

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

SEK m.	Note	1995	1994
Source of funds			
Dividend income		656	415
Sales, main holdings ¹⁾		389	986
Operating income before depreciation ²⁾	29	6,502	4,670
Net financial expense	29	-1,013	-1,075
Taxes paid	29	-896	-81
Total funds provided		5,638	4,915
Application of funds			
Dividends paid		-1,239	-721
Purchases, main holdings		-1,429	-182
Net change in other holdings and equity trading		-759	708
Increase in working capital (-)	29	-1,404	-1,197
Net capital expenditures	29	-2,972	-3,665
Other items ³⁾		-74	85
Total funds applied		-7,877	-4,972
Deconsolidation V.A.G		—	1,225
Acquisition of Export-Invest		—	-134
Financial deficit/surplus		-2,239	1,034
Effect on financing			
Decrease in liquid assets (+)		201	2,228
Increase in short-term loans (+)		3,835	2,079
Decrease in long-term loans (-)		-1,797	-5,341
Total effect on financing		2,239	-1,034

1) Proceeds, options exercised in 1995.

2) Excluding dividends, capital gains and equity trading.

3) Long-term receivables and liabilities etc.

PARENT COMPANY INCOME STATEMENT

SEK m.	1995	1994
Industrial holdings		
Dividends from subsidiaries	–	3,111
Dividends from other companies	532	408
Capital gains, net ¹⁾	131	608
Intra-Group capital gains	–	2,430
Compensation, stock lending	2	2
Income/loss on index options issued	5	-26
Management expenses	-44	-24
Income before financial items	626	6,509
Financial income and expenses		
Interest income		
– from Group companies	314	831
– from others	12	6
Financial expenses, convertible debenture loans		
– interest expenses	-575	-572
– capital discount	-53	-53
– currency translation	112	34
Interest expenses		
– to Group companies	-3	–
– to others	-95	-181
Currency translation	28	–
Other financial income and expenses	8	–
Net of financial income and expenses	-252	65
Income after financial items	374	6,574
Income from merger	714	–
Capital contribution repaid	7,610	–
Writedown of shares in subsidiary	-1,000	–
Income before tax	7,698	6,574
Tax	–	–
Net income for the year	7,698	6,574

1) Including the sale of shares acquired by the Parent Company through the merger of AB Export-Invest. The net gain is reported in the consolidated income statement under Other revenue.

PARENT COMPANY BALANCE SHEET

SEK m.	Note	1995	1994*	1994
Assets				
Current assets				
Cash and short-term investments		74	61	61
Receivables, Group companies		–	1,858	1,262
Other receivables		15	4	–
		89	1,923	1,323
Fixed assets				
Shares in subsidiaries	15	21,976	20,119	23,207
Shares and participations	17	16,237	16,091	9,498
Receivables, Group Companies		3,339	–	–
Capital discount	25	288	341	341
		41,840	36,631	33,046
Total assets		41,929	38,554	34,369
Liabilities and shareholders' equity				
Current liabilities				
Accrued expenses and prepaid income		368	297	297
Due to Group companies		1,660	7,843	3,789
Tax liability		–	95	–
Other current liabilities		53	122	122
		2,081	8,357	4,208
Long-term liabilities				
Due to subsidiary		3	3	3
Long-term loan liabilities		3,342	3	3
Deferred tax liability		–	35	–
		3,345	41	6
Convertible debenture loans	25	7,056	7,170	7,170
Shareholders' equity	26			
Restricted shareholders' equity				
Capital stock		3,875	3,874	3,874
Legal reserve		9,199	9,198	9,197
		13,074	13,072	13,071
Unrestricted shareholders' equity				
Retained earnings		8,675	3,393	3,340
Net income for the year		7,698	6,521	6,574
		16,373	9,914	9,914
		29,447	22,986	22,985
Total liabilities and shareholders' equity		41,929	38,554	34,369
Assets pledged				
	27	54	116	49
Contingent liabilities	28	8,198	11,419	11,426

* Parent Company including AB Export-Invest and AB Cutex (merged with the Parent Company in 1995).

PARENT COMPANY STATEMENT OF CHANGES IN FINANCIAL POSITION

SEK m.	1995*	1994
Source of funds		
Dividend income, etc.	534	3,521
Sales from the main holdings	1,058	5,008
Income/loss on index options issued	5	-26
Management expenses, etc.	-44	-24
Net of financial income and expenses	-311	84
Total funds provided	1,242	8,563
Application of funds		
Dividend paid	-1,239	-721
Purchases for the main holdings	-1,237	-1,121
Change in current receivables and liabilities	-103	65
Investment in shares in subsidiary	–	-3,461
Less: non-cash issue	–	3,327
Sale of shares in subsidiary within the Group	223	–
Capital contribution to subsidiary repaid/paid	4,610	-14,000
Other items	842	–
Total funds applied	3,096	-15,911
Financial surplus/deficit	4,338	-7,348
Effect on financing		
Increase in liquid assets (-)	-13	-22
Decrease in short-term loans (-)	–	-512
Increase in long-term loans (+)	3,339	–
Change in intra-Group transactions	-7,664	7,882
Total effect on financing	-4,338	7,348

* The statement of changes in financial position has been prepared based on the pro forma balance sheet of December 31, 1994

" Parent Company including AB Export-Invest and AB Cutex" (merged with the Parent Company in 1995).

ACCOUNTING PRINCIPLES

CONSOLIDATED ACCOUNTS

The consolidated accounts comprise the Parent Company and all subsidiaries and associated companies in Sweden and abroad. Subsidiaries are companies in which the Parent Company directly or indirectly owns more than 50 percent of the voting rights of the shares or in which the Group otherwise has a decisive influence and a significant share in the income generated from their operations. Associated companies are companies, in which the Group has a long-term ownership interest and voting rights of between 20 and 50 percent.

The consolidated accounts are prepared in accordance with the purchase accounting method. This means that a subsidiary's assets and liabilities are accounted for at market value according to an analysis of the acquisition. If the acquisition value of the shares in the subsidiary exceeds the estimated market value of the company's net assets, according to the analysis, the difference is considered Group goodwill, which is depreciated over the estimated useful life of the assets. In this way, only income that arises after the date of acquisition is included in consolidated shareholders' equity.

Associated companies within operating subsidiaries are accounted for in accordance with the equity accounting method. This means that the book value of the shares and participations in associated companies is reported in the consolidated balance sheet as the Group's share in their equity. Thus, only the Group's share in the income of associated companies is included in consolidated income, provided this does not result in a negative book value of equity interest.

Associated companies within the industrial investments are reported at cost.

By minority interest is meant the minority share in net income and shareholders' equity.

Companies acquired during the year are included in consolidated income for the period following their acquisition. The income of companies sold during the year is not included in consolidated income.

Intra-Group profits and transactions are eliminated.

FOREIGN SUBSIDIARIES AND ASSOCIATED COMPANIES

The financial statements of foreign subsidiaries and associated companies are translated to SEK in conformity with International Accounting Standard no. 21 (IAS 21). This means that the income statements and balance sheets of these companies are translated to SEK according to the current rate method, with the exception of subsidiaries in countries with an especially high rate of inflation, which are translated with the temporal method.

With the current method, assets and liabilities are translated at the year-end exchange rate, while income and expenses are translated at the average exchange rate for the year. The translation difference that arises in part when translating the net assets of foreign companies at a different rate at year-end than at the beginning of the year and in part when net income is translated at other than the year-end rate is reported directly in shareholders' equity in the balance sheet.

With the temporal method, monetary items are translated at the year-end rate, while non-monetary items are translated at the rate in effect on the acqui-

sition date. Inventories, property, plant and equipment and shareholders' equity are translated at the acquisition date rate and other assets and liabilities at the year-end rate. With the exception of the cost of goods sold and depreciation of property, plant and equipment, which are translated at the acquisition date rate, income and expenses are translated at their average exchange rate for the year. Items reported by subsidiaries at their year-end value are translated at the year-end rate.

The exchange rate difference (translation difference) on monetary assets and liabilities is included in net income for the year and is reported in the income statement as follows. The portion of the translation difference attributable to operating items, primarily accounts receivable and payable, is included in operating income. The portion of the translation difference attributable to financial items is included in financial income and expenses as a correction to interest.

CASH AND SHORT-TERM INVESTMENTS

Financial investments in the form of listed securities are reported at the lower of cost and market value.

RECEIVABLES AND LIABILITIES

Receivables and liabilities in foreign currency of individual companies are valued at the year-end exchange rate. Receivables and liabilities hedged by forward contracts are valued at the current forward rate.

Leverage leases are reported by the Group, as the lessor, in accordance with international standards. A leverage lease is distinguished by the fact that, in addition to the lessor and lessee, it includes a lender who only has the right to payment/amortizations in the form of leasing fees and the security of the assets in question (non-recourse). Receivables related to such leasing agreements are reported in the balance sheet after deduction of the non-recourse loans.

SHARES HELD FOR TRADING

Holdings of shares, participations and other securities classified as assets held for trading purposes are reported according to the "portfolio method" at the lower of cost and listed value (or estimated market value in the case of non-listed securities).

INVENTORIES

Inventories are valued at the lower of cost according to the first in, first out principle (FIFO) and market value. Included is a share of indirect expenses attributable to inventories.

SHARES, FIXED ASSETS

Equity investments and other shares and participations classified as fixed assets (excluding holdings in associated companies within operating subsidiaries) are reported at cost.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are reported at cost, with the exception of revaluations permitted under certain circumstances in accordance with Swedish accounting principles.

OPERATING INCOME INDUSTRIAL OPERATIONS

For orders where the manufacturing cost is financed to a significant extent by advances from customers, the effect of advanced-payment financing on interest is reported under operating income.

The heading "Other income and expenses" includes the aggregate income of Scania's and Saab's customer finance and treasury operations.

DEPRECIATION ACCORDING TO PLAN

Property, plant and equipment are reported after the deduction of accumulated depreciation according to plan. Depreciation is based on the assets' cost and estimated useful life. For machinery and equipment, the rate of depreciation is between 6.7 and 33 percent; for industrial buildings it is 4 percent and for other buildings 2 percent.

BOOK DEPRECIATION

Book depreciation is calculated in accordance with the existing laws and practices in each country.

Book depreciation in excess of plan is treated as accelerated depreciation, which is an untaxed reserve. This reserve is divided in the consolidated financial statements between deferred tax and shareholders' equity.

GOODWILL

Goodwill is reported as a fixed asset and is depreciated according to plan at rates individually determined for each goodwill item. Goodwill attributable to the acquisition of the shares in the former Saab-Scania AB in 1991 is depreciated at 5 percent annually.

RESEARCH AND DEVELOPMENT EXPENDITURES

The Group's definition of expenditures for research and development conforms with that used by Statistics Sweden.

Only development costs directly attributable to a few completely new and important products for the Group are carried forward. Such expenditures are depreciated annually by a minimum of 20 percent.

For the development and manufacture of the Saab 2000 regional aircraft, Saab AB and the Swedish Government have reached a special agreement whereby the Government participates in the project on commercial terms. In accordance with the agreement, Saab has received a total of SEK 1,126 m. during the period 1989-1994. The amounts received are reported as income at the same rate as expenditures are incurred for the project.

Compensation paid to the Government for risk financing is paid by Saab in the form of a royalty based on the project's revenues. Future royalties will depend on the project's profitability. Royalties will not be paid on the first 30 aircraft sold.

EXCHANGE RATE DIFFERENCES

Exchange rate differences attributable to loans and forward exchange contracts in foreign currencies, which are used to hedge the net assets of subsidiaries, are reported directly in shareholders' equity in the consolidated balance sheet together with the corresponding translation difference.

Exchange rate differences related to other short- and long-term borrowings are reported in the income statement as a financial income or expense, while other exchange rate differences are reported under operating income.

TAX

The Group's total tax charge consists of tax paid and deferred tax. Deferred tax consists mainly of the estimated tax on the year's change in untaxed reserves and the tax related to any unutilized loss carryforward to the extent that it can be met by utilizing untaxed reserves or in all probability is expected to be utilized in the next few years.

Deferred tax is estimated in accordance with the upcoming year's tax rate in each country.

From a tax standpoint, Investor AB is considered a diversified industrial holding company. Most importantly in this respect, gains on the sale of shares are tax exempt. At the same time, however, the company must declare two percent of the market value of its shares as of January 1 of each year as taxable, so-called standard income. Dividend income is taxable, while dividends paid are deductible. Interest income is taxable as well, and management expenses and interest expenses are also deductible.

The other Swedish companies in the Investor Group, including Scania and Saab, constitute a group and are taxed, with few exceptions, as operating companies. The group arrangement permits the payment and receipt of group contributions.

APPROPRIATIONS AND UNTAXED RESERVES

Tax regulations in Sweden and certain other countries permit allocations to special reserves. In this manner, companies, within certain limits, can apportion and retain earnings in their business without subjecting them to immediate taxation.

Untaxed reserves are not subject to taxation until they are utilized. However, in the event the business should incur a loss, the reserves may be utilized to cover such a loss without the payment of tax. The total value of the untaxed reserves therefore can be considered risk capital, because any losses can be covered through use of the reserves.

In the consolidated balance sheet, untaxed reserves are divided among shareholders' equity and the deferred tax liability. In the income statement, deferred tax is the tax that is attributable to the year's change in untaxed reserves.

OECD'S GUIDELINES

In all significant respects, the Group follows the OECD's recommendations on the disclosure of information in accordance with its declaration on "International Investments and Multinational Enterprises".

EXCHANGE RATES

Country	Currency		1995	1994	Average rate	
					1995	1994
Australia	AUD	1	4.97	5.79	5.29	5.64
Austria	ATS	100	66.00	68.45	70.85	67.64
Belgium	BEF	100	22.62	23.45	24.23	23.09
Denmark	DKK	100	120.00	122.60	127.44	121.42
France	FRF	100	136.05	139.50	143.09	139.16
Germany	DEM	100	464.45	481.65	498.47	475.91
Netherlands	NLG	100	414.95	430.05	445.02	424.37
Spain	ESP	100	5.48	5.66	5.73	5.76
UK	GBP	1	10.33	11.65	11.27	11.81
USA	USD	1	6.67	7.46	7.14	7.72
	ECU	1	8.54	9.15	9.23	9.13

NOTES TO THE FINANCIAL STATEMENTS

Amounts in SEK million

NOTE 1 Sales		
	1995	Group 1994
Scania:		
Scania products	31,716	24,088
V.A.G products	3,124	2,560
	34,840	26,648
Saab:		
Saab Military Aircraft	2,547	1,870
Saab Dynamics	632	826
Saab Training System	727	491
Saab Aircraft	3,391	1,360
Saab Combitech	1,175	758
Inter-company sales	-547	-453
	7,925	4,852
GHH Grand Hôtel Holdings	258	234
Other	259	303
Total	43,282	32,037

NOTE 2 Manufacturing, selling and administrative expenses		
	1995	1994
Scania	-28,793	-21,771
Saab	-7,622	-5,026
GHH Grand Hôtel Holdings	-181	-163
Other	-253	-571
Shared Group expenses	-322	-258
Total	-37,171	-27,789

NOTE 3 Other income and expenses		
	1995	Group 1994
Equity/derivatives trading		
Income	4,172	2,042
Expenses	-3,755	-1,840
	417	202
Treasury operations	47	37
Customer finance operations		
Interest income	428	409
Leasing income	485	321
Interest expenses	-385	-360
Depreciation	-254	-204
Other expenses	-288	-131
	-14	35
Total	450	274

The scope of the customer finance operations is indicated in the following balance sheet.

continued

Note 3 continued

Balance sheet, customer finance operations

	1995	1994
Assets		
Liquid assets	24	57
Current receivables	2,446	2,653
Other current assets	294	233
Long-term receivables ¹⁾	1,392	1,085
Leasing assets	1,921	1,531
Other fixed assets	7	8
Total	6,084	5,567
Liabilities and shareholders' equity		
Short-term borrowings	3,290	2,747
Current liabilities	1,075	788
Long-term borrowings	730	974
Other long-term liabilities	227	156
Minority interest	15	16
Shareholders' equity	747	886
Total	6,084	5,567

1) Of which within the Group 316

Distribution of the assets according to the above

Scania	4,328
Saab	1,756
	6,084

Costs of index options issued ¹⁾

	1995	Parent Company ²⁾ 1994
Cost of index options repurchased during the year	-5	-19
Unrealized gain/loss on outstanding options per 12/31 ³⁾	10	-7
Total	5	-26

1) In 1992 Investor issued index options to certain executives of the company. The price was SEK 20. The strike price is SEK 185. The options expire in the year 2000.

2) For 1995 the Group reported a gain of SEK 10 m. (-7) as the commitment is protected through the holding of Investor's own convertibles.

3) As of Dec. 31, 1995 the total liability for the index options issued amounted to SEK 41 m.

NOTE 4 Depreciation according to plan		
	1995	Group 1994
Product development	-206	-34
Machinery and equipment	-1,179	-1,124
Buildings	-320	-311
Land and other real estate	-11	-10
	1,716	-1,479
Goodwill	-231	-227
Total	-1,947	-1,706
Distribution of depreciation according to the above		
Scania	-1,136	-1,085
Saab	-547	-378
Other operations	-264	-243
Total	-1,947	-1,706

NOTE 5 Share in income of associated companies

	1995	Group 1994
Share in income of associated companies		
Within Scania		
V.A.G products	179	125
Scania products	164	84
Within Saab	2	–
Total	345	209

NOTE 6 Financial expenses, convertible debenture loans

	1995	Group 1994
Interest expense	-575	-572
Depreciation of capital discount	-53	-53
Foreign exchange reserve	112	34
Total	-516	-591

The portion of the loan denominated in foreign currency, ECU 183 m., has been translated to SEK at the rate effective December 31, 1995 in accordance with generally accepted auditing standards. The reserve amounts to SEK 209 m. as of December 31, 1995. As share conversions are made, the reserve will be dissolved and reported as income.

NOTE 7 Financial net, other

	1995	Group 1994
Interest income		
on forward exchange contracts to		
hedge assets	97	117
other	953	1,314
Interest expenses		
on forward exchange contracts to		
hedge assets	–	-3
borrowings	-1,309	-1,582
Interest on pension liability (PRI)	-185	-218
Exchange rate differences,		
short- and long-term borrowings	1	-35
Other financial income and expenses	4	-90
Total	-439	-497

NOTE 8 Tax paid

	1995	Group 1994
Income tax	-733	-52
Withholding tax on dividends and interest	-164	-29
Share in tax of associated companies	-108	-117
Total ¹⁾	-1,005	-198

1) Of which related to Scania -1,015

NOTE 9 Change in deferred tax

	1995	Group 1994
Change in deferred tax on		
untaxed reserves	-483	61
Group sales surplus values	28	42
Reversal of deferred tax on		
unutilized loss carryforward		
as of Dec. 31, 1994 and Dec. 31, 1993	-280	-448
Deferred tax on unutilized loss		
carryforward as of Dec. 31, 1995		
and Dec. 31, 1994	97	280
Total ¹⁾	-638	-65
1) Of which related to Scania	-551	

NOTE 10 Minority interest in subsidiary

The minority interest in subsidiary income and capital refers primarily to Saab Ericsson Space AB.

NOTE 11 Cash and short-term investments

	1995	Group 1994
Cash and bank balances	1,656	1,645
Financial investments	4,207	4,419
Total	5,863	6,064

NOTE 12 Shares and participations (current assets)

	Stake	Number (000)	Book value	Group Market value
Listed Swedish securities				
Astra		835	148	220
Bure		585	15	26
Cardo		512	37	63
STORA		482	38	38
Other			167	174
Total			405	521
Investor, conv. loan 7,25%				
91/2001, ECU	nom 24,600		239	244
Investor, conv. loan 8%				
91/2001	nom 949,058		1,189	1,294
Total			1,428	1,538
Non-listed Swedish holdings				
EQT Partners	50%	3	1	1
FR FastighetsRenting	19%	261	49	54
Do. subordinated loan		nom 44	44	44
Stille	26%	56	18	22
Svenska Dagbladet				
Holding	13%	101	22	0
Other			14	36
Total			148	157

continued, next page

Note 12 continued

	Stake	Number (000)	Group Book value	Market value
Listed foreign securities				
Fiskars	8%	633	162	207
Acceptance Insurance Comp.		515	47	47
Other			263	255
Total			472	509
Non-listed foreign holdings				
Euro Synergies Inv.				
S.C.A		units 5	25	21
Ane Gyllenberg	31%	93	19	29
Larmag Energy N.V. ¹⁾		3,600	51	49
Latin American				
Discovery Fund		157	10	10
Other			2	2
Total			107	111
Total holding, shares held for trading			2,560	2,836

1) Investor has assumed a guarantee for a bank loan to Larmag Investments B.V. of USD 5 m.
A complete list has been included in the annual report filed with the Swedish Patent and Registration Office and may to be obtained from the company's office in Stockholm.

NOTE 13 Current receivables

	1995	Group 1994
Accounts receivable	4,994	3,346
Receivables in customer finance operations	2,446	2,653
Prepaid expenses and accrued income	462	491
Prepaid tax	131	-
Other receivables	1,146	1,805
Advance payments to suppliers	179	180
Total	9,358	8,475

NOTE 14 Inventories

	1995	Group 1994
Scania		
Raw materials, semi-finished goods and work in progress	2,032	1,736
Finished goods	3,624	2,677
Inventories Scania	5,656	4,41
Saab		
Raw materials, semi-finished goods and work in progress	7,617	9,655
Finished goods	539	276
Inventories' acquisition value	8,156	9,931
Less: Advance invoicing	-4,265	-6,617
Inventories Saab	3,891	3,314
Inventories of other subsidiaries	6	65
Total	9,553	7,792

NOTE 15 Shares in subsidiaries

	Stake	Number (000)	Parent Company 1995	1994
Patricia AB	100%	3,000	4,884	5,884
AB Export-Invest			-	3,321
AB Cutex			-	14,000
AB Borgas	100%	0,5	-	-
AB Exportfinans	100%	0,5	-	-
AB Kölen	100%	25,000	2	2
Scania AB ¹⁾	91%	181,200	17,090	-
Total			21,976	23,207

1) 9% the shares are held by another company in the Investor Group, Saab-Scania AB (formerly Saab-Scania Holdings AB).

NOTE 16 Shares and participations (long-term holdings)

Main Group holdings	Number (000)	Book value total	Market value SEK/share	SEK m.
Astra A ¹⁾	60,578	1,962	265	16,053
Astra B ²⁾	934	137	263	246
Incentive A	18,518	2,783	290	5,370
STORA A	52,729	2,474	78	4,113
Ericsson A	18,436	501	138	2,544
Ericsson B ³⁾	8,102	954	130	1,053
Atlas Copco A ⁴⁾	25,950	1,102	102	2,647
SKF A	14,955	1,341	126	1,877
SILA A	7,144	327	120	857
SILA B ⁵⁾	6,012	229	114	683
S-E-Banken A ⁶⁾	13,085	475	55	720
TV4 A ⁷⁾	4,241	266	115	488
OM Gruppen ⁸⁾	4,795	203	100	479
WM-data B ⁹⁾	1,185	200	300	355
Electrolux A	936	185	277	259
Orrefors	741	73	99	73
Total		13,212		37,817

Of which used in stock lending: 1) 46,700, 2) 42,800, 3) 88,700, 4) 154,800, 5) 5,000, 6) 69,000, 7) 6,600, 8) 14,000, 9) 100,000

Other holdings

Associated companies	Stake	Number (000)	Book value total	Market value
Saab Auto-mobile AB	50%	5,000	286	
Scania AB				
V.A.G Sverige AB	50%	420	397	
Beers' N.V.				
the Netherlands	50%	612	497	
Oy Scan-Automotive AB				
Finland	50%	350	140	
Saab AB				
Industrigruppen JAS	20%	10	1	
Other			10	
Shares in associated companies			1,331	1,331

continued, next page

Note 16 continued

Other companies	Stake	Number (000)	Book value total	Market value SEK m.
Listed Swedish holdings				
Lindex		973	99	83
Securitas B		600	142	189
Total			241	272
Non-listed Swedish holdings				
			116	94
Listed foreign holdings				
Asia Health Care Trust		3,125	32	32
Bimantara Citra		8,164	40	45
Comp. Immobilière de Belgique		304	204	151
Hongkong Shanghai Banking		600	55	61
Hutchinson Whampoa		1,310	40	53
Neuromedical Syst Inc.		4,376	72	69
Tietotehdas		247	43	53
PT Telkom		6,074	76	94
PT Kalbe		1,215	29	27
Roche		7	243	354
Other listed holdings			130	127
Total			964	1,066
Non-listed foreign holdings				
Diamond Cable		2,890	96	85
European Acquisition Cap.		12,031	109	103
Scandinavia EQT Partners		899	30	30
PGI		109	86	91
AEA		56	56	56
Other non-listed holdings		89	89	89
Total			466	454
Shares, other companies			1,787	1,886
Total, other holdings			3,118	3,217
Total long-term shares and participations			16,330	41,034

A complete list has been included in the annual report filed with the Swedish Patent and Registration Office and may be obtained from the company's office in Stockholm.

NOTE 17 Shares and participations, Parent Company

Main holdings	Number (000)	Book value total	Market value SEK/share	Market value SEK m.
Astra A ¹⁾	60,578	3,363	265	16,053
Astra B ²⁾	934	137	263	246
Incentive A	18,518	2,980	290	5,370
STORA A ³⁾	52,729	2,749	78	4,113
Ericsson A	18,436	716	138	2,544
Ericsson B ⁴⁾	8,102	966	130	1,053
Atlas Copco A ⁵⁾	25,950	1,298	102	2,647
SKF A	14,955	1,421	126	1,877
SILA A	7,144	327	120	857
SILA B ⁶⁾	6,012	229	114	683
S-E-Banken A ⁷⁾	13,085	499	55	720
TV4 A ⁸⁾	4,241	668	115	488
OM Gruppen ⁹⁾	4,795	220	100	479
Electrolux A	936	208	277	259
Orrefors	741	71	99	73
Main holdings		15,852		37,462

continued

Note 17 continued

Other listed holdings	Number (000)	Book value total	Market value SEK/share	Market value SEK m.
Swedish				
Securitas B ¹⁰⁾	600	142	315	189
Foreign				
Roche	7	243	52,888	354
Other holdings		385		543
Total		16,237		38,005

Of which used in stock lending: 1) 46,700, 2) 42,800, 3) 26,300, 4) 88,700, 5) 156,000, 6) 5,000, 7) 96,000, 8) 6,600, 9) 14,000, 10) 5,000

NOTE 18 Long-term receivables

	1995	Group 1994
Receivables in customer		
finance operations	1,076	1,085
Due from associated companies	2,710	2,710
Other receivables	368	397
Total	4,154	4,192

In connection with the recapitalization of Saab Automobile in 1991, SEK 2,500 m. of Saab-Scania's receivable from the company was converted to a subordinated loan. The receivable carries a commercial rate of interest. Payment of the interest and amortization of the loan are linked to the terms of the syndicated credit facility of USD 750 m. Saab Automobile received in 1991. The subordination ceases when the above-mentioned credit facility is terminated. According to the current redemption plan, the loan is amortized at the same rates during the years 1997-1999. A grace period on interest payments applies until Saab Automobile's cash flow ratio meets certain conditions. As of the second quarter of 1992, the Group makes provisions for accrued, unpaid interest. In 1995 the Group received interest payments of SEK 142 m.

NOTE 19 Goodwill

	1995	Group 1994
Acquisition value	4,593	4,491
Less: Accumulated depreciation according to plan	-1,006	-781
Book value	3,587	3,710

NOTE 20 Machinery, equipment, real estate, etc.

	1995	Group 1994
Advance payments to suppliers	292	165
Construction in progress	123	161
Product development	819	1,008
Machinery and equipment	8,237	7,052
Buildings	5,957	6,133
Land and other real estate	1,589	1,606
Total	17,017	16,125

Net capital expenditures for property, plant and equipment

Scania	2,606
Saab	340
Other	26
Total	2,972

continued, next page

Note 20 continued

	1995	Group 1994
Machinery, equipment and leasing assets		
Acquisition value	16,254	14,546
Less: accumulated depreciation according to plan	-8,017	-7,494
Book value ¹⁾	8,237	7,052
1) Of which leasing assets of SEK 1,921 m. (1,390).		
Buildings		
Acquisition value	7,912	8,217
Less: accumulated depreciation according to plan	-1,968	-2,093
	5,944	6,124
Undepreciated amount related to revaluations	13	9
Book value	5,957	6,133
Tax assessment value ²⁾	2,974	2,924
Land and other real estate		
Acquisition value	1,668	1,674
Less: accumulated depreciation according to plan	-86	-77
	1,582	1,597
Undepreciated amount related to revaluations	7	9
Book value	1,589	1,606
Tax assessment value ²⁾	881	883

2) Includes only the Group's Swedish companies.

NOTE 21 Loan liabilities

	1995	Group 1994
Short-term borrowings	9,186	5,348
Short-term portion of long-term loans	150	153
Total ¹⁾	9,336	5,501
Long-term borrowings		
Loans in SEK	5,277	6,474
Loans in foreign currency	613	1,213
Total ^{1) 2)}	5,890	7,687

1) Of which loans related to customer finance operations

Short-term borrowings	3,290	2,747
Long-term borrowings	730	788
	4,020	3,535

2) The above long-term borrowings include the loan agreements related to the acquisition of the former Saab-Scania. These agreements contain the customary covenants.

Note 21 continued

The loans, distributed by currency, were as follows ³⁾

	Scania	Saab	Investor other	Total 1995
SEK	67	237	4,973	5,277
USD	54	54	—	108
BEF	163	—	—	163
MAD	3	—	—	3
AUD	210	—	—	210
FRF	9	—	—	9
DEM	57	—	—	57
ATS	6	—	—	6
DKK	57	—	—	57
Total	626	291	4,973	5,890

3) Currency hedging has been taken into account.

The amortizations of the above loans are distributed as follows

1997	581
1998	1,274
1999	1,942
2000	250
2001 and later	1,843
Total	5,890

NOTE 22 Other current liabilities

	1995	Group 1994
Accounts payable	2,794	2,584
Tax liabilities	691	149
Accrued expenses and prepaid income	8,036	8,193
Other current liabilities	2,183	2,278
Total	13,704	13,204

NOTE 23 Provisions for pensions

	1995	Group 1994
FPG/PRI pensions	2,826	2,670
Other pensions	642	459
Total	3,468	3,129

The Pension Registration Institute (PRI) is a public organization that administers employee pensions, which are safeguarded through insurance written by the insurance company FPG.

continued

NOTE 24 Deferred tax liability

	1995	1994
Deferred tax liability related to		
Untaxed reserves	1,978	1,462
Acquired surplus values	438	466
Deferred tax claim related to the value of unutilized loss carryforward	-97	-280
Total	2,319	1,648

NOTE 25 Convertible debenture loans

	Group/ Parent Company	
	1995	1994
1991 loan, 8% interest, nom.	2,203	2,206
1991 loan, 7,933% interest, nom.	1,353	1,353
1992 loan, 8% interest, nom.	3,291	3,291
Total	6,847	6,850
Foreign exchange reserve	209	320
	7,056	7,170
Capital discount	-288	-341
Total	6,768	6,829

1991 loan, 8% interest:

The loan was issued in June 1991 to partially finance the acquisition of Saab-Scania at an issue rate corresponding to approximately 85%. The difference between the nominal value of the loan and the proceeds of the issue, SEK 526 m., is reported as a capital discount after depreciation divided over the maturity of the loan. A portion of the loan amount corresponding in nominal value to SEK 1,353 m. was converted in 1992 into ECU 183 m. in nominal value (see below). The conversion price is SEK 154. The debenture loan may be converted to 14,308,005 B shares through May 2001.

1991 loan, 7,933% interest:

The loan, which has a nominal value of ECU 183 m., is held by Investor International Placement Ltd., which in turn has issued secured exchangeable bonds with a nominal value of ECU 200 m. at an interest rate of 7.25%. The secured exchangeable bonds are convertible (at a conversion rate of ECU 22.77 to SEK 7.40, corresponding to SEK 168.50) to the shares Investor International Placement Ltd. receives if it converts its convertible debentures in Investor.

Should Investor International Placement Ltd.'s lenders request the repayment of their loan and decide not to exercise the right to obtain the shares in Investor, Investor has provided a guarantee to compensate the lenders for the difference between the nominal value of ECU 200 m. and the ECU 183 m. related to Investor's convertible. The maximum guarantee amounts to SEK 147 m. as of December 31, 1995. Moreover, Investor has issued a guarantee corresponding to one year's interest payments. The debenture loan may be converted to 8,783,382 B unrestricted shares through May 2001. Investor has the opportunity to repurchase the ECU convertible as of June 27, 1997.

1992 loan, 8% interest:

The loan was issued in February 1992 at an issue price corresponding to 100% in connection with the acquisition of Providentia in order to replace the convertible debenture loan issued by Providentia in 1991. Its terms are identical with those of the 1991 loan and both

are listed together on the Stockholm Stock Exchange. The conversion price is SEK 154. The debenture loan may be converted to 21,372,137 B unrestricted shares through May 2001.

Due to the planned divestment of 50 percent of the shares of Scania the Board will propose to the Annual Meeting that the conversion terms be adjusted in light of the proposed disposition of earnings submitted to the Annual Meeting, i.e. a special cash dividend and a dividend of covered warrants in Scania.

NOTE 26 Shareholders' equity**Distribution of capital stock**

On December 31, 1995 the capital stock of the Parent Company consisted of the following number of shares, with a par value of SEK 25 per share.

Class of share	No. of shares	No. of voting rights	% of capital	% of voting rights
Before conversion				
A	77,922,711	77,922,711	50.3	91.0
B	77,058,129	7,705,813	49.7	9.0
Total	154,980,840	85,628,524	100.0	100.0
After full conversion				
A	77,922,711	77,922,711	39.1	86.5
B	121,521,653	12,152,165	60.9	13.5
Total	199,444,364	90,074,876	100.0	100.0

Shareholders' equity in the Group changed during the year as follows

	Capital stock	Restricted reserves	Shareholders' equity	Total
As of January 1	3,874	9,346	5,246	18,466
Dividend to shareholders			-1,239	-1,239
Conversion, convertible loan	1	2		3
The year's translation differences, etc. ¹⁾			-485	-485
Transfer between unrestricted and restricted equity		-21	21	
Net income for 1995			3,008	3,008
As of December 31	3,875	9,327	6,551	19,753

No allocations to restricted reserves are required. A portion of unrestricted shareholders' equity in foreign subsidiaries is subject to taxation in the event it is transferred to Sweden.

1) The amount includes an adjustment made by Scania for a change in accounting principles regarding pensions.

Shareholders' equity in the Parent Company changed during the year as follows

	Capital stock	Restricted reserves	Unrestricted shareholders' equity	Total
As of January 1	3,874	9,197	9,914	22,985
Dividend to shareholders			-1,239	-1,239
Conversion, convertible loan	1	2		3
Net income for 1995			7,698	7,698
As of December 31	3,875	9,199	16,373	29,447

NOTE 27 Assets pledged

	1995	Group 1994	Parent Company 1995	Parent Company 1994
Real estate mortgages	261	488	—	—
Chattel mortgages	2,051	2,221	—	—
Leasing objects	191	197	—	—
Shares	—	66	—	—
Bank accounts	262	321	54	49
Receivables	60	106	—	—
Bonds and securities	2,456	1,638	—	—
Total ¹⁾	5,281	5,037	54	49
1) Of which Scania	321	345		

NOTE 28 Contingent liabilities

	1995	Group 1994	Parent Company 1995	Parent Company 1994
Discounted bills and contracts	232	110	—	—
Sureties for subsidiaries	—	—	7,356	11,113
Sureties for other companies ²⁾	5,628	5,182	535	—
Guarantees	863	747	259	270
Capital value of pension liabilities	316	265	48	43
Other contingent liabilities	65	65	—	—
Total ^{1) 3)}	7,104	6,369	8,198	11,426

1) Of which Scania 1,142 611

2) Of this amount, USD 669 m. (594) consists of guarantees in connection with aircraft sales. The guarantees cover 156 (144) Saab 340 aircraft.

3) In addition to the above contingent liabilities, there are commitments for future investments of SEK 534 m. (647).

NOTE 29 Statement of changes in financial position

Distribution	Scania	Saab	Other operations	Total
Operating income	6,503	223	-224	6,502
Net financial income and expenses	-505	670	-1,178	-1,013
Taxes	-906	10	—	-896
Change in working capital				
Inventories	-1,243	-577	59	-1,761
Current receivables	-916	-88	122	-882
Current liabilities	604	93	-119	578
Advance payments from customers	-165	826	—	661
	-1,720	254	62	-1,404
Capital expenditures	-2,606	-340	-26	-2,972

NOTE 30 Average number of employees and salaries, wages and other remuneration

	1995	Group 1994
Average number of employees		
Operations in Sweden		
Number of municipalities	52	51
Average number of employees	19,064	17,410
Operations outside Sweden		
Number of countries	37	34
Average number of employees	10,342	10,093
Average total number of employees	29,406	27,503
of whom men	25,253	23,757
of whom women	4,153	3,746

Parent Company

The only employee of the Parent Company during the year was the president. A subsidiary of the Patricia Group provided the necessary administrative services.

A complete statutory specification is included in the annual report filed with the Swedish Patent and Registration Office.

	1995	Group 1994
Wages, salaries and other remuneration		
Operations in Sweden		
Boards of Directors, Presidents and Executive Vice Presidents ¹⁾	81	81
Other employees	4,467	3,919
Operations outside Sweden		
Boards of Directors, Presidents and Executive Vice Presidents	85	65
Other employees	2,208	2,042
Total wages, salaries and other remuneration	6,841	6,107

1) Of which reported in

Parent Company	17	4
Group companies	64	77

continued

Note 30 continued

In 1995 the members of the Board of Directors received a total of SEK 11,833,342²⁾ (15,101,476), including benefits as specified below.

The chairman, Peter Wallenberg, received compensation of SEK 7,650,000 (7,640,276).

The two vice chairmen, Bo Berggren and Anders Scharp, each received compensation of SEK 1,323,334 (2,320,000). Anders Scharp also received director's fees from Group companies of SEK 875,000 (250,000).

Director Erik Belfrage received compensation of SEK 703,334 (1,221,200), in addition to director's fees from Group companies of SEK 150,000 (150,000).

Directors Percy Barnevik, Håkan Mogren, Mauritz Sahlin and Tom Wachtmeister each received compensation of SEK 166,668 (320,000). Mauritz Sahlin and Tom Wachtmeister also received director's fees from Group companies of SEK 200,000 (150,000) each.

Director Peter D. Sutherland received compensation of SEK 166,668 (-).

Director Marcus Wallenberg is employed full-time by the Group and therefore received a salary. In addition, as a director of Group companies, he received fees of SEK 350,000 (150,000).

President Claes Dahlbäck received a salary of SEK 5,040,633 (4,900,200), including a bonus of SEK 1,750,000 (1,750,000) and housing and car allowances totaling SEK 274,240 (240,035). (In 1994 he also received director's fees from Group companies of SEK 150,000.)

Pension obligations for the president and other executives are settled in a pension plan based on the so-called BTP plan. This means that pension benefits are payable from the age of 65 and the plan includes additional survivor benefits. Pensions are based on 50-70% of pension-based salaries. In addition, the president has the right to retire with pension benefits earliest at the age of 55. Other executives have the right to retire with pension benefits earliest at the age of 60. Pension benefits until the ordinary retirement age of 65 are paid out at 70% of pension-based salaries at the time of retirement. The president does not have a special severance agreement or term of notice.

2) In May 1995 the Annual Meeting decided on total compensation to the members of the Board of Directors of SEK 11,000,000 (2,880,000) until the following annual meeting, distributed as determined by the Board.

Of this amount, SEK 7,333,342 was paid in 1995, while the remaining SEK 3,666,658 will be paid in 1996. For the period January 1– May 16 certain members of the Board received a total of SEK 4,500,000.

AUDITORS' REPORT

WE HAVE EXAMINED THE annual report, the consolidated financial statements, the accounting records and the administration by the Board of Directors and the President for 1995. Our examination was carried out in accordance with generally accepted standards.

PARENT COMPANY

The annual report has been prepared in accordance with the Swedish Companies Act.

We recommend
that the income statement and balance sheet be adopted,
that the unappropriated earnings be dealt with as proposed in the
Administration report, and
that the Board of Directors and the President be discharged from liability for
1995.


GROUP

The consolidated financial accounts have been prepared in accordance with the Swedish Companies Act.

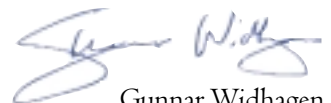
WE RECOMMEND

that the consolidated income statement and the consolidated balance sheet
be adopted.

Stockholm, March 18, 1996



Caj Nackstad
Authorized Public Accountant



Gunnar Widhagen
Authorized Public Accountant

BOARD OF DIRECTORS



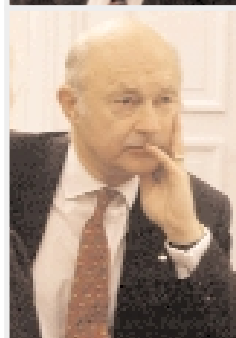
Peter Wallenberg

*Chairman
Elected 1969, born 1926*

First Vice Chairman of Skandinaviska Enskilda Banken. Chairman of ASEA, Atlas Copco and the Knut and Alice Wallenberg Foundation. Co-chairman of ABB.

Vice Chairman of Ericsson. Honorary Chairman of STORA. Director of the Executive Board of the International Chamber of Commerce (ICC), the Federation of Swedish Industries, the Nobel Foundation, the Board of the International Advisors of Swiss Bank Corporation, the Board of the International Advisory of National Westminster Bank and the GM European Advisory Council, among others.

*Shares in Investor: 462,604
Convertibles in Investor: SEK 12,583,956**



Bo Berggren

*Vice Chairman
Elected 1987, born 1936*

Chairman of STORA, Astra, SAS (Swedish Chairman) and SILA/ABA. Vice Chairman of the Federation of Swedish Industries. Director of Danisco A/S, S-E-Banken, Ericsson, the J P Morgan International Advisory Council, the Robert Bosch Advisory Committee and the Royal Institute of Technology, among others.

*Shares in Investor: 1,500
Convertibles in Investor: SEK 123,200**



Anders Scharp

*Vice Chairman
Elected 1988, born 1934*

Chairman of Electrolux, Incentive, Scania, Saab, SKF and the Swedish Employers' Confederation. Vice Chairman of Atlas Copco. Director of Email Ltd (Australia) and the Federation of Swedish Industries, among others.

*Shares in Investor: 0
Convertibles in Investor: SEK 600,000**



Percy Barnevik

Elected 1992, born 1941

President and CEO of ABB. Chairman of Sandvik and Skanska. Director of E.I. Du Pont de Nemours, USA.

*Shares in Investor: 0
Convertibles in Investor: 0*



Erik Belfrage

Elected 1991, born 1946

Chairman of TV4, the Swedish Institute of Management and Center for European Policy Studies (Brussels). Director of Atlas Copco, Newsec, Saab, SAS, SILA/ABA and the International Council of Swedish Industry, among others.

*Shares in Investor: 250
Convertibles in Investor: SEK 110,000**

*Nominal amount

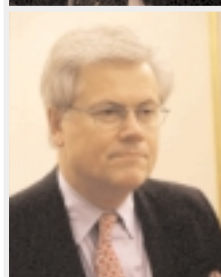


Claes Dahlbäck

*President
Elected 1983, born 1947*

Chairman of Vin & Sprit. Vice Chairman of ASEA. Director of ABB, Astra, Electrolux, Ericsson, Incentive and STORA, among others.

*Shares in Investor: 62,500
Convertibles in Investor: SEK 10,010,000*
Stock options in Investor: 25,000*



Håkan Mogren

Elected 1990, born 1944

President and CEO of Astra. Chairman of the Industrial Institute for Economic and Social Research (IUI). Vice Chairman of the Social and Economic Council. Director of Astra, STORA, the Federation of Swedish Industries, the Swedish National Committee of the International Chamber of Commerce and the Carl Trygger Foundation, among others.

*Shares in Investor: 0
Convertibles in Investor: 0*



Mauritz Sahlin

Elected 1990, born 1935

Chairman of Brukens Nordic, Novare Kapital, Ovako Steel and Champs. Director of Scania, Sandvik, SKF, the Federation of Swedish Industries and the Swedish Employers' Confederation.

*Shares in Investor: 0
Convertibles in Investor: 0*

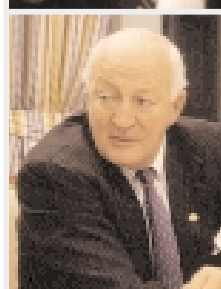


Peter D. Sutherland

Elected 1995, born 1946

Chairman of Goldman Sachs International. Director of Allied Irish Banks, Delta Air Lines, LM Ericsson Holdings and British Petroleum, among others.

*Shares in Investor: 0
Convertibles in Investor: 0*



Tom Wachtmeister

Elected 1991, born 1931

Vice Chairman of Atlas Copco. Chairman of the Swedish Trade Council and the Swedish Taxpayers' Association. Director of Norsk Hydro (Norway), Scania, SILA/ABA and STORA, among others.

*Shares in Investor: 18,500
Convertibles in Investor: SEK 650,000**



Marcus Wallenberg

*Executive Vice President
Elected 1990, born 1956*

Vice Chairman of Astra and Saab. Director of Incentive, Saab Automobile, Scania, S-E-Banken, SILA/ABA, SKF and the Knut and Alice Wallenberg Foundation.

*Shares in Investor: 187,819
Convertibles in Investor: SEK 10,192,556**

EXECUTIVE MANAGEMENT AND AUDITORS

Claes Dahlbäck

President
since 1978, born 1947.
Shares in Investor: 62,500
*Convertibles in Investor: SEK 10,010,000**
Stock options in Investor: 25,000

Anders Rydin

Executive Vice President
Administration, Control and
Corporate Finance
since 1992, born 1945.
Shares in Investor: 0
*Convertibles in Investor: SEK 5,000,000**
Stock options in Investor: 25,000

Marcus Wallenberg

Executive Vice President
Business Development
since 1993, born 1956.
Shares in Investor: 187,819
*Convertibles in Investor: SEK 10,192,556**
Stock options in Investor: 0

Ulla Litzén

Senior Vice President
President, Investor Scandinavia AB,
since 1995, born 1956.
Shares in Investor: 0
*Convertibles in Investor: SEK 154,000**
Stock options in Investor: 7,000

Nils Ingvar Lundin

Senior Vice President
Corporate Communications and Marketing
since January 1, 1996, born 1945.
Shares in Investor: 0
Convertibles in Investor: 0
Stock options in Investor: 0

Thomas Nilsson

Senior Vice President
President Investor UK Ltd,
since 1994, born 1948.
Shares in Investor: 1,800
Convertibles in Investor: 0
Stock options in Investor: 0

Sven Nyman

Senior Vice President
President Investor International (U.S.), Inc.,
since 1995, born 1959.
Shares in Investor: 0
*Convertibles in Investor: SEK 30,800**
Stock options in Investor: 0

Claes von Post

Senior Vice President
President Investor Asia Ltd,
since 1994, born 1941.
Shares in Investor: 0
*Convertibles in Investor: SEK 250,000**
Stock options in Investor: 0



From left: Claes von Post, Thomas Nilsson, Ulla Litzén, Claes Dahlbäck, Marcus Wallenberg, Nils Ingvar Lundin, Sven Nyman and Anders Rydin.

AUDITORS

Caj Nackstad

Auditor since 1985, born 1945.
Authorized Public Accountant,
KPMG Bohlins AB.

Gunnar Widhagen

Auditor since 1993, born 1938.
Authorized Public Accountant,
Ernst & Young AB.

DEPUTIES

Thomas Thiel

Auditor since 1993, born 1947.
Authorized Public Accountant,
KPMG Bohlins AB.

Björn Fernström

Auditor since 1993, born 1950.
Authorized Public Accountant,
Ernst & Young AB.

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*Nominal amount

SHAREHOLDER INFORMATION

ANNUAL MEETING

The Annual Meeting will be held at 6:00 p.m. on Tuesday, May 14, 1996 at Kungliga Tennishallen (the Royal Tennis Hall), Lidingövägen 75, Stockholm.

PARTICIPATION

To be entitled to participate in the business of the Meeting, shareholders must

be recorded in the register of shareholders maintained by Värdepapperscentralen VPC AB (the Swedish Securities Register Center) no later than Friday, May 3, 1996, and

notify the Company of their intention to attend in writing to Investor AB, S-103 32 Stockholm, Sweden, or phoning +46-8-614 29 10 no later than 1:00 p.m. on Thursday, May 9, 1996.

NOMINEE-REGISTERED SHARES

To exercise the right to vote at the Annual Meeting, shareholders whose shares are registered in the name of a nominee through the trust department of a bank or a private stockbroker must have their shares temporarily re-registered in their own names with VPC. Shareholders who wish to re-register their shares must notify their nominees well in advance of May 3, 1996.

DIVIDEND

June 3, 1996 has been proposed as the record date for the ordinary dividend of SEK 9.00 per share as well as the special dividend of SEK 20.00 per share and the covered warrants that will be offered on the condition that the divestment and initial public offering of Scania are implemented. If the proposal is approved by the Annual Meeting, the covered warrants are expected to be distributed on June 5, 1996 and the ordinary and special dividends paid out on June 17, 1996.

Investor has prepared a special prospectus with infor-

mation on the covered warrants in Scania which is being distributed separately to all shareholders. Additional copies may be ordered from Investor.

INFORMATION DATES

First quarter interim report	April 29, 1996
Annual Meeting	May 14, 1996
Second quarter interim report	August 21, 1996
Third quarter interim report	November 18, 1996
Year-end report 1996	February, 1997

INFORMATION CHANNELS

Literature available from Investor

In addition to the Annual Report, the following information material can be ordered from Investor:

- Annual Review 1995
- Quarterly interim reports
- Investor on CD-ROM
(available in May/June 1996)

These publications can be ordered by writing Investor AB, S-103 32 Stockholm, Sweden, or by phoning +46-8-449 88 29, faxing +46-8-449 88 10 or by E-mail at info@investor.se.

Shareholder Service

Telephone: +46-8-614 20 00

Investor Relations

Adine Grate Axén: +46-8-614 20 00.

Internet

Our new home page on the Internet can be accessed at <http://www.investor.se>. In 1995 Investor also established an interactive media program for shareholder information called Investor Dialogen.

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INVESTOR

INTERNATIONAL (U.S.), INC.
15 West 54th Street
New York, NY 10019
Telephone: +1-212-957-3232
Fax: +1-212-957-9866

DEFINITIONS

DEFINITIONS TO TEN-YEAR SUMMARY

Portfolio yield, %	Dividend income as a ratio of the market value of the portfolio at year-end.
Turnover, %	Percentage of shares (listed Swedish) at the beginning of the year that did not remain at year-end calculated at market value at the beginning of the year.
Change in value of the portfolio, %	Increase in market value adjusted for net changes as a ratio of market value at the beginning of the year adjusted for net changes.
Total annual return on the portfolio, %	Increase in market value adjusted for net changes plus dividend income as a ratio of market value at the beginning of the year adjusted for net changes.
Surplus value of the portfolio	Difference between the portfolio's market value and book value.
Net worth	Shareholders' equity, convertible debenture loans and surplus values in the portfolio. (Saab Automobile is reported at the book value of shareholders' equity + subordinated loans, Scania at the book value of shareholders' equity + subordinated loans 1994, and Saab at the book value of shareholders' equity.)
Equity/assets ratio, %	Shareholders' equity including surplus values in the portfolio and convertible debenture loans as a ratio of total assets including surplus values in the portfolio less cash and short-term investments.
Share of risk-bearing capital, %	Shareholders' equity including surplus values, the deferred tax liability, minority interests and convertible debenture loans as a ratio of total assets including surplus values in the portfolio less cash and short-term investments.
Yield, %	Ordinary dividend paid as a ratio of the share price at year-end.

ANALYSTS' RECOMMENDATIONS ON INVESTOR IN 1995

AROS	Handelsbanken Markets
Alfred Berg	H. Lundén Fondkommission
Barclays de Zoete Wedd	James Capel
Bikuben Securities	Myrberg & Wiklund
Carnegie	Nikko
Den Danske Bank	Nordiska Fondkommission
Deutsche Morgan Grenfell	Swedbank
FIBA	Unibank
Föreningsbanken	Öhman
Goldman Sachs	

Investor AB is the largest Swedish industrial holding company. It generates value through long-term active ownership, active investment operations and trading. Over the past 25 years the average total annual return to the shareholders has exceeded 20 percent. Investor AB owns Scania, Saab, 50 percent of Saab Automobile and a portfolio of major holdings in a number of Sweden's largest, most internationally active industrial companies. These include Astra, Incentive (and through it ASEA/ABB), STORA, Ericsson, Atlas Copco, SKF and Electrolux. It also has major holdings in TV4, OM Gruppen and WM-data. Investor AB is listed in Stockholm and London. Its largest shareholders are the Wallenberg family foundations and a number of mutual and pension funds. Investor AB is headquartered in Stockholm, with offices in Hong Kong, London and New York.