

INTERIM REPORT I

Current reporting period: 1st September – 30th November 2004 (3 months)

Svolder is a dedicated investment trust that invests in the shares of listed small and medium-sized Swedish companies. The company is listed on the “O” list of the Stockholm Stock Exchange. Svolder’s net worth is published weekly and appears on the company’s website.

RESULT FOR THE CURRENT REPORTING PERIOD (3 MONTHS)

- The company reported a result for the period (3 months) of SEK 48.1 million (SEK 67.3 m), corresponding to SEK 3.80 (SEK 5.30) per share.
- The net worth rose by 8.5%, adjusted for dividends, to SEK 45.70 per share.
- The listed price of the class B share rose by 9.9%, adjusted for dividends, to SEK 46.60 per share.
- The CSX small business index and the SAX index rose by 13.1% and 9.3%, respectively.
- The closing investment trust premium was 1.6%.
- The net worth on 10th December, was SEK 47, and the listed price, SEK 46.50.

Major contributors to the net worth (3 months)



Telelogic, Axis and Nolato



Orc Software and XPonCard

Major changes in the equities portfolio (3 months)



Kinnevik and Peab



Eniro, Micronic, Beijer Alma, Nolato and Billerud

This interim report describes Svolder's business from a perspective in which all assets are valued at their true value, referred to in previous reports as "at market value", and in which changes in true value throughout a full reporting period are included in full effect in the result. The true value is determined on the basis of the market value of the assets. A listed price that forms the basis for the market valuation exists for, in principle, all of Svolder's securities. These accounts have previously been presented as a complement to the formal accounts, pursuant to the Swedish Annual Reports Act (ÅRL). Changes to ÅRL mean that as of this Interim Report, all accounts will be produced using a valuation based on the true value.

The report uses a number of time concepts that are generally applied by listed companies on Stockholm Stock Exchange. "The current reporting period" or "the three-month period" refers to the period from 1st September to 30th November 2004. The values for the current reporting period and historical comparisons are given in the Income Statement, Balance Sheet, Cash Flow Analysis and key ratio tables below.

The most recent three month period was characterised by strong stock market performances. Health company reports and low interest rates boosted this trend. The upturn was also reinforced towards the end of the period when the price of oil began to fall once more and the American presidential election was over. Expectations of global economic growth were subdued in the wake of high raw material and energy prices. Focus returned to the imbalances in the American economy, leading to a sharp fall in the US dollar exchange rate during the period. The global index rose by 9.5 per cent in USD, whilst the American technology exchange, the NASDAQ, rose by a massive 14.1 per cent in the same currency.

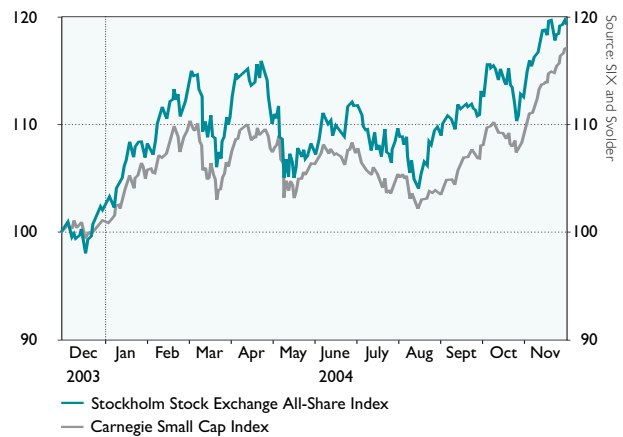
The Stockholm Stock Exchange followed the international rise in stock market prices, rising by 9.3 per cent according to the SAX (Stockholm Stock Exchange All-Share Index). All industry indices rose, with the exception of Health Care, with shares in the Energy and utilities, Software and services, and Finance and real estate sectors showing the biggest increases. The increase in the small companies market was a massive 13.1 per cent during the current reporting period, according to CSX. A majority of listed companies exceeded profit forecasts for the third quarter of 2004, with sales rising generally in both Sweden and the most important export markets.

Several new buyout bids for listed companies, coupled with falling interests, helped boost stock market performance. The Swedish bond interest rate fell by almost half a per cent during the three-month period. On the currency market, the krona strengthened against the US dollar and the euro by 10 per cent and 2 per cent, respectively, resulting in a deterioration in competitiveness and hence reduced profit forecasts for many export-orientated companies.

The stock market would still seem to be undervalued from both an historic perspective and in comparison with returns on the interest market. Continued low interest rates are particularly favourable for the small companies market, because they enable these companies' financing

conditions and the investors' willingness to take greater risks to be maintained at a healthy level. Small companies' strong listed price performance during the three-month period does, however, mean that they are valued at a premium in comparison with the larger companies, indicating that shares in the larger companies in the small companies market will, in future, outperform small company shares in general.

SAX AND CSX 12 MONTHS



Share price trends

The closing price paid for Svolder's Class "B" share was SEK 46.40, corresponding to a rise in the price of the share during the current reporting period of 9.9 per cent after adjustments for dividends. The closing share price represented a discount of 1.6 per cent on its net worth. With the exception of a single day, the Class "B" share was traded on all of the trading days during the period, with an average of approximately 10,500 shares being traded on each day of trading. Trading in Svolder's Class "A" share was, however, limited. 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.

SVOLDER¹⁾ AND CSX 3 MONTHS (SEK per share)



¹⁾ The dividend paid by Svolder (SEK 2.40 per share) has reduced the net worth and the listed price of the share up to the point when the dividend was paid in November.

Change in net worth

Svolder's closing net worth per share was SEK 45.70, which represents an increase during the current reporting

period of 8.5 per cent, including dividends paid to shareholders. This increase was, however, 4.6 percentage points weaker than that reported by the CSX comparison index, which rose by 13.1 per cent during the corresponding period. This negative deviation from the CSX comparison index is due, in particular, to an overly low percentage of financial shares, particularly in real estate companies, and to a relatively weak price trend on the part of some of the company's major holdings. This is particularly true with regard to last year's major contributors to net worth, Trelleborg and XPonCard. The portfolio's excessive weighting towards shares in information technology had a positive effect on the value trend, but was unable to counterbalance the low exposure to real estate shares. The collective choices of shares has, furthermore, been successful in the Materials and Health care sectors, but negative in the Industrial goods and services sector. Three quarters of the portfolio's individual holdings and all sectors made a positive contribution to net worth during the three-month period.

TOTAL RETURN, PER CENT

	3 months 1st Sept 04– 30th Nov 04	Rolling 12 months 1st Dec 03– 30th Nov 04	12 months 1st Sept 03– 31st Aug 04
Share price (class B) ¹⁾	9.9	9.7	20.9
Net worth ¹⁾	8.5	8.5	12.8
CSX ²⁾	13.1	18.6	16.4
SAX ²⁾	9.3	20.6	16.9

¹⁾ Including the dividend paid during the period.

²⁾ Excluding underlying dividends.

BIGGEST CONTRIBUTORS TO CHANGE IN NET WORTH,

1st September – 30th November 2004 (3 months)

(Based on the portfolio's market value of SEK 567.3 million or SEK 44.30/share on 31st August 2004.)

	SEKm	SEK/share ¹⁾
Telelogic	7.7	0.60
Axis	6.0	0.50
Nolato	5.1	0.40
Biacore	4.8	0.40
SSAB	4.1	0.30
Beijer Electronics	3.7	0.30
AcandoFrontec	3.6	0.30
Eniro	3.5	0.30
Total, eight positive	38.5	3.00
Orc Software	-2.8	-0.20
XPonCard	-2.6	-0.20
Total, two negative	-5.5	-0.40
Other shares	18.7	1.50
Shares, total	51.7	4.00
Other	-3.6	-0.30
Change in value before dividends	48.1	3.80

¹⁾ SEK per share is rounded off to the nearest whole ten öre.

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

Strong quarterly reports and good inflows of orders meant the **Telelogic** and **Axis** holdings made a positive contribution to net worth during the current reporting period. **Biacore** recovered some of the fall in share price seen in the previous quarter. Surprisingly strong sales during the third quarter of 2004 and a first order for Biacore's new advanced protein analysis system helped bring about this recovery.

A lack of sales and rising personnel costs forced **Orc Software** to issue a profit warning at the beginning of October, and as a result, the share had a negative effect on net worth for yet another quarter.

XPonCard's healthy growth in turnover continued during the company's third quarter. Substantial numbers of bank cards were delivered as a result of the impending generation shift to chip-based debit and credit cards, but unlike in previous quarters, the profit margin failed to improve. When the company provided no explanation for this in its report and the high rate of investment failed to slow down, investors displayed considerable uncertainty and the poorly traded share came under a certain amount of pricing pressure. XPonCard's commercial successes are continuing, however, and the last three months has seen the company announce, amongst other things, that it has won orders for the manufacture of the next generation of Finnish passports.

The equities portfolio

Shares were acquired for SEK 32.2 million (gross) during the current reporting period. Shares were sold for SEK 87.2 million (gross) during the corresponding period. Dividends totalling SEK 30.7 million have been paid to shareholders for the 2003/2004 financial year. Liquid funds, including share transactions in the course of settlement etc., totalled SEK 21.6 million on the closing day, corresponding to 3.7 per cent of the company's net worth.

Kinnevik joined the portfolio during the three-month period, during which time all shares in **Billerud** were sold. On the closing day, the portfolio comprised 25 holdings.

NET PURCHASES FOR THE EQUITY PORTFOLIO (3 months)

Share	Number	SEK m	SEK/share ¹⁾
Kinnevik	200 000	13.3	66.70
Peab	1 116 000	6.6	59.10
AcandoFrontec	378 000	2.4	6.30
Saab	13 500	1.4	103.70
Getinge	12 000	1.0	82.60

¹⁾ The purchase price per share is arrived at on the basis of the aggregate purchase price for all shares of the same Class purchased during the period.

Kinnevik has grown over the past year as a result of a merger between the former investment companies, Kinnevik and Invik. Its primary assets comprise the shareholdings in the telecom distributors, Tele2 and Millicom.

The company also has holdings in the media companies, MTG and Metro, and in the forest industry group, Korsnäs. Svolder believes that after a weak share price development by Tele2 and Kinnevik in 2004, the valuation of the Kinnevik share has become more attractive again.

The construction company, PEAB, is the Stockholm Stock Exchange's most dedicated construction and contract company since last year's hiving off of its real estate company. The inflow of orders to Swedish construction companies has improved since the beginning of 2004, as confirmed by both the Swedish National Institute of Economic Research and the listed companies in this sector, themselves. Improvements in results have also been noted, although these improvements are, by and large, slow in coming. Investors' previous profit expectations have proved overly pessimistic and are now being successively adjusted upwards. PEAB's desire to pay dividends to shareholders and its dividend capacity are documented, and our holding has been augmented during the three-month period.

NET SALES FROM THE EQUITY PORTFOLIO (12 months)

Share	Number	SEK m	SEK/share ¹⁾
Eniro	260 000	16.4	63.20
Micronic	190 000	11.0	57.80
Beijer Alma	95 600	10.5	109.50
Nolato	150 000	8.2	54.80
Billerud	60 000	6.8	112.90

¹⁾ The sale proceeds per share are arrived at on the basis of the aggregate sales proceeds for all shares of the same Class sold during the period.

Eniro's new management has made a good impression on the stock market and the company's performance during the summer and autumn have exceeded expectations. The rise in the share price was exploited to reduce the size of the portfolio's holding.

Svolder has sold the majority of its share parcel in Micronic. The share was adjudged to be overvalued as a result of expected lower demand for VDU applications and continued uncertainty with regard to the company's potential in the semiconductor field. Micronic is beginning to report a profit once more, but the company's willingness to pay dividends is expected to be low for the next few years.

The selling of the company's holdings in Beijer Alma and Nolato continued during the period. In Beijer Alma's case, this meant a declaration of substantial share disposals was made on 19th November. The successive reductions were primarily occasioned by portfolio-related reasons, in that both of the holdings' were somewhat overweighted in the equity portfolio after the price rises. The

holdings are, however, still some of the larger ones in the portfolio, even after the sales.

The entire holding in Billerud was sold during the period. The main reason for the sale was an increased concern that an ever weaker US dollar would have a negative effect on future results.

The Parent Company

The result for the Group and the Parent Company correspond in full. The cash and bank balances item is SEK 31.7 million for both the Parent Company and the Group, who also have an unutilised bank overdraft facility of SEK 70 million.

Accounting principles

This Interim Report has been compiled in accordance with recommendation RR 20 (Interim Reporting) of the Swedish Financial Accounting Standards Council.

Recommendation RR 29 (Remuneration to employees) of the Swedish Financial Accounting Standards Council has come into effect during the period. This has had no effect on Svolder's results or position.

As of the beginning of this financial year, all financial assets are valued at their market value, including in the official accounts, which are based on the provisions of the Swedish Annual Reports Act. This has previously been done in the form of complementary accounts. The effects of this change in accounting principles have been reported against opening shareholders' equity and all comparison figures have been revised.

Next Interim Report

The report for the period from 1st September 2004 to 28th February 2005 (6 months), and for the current reporting period from 1st December 2004 to 28th February 2005 will be published on 14th March 2005.

Stockholm, 16th December 2004
SVOLDER AB (publ)

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This preliminary financial statement has not been subject to specific examination by the company's auditors.

THE EQUITY PORTFOLIO, 30TH NOVEMBER 2004

Sector/share	No. of shares	Price (SEK)	Market value (SEKm)	% of net worth	Total net worth %	Sector weighting in CSX, %	Acc. change in value, %	Gross exposure ¹⁾ (SEK)
Energy & utilities					-	2.2	-	
Materials					7.9	12.7	1.1	
ProfilGruppen	368 600	65.50	24.1	4.1				1.90
SSAB A	135 000	162.00	21.9	3.7				1.70
Capital goods					23.1	17.2	1.5	
Beijer Alma	424 400	117.00	49.7	8.5				3.90
Saab	220 000	113.50	25.0	4.3				2.00
Alfa Laval	210 100	105.50	22.2	3.8				1.70
Haldex	198 000	110.00	21.8	3.7				1.70
Peab	261 600	62.00	16.2	2.8				1.30
Commercial services					5.6	3.2	0.6	
Observer	800 000	28.80	23.0	3.9				1.80
Besthand, inc. conv. loans	8 451 247	1.15	9.7	1.7				0.80
Transport					-	2.8	-	
Consumer discretionary & services					9.3	14.0	0.6	
Trelleborg	370 000	111.50	41.3	7.1				3.20
Eniro	200 000	66.00	13.2	2.3				1.00
Consumer staples					-	3.8	-	
Healthcare					6.5	8.7	0.9	
Getinge	310 000	83.50	25.9	4.4				2.00
Biacore	90 000	135.00	12.2	2.1				0.90
Financials & real estate					5.8	26.4	0.6	
Carnegie	270 000	77.50	20.9	3.6				1.60
Kinnevik B	200 000	66.00	13.2	2.3				1.00
Software & services					12.3	5.6	1.5	
Telelogic	2 324 000	15.80	36.7	6.3				2.90
AcandoFrontec	3 450 000	6.50	22.4	3.8				1.80
Orc Software	231 000	54.00	12.5	2.1				1.00
Technology hardware & equipment					25.9	3.2	2.5	
Beijer Electronics	682 800	71.50	48.8	8.4				3.80
XPonCard	260 000	124.00	32.2	5.5				2.50
Nolato	500 000	56.50	28.3	4.8				2.20
Axis	1 000 000	18.60	18.6	3.2				1.50
Scribona B	1 280 000	13.50	17.3	3.0				1.40
Micronic	70 000	63.25	4.4	0.8				0.30
SwitchCore	715 000	2.17	1.6	0.3				0.10
Telecom operators					-	0.1	-	
Liquid assets etc.			21.7	3.7	3.7	-	0.0	1.70
Total net worth			584.6	100	100	100	9.1	45.70
Change in value after management costs, 12 months (excl. paid dividend)							8.5	

¹⁾ Market value per Svolder share.

The following information, for example, may be obtained from the table. Svolder's largest holding is Beijer Alma, which has a market value of SEK 49.7 million, corresponding to 8.5 per cent of the net worth. Beijer Alma is in the Industrials sector, which, including other companies in the sector, accounts for 23.1 per cent of Svolder's net worth. The corresponding weighting for Industrials in the CSX index is 17.2 per cent. This means that the portfolio is overweighted in Industrials in relation to the CSX. Shares in that sector accounted for 1.5 percentage points of the change in Svolder's net worth to date during the 2004/2005 financial year.

The Group

INCOME STATEMENT

Based on a valuation at true value

(SEKm)	3 months 1st Sept 04– 30th Nov 04	3 months 1st Sept 03– 30th Nov 03	Rolling 12 months 1st Dec 03– 30th Nov 04	12 months 1st Sept 03– 31st Aug 04
Management operations				
Dividend income	-	-	13.0	13.0
Administrative costs	-3.7	-3.4	-12.9	-12.6
Earnings from securities	51.7	70.5	48.0	66.8
Operating profit	48.0	67.0	48.2	67.2
Profit on financial investments				
Interest income and similar items	0.1	0.3	0.3	0.5
Interest expenses and similar items	0.0	0.0	0.0	0.0
Profit after financial items	48.1	67.3	48.5	67.7
Tax	-	-	-	-
Profit for the period	48.1	67.3	48.5	67.7
Earnings per share	3.80	5.30	3.80	5.30

The Group

CASH FLOW STATEMENT

Based on a valuation at true value

(SEKm)	3 months 1st Sept 04– 30th Nov 04	3 months 1st Sept 03– 30th Nov 03	Rolling 12 months 1st Dec 03– 30th Nov 04	12 months 1st Sept 03– 31st Aug 04
Cash flow from current operations before changes in working capital	-4.6	-4.1	1.5	2.0
Changes in working capital				
Increase (+)/decrease (-) in current liabilities	0.4	0.9	-0.4	0.1
Cash flow from current operations	-4.2	-3.1	1.0	2.1
Investment operations				
Purchase of securities	-18.5	-63.8	-288.1	-333.4
Sale of securities	82.0	70.8	337.8	326.6
Investment in machinery & equipment	0.0	0.0	0.0	0.0
Cash flow from investment operations	63.5	7.0	49.7	-6.8
Financial operations				
Dividend paid	-30.7	-28.8	-30.7	-28.8
Cash flow from financial operations	-30.7	-28.8	-30.7	-28.8
Increase (+)/decrease (-) in liquid assets	28.6	-24.9	20.0	-33.5
Liquid assets at beginning of period	3.2	36.7	11.7	36.7
Liquid assets at end of period	31.7	11.7	31.7	3.2

The Group

KEY RATIOS PER SHARE

Based on a valuation at true value

	3 months 1st Sept 04– 30th Nov 04	3 months 1st Sept 03– 30th Nov 03	Rolling 12 months 1st Dec 03– 30th Nov 04	12 months 1st Sept 03– 31st Aug 04
Change in net worth, SEK	1.40	3.00	1.40	3.00
Dividend paid during period, SEK	2.40	2.25	2.40	2.25
Number of shares, million	12.8	12.8	12.8	12.8

Amounts per share have been rounded to the nearest whole ten öre throughout the Interim Report (except for dividends).

The Group

BALANCE SHEET

Based on a valuation at true value

(SEKm)	30th Nov 04	30th Nov 03	31st Aug 04	31st Aug 03
ASSETS				
Fixed assets				
<i>Tangible fixed assets</i>				
Equipment	0.2	0.3	0.3	0.3
<i>Financial fixed assets</i>				
Securities holdings	563.0	547.6	566.3	492.0
Current assets				
Current receivables	5.9	11.4	0.3	4.4
Cash and bank	31.7	11.7	3.2	36.7
Total assets	600.8	571.1	570.1	533.4
SHAREHOLDERS' EQUITY & LIABILITIES				
Shareholders' equity ¹⁾				
Restricted equity	320.0	320.0	320.0	320.0
Non-restricted equity	264.6	246.9	247.3	208.4
Total shareholders' equity	584.6	566.9	567.3	528.4
Liabilities				
Current liabilities	16.2	4.2	2.8	5.0
Total shareholders' equity & liabilities	600.8	571.1	570.1	533.4

The Group

KEY RATIOS

Based on a valuation at true value

	30th Nov 04	30th Nov 03	31st Aug 04	31st Aug 03
Net worth per share, SEK	45.70	44.30	44.30	41.30
Market price ("B"), SEK	46.40	44.50	44.40	38.60
Net worth, premium (+)/discount (-), %	1.6	0.5	0.2	-6.5
Liquidity, %	4.0	3.6	0.6	7.1
Equity/assets ratio, %	99	100	100	100
Number of shares, million	12.8	12.8	12.8	12.8

Definitions as in the Annual Report for 2003/2004.

Amounts per share have been rounded to the nearest whole ten öre throughout the Interim Report (except for dividends).

¹⁾ Changes in shareholders' equity (SEKm)	30th Nov 04	30th Nov 03	31st Aug 04
Opening balance ¹⁾		500.9	500.9
Adjustment for new accounting principles ²⁾		27.5	27.5
New opening balance	567.3	528.4	528.4
Dividend paid	-30.7	-28.8	-28.8
Result for the period	48.1	67.3	67.7
Closing balance	584.7	566.9	567.3

¹⁾ According to the latest Balance Sheet adopted by the AGM.

²⁾ See section on accounting principles.



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