



# SVOLDER

## INTERIM REPORT 2011/2012

Interim period: 1<sup>st</sup> September 2011–31<sup>st</sup> May 2012 (9 months). Current reporting period: 1<sup>st</sup> March–31<sup>st</sup> May 2012 (3 months)



»Swedish shares are very cheap compared to Swedish government bonds.»

### RESULT FOR THE INTERIM PERIOD 9 months

- The company posted a result for the period (9 months) of SEK 33.7 million (SEK 224.0 m), corresponding to SEK 2.60 (SEK 17.50) per share.
- The net worth rose by 4.0%, adjusted for dividends, to SEK 65.00 per share.
- The listed price of the class B share decreased by 6.4%, adjusted for dividends, to SEK 54.25 per share.
- The closing discount on net worth was 16.5%.
- Withdrawal of application to become a fund company.

### RESULT FOR THE CURRENT REPORTING PERIOD 3 months

- The company posted a result for the period (3 months) of SEK –38.6 million (SEK 58.5 m), corresponding to SEK –3.00 (SEK 4.60) per share.
- The net worth decreased by 4.4% to SEK 65.00 per share.
- The listed price of the class B share decreased by 6.1% to SEK 54.25 per share.

14 JUNE 2012

- The net worth was SEK 62 per share and the listed price was SEK 53.00.

Major contributors to the net worth (3 months)

- + Positive: JM
- Negative: Nobia, Saab and Beijer Alma

Major changes in the equities portfolio (3 months)

- + Bought: Acando, Saab and Mekonomen
- Sold: Beijer Electronics

# THE MANAGING DIRECTOR'S COMMENTS



## DEAR SHAREHOLDER,

It has been a weak, and at times volatile, three-month period for the stock and capital markets. Relatively weak economic statistics from China, coupled with rising political uncertainty and concern relating to state finances in Southern Europe, have been the main reason for the poor share price development. Towards the end of the current reporting period, the US growth rate also declined. Svolder's share price and net worth have of course fallen amid these external circumstances, although to a lesser extent than both the Swedish stock exchange and the small cap market, measured as CSRX.

During Svolder's last two quarters the results for both net worth and share price have been better than the Swedish stock exchange and the small cap market. A weak 2011, however, means that some of the historical comparison figures are not as favourable for Svolder. The reasons for this are outlined above, and excluding 2011 the long-term growth is good compared to relevant stock exchange indices.

### Total return, % on 31<sup>st</sup> May 2012

	1 year 1/3 2011– 31/5 2012	3 years 1/3 2009– 31/5 2012	5 year 1/3 2007– 31/5 2012
Svolder <sup>1)</sup>			
Svolder, net worth	−18	38	−9
Share price (class B)	−21	32	−9
Share market index			
CSRX	−10	52	−9
SIXRX	−13	41	−11

Source: Morningstar.

<sup>1)</sup>Total return is calculated using methods whereby the dividend paid is reinvested at the time of the dividend in underlying types of assets.

### Are the risk concepts for shares and government bonds respectively relevant?

The proportion of shares in institutional investors' securities portfolios is decreasing. Similarly, the number of shareholders and private individuals' investments in shares, both directly and via funds, for example, is also falling. This is an international pattern. In the unease since the financial crisis of 2008, many investors' priority has been to avoid losses in an economic environment bordered by deflationary impulses, failing banks and weak state finances. The flight has largely been towards government bonds in countries perceived as financially stable, such as the US, UK, Germany, Japan and the Nordic countries. Lending money to these states for a decade currently produces an annual return in the region of 1.5 per cent or less. In most cases inflation exceeds these levels, which is why investors are consciously choosing assets which today at least are not stable in value in real terms.

At the same time, different supervisory authorities are placing demands on financial institutions to own more and more government bonds and fewer and fewer shares, not least because pension liabilities, for example, are calculated with increasingly low discount factors. This is not a healthy development for financing of the private sector, nor in all likelihood for investors' long-term return. There is a considerable risk of creating a 'government bond bubble', and it is tragic that in practice this is being sanctioned by legislators and supervisory authorities. Since the closing day Finansinspektionen (FI), the Swedish Financial Supervisory Authority, has however taken a commendable, if time-limited, initiative regarding life companies' discount rate.

In its latest Nordic strategy report, investment bank Carnegie expects Nordic listed companies' dividends for 2012 to equate to a yield of 4.2 per cent and their P/E ratio to be just under 12. Conversely their E/P, i.e. earnings in relation to share prices, will be 8.5 per cent. This is an interesting comparison with the figures for yields on government bonds. Since I also believe that GNP will rise in the long term in the Nordic region and the rest of the world, I think the same will happen to companies' profits. Shares would therefore be a tangible asset, unlike today's Nordic government bonds.

A review of the largest Swedish listed companies, excluding financial companies, shows that altogether they have a solid financial foundation. Using Handelsbanken Markets' solid analytical basis for Sweden's primarily 85 largest companies outside of the financial sector, it can be noted that their total forecasts for operating cash flow for 2012 amounts to almost twice the expected interest-bearing net liability at the end of the year. Virtually any finance minister would be overjoyed at such figures. One question investors and supervisory authorities should therefore ask themselves is if the risks associated with investing in shares are that much higher than those associated with government bonds at their current valuations.

Using Svolder's own calculations for small Swedish companies, the same conclusion emerges as for larger companies, i.e. that Swedish shares are very cheap compared to Swedish government bonds.

#### Svolder withdraws its application to form a fund company

In June 2011, Svolder submitted an application to the FI to form a wholly-owned fund company. The aim was to harness the economies of scale in share analysis and management in light of institutional interest in small company portfolio management under Svolder's auspices. Following extensive contact with the FI and complementary wordings of proposed fund rules and other documents, Svolder has decided to withdraw its application. In our opinion, the conditions are unfortunately not in place to successfully provide management services for both Svolder's shareholders and intended joint owners in the small cap fund Svolder Fonder intended to start up.

The fund market needs more players, not fewer. Those best equipped to challenge established players are those who have provided stock management services in a similar way, for instance via investment companies.



#### Analysis and management a priority

Svolder is therefore continuing the business it has been running since 1993. Even though the 2000s have not been the stock market's decade, shareholders' net worth including dividends paid but not reinvested increased during the period from SEK 25 to SEK 130 per share. The ambitions held by the company to increase the underlying management capital, most recently through a fund company, have been ambitious and attractive but have not been possible to carry out in a satisfactory way for Svolder's shareholders. A stronger focus will therefore be placed on active stock management based on fundamental share analysis, also considering continued reasonable management costs.

Yours faithfully

ULF HEDLUNDH  
Managing Director



## MARKET COMMENTARY

Concerns on the financial markets have increased again during the current reporting period of 1st March – 31st May 2012. The parliamentary situation in Greece is still uncertain, while the country's economy continues to deteriorate. Spain is also noting significant problems in its banks and public finances, particularly in the various regions. This is overshadowing the progress that has been made, particularly in Italy and Ireland. Continued lower growth in China and a weaker economic recovery than expected in the US are other, and fundamentally far more serious, reasons for the current difficult situation on the stock markets.

Adjusted for dividends, the Swedish stock exchange (SIXRX) fell by 7.7 per cent during the three-month period, which is just under one percentage point worse than the small cap market CSRX. The World Index, measured in USD, fell by 9.3 per cent.

Large movements occurred on the currency market, where the US dollar in particular rose strongly (10.3 per cent against the SEK). The Swedish krona also fell against the euro, but by a more modest 1.9 per cent. In times of financial turbulence, smaller countries' currencies tend to be weak and highly volatile. The US dollar has noted increasingly high values, as in the present turbulence many investors consider it a reserve currency.

The interest rates for government bonds have continued to fall in economies with perceived financial strength. The American 10-year bond fell by over 40 interest rate points to 1.57 per cent. Interest rates for Swedish and German bonds are currently even lower. The interest rates for money markets are still low as a result of expansive monetary policy, even though many economic commentators think it could be more expansive in Sweden and the EMU, for example.

Prices for raw materials fell dramatically during the three-month period, although the upturn in the dollar countered the fall for many stakeholders. Oil has fallen by just over 17 per cent, copper by just under 13 per cent and gold by 8 per cent, all measured in USD. The reason behind this is lower imports of raw materials in China and the rest of Southeast Asia, as a result of weaker economic growth coupled with increased production and metal recovery in the wake of the strong price development over the past decade.

Index performance, 12 months



## SHARE PRICE TRENDS

The closing price for Svolder's class B share was SEK 54.25, corresponding to a fall during the current reporting period of 6.1 per cent. The share's value on the closing day represented a discount of 16.5 per cent on its net worth. The class B share was traded on all of the trading days during the period, with an average of just over 5,000 shares traded on each day of trading.

Trading in Svolder's class A share was traded on 20 per cent of all the trading days during the current reporting period. Under the terms of Svolder's Articles of Association, class A shareholders wishing to convert class A shares into class B shares may do so by application to the Board of Svolder.

Total return, per cent

	Rolling 12 months		
	3 months 1/3 2012– 31/5 2012	9 months 1/9 2011– 31/5 2012	months 1/6 2011– 31/5 2012
Share price (class B) <sup>1)</sup>	–6.1	–6.4	–20.9
Svolder, net worth <sup>1)</sup>	–4.4	4.0	–18.4
Share market index			
CSRX <sup>2)</sup>	–6.8	8.5	–9.6
SIXRX <sup>2)</sup>	–7.7	6.0	–12.7

<sup>1)</sup> Svolder – including dividends paid during the period, not reinvested.

<sup>2)</sup> Index – including reinvested dividends.

## CHANGE IN NET WORTH

Svolder's closing net worth was SEK 65.00 per share, which represents a decrease during the current reporting period of 4.4 per cent. This figure is 2.4 percentage points better than the development of the small cap index. The positive deviation is primarily attributable to the good development of JM, HiQ and Beijer Electronics. At the same time, for example the index-heavy shares Boliden, Ratos, Securitas and SSAB, which Svolder has actively chosen not to own, performed considerably worse than the CSRX during the three-month period.

Svolder (SEK per share) and CSRX 3 months



Svolder's equities portfolio is not an index portfolio: investment decisions are, instead, based on valuation of the individual shares. The portfolio's results in relation to benchmark indices can, therefore, differ substantially between different accounting periods. A certain strategic focus on individual sectors based on macroeconomic factors complements the share evaluation

#### Net worth trend, 3 months

	SEKm	SEK/share
<b>Net worth, 29<sup>th</sup> February 2012</b>	<b>870.5</b>	<b>68.00</b>
<b>Equities portfolio</b>		
Opening value	882.7	69.00
Purchase of shares	150.4	
Sale of shares	-71.8	
Change in value, equities portf.	-71.5	7.0 0.60
Closing value	<b>889.7</b>	<b>69.50</b>
<b>Net debt</b>		
Opening value	-12.2	-1.00
Share dividends received	37.8	
Administrative costs	-4.4	
Net financial items	-0.5	
Purchase of shares, net	-78.6	-45.6 -3.60
Closing value	<b>-57.8</b>	<b>-4.50</b>
<b>Net worth, 31<sup>st</sup> May 2012</b>	<b>831.9</b>	<b>65.00</b>

Housing development company JM reported positive share price development during the reporting period, which made it the best contributor to Svolder's net worth. The company's report for the first quarter of 2012 was good in terms of profits, although the number of homes sold and begun did decrease more than expected. Nevertheless, we stand by the assessment that JM's valuation is low based on expected profit for a normal year.

#### Biggest contributors to changes in net worth 1<sup>st</sup> March–31<sup>st</sup> May 2012 (3 months)

(Based on net worth of SEK 870.5 million or SEK 68.00 per share on 29th February 2012)

	SEKm	SEK/share
JM	6.9	0.50
<b>Total, one positive</b>	<b>6.9</b>	<b>0.50</b>
Nobia	-9.7	-0.80
Saab	-9.6	-0.70
Beijer Alma	-5.6	-0.40
MTG	-4.8	-0.40
Nolato	-3.1	-0.20
XANO	-3.0	-0.20
Hakon Invest	-2.9	-0.20
Mekonomen	-2.3	-0.20
B&BTOOLS	-2.0	-0.20
<b>Total, nine negative</b>	<b>-43.0</b>	<b>-3.40</b>
Other shares	2.4	0.20
<b>Shares, total</b>	<b>-33.7</b>	<b>-2.60</b>
Other	-4.9	-0.40
<b>Change in value</b>	<b>-38.6</b>	<b>-3.00</b>

Kitchen producer Nobia's results for the first quarter fell considerably below expectations. This was primarily due to further weakening in Continental Europe and the UK. If these markets remain weak, the recovery in profit will be delayed even further. The share price, which began the calendar year strongly, developed very weakly after the quarterly report, and the holding in Nobia was the worst contributor during the reporting period. Svolder still believes that the valuation is low based on a long-term normalised result. If the set margin target of 10 per cent is achieved, the share price potential is considerable.

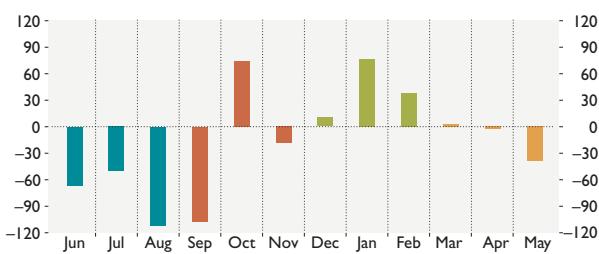
Defence group Saab made a negative contribution to net worth, even though the year's first quarterly report was better or as expected on most points. The weak price development is believed to be due more to an increasingly intensive political debate about Swedish arms exports and heightened uncertainty surrounding Saab's sale of the Gripen fighter to Switzerland. Svolder believes that Saab's valuation is attractive and has increased its holding during the period.

The development of Beijer Alma's share price, including dividends paid, was negative during the current reporting period. Even so, the development was slightly better than CSRX. As the holding is such a large part of the portfolio, it had one of the biggest negative effects on net worth during the period. The result for the first quarter was in line with expectations. The subsidiary Ljusjöfors acquired a German spring manufacturer, which meant the strong balance sheet became an asset.

#### Change in net worth in SEK million per month (12 months)

Excluding dividends of SEK 42.2 million (SEK 3.30 per share) paid in November 2011.

SEK m

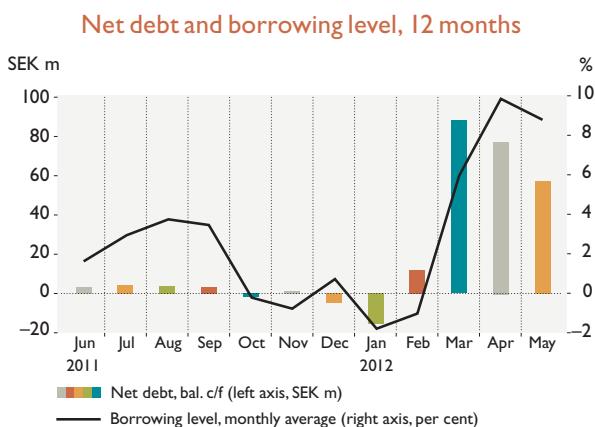


#### BORROWING

The net debt, which also includes the share trading's unliquidated transactions etc., totalled SEK 57.8 million on the closing day, corresponding to 7.0 per cent of the company's net worth and 6.5 per cent of the equities portfolio.

Svolder's net worth trend is primarily determined by the equities portfolio's results. The portfolio's performance can be compared with that of a benchmark index, such as CSRX or SIXRX, but can also be assessed on the basis of long-term absolute required returns. Borrowing strengthens the result because the value of the equities portfolio then exceeds that of the net worth.

This leverage effect, as it is known, can be both positive and negative. It is estimated that borrowing against the equities portfolio during the current reporting period had a negative effect of approximately SEK 4 million on the net worth, corresponding to 1 percentage point of the change in value for the period.



## EQUITIES PORTFOLIO

Shares were acquired for a total of SEK 150.4 million (gross) during the current reporting period. Shares for a gross amount of SEK 71.8 million were sold during the corresponding period, and net purchases hence totalled SEK 78.6 million.

Mekonomen became a new holding during the three-month period. On the closing day, the portfolio thus comprised 15 holdings.

### Major net purchases for the equities portfolio (3 months) 1<sup>st</sup> March–31<sup>st</sup> May 2012

Share	Number	SEK m	SEK/share <sup>1)</sup>
Acando	3 343 298	50.3	15.00
Saab	238 000	28.7	120.70
Mekonomen	100 000	23.8	227.30
JM	119 450	14.6	122.50

<sup>1)</sup> The purchase price per share is arrived at on the basis of the aggregate purchase price for all shares of the same class acquired during the period.

IT consultancy Acando has operations in several countries, but Sweden and Germany dominate. After several years of expansion through acquisitions outside of Sweden, the focus is now on organic growth. This ought to entail more stable profitability and a stronger focus on growth on the profitable Swedish market. Acando's financial position is strong and the cash flow is favoured by low taxation in Sweden due to historically established loss carry-forwards. This year's dividend and the increasing buy-back of shares indicates the company's heightened awareness of value-promoting measures. Svolder acquired Acando shares for SEK 50 million during the current reporting period.

The expansive car part and service group Mekonomen is a new holding in Svolder's portfolio. Mekonomen's acquisition of Meca has the potential to raise both sales

and margin targets. During the period the company has obtained the necessary government licences for the acquisition, even though it has been the subject of in-depth scrutiny in Norway. Mekonomen's first quarter report for 2012 indicated good growth, increasing market shares and rising margins.

### Major net sales from the equities portfolio (3 months) 1<sup>st</sup> March–31<sup>st</sup> May 2012

Share	Number	SEK m	SEK/share <sup>1)</sup>
Beijer Electronics	557 613	38.4	69.60

<sup>1)</sup> The sales proceeds per share are arrived at on the basis of the aggregate market value for all shares of the same class sold during the period.

Svolder further decreased its holding in Beijer Electronics during the three-month period, at attractive prices for Svolder based on the share price on the closing day. The disposals were carried out for valuation reasons, particularly taking into account that the HMI business area has seen weak development in the past half-year

## WITHDRAWAL OF APPLICATION TO BECOME A FUND COMPANY

Svolder has decided to discontinue and withdraw its application for a licence to conduct fund company operations through a wholly-owned subsidiary. The main aim of the application was to facilitate capital acquisition and reduce the proportion of management costs for the Group. Following a lengthy application process, Svolder deems that the foundation no longer exists to successfully carry out management via a fund company.

## THE PARENT COMPANY

The results for the Group and the Parent Company correspond in full. The Parent Company balance sheet is the same as for the Group with the exception of the Parent Company's holdings in subsidiaries, worth SEK 1.3 million, and a current liability of SEK 0.1 million, as well as liquid assets in the Group equivalent to SEK 1.2 million. The Parent Company and the Group have an overdraft facility totalling SEK 450 million.

## RISKS AND UNCERTAINTY FACTORS

The identified risks and uncertainty factors for the Group and the Parent Company are presented on page 45 and in note 17 on page 57 of the 2010/2011 Annual Report. The market risk (the equities portfolio's price risk) is adjudged to be the most significant of the risks listed there. No significant changes are deemed to have occurred since then.

## **NOMINATIONS COMMITTEE**

As reported in a press release on 18th May 2012, a Nominations Committee has been appointed in accordance with a decision at the 2011 Annual General Meeting. The Nominations Committee has appointed Christoffer Lundström (Provobis Holding/Rolf Lundström) as its Chairman. Other members are Karin Kronstam (representing Magnus Nilsson), Magnus Eriksson (Fourth AP Fund) and Caroline Sundewall (Chair of the Board).

Shareholders wishing to propose members of the Nominations Committee may contact the Committee's Chairman, Christoffer Lundström:

*Christoffer Lundström (christoffer@provobisholding.se),  
Provobis Holding, Lilla Bommen 1, SE-411 04 Göteborg.*

## **EVENTS AFTER THE REPORTING PERIOD**

The net worth on 14th June was SEK 62 per share and the listed price was SEK 53.00.

## **YEAR-END REPORT**

A Year-End Report for the financial year 1st September 2011–31st August 2012, encompassing the three-month report for 1st June–31st August 2012, will be published on 26th September 2012.

## **ANNUAL GENERAL MEETING**

The 2012 Annual General Meeting will take place on Wednesday 21st November at Polstjärnan in Stockholm.



STOCKHOLM DEN 15 JUNE 2012

SVOLDER AB (PUBL.)

THE BOARD OF DIRECTORS

*For additional information, please contact:*

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## THE EQUITIES PORTFOLIO, 31<sup>ST</sup> MAY 2012

Sector/share	No. of shares	Share price (SEK) <sup>1)</sup>	Market value (MSEK)	% of net worth	Total net worth, %	Sector weighting in CSRX, %	Acc. change in value, %	Gross exposure (SEK) <sup>2)</sup>
<b>Energy and utilities</b>					—	<b>0.3</b>	—	
<b>Materials</b>					—	<b>11.0</b>	—	
<b>Capital goods</b>					<b>35.4</b>	<b>18.1</b>	<b>-0.7</b>	
Beijer Alma	1 010 700	117.00	118.3	14.2				9.20
Saab	747 000	112.10	83.7	10.1				6.50
B&B TOOLS	811 600	61.25	49.7	6.0				3.90
XANO	467 100	91.00	42.5	5.1				3.30
<b>Commercial services</b>					—	<b>6.8</b>	<b>-3.4</b>	
<b>Transport</b>					—	<b>0.5</b>	—	
<b>Consumer discretionary and services</b>					<b>30.5</b>	<b>21.7</b>	<b>2.0</b>	
JM	701 500	124.00	87.0	10.5				6.80
MTG	226 500	292.60	66.3	8.0				5.20
Hakon Invest	426 731	101.10	43.1	5.2				3.40
Nobia	1 071 000	23.50	25.2	3.0				2.00
Mekonomen	100 000	202.50	20.3	2.4				1.60
Björn Borg	308 861	37.40	11.6	1.4				0.90
<b>Healthcare</b>					—	<b>6.8</b>	—	
<b>Financials and real estate</b>					—	<b>28.3</b>	—	
<b>Software and services</b>					<b>17.7</b>	<b>2.7</b>	<b>3.4</b>	
HiQ	2 643 200	35.60	94.1	11.3				7.40
Acando B <sup>3)</sup>	3 843 298	13.90	53.4	6.4				4.20
<b>Technology hardware and equipment</b>					<b>23.4</b>	<b>3.7</b>	<b>4.3</b>	
Nolato	1 754 000	65.00	114.0	13.7				8.90
Beijer Electronics	1 011 843	60.75	61.5	7.4				4.80
Transmode	242 522	79.00	19.2	2.3				1.50
<b>Telecom operators</b>					—	<b>0.2</b>	—	
<b>Equities portfolio</b>		<b>889.7</b>	<b>107.0</b>	<b>107.0</b>	—	<b>5.6</b>	<b>69.50</b>	
<b>Net debt</b>		<b>-57.8</b>	<b>-7.0</b>	<b>-7.0</b>	—	<b>-0.1</b>	<b>-4.50</b>	
<b>Total/net worth</b>		<b>831.9</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>5.5</b>	<b>65.00</b>	
<b>Change in value after management costs, 9 months</b>							<b>4.0</b>	

1) Bid price on NASDAQ OMX Nordic. 2) Market value per Svolder share. 3) Of which 500,000 class A shares.

The following information, for example, can be obtained from the table. Svolder's largest holding is Beijer Alma, which has a market value of SEK 118.3 million, corresponding to 14.2 per cent of the net worth. Beijer Alma is a company in the Capital Goods sector, which, together with other companies in the sector, accounts for 35.4 per cent of Svolder's net worth. The equivalent percentage for the Capital Goods sector in CSRX is 18.1 per cent in total. The portfolio is therefore dominated by companies in the Capital Goods sector compared with CSRX. Shares in this sector have accounted for -0.7 percentage points of the change in Svolder's net worth to date during the 2011/2012 financial year, measured in relation to opening net worth.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(SEK m)	3 months I/3 2012– 31/5 2012	3 months I/3 2011– 31/5 2011	9 months I/9 2011– 31/5 2012	9 months I/9 2010– 31/5 2011	Rolling 12 months I/6 2011– 31/5 2012	12 months I/9 2010– 31/8 2011
<b>Management operations</b>						
Dividend income	37.8	33.5	39.2	33.5	42.2	36.5
Administrative costs	–4.4	–4.1	–12.7	–12.6	–16.9	–16.8
Earnings from securities	–71.5	29.8	8.0	204.2	–221.8	–25.6
<b>Operating profit</b>	<b>–38.1</b>	<b>59.1</b>	<b>34.5</b>	<b>225.2</b>	<b>–196.5</b>	<b>–5.9</b>
<b>Profit on financial investments</b>						
Financial income	0.0	0.0	0.1	0.0	0.1	0.0
Financial expenses	–0.5	–0.6	–0.9	–1.1	–1.2	–1.5
Results after financial items	–38.6	58.5	33.7	224.0	–197.6	–7.3
Tax	–	–	–	–	–	–
<b>Profit for the period</b>	<b>–38.6</b>	<b>58.5</b>	<b>33.7</b>	<b>224.0</b>	<b>–197.6</b>	<b>–7.3</b>
Other comprehensive income	–	–	–	–	–	–
<b>Comprehensive income for the period</b>	<b>–38.6</b>	<b>58.5</b>	<b>33.7</b>	<b>224.0</b>	<b>–197.6</b>	<b>–7.3</b>
<b>Earnings per share, SEK</b>	<b>–3.00</b>	<b>4.60</b>	<b>2.60</b>	<b>17.50</b>	<b>–15.40</b>	<b>–0.60</b>

## CONSOLIDATED CASH FLOW STATEMENT

(SEK m)	3 months I/3 2012– 31/5 2012	3 months I/3 2011– 31/5 2011	9 months I/9 2011– 31/5 2012	9 months I/9 2010– 31/5 2011	Rolling 12 months I/6 2011– 31/5 2012	12 months I/9 2010– 31/8 2011
<b>Cash flow from operating activities</b>						
before changes in working capital	33.9	29.4	28.1	19.7	24.1	15.8
<b>Changes in working capital</b>						
Increase (+)/decrease (–) in current liabilities	0.2	0.2	0.2	0.0	0.0	–0.1
<b>Cash flow from operating activities</b>	<b>34.1</b>	<b>29.5</b>	<b>28.2</b>	<b>19.7</b>	<b>24.1</b>	<b>15.6</b>
<b>Investing activities</b>						
Purchase of securities	–151.4	–109.4	–389.8	–264.9	–436.9	–312.0
Sale of securities	63.2	133.9	374.8	396.7	398.1	420.0
Investment in machinery and equipment	0.0	0.0	0.0	0.0	0.0	0.0
<b>Cash flow from investing activities</b>	<b>–88.2</b>	<b>24.6</b>	<b>–15.0</b>	<b>131.8</b>	<b>–38.8</b>	<b>108.0</b>
<b>Financing activities</b>						
Loans raised (+)/amortised (–)	54.1	–54.1	29.0	–100.3	56.8	–72.5
Dividend paid	–	–	–42.2	–51.2	–42.2	–51.2
<b>Cash flow from financing activities</b>	<b>54.1</b>	<b>–54.1</b>	<b>–13.2</b>	<b>–151.5</b>	<b>14.5</b>	<b>–123.7</b>
Increase (+)/decrease (–) in liquid assets						
Liquid assets at beginning of period	–	–	–	–	–	–
<b>Liquid assets at end of period</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## CONSOLIDATED KEY RATIOS PER SHARE

	3 months I/3 2012– 31/5 2012	3 months I/3 2011– 31/5 2011	9 months I/9 2011– 31/5 2012	9 months I/9 2010– 31/5 2011	Rolling 12 months I/6 2011– 31/5 2012	12 months I/9 2010– 31/8 2011
Change in net worth, SEK	–3.00	4.60	–0.60	13.50	9.40	–4.60
Dividend paid during the period, SEK	–	–	3.30	4.00	4.00	4.00
Number of shares, million	12.8	12.8	12.8	12.8	12.8	12.8

Amounts per share have been rounded off to the nearest SEK 0.1 throughout the Interim Report, except for share prices.

The company has no ongoing programmes of financial instruments that entail any dilution in the number of shares. The number of outstanding shares equals 12,800,000.

## CONSOLIDATED BALANCE SHEET

(SEK m)	<b>ASSETS</b>					
	31/5 2012	29/2 2012	31/8 2011	31/5 2011	28/2 2011	31/8 2010
<b>Non-current assets</b>						
<i>Property, plant and equipment</i>						
Equipment	0.2	0.2	0.2	0.2	0.3	0.3
<i>Financial assets</i>						
Securities holdings	889.7	882.7	873.1	1 077.1	1 079.7	1 011.5
<b>Current assets</b>						
Current receivables	13.3	4.9	8.1	14.2	0.7	3.0
Cash and bank balances	—	—	—	—	—	—
<b>Total assets</b>	<b>903.3</b>	<b>887.8</b>	<b>881.4</b>	<b>1 091.6</b>	<b>1 080.7</b>	<b>1 014.8</b>

## SHAREHOLDERS EQUITY AND LIABILITIES

<b>Shareholders' equity</b>	<b>831.9</b>	<b>870.5</b>	<b>840.4</b>	<b>1 071.8</b>	<b>1 013.3</b>	<b>898.9</b>
<b>Liabilities</b>						
Current liability to credit institution	67.1	13.0	36.9	9.2	63.3	109.4
Current liabilities	4.2	4.3	4.0	10.6	4.1	6.4
<b>Total liabilities and shareholders' equity</b>	<b>903.3</b>	<b>887.8</b>	<b>881.4</b>	<b>1 091.6</b>	<b>1 080.7</b>	<b>1 014.8</b>

## CHANGES IN SHAREHOLDERS' EQUITY

(SEK m)	3 months 1/3 2012– 31/5 2012	3 months 1/3 2011– 31/5 2011	9 months 1/9 2011– 31/5 2012	9 months 1/9 2010– 31/5 2011	12 months 1/9 2010– 31/8 2011
	Opening balance	870.5	1 013.3	840.4	898.9
Dividend paid	—	—	−42.2	−51.2	−51.2
Comprehensive income for the period	−38.6	58.5	33.7	224.0	−7.3
<b>Closing balance</b>	<b>831.9</b>	<b>1 071.8</b>	<b>831.9</b>	<b>1 071.7</b>	<b>840.4</b>

## CONSOLIDATED KEY RATIOS PER SHARE

	31/5 2012	29/2 2012	31/8 2011	31/5 2011	28/2 2011	31/8 2010
Net worth per share, SEK	65.00	68.00	65.70	83.70	79.20	70.20
Share price (class B), SEK	54.25	57.75	61.50	72.75	67.00	64.75
Net worth, premium (+)/discount (−), %	−17	−15	−6	−13	−15	−8
Liquidity (+)/Borrowing (−), %	−7	−1	−4	−1	−6	−12
Equity/assets ratio, %	92	98	95	99	94	89
Number of shares, million	12.8	12.8	12.8	12.8	12.8	12.8

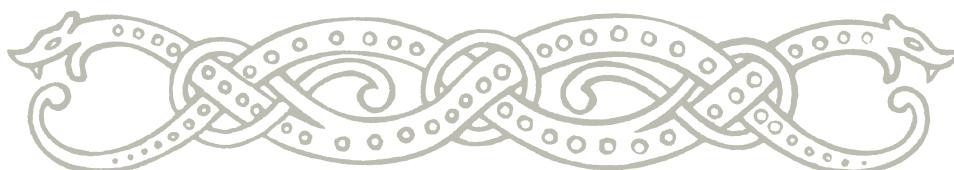
Definitions as in the Annual Report for 2010/2011. Amounts per share have been rounded off to the nearest SEK 0.1 throughout the Interim Report, except for share prices. The company has no ongoing programmes of financial instruments that entail any dilution in the number of shares. The number of outstanding shares equals 12,800,000.

## ACCOUNTING PRINCIPLES

This Interim Report has been prepared in accordance with IAS 34, Interim Reporting.

The consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the EU and in accordance with Sweden's Annual Accounts Act. The Parent Company accounts follow Sweden's Annual Accounts Act and Swedish Financial Reporting Board recommendation RFR 2.

Otherwise the same accounting principles and bases for assessment have been used as in the most recent Annual Report.



## REVIEW REPORT

Auditor's report on the review of the financial information in the interim report in summary (interim report), drawn up in accordance with IAS 34 and Chapter 9 of the Annual Accounts Act.

### Introduction

We have reviewed this Interim Report for the period 1st September 2011 to 31st May 2012 for Svolder AB (publ), corporate ID no. 556469-2019. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this Interim Report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on the Interim Report based on our review.

### Focus and scope of the review

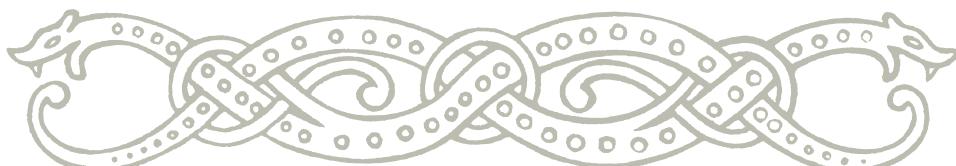
We conducted our review in accordance with the Swedish Standard on Review Engagements (SÖG) 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus to and is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. The expressed conclusion based on a review does not, therefore, have the same certainty as an expressed conclusion based on an audit.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Interim Report is not prepared, in all material respects, in accordance with IAS 34 and the Annual Accounts Act, regarding the Group, and with the Annual Accounts Act, regarding the Parent Company.

STOCKHOLM JUNE 15<sup>TH</sup> 2012  
PRICEWATERHOUSECOOPERS

CATARINA ERICSSON  
*Authorised Public Accountant*



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NET WORTH IS PUBLISHED WEEKLY AND APPEARS ON THE COMPANY'S WEBSITE, [WWW.SVOLDER.SE](http://WWW.SVOLDER.SE).



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