

Year-End Report 2000

Investor's net asset value on December 31, 2000 amounted to SEK 149,115 m. (compared with SEK 153,259 on December 31, 1999). This corresponds to SEK 186 per share (191). During the year the net asset value changed by SEK -4,144 m. (59,757) or -3 percent (64). On January 22, 2001, Investor's net asset value amounted to approximately SEK 148 billion.

The value of all Investor's holdings was SEK 159,243 (172,172) m. on December 31, 2000. Net debt in relation to total investments decreased from 11 to 6 percent during the year.

The total return on Investor shares amounted to 20 (35) percent in 2000.

Investor increased its holdings in AstraZeneca (SEK 257 m.), SEB (SEK 287 m.) and Electrolux (SEK 760 m.) during the year. In the same period, Scania shares were divested for SEK 13,838 m., providing a capital gain of SEK 10,202 m.

In the New Investments business, SEK 8,074 m. was invested (2,988). Realized capital gains amounted to SEK 2,667 m. (1,984). New Investments' contribution to Investor's NAV growth amounted to SEK 496 m. (2,886).

The newly formed company Hi3G was granted a UMTS license in Sweden for third-generation mobile telephony. Hi3G is a Swedish company owned by Investor (40 percent) and Hutchison Whampoa (60 percent). Hi3G has reached an agreement with Europolitan to jointly build part of their UMTS infrastructure.

Investor Capital Partners – Asia Fund's first-round financing in 2000 resulted in commitments totaling USD 322 m., including Investor's commitment of USD 200 m. In partnership with Investor, Ericsson and Hutchison Whampoa, the fund made its first investment during the year in imGO, a company focused on investments in the wireless communications area in Asia.

b-business partners, a private equity company focused on business-to-business e-commerce, was formed during the year by Investor, ABB, SEB and a number of other companies.

The proposed ordinary dividend to shareholders is SEK 3.00 (3.00) per share. An extraordinary dividend of SEK 2.50 per share (0.40) is also proposed.

The year-end report can also be accessed on the Internet at www.investorab.com

Investor is Sweden's largest listed industrial holding company with a total net asset value close to USD 16 billion (December 31, 2000). The company's business concept is to create shareholder value through long-term active ownership and investment activities. The average annual total return to shareholders has been in excess of 20 percent during the past 20 years. Investor is a leading shareholder in a number of public multinational companies, including Ericsson, AstraZeneca, Scania, ABB, Stora Enso, Atlas Copco, WM-data, SEB, Gambro, SKF, Electrolux, OM Gruppen, Saab AB and SAS. Investor is headquartered in Stockholm and has offices in Amsterdam, Hong Kong, London, New York and Palo Alto.

President's comments

Dear shareholders,

The past year for Investor was characterized by an intensive level of business activity. Several new initiatives were taken and the organization was further developed. The company remains in a strong financial position and achieved satisfactory results. Investor's net asset value – despite downturns on many of the world's stock exchanges – has developed comparatively well. It is particularly pleasing that Investor's shares gave a positive total return in 2000.

After a long period of healthy economic growth, primarily in the United States, uncertainty grew about the development of the economy during the second half of 2000. The Federal Reserve lowered the discount rate somewhat unexpectedly in the beginning of January 2001 after a period of implementing a gradually tighter monetary policy. The European economy experienced good growth during the year, while the trend in Asia was more mixed. The euro strengthened towards the end of the year after a long period of weakening against the dollar.

Growing uncertainty about the U.S. economy was reflected in high volatility on many of the world's stock exchanges. The valuations of IT shares have been adjusted, but more traditional industrial companies have also seen their market capitalization decrease. This high volatility has involved many challenges but also created many attractive business opportunities. The climate has become increasingly difficult for companies to obtain new venture capital for their operations. There is a growing requirement to show sound financial support for business ideas and concepts.

The market prices of Investor's two largest holdings – AstraZeneca and Ericsson – performed differently in the past year. The healthcare sector rose, despite the market decline. The telecom sector experienced a sharp correction. AstraZeneca developed particularly well in 2000, due to a successful merger and an attractive research portfolio. Ericsson's telecommunications and data communications systems business also developed well, but its consumer products business remains a challenge.

Other sectors represented in Investor's portfolio also experienced falling market values. This primarily reflects the growing uncertainty about the trend of the economy. The financial services sector has been an exception, where both OM Gruppen and SEB enjoyed rising share prices during the year.

Investor's initiatives in the New Investments business are long-term-oriented. This part of the organization has increasingly established itself as a player in the international private equity marketplace. Despite some write-downs made at year-end, this business as a whole contributed positively to Investor's net asset value growth for the year.

On September 1, Investor and Hutchison Whampoa, through the joint venture company Hi3G, submitted

their application for a UMTS license for third-generation mobile telephony in Sweden. The analysis during the application strengthened our conviction that Hi3G's concept can create attractive business opportunities. The mobile Internet is a particularly promising business idea based on technologically refined communications. The potential of the mobile Internet will most likely give many people possibilities to live and work in ways that were previously unimaginable.

It is gratifying that Hi3G has been awarded a 3G license. Hi3G now faces the challenge of fulfilling the requirements of the license granted by the Swedish National Post and Telecommunications Agency, and to achieve its goal of becoming the market's leading provider of mobile Internet services and generate a good return on equity. Hi3G and Europolitan have reached an agreement that will help ensure a fast, environmentally friendly and cost-effective rollout of their UMTS infrastructure.

Investor's own organization is being further developed by competent employees from varying backgrounds. To give shareholders an attractive return, the organization is divided into small groups focusing on their specific investment areas. Each group has a defined return requirement and an investment mandate connected to a bonus system.

The newly formed consulting company Novare Human Capital will focus on services and counseling in the human resources field and initially serve portfolio companies in Investor Growth Capital and b-business partners. This initiative is a step by Investor, as an owner, to create more added value in its investments. Professional management of human resource services is an important factor for creating the best possible platform for the successful development of Investor portfolio companies.

As a whole, 2000 was a good year for Investor. The total return on Investor shares was in excess of 20 percent, despite the weak market environment. The New Investments business developed well and EQT wrapped up yet another successful year. In the future, Investor will continue to work intensively on managing and developing taken initiatives. Investor, in its role as an active entrepreneurial owner, strives to make improvements in portfolio companies and restructures its portfolio continuously. This is always a central concept for Investor. The strategic goal remains firm – to grow net asset value in excess of market cost of capital over a business cycle.

Investor stands for financial strength and a substantial network driven by the goal to achieve steady improvement. These factors are fundamental to the process of developing the companies Investor has invested in. The outlook inspires hope that the future, as in the past, will allow us to generate an attractive total return for shareholders.

Marcus Wallenberg

The Investor share

The total return on Investor shares¹⁾ during the year ended December 31, 2000 was 20 percent (35). In the past five-year period, the average annual total return on Investor shares was 28 percent.



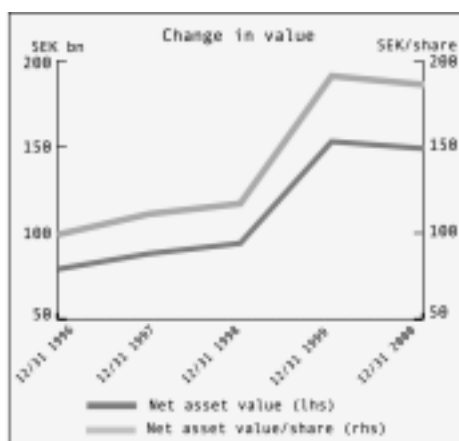
The diagram shows the change in value of SEK 1,000 invested over the last five years in Investor, including reinvested dividends.

The discount to net asset value was 24 percent at the end of the period, compared with 37 percent at year-end 1999.

¹⁾ Total return is the sum of share price appreciation and reinvested dividends.

Change in value

On December 31, 2000, Investor's net asset value amounted to SEK 149,115 m. (153,259). This corresponds to SEK 186 (191) per share after full conversion. The change in Investor's net asset value was -3 percent (64) or SEK -4,144 m. (59,757) during the year.

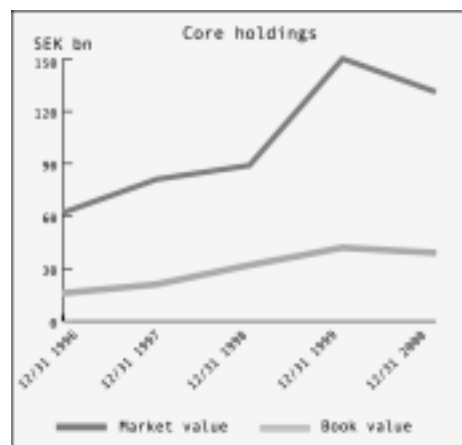


Of the change in net asset value, SEK -4,066 m. was attributable to the core holdings and SEK 496 m. to new investments.

An overview of Investor's holdings, listed by sector, is attached to this report as Appendix 2.

| Investor's net asset value | 12/31 2000 | 12/31 1999 |
|------------------------------|--------------------|--------------------|
| | SEK/share | SEK m. SEK/share |
| Core holdings | 163 130 844 | 187 150 060 |
| New investments | 15 11 692 | 10 7 618 |
| Other holdings | 18 14 091 | 16 12 746 |
| Other operations | 3 2 590 | 3 2 247 |
| Other assets and liabilities | 0 26 | -1 -499 |
| Total investments | 199 159 243 | 215 172 172 |
| Net debt | -13 -10 128 | -24 -18 913 |
| Total net asset value | 186 149 115 | 191 153 259 |

Core holdings



The total value of Investor's core holdings decreased SEK 19,216 m. during the year, mainly through the sale of Scania shares. In 2000, shares were purchased for a total of SEK 1,304 m. and sold for SEK 13,838 m.

Purchases during the year comprised 875,000 shares in AstraZeneca for SEK 257 m., 3,255,000 A shares in SEB for SEK 287 m., and 6,265,800 B shares in Electrolux for SEK 760 m.

Sales during the period comprised 37.4 million A shares in Scania that were sold to Volkswagen in the first half of 2000 for a total purchase price of SEK 13,838 m., providing a capital gain of SEK 10,202 m. Investor has undertaken to remain an owner in Scania through March 2002.

Investor's share of the voting rights and capital in Stora Enso changed during the year as a result of Stora Enso's issue of new shares to shareholders in Consolidated Papers in September.



After the new issue, Investor's holding amounts to 61,991,786 A shares and 15,900,962 R shares corresponding to 24 percent (24) of the voting rights and 8 percent (10) of the capital.

In the fourth quarter of 2000, AstraZeneca and Novartis merged their agrochemical operations, after which AstraZeneca paid a dividend of shares in the newly formed company, Syngenta, to AstraZeneca shareholders. Investor's holding in Syngenta is shown under "Other holdings".

The largest contributions to growth in Investor's net asset value in 2000 came from AstraZeneca with SEK 10,224 m., SEB with 1,267 m. and OM Gruppen with SEK 617 m. The value trend¹⁾ for Ericsson, WM-data and Stora Enso had a negative impact on Investor's net asset value of SEK 8,221 m., SEK 3,313 m. and SEK 2,935 m., respectively.

1) Value trend is the sum of realized gains and changes in surplus values taking purchase and sales proceeds into account.

| Company | Number of shares ¹⁾ | Market value SEK m. 12/31 2000 | Share price performance 2000 (%) ²⁾ | Share of portfolio (%) | Share of capital ³⁾ (%) | Share of voting rights ³⁾ (%) | Market value SEK m. 12/31 1999 |
|--|--------------------------------|--------------------------------|--|------------------------|------------------------------------|--|--------------------------------|
| Technology | | | | | | | |
| Ericsson | 273 506 800 | 29 771 | -21 | 23 | 3 | 22 | 37 992 |
| WM-data | 55 302 500 | 2 505 | -57 | 2 | 14 | 7 | 5 818 |
| | | 32 276 | | 25 | | | 43 810 |
| Engineering & Manufacturing | | | | | | | |
| ABB | 14 437 720 | 13 990 | -7 | 11 | 5 | 5 | 14 972 |
| Atlas Copco | 31 454 971 | 6 495 | -18 | 5 | 15 | 21 | 7 911 |
| Scania | 18 170 073 | 3 749 | -31 | 3 | 9 | 15 | 16 905 |
| Electrolux | 19 613 190 | 2 380 | -43 | 2 | 6 | 24 | 2 810 |
| SKF | 14 955 052 | 1 967 | -31 | 1 | 13 | 27 | 2 931 |
| Saab AB | 21 611 925 | 1 686 | -5 | 1 | 20 | 36 | 1 772 |
| | | 30 267 | | 23 | | | 47 301 |
| Healthcare | | | | | | | |
| AstraZeneca | 92 420 310 | 43 437 | +31 | 33 | 5 | 5 | 32 956 |
| Gambro | 68 638 225 | 4 702 | -12 | 4 | 20 | 26 | 5 251 |
| | | 48 139 | | 37 | | | 38 207 |
| Financial services | | | | | | | |
| SEB | 70 803 680 | 7 363 | +21 | 6 | 10 | 11 | 5 809 |
| OM Gruppen | 12 840 507 | 2 992 | +26 | 2 | 15 | 15 | 2 375 |
| | | 10 355 | | 8 | | | 8 184 |
| Forest products | | | | | | | |
| Stora Enso | 77 892 748 | 8 623 | -24 | 6 | 8 | 24 | 11 558 |
| | | 8 623 | | 6 | | | 11 558 |
| Service | | | | | | | |
| SAS Sverige | 13 155 980 | 1 184 | +18 | 1 | 19 | 19 | 1 000 |
| | | 1 184 | | 1 | | | 1 000 |
| Total | | 130 844 | | 100 | | | 150 060⁴⁾ |

¹⁾ Holdings, adjusted for any shares on loan.

²⁾ Most heavily traded class of share.

³⁾ After full dilution.

⁴⁾ The holding in Volvo (4,814 m.) has been transferred to "Other holdings".

New investments

As of this year-end report, the New Investments business includes the private equity investments in Investor Growth Capital, Investor Capital Partners and EQT, as well as Investor's holding in Hi3G.



| | Value ¹⁾ (SEK m.) | Book value (SEK m.) | Committed Capital ²⁾ (USD m.) |
|---------------------------|---------------------------------|---------------------------|--|
| Investor Growth Capital | 9 227 | 7 610 | 1 800 |
| Investor Capital Partners | 1 300 ³⁾ | 1 197 | 200 |
| EQT | 1 165 | 1 053 | 1 000 |
| Total | 11 692 | 9 860 | 3 000 |

1) Valuation is calculated in accordance with EVCA/BVCA principles with the exception of unlisted holdings. The principles for valuation of unlisted holdings were changed in 2000 to a more conservative method, where these are valued at acquisition value with deduction of any write-downs. Previously, where applicable, in accordance with EVCA/BVCA principles, unlisted holdings were stated at the most recent external financing round valuation. Listed holdings are valued, as previously, at their current price with a liquidity discount of 10 to 20 percent.

2) Capital allocations within new investments are made in USD.

3) Includes all of the Investor Group's investments in Asia.

The total value of Investor's new investments increased SEK 4,074 m. (2,109) during the year. A total of SEK 8,074 m. was invested (2,988), while shares were sold for a total of SEK 4,490 m. (4,406).

Divestments during the period generated total capital gains of SEK 2,667 m. (1,984). The average annual return on realized investments exceeded by far the 20-percent return requirement.

Write-downs totaled SEK 1,228 m. during the period, and all listed and unlisted holdings with a market value less than acquisition value have been written down.

The New Investments business had a positive effect on net asset value, increasing it by an amount equivalent to SEK 496 m. (2,886). On December 31, 2000, the accumulated surplus value was SEK 1,832 m. (2,787).

Investor Growth Capital

New investments, October 1 – December 31, 2000

| Company | Sector | Description |
|--------------------------|------------|--|
| Accuro Immunology (SE) | Healthcare | Biomedical R&D company focusing on the development of immunotherapies for treating cancer |
| Aplion Networks (U.S.) | IT | Integrated software and hardware solutions for broadband communications |
| Digia (FI) | IT | Software and services for next-generation wireless information devices |
| Molecular Staging (U.S.) | Healthcare | Life sciences tool company developing a portfolio of technologies for detecting and measuring proteins and nucleic acids |
| Optilion (SE) | IT | Develops and manufactures fiber-optic transceivers for high-speed data and Internet communications |
| Songbird Hearing (U.S.) | Healthcare | Develops and sells the market's first disposable hearing aid. |

In addition to the above investments, follow-on investments were made in the fourth quarter in Quisic and Lycos Europe, among other companies. The latter investment was made in accordance with an agreement that was reached with Lycos Europe when the company acquired Spray Networks in the third quarter of 2000.

Investor Growth Capital is wholly owned by Investor and focuses on direct investments in young high-growth companies in an expansion phase. The focus is on European and U.S. companies in the information technology and healthcare sectors. Investor Growth Capital has offices in Stockholm, New York, Palo Alto and Amsterdam.

Investor Capital Partners – Asia Fund is a private equity fund with a focus on buyouts and growth investments in Asia, excluding Japan and India. The investment adviser is Investor's wholly owned subsidiary Investor Asia Limited.

EQT takes control positions in medium-sized companies that are normally unlisted and have a high return potential through various forms of restructuring. EQT is operated in the form of a number of LBO funds¹⁾ with capital from Investor and external investors. Investor is the principal owner of the investment adviser EQT Partners AB.

¹⁾ Leveraged buyout

Divestments in the fourth quarter included the holdings in Celo Communications, Lisca, King Pharmaceutical (received from King's merger with Jones Pharma) and NTL. Medtronic acquired PercuSurge in an all-stock transaction during the quarter.

The year as a whole was characterized by a very strong deal flow. About 40 investments were made in the growth sectors of information technology and healthcare. Appendix 3 lists all direct investments made in 2000. During the second half of the year emphasis was placed on managing the existing portfolio and fewer new investments were made as a result. In addition to a number of divestments in the fourth quarter, the holdings in Cisco (proceeds from the sale of Qeyton), OTI, Minimed and Micronic were sold during the year.

Investor Growth Capital was formed in the beginning of 2000 through a merger of the investment activities of the subsidiaries Novare Kapital and Investor International. Novare Kapital, founded in 1995, was focused on venture capital in companies in early growth stages. Investor International was focused on expansion, or later stage, investments of larger size. The combined operation now concentrates on expansion stage investments but continues to manage Novare Kapital's former holdings.

One of Investor Growth Capital's major commitments, initiated in the first quarter of 2000, is b-business partners, a joint investment with ABB, SEB and a number of other companies. b-business partners is a venture capital company that is focused on investments in B2B e-commerce and related areas. Investor Growth Capital has committed EUR 300 m. to this investment. During 2000, the company announced six investments. In the fourth quarter Hans-Dieter Koch, formerly President and CEO of GE Capital Information Technology Solutions for Europe, was appointed b-business partner's CEO.

Investor Capital Partners – Asia Fund

Investor Capital Partners – Asia Fund's first-round financing resulted in commitments totaling USD 322 m., including Investor's commitment of USD 200 m. Investor Asia, the fund's investment adviser, developed a substantial deal flow focused on Northern Asia. A new organization was established with eight investment managers.

In partnership with Investor, Ericsson and Hutchison Whampoa, the Asia Fund made its first investment, a total of USD 60 million, in imGO, a company focused on investments in the wireless communications area. Investor's direct investment in imGO amounts to USD 40 million. This deal was implemented through the takeover of the majority share in the Hong Kong-listed company

Guoco Land. After the takeover, the company's name was changed to imGO. In the fourth quarter, Michael Ricks, former president of Ericsson (China) Company Ltd., was appointed imGO's new CEO.

From Investor's former investment portfolio in Asia, about half of the holding in ASM Pacific was sold during the summer of 2000.

EQT

Investor is one of the major investors in EQT's funds with commitments currently totaling more than SEK 6,100 m. On December 31, 2000, the value of Investor's share of completed investments amounted to SEK 1,165 m. (the book value was SEK 1,053 m.).

In the fourth quarter EQT reached an agreement to acquire International Health Insurance danmark (IHI), a leading company offering private medical insurance internationally. IHI operates primarily in Europe and Latin America.

Flexlink, one of EQT's existing holdings, reached an agreement with Flexible Technologies to acquire all of the company's operations in the beginning of 2001. Flexible Technologies, based in Dallas, Texas, is a leading supplier of automated handling solutions for the electronics industry. Another EQT holding, ADR Haanpää, the leading Scandinavian chemicals hauler, continued to implement its consolidation strategy in 2000 by acquiring a number of small and medium-sized haulers in Finland.

Earlier in the year EQT, through its funds, acquired Findus, Tradex, CSI and CreditInform. In the first quarter, the EQT Scandinavia I fund sold its remaining holding in Perlos. During the year the owners also received a dividend of shares in Perlos, whereby Investor received 758,747 shares. In the third quarter, EQT sold its holding in UPC. The latter shares were previously received as proceeds from UPC's acquisition of Stjärn-TV.

Hi3G

On December 16 the newly formed company Hi3G Access AB was awarded one of four UMTS licenses for Sweden. Hi3G is owned by Investor (40 percent) and Hong Kong-based Hutchison Whampoa (60 percent). The license is for a nationwide network, a "national license" allowing Hi3G to offer mobile services based on the UMTS standard. The allocation of the licenses has been appealed. On January 23, 2001, it was announced that Hi3G and Europolitan, a Swedish GSM operator with a UMTS license, have agreed to jointly build part of their respective UMTS infrastructure. The agreement will ensure a fast, environmentally friendly and cost-effective rollout.

Other holdings

Saab Automobile

In the first quarter of 2000, Investor sold its 50-percent holding in Saab Automobile to General Motors in accordance with the option agreement signed in 1996. The sale proceeds amounted to USD 125 m., corresponding to SEK 1,056 m. Since the shares in Saab Automobile were booked at zero value, the entire proceeds from the sale are reported as a capital gain.

On January 15, 2001, it was publicly announced that General Motors is acquiring Investor's subordinated loans to Saab Automobile for SEK 4,050 m. The loan had a book value of SEK 2,890 m. In the calculation of net asset value on December 31, 2000, the loan was valued at the agreed purchase price that will be paid in the first quarter of 2001.

Volvo

At year-end, Investor AB's shareholding in Volvo amounted to 1,155,240 A shares and 20,364,480 B shares, corresponding to 4.9 percent of the capital and 1.9 percent of the voting rights in the company. The holding, acquired as part of the planned merger between Scania and Volvo, was reduced during the year through Volvo's share buyback program.

According to the method used for new investments with a market value less than acquisition value, the holding in Volvo was written down SEK 1,497 m., which also gives a more correct picture of the net effect of the Scania divestment on earnings.

Syngenta

The agrochemical operations of AstraZeneca and Novartis were merged in the fourth quarter of 2000. After the merger, AstraZeneca paid a dividend of shares in the newly formed company, Syngenta, to AstraZeneca shareholders. Syngenta is a world-leading agrochemicals company that had sales of approximately SEK 70 billion in 1999. Investor's holding in Syngenta amounts to 2,296,861 shares corresponding to 2 percent of the capital and voting rights. Investor's holding in Syngenta had a market value of SEK 1,162 m. on December 31. Since Syngenta's introduction on the stock exchange in November 2000, the share price has increased from SEK 438 to SEK 506.

| Net asset value, other holdings | | | | |
|---|------------|---------------|------------|---------------|
| | 12/31-2000 | | 12/31-1999 | |
| | SEK/share | SEK m. | SEK/share | SEK m. |
| Saab Automobile, subordinated loans ¹⁾ | 5 | 4 050 | 4 | 2 890 |
| Volvo | 4 | 3 366 | 6 | 4 818 |
| Investor's own convertibles | 6 | 4 682 | 5 | 3 901 |
| Syngenta | 2 | 1 162 | - | - |
| Other | 1 | 831 | 1 | 1 141 |
| Total other holdings | 18 | 14 091 | 16 | 12 746 |

¹⁾Subordinated loans to Saab Automobile are valued at the agreed purchase price.

Other operations

Grand Hôtel Holdings

The business climate for GHH's services continued to be favorable during all of 2000. Grand Hôtel Stockholm enjoyed yet another record year in terms of sales and earnings. It was Berns' first fiscal year after it was redesigned and the year was characterized by efforts to establish its new concept. At year-end 2000, GHH sold its holding in Restaurang och Hotell Skansen i Båstad AB.

Sales of the Grand Hôtel Holding Group increased 19 percent to SEK 418 m. (351). Consolidated income after financial items was SEK 67 m. (16), an increase of SEK 51 m. Results were negatively impacted by SEK 37 m. in book losses pertaining to divestments.

| Investor's net asset value, other holdings | | | | |
|---|------------|--------------|------------|--------------|
| | 12/31-2000 | | 12/31-1999 | |
| | SEK/share | SEK m. | SEK/share | SEK m. |
| Securities trading | 1 | 1 165 | 1 | 822 |
| Grand Hôtel Holdings | 1 | 1 075 | 1 | 1 075 |
| Land and real estate | 1 | 350 | 1 | 350 |
| Total other operations | 3 | 2 590 | 3 | 2 247 |

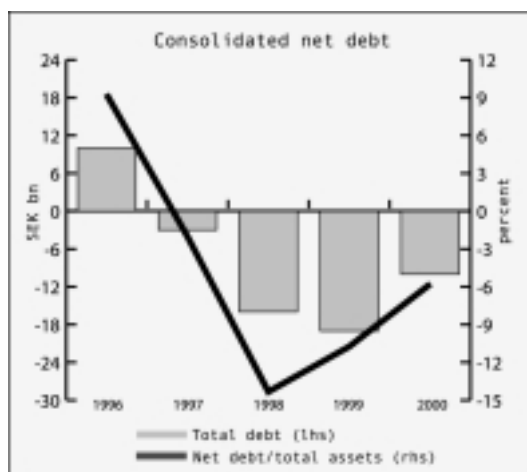
Consolidated results

Investor's income after financial items in 2000, excluding unrealized increases in value, amounted to SEK 13,478 m. (11,075). Net income after tax was SEK 13,459 m. (10,820) for the year.

A more detailed description of operations is provided as a table in Appendix 1.

Consolidated net debt

The Group's net debt at the end of the period was SEK 10,128 m. (18,913). Investor's net debt thus amounted to 6 percent (11) of total investments. The change in net debt was mainly due to the proceeds received from the sale of Scania shares and paid dividends.



Parent Company Investor AB

Income after financial items was SEK 8,665 m. (7,392). Net profit amounted to SEK 8,711 m. (7,303). During the year net share purchases were made for SEK 12,709 m.

Proposed dividend

The Board of Directors and the President propose a dividend to shareholders of SEK 3.00 (3.00) per share for fiscal 2000. An extraordinary dividend of SEK 2.50 per share (0.40) is also proposed.

Investor's dividend policy is to distribute a large portion of the dividends it receives in the form of an ordinary dividend to shareholders. This dividend should also develop steadily over time. In addition to the ordinary dividend, extraordinary dividends can be paid, depending on the current tax situation. However, such dividends can vary over time.

Repurchase of own shares

The Board of Directors has decided to propose to the Annual General Meeting that it should extend the authorization of the Board to decide on the repurchase of the company's shares. Under such mandate, the Board would be given the opportunity until the next Annual General Meeting – provided they deem this appropriate – to decide on the repurchase of the company's shares. In accordance with current legislation, these repurchases can amount up to 10 percent of the total shares outstanding in Investor. Such purchases may be effected over the stock exchange or through offerings to shareholders. It is also proposed that the Board's mandate include the possibility to transfer repurchased shares.

Investor's own convertibles

Investor AB's convertible debenture loans from 1991 to 1992, issued in conjunction with the acquisition of Saab-Scania, mature in June 2001. These convertibles have been repurchased on a continuous basis and Investor owned approximately 94 percent of the outstanding volume on December 31, 2000. Investor's board has decided to eliminate the purchased convertibles on the maturity date. This has a positive effect on the net asset value per share.

Structure of share capital and convertibles, December 31, 2000

| Class of share | Number of shares | Number of voting rights | % of capital | % of voting rights |
|--|--------------------|-------------------------|--------------|--------------------|
| Before conversion | | | | |
| A 1 vote | 311 690 844 | 311 690 844 | 40.7 | 87.3 |
| B 1/10 vote | 453 390 205 | 45 339 021 | 59.3 | 12.7 |
| Total | 765 081 049 | 357 029 865 | 100,0 | 100,0 |
| Convertible debenture loans ¹⁾ | | | | |
| B 1/10 vote | 35 675 791 | 3 567 579 | | |
| After conversion | | | | |
| A 1 vote | 311 690 844 | 311 690 844 | 38.9 | 86.4 |
| B 1/10 vote | 489 065 996 | 48 906 600 | 61.1 | 13.6 |
| Total | 800 756 840 | 360 597 444 | 100,0 | 100,0 |
| <small>1) The nominal value of the loans is SEK 1,266 m. and they carry 8.00 percent interest until June 21, 2001. The conversion price is SEK 35.50. Of the convertible debenture loans corresponding to a total of 35,675,791 shares, Investor's own holding corresponds to 33,578,895 shares.</small> | | | | |

Other

Annual General Meeting

The Annual General Meeting will be held at 5 p.m. on Monday, April 2, 2001, in Viktoriahallen, Stockholmsmässan (Stockholm International Fairs), Älvsjö. Investor's audited Annual Report will be made available at the company's head office at Arsenalsgatan 8C in Stockholm.

Accounting principles

This year-end report has been prepared in accordance with Sweden's Annual Accounts Act. Applied accounting principles are unchanged. Under Sweden's Annual Accounts Act, Investor holdings meeting the criteria for associated companies must be reported in accordance with the equity method. These revised consolidated accounts will be prepared and included in Investor's Annual Report for 2000, which will be available in March 2001.

Financial Calendar 2001

- April 2 Annual General Meeting
- April 11 Interim Report, January - March
- July 10 Interim Report, January – June
- Oct. 11 Interim Report, January - September

Stockholm, January 24, 2001

Marcus Wallenberg

President and Chief Executive Officer

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This year-end report has not been subject to specific review by the Company's auditors.

INVESTOR GROUP

CONSOLIDATED INCOME STATEMENT

Purchase method

| SEK m. | 2000 1/1-12/31 | 1999 1/1-12/31 |
|--|---------------------------|---------------------------|
| Dividends | 2 090 | 2 184 |
| Capital gains, net | 10 202 | 7 532 |
| Operating costs | -215 | -186 |
| Net income - core holdings | 12 077 | 9 530 |
| Dividends | 632 | 567 |
| Capital gains, net | 1 216 | 1 964 |
| Operating costs | -333 | -255 |
| Net income - new investments and other holdings | 1 515 | 2 276 |
| Net securities trading | 650 | 197 |
| Net sales | 556 | 368 |
| Cost of goods and services sold | -452 | -330 |
| Operating costs | -106 | -109 |
| Net income - other operations | 648 | 126 |
| Group wide operating costs | -86 | -81 |
| Operating income | 14 154 | 11 851 |
| Net financial items | -676 | -776 |
| Income after financial items | 13 478 | 11 075 |
| Taxes | -19 | -253 |
| Minority interest | | -2 |
| Income for the year | 13 459 | 10 820 |

INVESTOR GROUP

CONSOLIDATED BALANCE SHEET

Purchase method

| SEK m. | 2000 12/31 | 1999 12/31 |
|---|---------------------|----------------|
| Assets | | |
| Equipment and real estate, etc. | 1 499 | 1 481 |
| Shares and participations | 57 594 | 55 125 |
| Receivables | 4 169 | 4 206 |
| Cash and short-term investments | 7 480 | 1 020 |
| Total assets | 70 742 | 61 832 |
| Shareholders' equity and liabilities | | |
| Shareholders' equity ¹⁾ | 48 755 | 37 868 |
| Convertible debenture loans | 1 322 | 1 347 |
| Provision for pensions | 189 | 188 |
| Loans | 15 662 | 19 745 |
| Other liabilities | 4 814 | 2 684 |
| Total shareholders' equity and liabilities | 70 742 | 61 832 |
| Net debt | | |
| Cash and short-term investments | 5 723 ²⁾ | 1 020 |
| Loans | -15 662 | -19 745 |
| Provision for pensions | -189 | -188 |
| Total net debt | -10 128 | -18 913 |

1) Shareholders' equity changed during the period:

| | | |
|--------------------------|-----------|-------------|
| Opening balance | 37 868 | 29 269 |
| Dividend to shareholders | -2 596 | -2 098 |
| Income for the year | 13 459 | 10 820 |
| Other changes | <u>24</u> | <u>-123</u> |
| Closing balance | 48 755 | 37 868 |

2) Adjusted by SEK -1 757 m. since some items within short-term investments are affiliated with items in other liabilities and can therefore not be regarded as available.

INVESTOR GROUP

CONSOLIDATED STATEMENT OF CASH FLOWS

| SEK m. | 2000 1/12/31 | 1999 1/1-12/31 |
|--|----------------------------|-------------------|
| Cash flow from operating activities | | |
| Core holdings | | |
| Dividends | 2 052 | 2 184 |
| New investments and other holdings | | |
| Dividends | 632 | 553 |
| Securities trading, other operations and operating costs | | |
| Payments received | 62 169 | 28 180 |
| Payments made | -61 973 | -29 068 |
| Cash flow from operating activities before net interest income/expense and income taxes | 2 880 | 1 849 |
| Interest received/paid | -661 | -681 |
| Income taxes paid | -76 | -99 |
| Cash flow from operating activities | 2 143 | 1 069 |
| Cash flow from investing activities | | |
| Core holdings | | |
| Purchases | -1 304 | -15 228 |
| Sales | 13 578 | 11 292 |
| New investments and other holdings | | |
| Purchases | -9 372 | -4 385 |
| Sales | 6 404 | 6 077 |
| Investments in tangible fixed assets | -85 | -104 |
| Sold tangible fixed assets | 12 | 295 |
| Cash flow from investing activities | 9 233 | -2 053 |
| Cash flow from financing activities | | |
| Long-term loans raised | 1 586 | 3 620 |
| Increase/decrease in short-term financial liabilities | -5 669 | 346 |
| Dividends paid | -2 596 | -2 098 |
| Cash flow from financing activities | -6 679 | 1 868 |
| Cash flow for the year | 4 697 | 884 |
| Liquid assets, opening balance | 1 020 | 138 |
| Translation difference in liquid assets | 6 | -2 |
| Liquid assets, closing balance | 5 723 ¹⁾ | 1 020 |

1) Adjusted by SEK -1, 757 m. since some items within short-term investments are affiliated with items in other liabilities and can therefore not be regarded as available.

APPENDIX 1 – INVESTOR'S DEVELOPMENT BY SEGMENT

| Development 1/1 – 12/31 2000 | | | | | | |
|-----------------------------------|---------------|-----------------|----------------|------------------|---------------------|---------------|
| | Core holdings | New investments | Other holdings | Other operations | Investor group-wide | Total |
| Dividends | 2 090 | 337 | 295 | 66 | | 2 788 |
| Capital gains | | | | | | |
| <i>Realized profit/loss</i> | 10 202 | 2 667 | 1 274 | 584 | | 14 727 |
| <i>Write-downs</i> | | -1 228 | -1 497 | | | -2 725 |
| Other revenues and expenses | | | | 104 | | 104 |
| Operating costs | -215 | -325 | -8 | -106 | -86 | -740 |
| Operating income | 12 077 | 1 415 | 64 | 648 | -86 | 14 154 |
| Net financial items | | | | | -676 | -676 |
| Taxes and minority interest | | | | | -19 | -19 |
| Income for the year | 12 077 | 1 415 | 64 | 648 | -781 | 13 459 |
| Changes in surplus value | -16 143 | -955 | 1 946 | 145 | | -15 007 |
| Dividends paid | | | | | -2 596 | -2 596 |
| Contribution to NAV growth | -4 066 | 496 | 2 010 | 793 | -3 377 | -4 144 |

Assets by segments 12/31 2000

| | | | | | | |
|---------------------------|----------------|----------------------------|---------------|--------------|-----------|----------------|
| Book value | 38 871 | 9 860 | 9 050 | 2 399 | 26 | 60 206 |
| Accumulated surplus value | 91 973 | 1 832 | 5 041 | 191 | | 99 037 |
| Market value | 130 844 | 11 692¹⁾ | 14 091 | 2 590 | 26 | 159 243 |

| Development 1/1 – 12/31 1999 ²⁾ | | | | | | |
|--|---------------|-----------------|----------------|------------------|---------------------|---------------|
| | Core holdings | New investments | Other holdings | Other operations | Investor group-wide | Total |
| Dividends | 2 184 | 415 | 152 | 24 | | 2 775 |
| Capital gains | | | | | | |
| <i>Realized profit/loss</i> | 7 532 | 1 984 | -34 | 103 | | 9 585 |
| <i>Write-downs</i> | | 14 | | 70 | | 84 |
| Other revenues and expenses | | | | 38 | | 38 |
| Operating costs | -186 | -249 | -6 | -109 | -81 | -631 |
| Operating income | 9 530 | 2 164 | 112 | 126 | -81 | 11 851 |
| Net financial items | | | | | -776 | -776 |
| Taxes and minority interest | | | | | -255 | -255 |
| Income for the year | 9 530 | 2 164 | 112 | 126 | -1 112 | 10 820 |
| Changes in surplus value | 49 098 | 722 | 812 | 403 | | 51 035 |
| Dividends paid | | | | | -2 098 | -2 098 |
| Contribution to NAV growth | 56 628 | 2 886 | 924 | 529 | -3 210 | 59 757 |

Assets by segments 31/12 1999

| | | | | | | |
|---------------------------|----------------|--------------|---------------|--------------|-------------|----------------|
| Book value | 41 944 | 4 831 | 9 650 | 2 202 | -499 | 58 128 |
| Accumulated surplus value | 108 116 | 2 787 | 3 096 | 45 | | 114 044 |
| Market value | 150 060 | 7 618 | 12 746 | 2 247 | -499 | 172 172 |

1) Valuation is calculated in accordance with EVCA/BVCA principles with the exception of unlisted holdings. The principles for valuation of unlisted holdings were changed in 2000 to a more conservative method where these are valued at acquisition value with deduction of any write-downs. Previously, where applicable, in accordance with EVCA/BVCA principles, unlisted holdings were stated at the most recent external financing round valuation. Listed holdings are valued as previously at their current price with a liquidity discount of 10 to 20 percent.

2) To facilitate a comparison between the above tables, changes made to classifications and the structuring of the table for 2000 have been introduced in the table for 1999. Consequently, the table for 1999 has been adjusted to reflect these changes.

APPENDIX 2 – TOTAL INVESTMENTS PER SECTOR

Total investments per sector December 31, 2000 (listed companies in italic)

| SEK m. | Technology | Healthcare | Engineering & Manufacturing | Forest products | Financial services | Other ⁽¹⁾ |
|-----------------------------------|---|--|--|-----------------|--------------------|----------------------|
| Core holdings | | | | | | |
| | Ericsson WM-data | AstraZeneca Gambro | ABB Atlas Copco Electrolux Saab AB Scania SKF | Stora Enso | SEB OM Gruppen | SAS |
| Investor Growth Capital | | | | | | |
| Expansion stage | Aplon Network Diga EQ b-business partners* CarParts.com Cidra Edison Gator.com Guru.com IdeaEdge Idealab Invesmart JP Systems Lycos Europe Optilon Physione Sciences Stepstone Sylvan TelaGee Tessera Quisic | Amina Medical Avecan Intrabiotics Intuitive Surgical EndoVasix Kyphon Medtronic Molecular Staging Personal Chemistry Songbird Hearing | | | | |
| Venture stage | Apollo International DoBasDo Comfirm.com Capisma Curl Corporation Ericsson Venture Partners Excosoft Hybrid Technology InTenna Technology K-World Nordic Sensor Technologies Oculus Oval Opto Comm Pipebeach Popwire.com Projectplace Radans Innova SamSari Education Scan Synapix Proceedo Startupfactory SQM Sörman Information Umetrics Winor Amkor ImGO* | A+ Science Invest Accuro Immunology Aerocrine Affibody Technology AlcoDix Alpha Helix Camel Pharma Cavidi Tech Entific Medical Systems Espanion Therapeutics Got-A-Gene Gyros Juvantis Pharma Mando Metcon Medicin Medicarb Melacure NeuroNova Otre Ponsus Pharma Stick Tech Stille Ullman | Neos Robotics Nordic Windpower | | | |
| Investor Capital Partners* | | | | | | |
| Group Investments | ASM Alphatec Amkor ImGO* | | United Pacific Laredo | | | |
| Asia Fund | | | | | | |
| Other holdings | | | | | | |
| | | | Cardo Fiskars Volvo | | | Syngenta |
| Value December 31, 2000 | 38 584 | 50 545 | 34 428 | 8 623 | 10 425 | 16 238 |
| Share of total | 24% | 32% | 22% | 5% | 7% | 10% |
| Value December 31, 1999 | 47 197 | 39 546 | 63 419 | 11 558 | 8 211 | 12 241 |
| Share of total | 27% | 23% | 31% | 7% | 6% | 7% |

* Affiliated ventures

⁽¹⁾ Also includes minor holdings, fund investments, Investor's own convertible and other activities

⁽²⁾ Also includes Investor AB's share of EQT investments

APPENDIX 3 – DIRECT INVESTMENTS, INVESTOR GROWTH CAPITAL, JANUARY 1 – DECEMBER 31, 2000.

HEALTHCARE

| Company | Description |
|--|--|
| Accuro Immunology (SE) | Biomedical R&D company focusing on the development of immunotherapies for treating cancer. |
| Affibody Technology (SE) | Biotechnology company focusing on research into artificial antibodies and proteomics. |
| AlcoDia (SE) | New patented method for detecting and measuring alcohol intake. |
| Amira Medical (U.S.) | Develops and markets analytical devices for monitoring blood sugar levels in diabetics. |
| Axcan (CAN) | Pharmaceutical company specialized in gastroenterology. |
| EndoVasix (U.S.) | Medical technology for treating stroke through a combination of laser and acoustic energy applied through a minimally invasive system. |
| Esperion Therapeutics (U.S./SE) | Develops treatment methods for atherosclerosis. |
| Gyros (SE) | Develops miniaturized laboratories in CD format, "lab on a chip". |
| Juvantia Pharma (FI) | Research company developing drugs for treating Parkinson's disease. |
| Mando (SE) | Patented treatment program for anorexia and bulimia. |
| Medtronic (U.S.) | A leading medical device company. Shares were acquired as the result of Medtronic's acquisition of PercuSurge. |
| Melacure (SE) | Research and development of new drugs and substances based on melanocortin receptor targets. |
| Metcon Medicin (SE) | Develops products to stabilize blood sugar levels in diabetics. |
| Molecular Staging (U.S.) | Life sciences tool company developing a portfolio of technologies for detecting and measuring proteins and nucleic acids. |
| NeuroNova (SE) | Research-based company aiming to develop therapeutic approaches to neurodegenerative disorders through stem cells. |
| Otre (SE) | System to mix ozone into lipids for hospital disinfection and sterilization. |
| Personal Chemistry (SE) | System for chemical synthesis using microwave-heating technology. |
| Physiome Sciences (U.S.) | Software and equipment for simulating biological trials and processes. |
| Songbird Hearing (U.S.) | Develops and sells the market's first disposable hearing aid. |

TECHNOLOGY/IT

| Company | Description |
|-------------------------------|--|
| Aplion Networks | Integrated software and hardware solutions for broadband communications. |
| b-business partners | European business-to-business investment company. |
| Cidera (US) | Satellite-based equipment and software for high-speed transmission of Internet contents. |
| Digia (FI) | Software and services for next-generation wireless information devices. |
| Gator.com (U.S.) | Online consumer marketing services facilitating e-commerce transactions. |
| GenOA Corp. (U.S.) | Semiconductors for optical communications. |
| Guru.com (U.S.) | Website for independent professionals including assignment matching, purchasing of goods and services and a chat room. |
| IdeaEdge (U.S.) | Investment company focused on early-stage e-commerce and wireless applications. |
| Idealab! (U.S.) | Investment and development company in the consumer Internet field. |
| Invesmart (U.S.) | Online retirement services for companies and their employees. |
| JP Systems (U.S.) | Secure, wireless technology for connection to the Internet and intranets. |
| Optilion (SE) | Develops and manufactures fiber-optic transceivers for high-speed data and Internet communications. |
| Opto Comm (SE) | Complete network solutions for data communications and telecommunications. |
| Pipebeach (SE) | Voice recognition access to mobile Internet applications. |
| Proceedo (SE) | Internet-based purchasing solutions for e-commerce. |
| Projektplatsen.se (SE) | ASP for intercompany projects. |
| Quisic (U.S.) | Online learning and training courses for business. |
| SamSari Education (SE) | Web-based courses in business and management for corporations. |
| Scan (U.K.) | E-service for product search and purchase of free mobile technology (SMS). |
| SQM Nordic (SE) | Consulting company offering services and solutions for e-commerce, customer service and support. |
| Startupfactory (SE) | Nordic venture capital company focused on wireless communications and a mobile lifestyle. |
| Sörman (SE) | Internet-based information management services. |
| TeleGea (U.S.) | Online sales and delivery of telecom services. |