



## PRELIMINARY FINANCIAL STATEMENT TWELVE MONTHS

1st September 2005–31st August 2006

*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, [www.svolder.se](http://www.svolder.se).*

- The company reported a result for the period (12 months) of SEK 227.0 million (SEK 219.0 m), corresponding to SEK 17.70 (SEK 17.10) per share.
- Adjusted for dividends, the net worth rose by 30.1% to SEK 73.60 per share.
- Adjusted for dividends, the listed price of the class B share rose by 31.3% to SEK 72.50 per share.
- The CSX small business index and the Stockholm Stock Exchange's OMXS index rose by 29.1% and 20.2%, respectively.
- The closing discount on the net worth was 1.4%.
- The net worth on 15th September was SEK 75 and the listed price was SEK 77.
- It is proposed that a dividend of SEK 3.75 (SEK 3.00) per share be paid.

### Major contributors to the net worth (12 months)



#### Positiva:

Beijer Electronics, Beijer Alma, Kinnevik, Saab and Getinge



#### Negative:

Telelogic and XPonCard

### Major changes in the equities portfolio (12 months)



#### Bought:

Beijer Alma, Nefab, AarhusKarlshamn, Intrum Justitia and HiQ



#### Sold:

Scribona and Observer

This Preliminary Financial Statement has been prepared in accordance with IFRS (International Financial Reporting Standards) and describes Svolder's business from a perspective in which all assets are valued at their fair value and in which changes in fair value throughout a full reporting period affect the result. The fair value is determined on the basis of the market value of the assets, usually the listed price. The listed price is defined as the bid price, in accordance with IAS 39, whereas in the previous financial years' reports, the most recent price paid was used. Comparative figures for previous years have been recalculated in this report in accordance with this principle. The effects of the transition to IFRS are also presented in Appendix 1.

The global stock markets continued to rise throughout the last financial year, albeit at a slower rate than before. The global index rose by 13.7 per cent, measured in USD, whilst the American technology index, NASDAQ, rose by 1.5 per cent, measured in the same currency. Measured in Swedish kronor, the corresponding trend was slightly moderated, rising by 8.9 per cent and falling by 3.3 per cent, respectively. This was also another financial year when there was no shortage of worrying signs in the form of high raw material prices, rising interest rates and geopolitical concerns. Oil price rises were, however, limited to 4 per cent over the twelve month period. Stock markets were once again most heavily influenced by the continued healthy rate of economic growth and the strong profits posted by the corporate sector.

The Swedish stock market substantially outperformed the international market trend again this financial year. The performance was boosted by a buoyant domestic economic climate and continued low interest rates. Many export-orientated companies benefited from increasingly strong demand in European markets. The market was also stimulated by increased buying activity, the bid for Gambro being the prime example of this. According to the OMXS index, the Stockholm Stock Exchange rose by 20.2 per cent. Share prices for all of the index's main industries rose, with the exception of IT. Companies in the Materials sector saw the biggest increases, followed by those in the Healthcare and Energy & utilities sectors. The small businesses market continued to outperform the market as a whole, and the CSX index rose by 29.1 per cent over the twelve-month period.

The long-term downward trend in interest rates in Sweden ended during the financial year, with both the three month rate and the five year bond rate ending up just over 1 per cent higher on the closing day than was the case 12 months previously. The Riksbank (the Swedish Central Bank) began a series of key interest rates raises in response to anticipated increases in the rate of inflation. The currency market was also characterised by breaks in previous trends, with the Swedish krona strengthening against the US dollar by just under 5 per cent, and a simultaneous end to the krona's ongoing decline against the euro during the twelve month period.

### Share price trends

The closing price paid for Svolder's class B share was SEK 72.50, corresponding to a rise during the financial year of

INDEX PERFORMANCE, 12 MONTHS



31.3 per cent, adjusted for dividends. The share's value on the closing day represented a discount of 1.4 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 approximately 19,700 shares traded on each day of trading. Trading in Svolder's class A share was limited and shares were traded on 12 per cent of all trading days.

SVOLDER AND CSX, 12 MONTHS (SEK per share)



Under the terms of Svolder's Articles of Association, class A shareholders wishing to convert class A shares to class B shares may do so by application to the Board. 100 class A shares have been re-stamped as class B shares during the financial year. On the closing day, there were a total of 12,800,000 shares in Svolder, comprising 730,976 class A shares and 12,069,024 class B shares. The number of shareholders has remained largely unchanged and, according to the most recently published shareholders' register, totalled approx. 7,500 as of 30th June 2006.

### Change in net worth

Svolder's closing net worth was SEK 73.60 per share, which represents an increase during the financial year of 30.1 per cent, including dividends paid to the shareholders. This increase exceeds that of the CSX benchmark index during the corresponding period by 1.0 per cent. If underlying divi-

## BIGGEST CONTRIBUTORS TO CHANGES IN NET WORTH

1st September 2005–31st August 2006

(Based on net worth of SEK 753.1 million or SEK 58.80/share on 31st August 2005)

	SEK million	SEK/share
Beijer Electronics	39.2	3.10
Beijer Alma	31.1	2.40
Kinnevik B	24.6	1.90
Saab	22.7	1.80
Getinge	18.2	1.40
Acando	16.9	1.30
Axis	16.4	1.30
Peab	15.7	1.20
Scribona B	11.8	0.90
<b>Total, nine positive</b>	<b>196.5</b>	<b>15.40</b>
Telelogic	-6.5	-0.50
<b>Total, one negative</b>	<b>-6.5</b>	<b>-0.50</b>
<b>Other shares</b>	<b>53.8</b>	<b>4.20</b>
<b>Shares, total</b>	<b>243.8</b>	<b>19.00</b>
Other	-16.9	-1.30
<b>Change in value before dividend paid</b>	<b>227.0</b>	<b>17.70</b>

## NET WORTH TREND, (12 months)

	SEK million	SEK/share
<b>Net worth, 31st August 2005</b>	<b>753.1</b>	<b>58.80</b>
<b>The equities portfolio</b>		
Opening value	<b>814.9</b>	<b>63.70</b>
Purchase of shares	573.0	
Sale of shares	-485.2	
Change in value, equities portfolio	217.5	305.3
Closing value	<b>1 120.2</b>	<b>87.50</b>
<b>Net debt</b>		
Opening value	<b>-61.8</b>	<b>-4.80</b>
Other income	0.2	
Dividend received	26.0	
Dividend paid	-38.4	
Administrative costs	-12.9	
Net financial items	-3.9	
Purchase of shares, net	-87.8	-116.8
Closing value	<b>-178.6</b>	<b>-14.00</b>
<b>Net worth, 31st August 2006</b>	<b>941.6</b>	<b>73.60</b>

dends in CSX and the effect of Gambro's inclusion in CSX immediately before the public bid for the company are taken into account, however, Svolder's net worth has developed on a par with the benchmark index. A closer analysis of the result reveals a particularly strong relative performance by the portfolio's IT-related hardware companies. A low level of holdings in the Materials sector, primarily due to the lack of SSAB and Boliden, has, however, had a negative impact on the relative comparison.

## Borrowing

The net debt, which also includes the share trading's unliquidated transactions etc., totalled SEK 178.6 million

on the closing day, corresponding to 19.0 per cent of the company's net worth.

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 CSX or OMXS, 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 financial year has made a positive contribution to the net worth of SEK 20 million, corresponding to 2.7 per cent of the growth in value for the period.

## The equities portfolio

Shares were acquired for SEK 573.0 million (gross) during the financial year, and sold for SEK 485.2 million (gross) during the corresponding period. Dividends totalling SEK 38.4 million have been paid to the shareholders for the 2004/2005 financial year. The portfolio has been concentrated during the financial year from 27 holdings to 19 on the closing day.

The concentration derives from Svolder's ambition to become a larger and more active owner in a limited number of portfolio companies. Svolder uses the term, active owner, to refer to its intention to strive, among other things, to implement measures designed to generate profitable growth in the portfolio companies, to maintain a healthy financial status, and to establish a well-balanced dividend policy, in dialogue with other major owners, Boards of Directors and company management teams. These active holdings will be characterised by long holding periods, more formalised contacts and measures in the field of operational and ownership control, and a lower rate of turnover than the other portfolio holdings.

## NET PURCHASES FOR THE EQUITIES PORTFOLIO (12 months)

1st September 2005–31st August 2006

Share	No. of shares	SEK m	SEK/share <sup>1)</sup>
Beijer Alma	786 000	53.3	67.80
Nefab	830 600	49.0	59.00
AarhusKarlshamn	220 000	42.7	194.10
Intrum Justitia	478 600	33.2	69.60
HiQ	856 000	32.3	37.70

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

Comments on the majority of purchases and sales have been presented on an ongoing basis in Svolder's Interim Reports. Completed transactions will usually be presented in detail, together with the current portfolio strategy and orientation, in the upcoming Annual Report.

## The Parent Company

The results for the Group and the Parent Company correspond in full. The Parent Company and the Group have an overdraft facility of SEK 300 million.

## NET SALES FROM THE EQUITIES PORTFOLIO (12 months)

1st September 2005 – 31st August 2006

Share	No. of shares	SEK m	SEK/share <sup>1)</sup>
Scribona B	2 800 000	55.2	19.70
Observer	1 100 000	42.2	35.40
Biacore	94 150	23.7	234.20
OMX	141 400	23.2	133.40
WM-data	1 082 000	22.9	21.20

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

## Dividend

In accordance with Svolder's dividend policy of paying at least 5 per cent of the company's closing net worth in dividends to the shareholders each year, the Board of Directors will be proposing to the Annual General Meeting that a share dividend of SEK 3.75 (SEK 3.00) per share be paid. The proposal corresponds to 5.1 per cent of the closing net worth and to a dividend yield of 5.2 per cent, based on the closing share price.

## Annual General Meeting and financial reporting

The Annual General Meeting will be held on 22nd November 2006 in Stockholm. Separate notices convening the Meeting will be issued to the shareholders around 23rd October. The Annual Report will be distributed to all shareholders in early November. The Interim Report for the period from 1st September to 30th November 2006 will be published on 12th December 2006.

## THE EQUITIES PORTFOLIO, 31<sup>ST</sup> AUGUST 2006

Sector/share	No. of shares	Price (SEK)	Market value (SEK m)	% of net worth	Total net worth, %	Sector weighting in CSX, %	Acc. change <sup>1)</sup> in value, %	Gross exposure <sup>2)</sup> (SEK)
<b>Energy and utilities</b>					-	3.0	-	
<b>Materials</b>					-	5.1	0.5	
<b>Capital goods</b>					39.4	21.6	10.2	
Beijer Alma	2 012 400	72.00	144.9	15.4				11.30
Saab	470 000	176.50	83.0	8.8				6.50
Trelleborg	530 000	140.50	74.5	7.9				5.80
Peab	580 000	118.00	68.4	7.3				5.30
<b>Commercial services</b>					12.9	2.6	1.4	
Intrum Justitia	1 000 000	64.00	64.0	6.8				5.00
Nefab	902 800	62.50	56.4	6.0				4.40
Besthand, inc. conv. loans	9 951 247	0.12	1.2	0.1				0.10
<b>Transport</b>					-	2.7	0.8	
<b>Consumer discretionary and services</b>					9.0	15.8	0.4	
AarhusKarlshamn	220 000	176.00	38.7	4.1				3.00
Clas Ohlson	150 000	156.50	23.5	2.5				1.80
New Wave	288 700	78.50	22.7	2.4				1.80
<b>Consumer staples</b>					-	4.3	-	
<b>Healthcare</b>					8.5	10.9	3.1	
Getinge	608 800	131.50	80.1	8.5				6.30
<b>Financial and real estate</b>					6.2	26.1	5.5	
Kinnevik B	700 000	83.25	58.3	6.2				4.60
<b>Software and services</b>					15.4	4.9	0.9	
Acando	6 717 000	12.20	81.9	8.7				6.40
Telelogic	2 500 000	13.65	34.1	3.6				2.70
HiQ	856 000	33.30	28.5	3.0				2.20
<b>Technology hardware and equipment</b>					27.6	2.9	9.7	
Beijer Electronics	776 200	144.00	111.8	11.9				8.70
Nolato	775 600	79.50	61.7	6.5				4.80
Axis	800 000	61.00	48.8	5.2				3.80
XPonCard	278 900	135.50	37.8	4.0				3.00
<b>Telecom operators</b>					-	0.0	-	
<b>Share portfolio</b>			1 120.2	119.0	119.0	-	32.4	87.50
<b>Net debt</b>			-178.6	-19.0	-19.0	-	-0.5	-14.00
<b>Total/net worth</b>			941.6	100	100	100	31.9	73.60
<b>Change in value after management costs, 12 months (ex. paid dividend)</b>							30.1	

<sup>1)</sup> Based on values converted to the bid price as of 31st August 2005, as per IAS 39.

<sup>2)</sup> Market value per Svolder share.

The following information can, for example, be obtained from the table. Svolder's largest holding is Beijer Alma, with a market value of SEK 144.9 million, corresponding to 15.4 per cent of the net worth. Beijer Alma is a company in the Capital goods sector; which, including other companies in the sector, accounts for 39.4 per cent of Svolder's net worth. The corresponding weighting for the Capital goods in the CSX index totals 21.6 per cent. This means that the portfolio is overweighted in Capital goods companies in relation to CSX. Shares in this sector accounted for 10.2 percentage points of the change in Svolder's net worth during the 2005/2006 financial year.



## INTERIM REPORT IV 2005/2006

Current reporting period: 1st June 2006–31st August 2006 (3 months)

### Result for the current reporting period (3 months)

- The company reported a result for the period (3 months) of – SEK 0.2 million (SEK 79.8 m), corresponding to SEK 0.00 (SEK 6.20) per share.
- The net worth remained unchanged at SEK 73.60 per share.
- The listed price of the class B share rose by 6.2% to SEK 72.50 per share.
- The CSX small business index and the Stockholm Stock Exchange's OMXS index rose by 0.9% and 3.7%, respectively.

### Major contributors to the net worth (3 months)



#### Positive:

Beijer Electronics and Getinge



#### Negative:

Telelogic and Acando

### Major changes in the equities portfolio (3 months)



#### Bought:

XPonCard and HiQ



#### Sold:

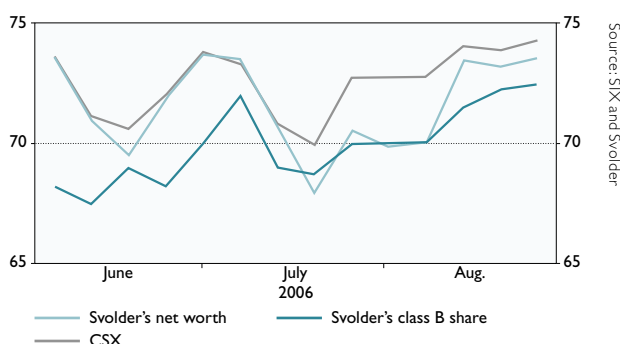
Höganäs and Getinge

Investors' willingness to take risks increased once again, and the stock markets recovered from their previous fall that had begun in the wake of a more restrictive global monetary policy and a levelling off in growth in the USA. The global index rose by 2.8 per cent, measured in US dollars, during the current reporting period, whilst the technology index, NASDAQ, rose by only 0.2 per cent, measured in the same currency.

The Stockholm stock market, according to OMXS, rose by 3.7 per cent. Share prices for all of the index's main industries rose, with the exception of Energy & utilities. Companies in the Healthcare sector saw by far the biggest increases. Listed companies' quarterly reports once again exceeded share analysts' expectations in the majority of instances. The small businesses index largely failed to keep pace with the market as a whole, and the CSX index only increased by 0.9 per cent.

Interest rates with short terms rose on the Swedish interest rates market during the three month period, after two key interest rate raises by the Riksbank. The five year bond rate remained unchanged, and the value of the Swedish krona against both the US dollar and the euro essentially remained unchanged.

SVOLDER AND CSX, 3 MONTHS (SEK per share)



### Change in net worth

Svolder's closing net worth was SEK 73.60 per share, and was, therefore, unchanged during the current reporting period. This is just under one percentage point down on the performance by the CSX benchmark index, which rose by 0.9 per cent during the corresponding period. The negative discrepancy can be attributed to the portfolio's IT consultancy companies.

### TOTAL RETURN, PER CENT

	3 months 1st June 2006– 31st Aug. 2006	12 months 1st Sept. 2005– 31st Aug. 2006
Share price (class B) <sup>1)</sup>	6.2	31.3
Net worth <sup>1)</sup>	0.0	30.1
CSX <sup>2)</sup>	0.9	29.1
OMXS <sup>2)</sup>	3.7	20.2

<sup>1)</sup> Including dividend paid during the period.

<sup>2)</sup> Excluding underlying dividends.

Svolder's equities portfolio is not an index portfolio: investment decisions are, instead, based on the valuation of the

### BIGGEST CONTRIBUTORS TO CHANGES IN NET WORTH

1st June–31st August 2006

(Based on net worth of SEK 941.8 million or SEK 73.60/share on 31st May 2006)

	SEK million	SEK/share
Beijer Electronics	18.2	1.40
Getinge	9.7	0.80
Beijer Alma	8.0	0.60
Saab	3.3	0.30
<b>Total, four positive</b>	<b>39.3</b>	<b>3.10</b>
Telelogic	-8.6	-0.70
Acando	-7.4	-0.60
Kinnevik B	-3.9	-0.30
Trelleborg	-3.7	-0.30
Peab	-2.9	-0.20
HiQ	-2.9	-0.20
<b>Total, six negative</b>	<b>-29.3</b>	<b>-2.30</b>
<b>Other shares</b>	<b>-5.0</b>	<b>-0.40</b>
<b>Shares, total</b>	<b>4.9</b>	<b>0.40</b>
Other	-5.1	-0.40
<b>Change in value</b>	<b>-0.2</b>	<b>0.00</b>

individual shares. A certain strategic focus on individual sectors based on macroeconomic factors complements the share evaluation. The portfolio's results in relation to benchmark indices can, therefore, differ substantially between different accounting periods.

**Beijer Electronics** announced an important deal with Mit-subishi Electric in June. This deal will see the company expand in the field of industrial automation by taking over agencies in Denmark, Finland and the Baltic States. The new markets will provide a substantial sales boost in the years ahead. The Q2 Interim Report confirmed that the Group's other operating sphere, namely in-house manufactured operator terminals, is continuing to perform strongly. A new generation of products and last year's acquisition of the Taiwanese firm, Hitech, contributed to the success. Beijer Electronics expects the robust market to continue for the remainder of 2006.

Extensive share purchases in **Getinge** by the company's principal owner and Chairman of the Board, Carl Bennet, increased interest in the share during the current reporting period. The Healthcare sector as a whole performed strongly in the markets as a result of buy-out speculations and the sector's relative cyclic sensitivity. The Getinge share was, however, trading at historically high key ratios, and Svolder accordingly reduced its holding slightly.

**Telelogic** was the biggest disappointment during the three month period. Both the profit reported by the company and its organic growth in sales during the second quarter of 2006 were well below the market's expectations. The company simultaneously revised its outlook for the year as a whole downwards as a result of its customer's increased "wait-and-see" tendency. Telelogic believes, however, that the underlying levels of market demand are nonetheless good and anticipates continued growth, both organically and through acquisitions.



The consultancy company, **Acando**, made one of the biggest negative contributions to net worth during the reporting period. The main reason for this is thought to be a weak share price trend on the part of the majority of the smaller listed consultancy companies. Acando's Q2 result was more or less as expected. The integration with the recently acquired firm, Resco, is now complete and the associated costs have been borne. It is generally felt that the outlook for the industry, and hence also for Acando, continues to be positive. The valuation looks attractive, because the full effects of the acquisition have not yet been realised and market conditions look favourable. The market's interest in the consultancy industry may also increase in response to the public bid for WM-data.

#### NET WORTH TREND, (3 months)

	SEK million	SEK/share
<b>Net worth, 31st May 2006</b>	<b>941.8</b>	<b>73.60</b>
<b>The equities portfolio</b>		
Opening value	1 129.3	88.20
Purchase of shares	34,9	
Sale of shares	-48,7	
Change in value, equities portfolio	4,7	-0.70
Closing value	1 120.2	87.50
<b>Net debt</b>		
Opening value	-187.5	-14.70
Other income	0,2	
Administrative costs	-3,7	
Net financial items	-1,4	
Sale of shares, net	13,8	0.70
Closing value	-178.6	-14.00
<b>Net worth, 31st August 2006</b>	<b>941.6</b>	<b>73.60</b>

#### Borrowing

The net debt, which also includes the share trading's unliquidated transactions etc., totalled SEK 178.6 million on the closing day, corresponding to 19.0 per cent of the company's net worth.

It is estimated that borrowing against the equities portfolio during the current reporting period made a marginally positive contribution to the net worth

#### The equities portfolio

Shares were acquired for SEK 34.9 million (gross) and sold for SEK 48.7 million (gross) during the current reporting period.

The entire holding in **Höganäs** was sold during the three month period, and the portfolio hence included 19 holdings on the closing day.

#### NET PURCHASES FOR THE EQUITIES PORTFOLIO (3 months)

1st June–31st August 2006

Share	No. of shares	SEK m	SEK/share <sup>1)</sup>
XPonCard	1 18 900	16.1	135.40
HiQ	356 000	12.2	34.30
Nolato	55 600	4.4	80.00

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

**XPonCard** is the Nordic region's market leader for bank and credit cards, and is a significant European player in the field of SIM cards for mobile phones. The SIM card market has been characterised by strong pricing pressure in 2006, with several market players focusing on market shares, rather than on profitability. It is generally thought that the price trend's rate of change will stabilise towards the end of 2006 against the background of intensified industry consolidation. At the same time, XPonCard has consolidated its operations by reducing the number of production units, and this has resulted in various non-recurring costs. The result and share price have been negatively affected by these events, but these problems are expected to be of a temporary nature only. Svolder has recently increased its shareholding in XPonCard.

The market responded harshly to the Q2 report published by **HiQ**. The share fell sharply, despite the company continuing to report by far the highest level of profitability in the industry. The outlook for the latter half of the year is good, and the valuation has become attractive. If the company manages to maintain the high percentage of its profit that it pays out in dividends, the dividend yield will be very high.

#### NET SALES FROM THE EQUITIES PORTFOLIO (3 months)

1st June–31st August 2006

Share	No. of shares	SEK m	SEK/share <sup>1)</sup>
Höganäs	200 000	36.1	180.70
Getinge	91 200	11.9	130.80

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

The entire holding in **Höganäs** was sold during the current reporting period. Healthy volume development during the last few quarters notwithstanding, the company's profitability and margins are coming under pressure from increases in raw material prices. The important US powder market continues to be weak and the trend towards smaller vehicles is hitting demand. The falling US dollar exchange rate is also impacting the company's sales. The valuation of the Höganäs share hence no longer looked attractive in comparison with that of other manufacturing companies. The holding yielded a net worth contribution of SEK 1.5 million during the financial year.

#### The Parent Company

The results for the Group and the Parent Company correspond in full. The Parent Company and the Group have an overdraft facility of SEK 300 million.

Stockholm, 21st September 2006

Svolder AB (publ)

#### The Board of Directors

For additional information, please contact:  
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*This Interim Report has not been subject to specific examination by the company's auditors.*

## CONSOLIDATED INCOME STATEMENTS

(SEK m)	3 months 01/06/2006– 31/08/2006	3 months 01/06/2005– 31/08/2005	12 months 01/09/2005– 31/08/2006	12 months 01/09/2004– 31/08/2005
<b>Management operations</b>				
Dividend income	-	-	26.0	13.7
Administrative costs	-3.6	-3.8	-12.9	-13.4
Earnings from securities	4.9	83.8	217.8	218.6
<b>Operating profit</b>	<b>1.3</b>	<b>80.0</b>	<b>230.9</b>	<b>218.9</b>
<b>Profit on financial investments</b>				
Financial income	0.0	0.0	0.0	0.3
Financial expenses	-1.4	-0.2	-3.9	-0.2
<b>Result after financial items</b>	<b>-0.2</b>	<b>79.8</b>	<b>227.0</b>	<b>219.0</b>
Tax	-	-	-	-
<b>Profit for the period</b>	<b>-0.2</b>	<b>79.8</b>	<b>227.0</b>	<b>219.0</b>
Earnings per share, SEK	0.00	6.20	17.70	17.10

## CONSOLIDATED CASH FLOW STATEMENTS

(SEK m)	3 months 01/06/2006– 31/08/2006	3 months 01/06/2005– 31/08/2005	12 months 01/09/2005– 31/08/2006	12 months 01/09/2004– 31/08/2005
<b>Cash flow from current operations before changes in working capital</b>	<b>-3.1</b>	<b>-2.8</b>	<b>10.7</b>	<b>1.1</b>
<b>Changes in working capital</b>				
Increase (+)/decrease (-) in current liabilities	0.1	0.1	0.0	0.1
<b>Cash flow from current operations</b>	<b>-3.0</b>	<b>-2.7</b>	<b>10.7</b>	<b>1.2</b>
<b>Investment operations</b>				
Purchase of securities	-35.7	-104.8	-576.2	-327.3
Sale of securities	48.7	43.4	489.4	295.0
Investment in machinery and equipment	0.0	0.0	0.0	0.0
<b>Cash flow from investment operations</b>	<b>12.9</b>	<b>-61.3</b>	<b>-86.9</b>	<b>-32.2</b>
<b>Financial operations</b>				
Loans raised (+)/amortised (-)	-9.9	58.6	114.6	58.6
Dividend paid	-	-	-38.4	-30.7
<b>Cash flow from financial operations</b>	<b>-9.9</b>	<b>58.6</b>	<b>76.2</b>	<b>27.9</b>
Increase (+)/decrease (-) in liquid assets	-	-5.5	-	-3.2
Liquid assets at beginning of period	-	5.5	-	3.2
<b>Liquid assets at end of period</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## CONSOLIDATED KEY RATIOS PER SHARE

	3 months 01/06/2006– 31/08/2006	3 months 01/06/2005– 31/08/2005	12 months 01/09/2005– 31/08/2006	12 months 01/09/2004– 31/08/2005
Change in net worth, SEK	0.00	6.20	14.70	14.70
Dividend paid during the period, SEK	-	-	3.00	2.40
Number of shares, million	12.8	12.8	12.8	12.8

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

## CONSOLIDATED BALANCE SHEETS

(SEK m) 31/08/2006 31/05/2006 31/08/2005 31/05/2005 31/08/2004

### ASSETS

#### Fixed assets

##### Tangible fixed assets

Equipment 0.2 0.2 0.2 0.2 0.3

##### Financial fixed assets

Securities holdings 1 120.2 1 129.3 814.9 670.9 563.9

#### Current assets

Current receivables 0.3 0.6 4.5 0.4 0.3

Cash and bank balances - - - 5.5 3.2

**Total assets 1 120.6 1 130.1 819.5 676.9 567.7**

### SHAREHOLDERS' EQUITY AND LIABILITIES

**Shareholders' equity<sup>1)</sup> 941.6 941.8 753.1 673.2 564.9**

#### Liabilities

Current liability to credit institution 173.1 183.1 58.6 - -

Current liabilities 5.9 5.2 7.9 3.7 2.8

**Total liabilities and shareholders' equity 1 120.6 1 130.1 819.5 676.9 567.7**

## CONSOLIDATED KEY RATIOS

	31/08/2006	31/05/2006	31/08/2005	31/05/2005	31/08/2004
Net worth per share, SEK	73.60	73.60	58.80	52.60	44.10
Market price (B), SEK	72.50	68.25	57.50	48.20	44.40
Net worth, premium (+)/discount (-), %	-1.4	-7.2	-2.3	-8.3	0.6
Liquidity (+)/Borrowing (-), %	-18.5	-19.4	-7.8	0.6	0.6
Equity/assets ratio, %	84	83	92	100	100
Number of shares, million	12.8	12.8	12.8	12.8	12.8

Definitions as in the Annual Report for 2004/2005.

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

<sup>1)</sup> Changes in shareholders' equity (SEK m)	31/08/2006	31/05/2006	31/08/2005	31/05/2005
Opening balance <sup>a)</sup>	756.1	756.1	567.3	567.3
Adjustment for new accounting principles <sup>b)</sup>	-3.0	-3.0	-2.4	-2.4
<b>New opening balance</b>	<b>753.1</b>	<b>753.1</b>	<b>564.9</b>	<b>564.9</b>
Dividend paid	-38.4	-38.4	-30.7	-30.7
Result for the period	227.0	227.1	219.0	139.0
<b>Closing balance</b>	<b>941.6</b>	<b>941.8</b>	<b>753.1</b>	<b>673.2</b>

<sup>a)</sup> According to the Balance Sheet adopted by the AGM.

<sup>b)</sup> As per IAS 39.

## ACCOUNTING PRINCIPLES

This Interim Report has been prepared in accordance with IFRS (International Financial Reporting Standards). The Interim Report has been prepared in accordance with IAS 34, Interim Reporting, and also complies with recommendation RR 31, Consolidated Interim Reports, of the Swedish Financial Accounting Standards Council. The comparison year, 2004/2005, has also been reported in accordance with IFRS.

Svolder's reporting is primarily affected by IAS 39 with regard to the reporting and valuation of financial instruments at their fair value. Svolder has, for a number of years now, valued the majority of the company's assets and liabilities at their fair value, reporting these figures as supplementary information in its quarterly reports and annual reports. The Swedish Annual Accounts Act has been amended to offer the equivalent option

of reporting and valuing financial instruments at their fair value, as of the 2004/2005 financial year. Svolder's 2004/2005 Annual Report contained details of the most important differences between the company's former accounting principles and the IFRS principles. One difference from Svolder's previous reporting method lies in the fact that IAS 39 values listed holdings on the basis of the bid price, where listed. Svolder's previous reports used the most recent price paid. There is no need, under the implementation rules for IAS 39, to recalculate comparative figures, but Svolder has chosen to recalculate these comparative figures for the 2004/2005 financial year in order to clarify the effects of the transition to IFRS on Svolder's reporting. The effects of this transition are presented in greater depth in Appendix I.

## APPENDIX I

### TRANSITION TO REPORTING IN ACCORDANCE WITH IFRS

As of the financial year 2005/2006 Svolder will be reporting its results in accordance with IFRS (International Financial Reporting Standards), in accordance with the requirements for consolidated accounts for listed companies within the EU.

The main standards to affect Svolder are IAS 39, relating to reporting and valuation of financial instruments at their true value. Svolder has, for a number of years now, valued the majority of the company's assets and liabilities at their true value, reporting these figures as supplementary information in its quarterly reports and annual reports. The Swedish Annual Accounts Act has been amended to offer the equivalent option of reporting and valuing financial instruments at

their true value, as of the 2004/2005 financial year. Svolder's 2004/2005 Annual Report contained details of the most important differences between the company's former accounting principles and the IFRS principles.

One difference from Svolder's previous reporting method lies in the fact that IAS 39 values listed holdings on the basis of the bid price, where listed. Svolder's previous reports used the most recent price paid. There is no need, under the implementation rules for IAS 39, to recalculate comparative figures, but Svolder has chosen to recalculate these comparative figures for the 2004/2005 financial year in order to clarify the effects of the transition to IFRS on Svolder's reporting.

### CONSOLIDATED INCOME STATEMENTS

(SEK m)	Period 1		IFRS period 1		Period 2		IFRS period 2		Period 3		IFRS period 3		Period 4		IFRS period 4		IFRS
	01/09/2004– 30/11/2004	Adjustment <sup>1)</sup>	01/09/2004– 30/11/2004	01/12/2004– 28/02/2005	Adjustment <sup>1)</sup>	01/12/2004– 28/02/2005	01/03/2005– 31/05/2005	Adjustment <sup>1)</sup>	01/03/2005– 31/05/2005	01/06/2005– 31/08/2005	Adjustment <sup>1)</sup>	01/06/2005– 31/08/2005	01/06/2005– 31/08/2005	12 months 2004/2005			
<b>Management operations</b>																	
Dividend income	-		-	-		-	13.7		13.7	-		-	-	13.7		-	13.7
Administration costs	-3.7		-3.7	-2.9		-2.9	-3.0		-3.0	-3.8		-3.8	-3.8	-3.0		-3.8	-13.4
Earnings from securities	51.7	0.3	52.0	89.3	-0.5	88.8	-7.2	1.1	-6.1	85.4	-1.6	83.8	83.8	-7.2	1.1	83.8	218.6
<b>Operating profit</b>	<b>48.0</b>	<b>0.3</b>	<b>48.3</b>	<b>86.4</b>	<b>-0.5</b>	<b>85.9</b>	<b>3.5</b>	<b>1.1</b>	<b>4.6</b>	<b>81.6</b>	<b>-1.6</b>	<b>80.0</b>	<b>80.0</b>	<b>3.5</b>	<b>1.1</b>	<b>80.0</b>	<b>218.9</b>
<b>Profit on financial investments</b>																	
Financial income	0.1		0.1	0.1		0.1	0.1		0.1	0.0		0.0	0.0	0.1		0.0	0.3
Financial expenses	0.0		0.0	0.0		0.0	0.0		0.0	-0.2		-0.2	-0.2	0.0		-0.2	-0.2
<b>Result after financial items</b>	<b>48.1</b>	<b>0.3</b>	<b>48.4</b>	<b>86.5</b>	<b>-0.5</b>	<b>86.0</b>	<b>3.5</b>	<b>1.1</b>	<b>4.6</b>	<b>81.4</b>	<b>-1.6</b>	<b>79.8</b>	<b>79.8</b>	<b>3.5</b>	<b>1.1</b>	<b>79.8</b>	<b>219.0</b>
Tax	-		-	-		-	-		-	-		-	-	-		-	-
<b>Profit for the period</b>	<b>48.1</b>	<b>0.3</b>	<b>48.4</b>	<b>86.5</b>	<b>-0.5</b>	<b>86.0</b>	<b>3.5</b>	<b>1.1</b>	<b>4.6</b>	<b>81.4</b>	<b>-1.6</b>	<b>79.8</b>	<b>79.8</b>	<b>3.5</b>	<b>1.1</b>	<b>79.8</b>	<b>219.0</b>
<b>Earnings per share, SEK</b>	<b>3.80</b>	<b>0.00</b>	<b>3.80</b>	<b>6.80</b>	<b>0.00</b>	<b>6.70</b>	<b>0.30</b>	<b>0.10</b>	<b>0.40</b>	<b>6.40</b>	<b>-0.10</b>	<b>6.20</b>	<b>6.20</b>	<b>0.30</b>	<b>0.10</b>	<b>6.20</b>	<b>17.10</b>

### CONSOLIDATED BALANCE SHEETS

(SEK m)	31/08/2004		IFRS		IFRS	
	31/08/2004	Adjustment <sup>1)</sup>	01/09/2004	31/08/2005	Adjustment <sup>1)</sup>	01/09/2005
<b>ASSETS</b>						
<b>Fixed assets</b>						
<i>Tangible fixed assets</i>						
Equipment	0.3		0.3	0.2		0.2
<i>Financial fixed assets</i>						
Securities holdings	566.3	-2.4	563.9	817.9	-3.0	814.9
<b>Current assets</b>						
Current receivables	0.3		0.3	4.5		4.5
Cash and bank	3.2		3.2	-		-
<b>Total assets</b>	<b>570.1</b>	<b>-2.4</b>	<b>567.7</b>	<b>822.5</b>	<b>-3.0</b>	<b>819.5</b>
<b>SHAREHOLDERS' EQUITY &amp; LIABILITIES</b>						
<b>Shareholders' equity</b>	<b>567.3</b>	<b>-2.4</b>	<b>564.9</b>	<b>756.1</b>	<b>-3.0</b>	<b>753.1</b>
<b>Liabilities</b>						
Current liability to credit institution	-		-	58.6		58.6
Current liabilities	2.8		2.8	7.9		7.9
<b>Total liabilities &amp; shareholders' equity</b>	<b>570.1</b>	<b>-2.4</b>	<b>567.7</b>	<b>822.5</b>	<b>-3.0</b>	<b>819.5</b>

<sup>1)</sup> Valuation of securities holdings at bid price, rather than, as previously, the price paid.

