



# SVOLDER

## INTERIM REPORT 2013/2014

Interim period: 1st September 2013–31st May 2014 (9 months)

Current reporting period: 1st March–31st May 2014 (3 months)

» Svolder's net worth for the nine-month period rose by 32.8 per cent, following a quarter in which we once again slightly exceeded the CSRX. »

Managing Director's comments, page 2

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

- + Positive: Beijer Alma, XANO (inc. AGES) and Saab
- Negative: KappAhl

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

- + Bought: Unibet, Orexo and SSAB
- Sold: Meda and HiQ

### RESULT FOR THE INTERIM PERIOD, 9 MONTHS

- The company posted a result for the period (9 months) of SEK **336.1** million (SEK 211.2 m), corresponding to SEK **26.30** (SEK 16.50) per share.
- Net worth rose by **32.8%**, including reinvested dividend, to SEK **105.70** per share.
- The listed price of the Class B share increased by **37.1%**, including reinvested dividend, to SEK **94.75** per share.
- The Carnegie Small Cap Return Index rose by **32.5%**.
- The closing discount on net worth was **10.3%**.

### RESULT FOR CURRENT REPORTING PERIOD, 3 MONTHS

- The company posted a result for the period (3 months) of SEK **114.5** million (SEK 11.8 m), corresponding to SEK **8.90** (SEK 0.90) per share.
- The net worth rose by **9.3%** to SEK **105.70** per share.
- The listed price of the Class B share increased by **5.0%** to SEK **94.75** per share.
- The Carnegie Small Cap Return Index rose by **8.4%**.

5 JUNI 2014

- The net worth was SEK **106** per share and the listed price was SEK **94.25**.

# THE MANAGING DIRECTOR'S COMMENTS



## DEAR SHAREHOLDER,

The shares of Swedish listed companies continue to perform well and deliver good dividends. To date during Svolder's financial year, 1st September 2013 – 31st May 2014, the Swedish stock market as a whole has increased by 22.6 per cent (SIXRX). This was surpassed by a full 10 percentage points by the small and medium-sized companies (CSRX). Svolder's net worth for the nine-month period rose by 32.8 per cent, following a quarter during which we once again slightly exceeded the CSRX. Svolder's Class B share rose by as much as 37.1 per cent, including reinvested dividend, during the nine-month period.

### Good growth in value

During this stock market rush, Svolder is performing excellently in absolute terms and well on a par with the comparison index. At the same time, in hindsight, we have been somewhat cautious this latest three-month period. Our relative net worth trend has been burdened by a combination of the impact of the no vote in the Swiss JAS Gripen referendum on the **Saab** share, a liquidity ratio of approximately 7 per cent of the portfolio, and a few divestments which have since turned out to be premature. Nevertheless, it is pleasing to note that our largest purchases earlier on in the financial year, **SSAB** and **Meda**, have produced excellent returns in the latest quarter. Our analytical work is, however, based on long-term value assumptions and many listed companies are currently no longer cheap based on expected profits, cash flows, equity or long-term dividend capacity. The cautious shareholder will also therefore see that the absolute growth in value has still been created at a lower risk than through borrowing, for example. A reasonable cash balance also creates opportunities on a market for small and medium-sized company shares which can occasionally be characterised by low convertibility.

## Total return<sup>1)</sup>, % on 31st May 2014

	1 year 1/6 2013– 31/5 2014	3 years 1/6 2011– 31/5 2014	5 years 1/6 2009– 31/5 2014
<b>Svolder</b>			
Net worth	41	45	142
Share price (Class B)	47	52	152
<b>Stock market index</b>			
Carnegie Small Cap Return Index	37	57	163
SIX Return Index	24	39	124

<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.

The strong stock market climate has favoured eager sellers of shares, primarily venture capital companies. In the outside world, new introductions are finding it harder to attract investors, and the intensity on the Swedish market risks meeting the same fate unless discounts and the quality of companies remain attractive and consider the uncertainty that is inherent in new listed companies. New introductions where new share issues predominate over sales of existing shares attract Svolder far more than in the reverse scenario. The same applies when major long-term owners stay in place after the introduction. We have therefore previously invested in **Platzer Fastigheter** and have recently registered to subscribe to shares in the housing construction company **Besqab**. A low dividend in the property company **Hemfosa**, however, meant that we divested the holding for concentration purposes. Otherwise the subscription of new introductions and investments has been relatively modest on Svolder's part.

### Two spin-offs create two new portfolio holdings.

Svolder usually only invests in companies on the NASDAQ OMX Stockholm, i.e. what used to be called the Stockholm stock exchange. These companies have passed the stock exchange's in-depth scrutiny and have also assumed

Source: Morningstar Svolder and Infront

a responsibility towards players on the stock exchange via listing agreements. The risks for investors are therefore far lower than on other Swedish marketplaces such as First North, NGM and Aktietorget. Personally, I am greatly concerned to see many small savers paying higher and higher prices for 'promising companies' on these lists, ones with weak cash flows and untested business models. This elevated risk profile should be seen as a sign that we are reaching the peak of the economic cycle.

In two cases where portfolio companies have decided to hive off operations to their shareholders through what is known as a 'Lex Asea' procedure, Svolder will continue to own companies with shares listed on First North. This relates to the spin-off of the Precision Components business area within XANO Industri, later AGES Industri, and sports betting developer Kambi from Unibet. In both cases the company boards have set goals to quickly rise up the listing system. Svolder will therefore consider these holdings as 'normal' portfolio companies, but at the same time pursue the issue of listing on NASDAQ OMX Stockholm with the boards and other owners as speedily as the market situation and the companies' own organisations allow. The lower portfolio concentration of Svolder's portfolio as a result of the two spin-offs is similarly viewed as temporary. Svolder will continue to have a concentrated share portfolio, but the new portfolio companies do not bring about any immediate demand for sales of these or other holdings from a concentration perspective. The stock exchanges' reaction to the spin-offs appears to be positive to date from a valuation perspective.

### The importance of independent analysis

Although market values are rising and profitability is good again in both investment banking and asset management, many players are continuing to cut back on corporate analysis and active stock management, primarily when it comes to the small and medium-sized companies. This is a sad trend. Some players are seeking, with the best intentions, to counter this development and offer alternative analysis. These include the Swedish Shareholders' Association, various stock exchanges and other players on the financial markets. In several cases the analysis is paid for by the companies, which obviously calls into question how truly independent the analysis is.

On 26 May 2014, the Financial Times describes in its FT Fund Management supplement an as yet unpublished study carried out on behalf of the European Commission. The study used an Australian pilot project to examine professional investors' views of the quality of various forms of analysis. Analyses paid for by companies scored just 1.8 on a scale of 1 to 10, even if there was no other analysis of the company in question. Analyses paid for by an independent company, such as a stock exchange, were slightly more popular and were rated 3.8. Somewhat surprisingly, investment bankers' analyses scored higher with 5.6. By clear the highest value, 9.6 points, was given to analyses carried out by the management company itself. Personally I see this as further proof of the value of consistent,

qualitative analysis carried out by the asset management organisation – i.e. the way Svolder works. Reductions in other players' level of ambition therefore tend to further advocate Svolder's way of working.

### Weaker krona and heightened political uncertainty

The Swedish krona has weakened against the majority of major currencies in 2014. The euro has increased by 3 per cent, the US dollar by 4 per cent and the British pound and Norwegian krona by 5 per cent each. The change began back in 2013 after several years of seeing the krona strengthen. The Swedish economy remains stable. There are, however, several explanations behind the weakening. The Riksbank, Sweden's central bank, is no longer responsible for countering unhealthy credit growth among households and preventing asset bubbles in housing and other real estate, for example. Inflation is virtually non-existent at present. Therefore, the Riksbank is under increasing pressure to further reduce the key interest rate.

The surplus target in the government budget is increasingly being called into question from various political camps. An already expansive finance policy also runs the risk of being strengthened through all kinds of proposals for reforms in an election year such as this. The Riksdag parliamentary election is also expected to result in more smaller parties and less clear-cut alliances with few opportunities for long-term agreements within central areas such as taxation, national budget, education, energy and economic policy.

Conditions therefore indicate that the weakening trend for the Swedish krona will be both lasting and even more pronounced. For Swedish households the weakening of the krona represents a loss of wealth, but it could also favour the Swedish export industry. However, a vibrant, future-oriented industrial structure must be in place if this is to happen. Fewer industrial jobs, more head offices and development centres relocated abroad are worrying signs of the de-industrialisation taking place in Sweden.

Finally, the recent EU election poses particular problems. Across the whole of Europe the established, responsible political parties are failing to convince their own population either to vote or to vote for continued responsibility. Single-issue parties and more or less extreme nationalistic parties have therefore gained greater political scope and legitimacy. The composition of the altered European parliament now risks delaying, or in the worst case thwarting, a new free trade agreement with the US. Large anti-EU parties in the UK and France also risk the stability which the major nations constitute for the EU collaboration. For Sweden, as a small, highly export-dependent nation, the results of the EU election are worrying, both at home and for Europe as a whole.

Yours faithfully

ULF HEDLUNDH  
*Managing Director*

## MARKET COMMENTARY

The current reporting period, 1st March – 31st May 2014, has been characterised by continued strong stock markets. The Swedish stock market (SIXRX) rose a good 6.4 per cent, but was still surpassed by two percentage points by the small and medium-sized shares (CSRX). The global stock exchanges, calculated according to MSCI, rose by 2.4 per cent in USD and 6.7 per cent in SEK.

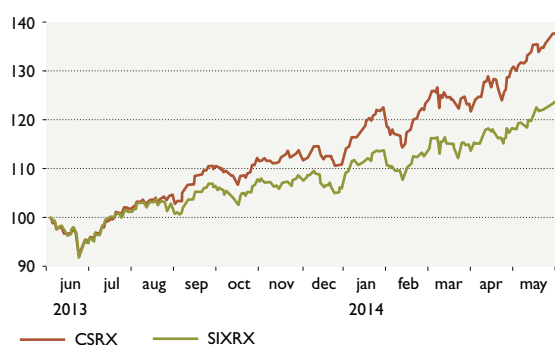
During the quarter the Swedish krona weakened. The euro increased by 3.1 per cent and the US dollar by 4.2 per cent against the krona. Expectations of further reductions in the key interest rate by the Riksbank, greater political uncertainty ahead of the upcoming election and the questioning of the government's financial goals have all influenced the krona.

Growth in the world is increasing, although from low levels and at a far slower rate than is usual during economic recoveries. In Sweden consumers appear to be increasingly willing to buy, while the manufacturing industry's expectations are very irregular and lack a clear positive trend.

The international interest situation for state and company bonds has continued to fall, not least in countries and companies with limited creditworthiness. Interest rates on the money markets remain low.

Commodity prices have mainly fallen, particularly for gold, iron ore and copper, while nickel has strengthened considerably as a result of export restrictions in Indonesia and concerns about availability from Russia. Oil prices are stable.

Index performance, 12 months



## SHARE PRICE TRENDS

The closing price for Svolder's Class B share was SEK 94.75, hence the share rose 5.0 per cent during the current reporting period. The share's value on the closing day represented a discount of 10.3 per cent on its net worth. The Class B share was traded on all trading days during the period, with an average of approximately 11,000 shares traded each day of trading on the NASDAQ OMX Stockholm.

Trading in Svolder's Class A share was limited and shares were traded on only 25 per cent of the trading days on the NASDAQ OMX Stockholm. 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 Svolder's Board of Directors.

Total return, per cent<sup>1)</sup>

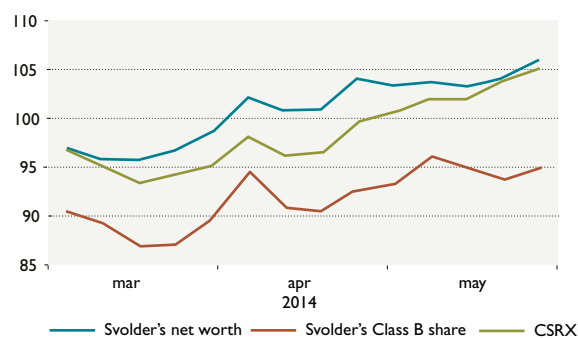
	3 months	9 months	Rolling
	1/3 2014– 31/5 2014	1/9 2013– 31/5 2014	1/6 2013– 31/5 2014
<b>Svolder</b>			
Share price (Class B)	5.0	37.1	47.5
Net worth	9.3	32.8	40.8
<b>Stock market index</b>			
Carnegie Small Cap Return Index	8.4	32.5	37.0
SIX Return Index	6.4	22.6	23.5

<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.

## CHANGE IN NET WORTH

Svolder's closing net worth was SEK 105.70 per share, which represents an increase during the current reporting period of 9.3 per cent. This figure is up by 0.9 percentage points on that of the small cap index. The deviation is company specific, where **Beijer Alma**, **XANO Industri (inc. AGES)**, **Meda** and **SSAB** in particular have made a positive contribution to the change in net worth.

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 comparison indices may, therefore, differ substantially from one accounting period to another. Share evaluation is complemented by a certain strategic focus on individual sectors based on macroeconomic factors.



### Net worth trend, 3 months

	SEK m	SEK/share
<b>Net worth, 28th February 2014</b>	<b>1,237.9</b>	<b>96.70</b>
<b>Equities portfolio</b>		
<b>Opening value</b>	<b>1,144.9</b>	<b>89.40</b>
Purchase of shares	198.4	
Sale of shares	-170.5	
Change in value, equities portfolio	83.7	8.70
<b>Closing value</b>	<b>1,256.4</b>	<b>98.20</b>
<b>Net debt (-)/Net receivable (+)</b>		
<b>Opening value</b>	<b>93.0</b>	<b>7.30</b>
Share dividends received	33.7	
Other operating income	0.8	
Administrative costs	-3.8	
Net financial items	0.2	
Purchase of shares, net	-27.8	0.20
<b>Closing value</b>	<b>96.0</b>	<b>7.50</b>
<b>Net worth, 31st May 2014</b>	<b>1,352.4</b>	<b>105.70</b>

**Beijer Alma** was the biggest contributor in the current reporting period, after a share price rise resulting from a strong Q1 report. The group's order intake rose faster than invoicing, which meant increased order stocks. All subsidiaries performed well. Lesjöfors chassis springs and Habia's telecom products enjoyed the best development. The valuation has increased in line with the increase in share price, but it is still considered reasonable based on anticipated profit for a normal year.

The southern Swedish industrial conglomerate **XANO Industri** has hived off its most profitable and expansive business area **AGES Industri** through a 'Lex Asea' procedure. AGES manufactures components through aluminium die casting and metal cutting in large series, with a high proportion of sales to the Swedish automotive industry. A further two profitable Swedish companies have recently been added to the Group. AGES is initially being listed on First North. The aim, as with the former subsidiary group ITAB, is to list AGES on the NASDAQ OMX at a later stage. Other parts of the XANO Group are continuing their operations as before. The most important part comprises the business area Industrial Solutions, which carries out contract work in sheet metal machining as well as proprietary automation solutions for handling packaging and conveyor systems, primarily for the food industry. The XANO Group has operations in the Nordic region, Estonia, Poland and China. XANO, including AGES, has been a major contributor to Svolder's net worth during the year so far.

The holding in defence group **Saab** was one of the biggest positive contributors to net worth during the current reporting period. The main reasons for the continued positive share price development were probably the discussions in Sweden regarding an increased order for the Gripen fighter, a possible takeover of the marine operation within Kockums, and signals that Brazil may order more Gripen fighters. Furthermore, there was a stronger focus on European defence spending in light of the conflict between Russia and Ukraine. Saab's Q1 report was weaker than expected. The share market focused instead on the maintained full-year forecast and positive statements from the corporate management. After the Swiss voted no in a referendum on whether or not Switzerland should buy the Gripen, Saab's share price went down; this fall has since recovered completely. The valuation is still considered low based on expected profit for a normal year.

### Biggest contributors to changes in net worth 1st March–31st May 2014 (3 months)

(Based on net worth of SEK 1,237.9 million or 96.70 SEK/share on 28th February 2014)

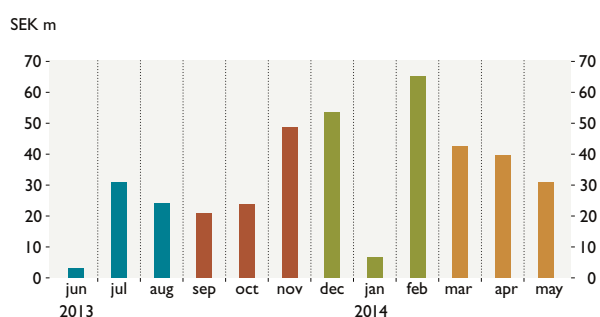
	SEK m	SEK/share
Beijer Alma	21.5	1.70
XANO (inc. AGES)	20.3	1.60
Saab	19.5	1.50
Meda	17.1	1.30
SSAB	15.9	1.20
Nolato	9.0	0.70
Unibet (inc. Kambi)	7.3	0.60
New Wave Group	5.4	0.40
Orexo	3.8	0.30
<b>Total, nine positive</b>	<b>119.7</b>	<b>9.40</b>
KappAhl	-5.2	-0.40
<b>Total, one negative</b>	<b>-5.2</b>	<b>-0.40</b>
Other shares	3.6	0.30
<b>Shares, total</b>	<b>118.1</b>	<b>9.20</b>
Other	-3.6	-0.30
<b>Change in value</b>	<b>114.5</b>	<b>8.90</b>

During the spring **Meda** was the subject of an attempted takeover by American pharmaceuticals company Mylan. Meda's Board of Directors rejected the proposal, referring among other things to a fundamental belief in their own company. Combined with a Q1 report that showed good organic growth and improved profitability, this contributed to a very positive share price development. The valuation has therefore increased and Svolder has decided to realise part of the profit by reducing its holding.

Svolder has continued to buy shares in steel company **SSAB**. The European Commission is expected to finish examining the acquisition of Finnish company Rautaruukki in early July. Svolder does not expect that SSAB will have to make any major concessions to gain the approval of the competition authorities. The Q1 report exceeded the market's expectations and the future prospects were more optimistic, which resulted in the first positive profit review from the analyst collective in five years. The pro forma valuation of the merged company remains attractive, despite the strong rise in share price for SSAB.

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

Excluding dividends of SEK 26.9 million (SEK 2.10 per share) paid in November 2013.



## LIQUIDITY/BORROWING

The equities portfolio was unpledged on the closing day. The net receivable, which also includes the share trading's unliquidated transactions etc., was SEK 96.0 million on the closing day, corresponding to 7.1 per cent of the company's net worth. This is to be compared with a net receivable of SEK 93.0 million at the beginning of the current reporting period.

## EQUITIES PORTFOLIO

Shares to the value of SEK 198.4 million (gross) were acquired during the current reporting period. Shares for a gross amount of SEK 170.5 million, including the redemption programme, were sold during the corresponding period, and net purchases hence totalled SEK 27.8 million.

During the three-month period, **Orexo** and **Akelius preference shares** were added as new holdings. **AGES Industri** and **Kambi** were also added to the portfolio through hive-offs from **XANO Industri** and **Unibet** respectively. On the closing day, the portfolio thus comprised 22 holdings in 20 companies.

### Major net purchases for the equities portfolio (3 months) 1st March–31st May 2014

Share	Number	SEK m	SEK/share <sup>1)</sup>
Unibet	119,639	38.8	325.10
Orexo	360,673	35.5	98.50
SSAB B	607,085	28.3	46.60
New Wave Group	350,000	14.4	41.10
SAS preference share	24,000	11.0	500.40

<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.

During the reporting period **Unibet** decided to distribute its subsidiary **Kambi** to its shareholders. Consequently Svolder received a share in Kambi for every share it owned in Unibet, in addition to the standard cash dividend of SEK 12.30 per share. Kambi provides sports betting services to betting operators, Unibet being the largest customer. The company aims to grow its customer base and believes it will be easier to do this as an independent company. Kambi has a high percentage of fixed costs, which is why an agreement with a new, medium-sized betting operator would increase profitability considerably. Kambi has historically burdened Unibet's result and required major investment. Unibet therefore appears still to be attractively valued on the stock exchange. Svolder has increased its holding during the period and Unibet has made a positive contribution to the increase in net worth.

The second biggest purchase during the reporting period was in pharmaceuticals company **Orexo**. The company is currently in the commercialisation phase of its most important product, Zubsolv, which is designed to treat opioid dependence. Zubsolv was approved by the US Food and Drug Administration in July 2013. Abuse of opioid analgesics (painkillers) is a large and growing problem that has come into the limelight recently, particularly on the political level in the US. In 2013, the market for treating opioid dependence had sales in the region of two billion US dollars. Orexo aims to achieve a market share of 25-30 per cent with Zubsolv. The share price potential even at the halfway stage is significant.

### Major net sales from the equities portfolio (3 months) 1st March–31st May 2014

Share	Number	SEK m	SEK/share <sup>1)</sup>
Meda	416,332	47.9	115.10
HiQ <sup>2)</sup>	892,489	38.1	42.90
SSAB Class A	277,284	13.4	59.40

<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.

<sup>2)</sup> The sales amount includes payment for redemption programmes.

As part of efforts to reduce exposure to the IT consultancy sector, part of the holding in **HiQ** was sold during the current reporting period.

## THE PARENT COMPANY

The results for the Group and the Parent Company correspond in full. The Parent Company balance sheet is the same as that of 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 200 million.

## RISKS AND UNCERTAINTIES

The identified risks and uncertainties for the Group and the Parent Company are presented on page 49 and in note 17 on page 61 of the 2012/2013 Annual Report. The market risk (the equities portfolio's price risk) is adjudged to be the most significant of the risks listed. No significant changes to the above risks are deemed to have occurred subsequently.

The application of the new directive regarding alternative investment fund managers (AIFM) is unclear. Svolder's request to Finansinspektionen (FI), the Swedish Financial Supervisory Authority, on the issue has not yet been answered.

## NOMINATIONS COMMITTEE

As reported in a press release on 2nd May 2014, a Nominations Committee has been formed in accordance with a decision at the 2013 Annual General Meeting. The Nominations Committee has appointed Christoffer Lundström (Provobis Holding/Rolf Lundström) as its Chairman. Other members are Mats Qviberg (Öresund), Magnus Eriksson (Fourth AP Fund) and Caroline Sundewall (Chair of the Board and convener).

Shareholders wishing to submit a proposal for the Nominations Committee may contact the Committee's Chairman: Christoffer Lundström (christoffer@provobisholding.se), Provobis Holding, Lilla Bommen 1, SE-411 04 Göteborg, Sweden.

## EVENTS AFTER THE REPORTING PERIOD

The net worth on 5th June was SEK 106 per share and the listed price was SEK 94.25. The net worth includes Kambi and Akelius preference shares at the latest bid prices of SEK 38.20 and SEK 337.50 respectively. Acando submitted a recommended public takeover bid to the shareholders of Connecta on 9 June 2014.

## YEAR-END REPORT

A Year-End Report for the financial year 1st September 2013 – 31st August 2014, encompassing the 3-month report for 1st June–31st August 2014, will be published on 26th September 2014.

## 2014 AGM

The AGM will take place in Stockholm on Thursday 20th November 2014.

Shareholders wishing to have an issue discussed at Svolder's 2014 AGM must make a written request to the Board of Directors by 3rd October 2014 at the latest to: Svolder AB (publ), Board of Directors, Box 70431, SE-107 25 Stockholm, Sweden.

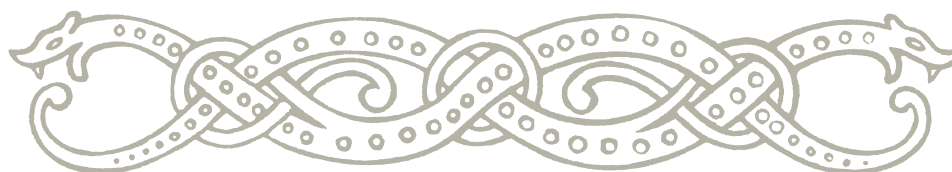


STOCKHOLM 11TH JUNE 2014

SVOLDER AB (PUBL)

THE BOARD OF DIRECTORS

*For additional information, please contact:*  
Ulf Hedlund, Managing Director +46 (0)8-440 37 73  
Pontus Ejderhamn, CFO +46 (0)8-440 37 72



## THE EQUITIES PORTFOLIO, 31ST MAY 2014

Sector/share	No. of shares	Share price (SEK) <sup>1)</sup>	Market value (SEK m)	% 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>					-	0.4	-	
<b>Materials</b>					5.3	10.0	1.4	
SSAB Class A	313,716	64.10	20.1	1.5				1.60
SSAB Class B	912,085	56.05	51.1	3.8				4.00
<b>Capital Goods</b>					29.9	18.5	13.9	
Saab	999,410	191.50	191.4	14.2				15.00
Beijer Alma	594,986	202.50	120.5	8.9				9.40
AGES Industri	306,500	172.00	52.7	3.9				4.10
XANO Industri	306,500	131.75	40.4	3.0				3.20
<b>Commercial services</b>					2.8	7.2	0.0	
Bong convertible shares	30	SEK 1 m	30.0	2.2				2.30
Bong	6,000,000	1.31	7.9	0.6				0.60
<b>Transport</b>					2.1	0.5	-0.1	
SAS preference shares	60,000	465.00	27.9	2.1				2.20
<b>Consumer Discretionary and Services</b>					18.1	18.1	3.4	
New Wave Group	1,814,000	44.30	80.4	5.9				6.30
Unibet	240,000	318.00	76.3	5.6				6.00
KappAhl	1,759,772	38.80	68.3	5.0				5.30
Oriflame	119,500	166.00	19.8	1.5				1.50
<b>Healthcare</b>					6.2	7.8	3.8	
Meda	383,668	117.00	44.9	3.3				3.50
Orexo	360,673	109.00	39.3	2.9				3.10
<b>Financials and Real Estate</b>					3.9	28.0	2.0	
Platzer Fastigheter	1,506,749	30.30	45.7	3.4				3.60
Akelius preference shares	23,300	300.00	7.0	0.5				0.50
<b>Software and Services</b>					15.0	2.5	3.0	
Acando <sup>3)</sup>	8,519,430	13.70	116.7	8.6				9.10
Proact	674,885	91.50	61.8	4.6				4.80
HiQ	514,400	39.30	20.2	1.5				1.60
Kambi	220,000	22.00	4.8	0.4				0.40
<b>Technology Hardware and Equipment</b>					9.6	3.6	5.8	
Nolato	859,124	150.50	129.3	9.6				10.10
<b>Telecom Operators</b>					-	3.3	-	
<b>Equities portfolio</b>			<b>1,256.4</b>	<b>92.9</b>	<b>92.9</b>	<b>-</b>	<b>33.3</b>	<b>98.20</b>
<b>Net debt (-)/net receivable (+)</b>			<b>96.0</b>	<b>7.1</b>	<b>7.1</b>	<b>-</b>	<b>0.0</b>	<b>7.50</b>
<b>Total/net worth</b>			<b>1,352.4</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>33.3</b>	<b>105.70</b>
<b>Change in value after management costs, 9 months</b>							<b>32.2</b>	

All securities holdings come under level 1 of the value hierarchy, except for Bong convertible shares which come under level 2.

<sup>1)</sup> Bid price on NASDAQ OMX Nordic. <sup>2)</sup> Market value per Svolder share. <sup>3)</sup> Of which 8,019,430 Class B and 500,000 Class A shares.

The following is an example of information that can be drawn from the table: Svolder's largest holding is Saab, which has a market value of SEK 191.4 million, corresponding to 14.2 per cent of net worth. Saab is a company in the Capital Goods sector, which, together with other companies in the sector, accounts for 29.9 per cent of Svolder's net worth. The equivalent percentage for the Capital Goods sector in the CSRX is 18.5 per cent in total. In comparison with the CSRX, therefore, the portfolio is dominated by companies in the Capital Goods sector. Shares in this sector have accounted for 13.9 percentage points of the change in Svolder's net worth to date during the 2013/2014 financial year, measured in relation to opening net worth.



## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(SEK m)	3 months	3 months	9 months	9 months	Rolling	12 months
	1/3 2014– 31/5 2014	1/3 2013– 31/5 2013	1/9 2013– 31/5 2014	1/9 2012– 31/5 2013	12 months 1/6 2013– 31/5 2014	12 months 1/9 2012– 31/8 2013
<b>Management operations</b>						
Dividend income	33.7	33.2	33.9	33.2	35.0	34.3
Administrative costs	–3.8	–3.9	–11.8	–11.8	–19.0	–18.9
Earnings from securities	83.7	–17.5	311.4	188.0	374.9	251.5
Other operating income	0.8	-	2.3	1.8	3.7	3.2
<b>Operating profit</b>	<b>114.4</b>	<b>11.7</b>	<b>335.6</b>	<b>211.2</b>	<b>394.5</b>	<b>270.0</b>
<b>Profit on financial investments</b>						
Financial income	0.2	0.2	0.6	0.4	0.9	0.6
Financial expenses	–0.1	–0.1	–0.2	–0.3	–0.3	–0.5
<b>Results after financial items</b>	<b>114.5</b>	<b>11.8</b>	<b>336.1</b>	<b>211.2</b>	<b>395.1</b>	<b>270.2</b>
Tax	-	-	-	-	-	-
<b>Profit for the period</b>	<b>114.5</b>	<b>11.8</b>	<b>336.1</b>	<b>211.2</b>	<b>395.1</b>	<b>270.2</b>
Other comprehensive income	-	-	-	-	-	-
<b>Comprehensive income for the period</b>	<b>114.5</b>	<b>11.8</b>	<b>336.1</b>	<b>211.2</b>	<b>395.1</b>	<b>270.2</b>
<b>Earnings per share. SEK</b>	<b>8.90</b>	<b>0.90</b>	<b>26.30</b>	<b>16.50</b>	<b>30.90</b>	<b>21.10</b>

## CONSOLIDATED CASH FLOW STATEMENT

(SEK m)	3 months	3 months	9 months	9 months	Rolling	12 months
	1/3 2014– 31/5 2014	1/3 2013– 31/5 2013	1/9 2013– 31/5 2014	1/9 2012– 31/5 2013	12 months 1/6 2013– 31/5 2014	12 months 1/9 2012– 31/8 2013
<b>Cash flow from operating activities</b>						
before changes in working capital	30.2	29.6	21.8	21.8	19.4	19.4
<b>Changes in working capital</b>						
Increase (+)/decrease (–) in current liabilities	0.0	0.2	0.0	–0.1	–0.1	–0.2
<b>Cash flow from operating activities</b>	<b>30.2</b>	<b>29.8</b>	<b>21.8</b>	<b>21.7</b>	<b>19.4</b>	<b>19.2</b>
<b>Investing activities</b>						
Purchase of securities	–198.2	–187.7	–557.7	–375.4	–720.9	–538.6
Sale of securities	168.5	156.4	601.3	475.6	730.2	604.4
Investment in machinery and equipment	–0.0	-	–0.2	-	–0.2	-
<b>Cash flow from investing activities</b>	<b>–29.8</b>	<b>–31.2</b>	<b>43.5</b>	<b>100.2</b>	<b>9.1</b>	<b>65.8</b>
<b>Financing activities</b>						
Loans raised (+)/amortised (–)	-	-	-	-	-	-
Dividend paid	-	-	–26.9	–42.2	–26.9	–42.2
<b>Cash flow from financing activities</b>	<b>0.0</b>	<b>0.0</b>	<b>–26.9</b>	<b>–42.2</b>	<b>–26.9</b>	<b>–42.2</b>
Increase (+)/decrease (–) in liquid assets	0.5	–1.5	38.5	79.6	1.6	42.7
Liquid assets at beginning of period	97.0	97.3	59.0	16.2	95.8	16.2
<b>Liquid assets at end of period</b>	<b>97.4</b>	<b>95.8</b>	<b>97.4</b>	<b>95.8</b>	<b>97.4</b>	<b>59.0</b>

## CONSOLIDATED KEY RATIOS PER SHARE

	3 months	3 months	9 months	9 months	Rolling	12 months
	1/3 2014– 31/5 2014	1/3 2013– 31/5 2013	1/9 2013– 31/5 2014	1/9 2012– 31/5 2013	12 months 1/6 2013– 31/5 2014	12 months 1/9 2012– 31/8 2013
Change in net worth. SEK	8.90	0.90	24.20	13.20	28.80	17.80
Dividend paid during the period. SEK	-	-	2.10	3.30	2.10	3.30
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 is 12,800,000.

## CONSOLIDATED BALANCE SHEET

### Assets

(SEK m)	31/5 2014	28/2 2014	31/8 2013	31/5 2013	28/2 2013	31/8 2012
<b>Non-current assets</b>						
<i>Property, plant and equipment</i>						
Equipment	0.2	0.2	0.1	0.1	0.1	0.2
<i>Financial assets</i>						
Securities holdings	1,256.4	1,144.9	990.4	898.5	870.9	794.2
<b>Current assets</b>						
Current receivables	4.3	1.3	21.7	0.8	8.4	17.1
Cash and bank balances	97.4	97.0	59.0	95.8	97.3	16.2
<b>Total assets</b>	<b>1,358.3</b>	<b>1,243.4</b>	<b>1,071.1</b>	<b>995.2</b>	<b>976.8</b>	<b>827.7</b>

### Shareholders' equity and liabilities

(SEK m)	31/5 2014	28/2 2014	31/8 2013	31/5 2013	28/2 2013	31/8 2012
<b>Shareholders' equity</b>	<b>1,352.4</b>	<b>1,237.9</b>	<b>1,043.2</b>	<b>984.3</b>	<b>972.5</b>	<b>815.3</b>
<b>Liabilities</b>						
Current liability to credit institution	-	-	-	-	-	-
Current liabilities	5.9	5.5	27.9	10.9	4.3	12.4
<b>Total liabilities and shareholders' equity</b>	<b>1,358.3</b>	<b>1,243.4</b>	<b>1,071.1</b>	<b>995.2</b>	<b>976.8</b>	<b>827.7</b>

## CHANGES IN SHAREHOLDERS' EQUITY

(SEK m)	3 months 1/3 2014– 31/5 2014	3 months 1/3 2013– 31/5 2013	9 months 1/9 2013– 31/5 2014	9 months 1/9 2012– 31/5 2013	12 months 1/9 2012– 31/8 2013
<b>Opening balance</b>	<b>1,237.9</b>	<b>972.5</b>	<b>1,043.2</b>	<b>815.3</b>	<b>815.3</b>
Dividend paid	-	-	-26.9	-42.2	-42.2
Comprehensive income for the period	114.5	11.8	336.1	211.2	270.2
<b>Closing balance</b>	<b>1,352.4</b>	<b>984.3</b>	<b>1,352.4</b>	<b>984.3</b>	<b>1,043.2</b>

## CONSOLIDATED KEY RATIOS PER SHARE

	31/5 2014	28/2 2014	31/8 2013	31/5 2013	28/2 2013	31/8 2012
Net worth per share, SEK	105.70	96.70	81.50	76.90	76.00	63.70
Share price (Class B), SEK	94.75	90.25	71.00	66.00	60.00	56.00
Net worth, premium (+)/discount (-), %	-10	-7	-13	-14	-21	-12
Liquidity (+)/Borrowing (-), %	7	8	5	9	11	3
Equity/assets ratio, %	100	100	99	100	100	99
Number of shares, million	12.8	12.8	12.8	12.8	12.8	12.8

Definitions as in the Annual Report for 2012/2013. 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 is 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 2013 to 31st May 2014 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 International Standard on Review Engagements (ISRE) 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

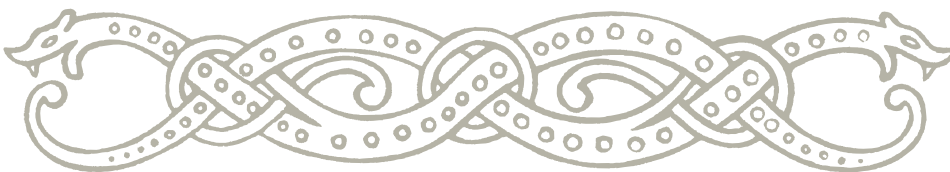
Based on our review, nothing has come to our attention that causes us to believe that the Interim Report is not prepared, in all material respects, in accordance with IAS 34 and the Annual Accounts Act, regarding the Group, and with the Annual Accounts Act, regarding the Parent Company.

STOCKHOLM 11TH JUNE 2014

PRICEWATERHOUSECOOPERS AB

PETER NILSSON

*Authorised Public Accountant*



Prioritaire **A**

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SVOLDER IS A DEDICATED INVESTMENT TRUST THAT INVESTS PRIMARILY IN THE SHARES OF LISTED SMALL AND MEDIUM-SIZED SWEDISH COMPANIES. THE COMPANY IS LISTED ON NASDAQ OMX STOCKHOLM AB. SVOLDER'S NET WORTH IS PUBLISHED WEEKLY AND APPEARS ON THE COMPANY'S WEBSITE, [WWW.SVOLDER.SE](http://WWW.SVOLDER.SE)

