



# SVOLDER

## INTERIM REPORT 2015/2016

Interim period: 1st September 2015 – 31st May 2016 (9 months). Current reporting period: 1st March – 31st May 2016 (3 months)

» Svolder has tremendous opportunities to apply a long-term management strategy for the benefit of portfolio companies and Svolder's shareholders alike. »

Managing Director's comments, page 3

SHARE PRICE

**129.00**

SEK on 3rd June 2016

NET WORTH

**143**

SEK/share on 3rd June 2016

### RESULT FOR THE INTERIM PERIOD (9 MONTHS)

- » The company posted a result for the period of SEK **407.5** million (SEK 243.9 m), corresponding to SEK **31.80** (SEK 19.10) per share.
- » Net worth rose by **27.9%**, including reinvested dividend, to SEK **144.60** per share.
- » The listed price of the Class B share increased by **31.7%**, including reinvested dividend, to SEK **133.50** per share.
- » The Carnegie Small Cap Return Index rose by **17.1%**.
- » The closing discount on net worth was **7.7%**.

### RESULT FOR CURRENT REPORTING PERIOD (3 MONTHS)

- » The company posted a result for the period of SEK **193.8** million (SEK 57.7 m), corresponding to SEK **15.10** (SEK 4.50) per share.
- » The net worth rose by **11.7%** to SEK **144.60** per share.
- » The listed price of the Class B share increased by **18.9%** to SEK **133.50** per share.
- » The Carnegie Small Cap Return Index rose by **8.0%**.

### MAJOR CONTRIBUTORS TO NET WORTH

Current reporting period (3 months)

Positive (+)	Negative (-)
GARO	Bong
Oriflame	
Magnolia Bostad	

### MAJOR CHANGES IN THE EQUITIES PORTFOLIO

Current reporting period (3 months)

Bought (+)	Sold (-)
Klövern	Proact
GARO	Platzer Fastigheter
Magnolia Bostad	Scandi Standard

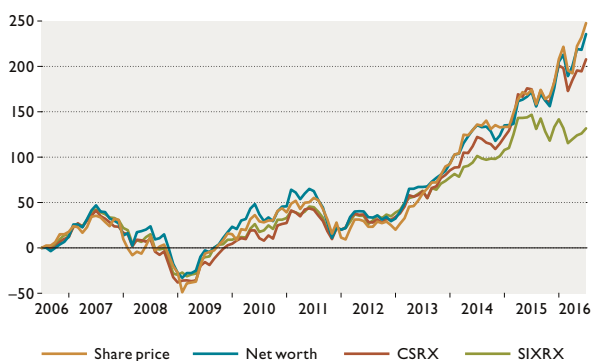
# THE MANAGING DIRECTOR'S COMMENTS



## DEAR SHAREHOLDER,

After yet another positive quarter, Svolder is able to report that its net worth has reached an all time high of SEK 145 per share, which corresponds to SEK 1.85 billion, after value growth of 12 per cent. The share price rose by a full 19 per cent during the same period. Seen over both the most recent three and nine-month periods, Svolder exceeded the CSRX index for small and medium-sized companies as well as the SIXRX for the Swedish stock exchange as a whole. The outcome for slightly smaller Swedish listed companies is also excellent from a longer-term perspective, and Svolder's administration results appear to create value from both an absolute and a relative owner perspective.

### Total return<sup>1)</sup> 10 years in % on 31st May 2016



<sup>1)</sup> Total return is calculated using comparable methods to reinvestment indices and funds, i.e. assuming that the dividend paid is reinvested at the time of the dividend in underlying types of assets.

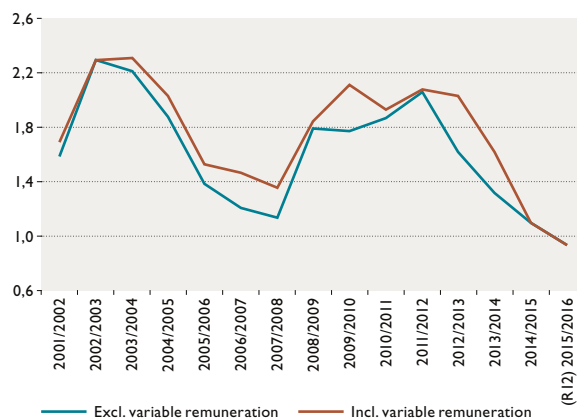
Source: Morningstar, Svolder and SIX

## SHARE OF MANAGEMENT COSTS FALLING

In the context of asset management, management costs are important to long-term value growth. I am therefore delighted to note that Svolder's share of management costs has fallen over the last five-year period. The reasons for this are the absolute value growth, the change to a dividend policy that is more cash flow neutral and controlled cost development, in that order. With costs and net worth at their current level, the share of costs, excluding any variable remuneration, is less than one per cent. This has been an interim goal and we are now continuing this work. In this context, however, I think it is important that shareholders not only focus on gross costs but also see that the active management creates value. Svolder has an incentive system which is consistent with shareholders' interests. It is a three-year scheme based on higher returns compared to a stock exchange index and includes a ceiling for the annual payment which, if paid out, must be invested in Svolder shares that are held for at least three years.

### Share of management costs, %

(Management costs in relation to average net worth)



## SVOLDER'S PORTFOLIO GOVERNANCE

The general meetings of shareholders for 2015 and the interim reports for the first quarter of 2016 are now history. This gives rise to a lot of comments, which are also conveyed in the formal part of the interim report. Svolder's representatives have attended most of the portfolio companies' general meetings, and in several instances we have also helped with the preparations via these companies' nomination committees. Svolder considers it important to take into account each listed company's distinctive character and the special external conditions under which they operate. We therefore strive to identify individual solutions for the boards' composition and other corporate governance, for example. There is often a need for both continuity and a desire to change, and for dependent and independent board members. The main elements can be summed up in the words professionalism, experience and commitment. We are usually in agreement with other major shareholders on these issues, but there are some situations where we think the set goals and requirements should be reflected more in incentive programmes, for example. Mainly, however, we work behind the scenes and prefer to work without being seen, so to speak.

### SMALL COMPANIES CONTINUE TO PERFORM

The slightly smaller companies on the Stockholm stock exchange have been developing far better than the larger companies for several years. One explanation is probably the stronger reliance on the Nordic markets, which have seen better economic development than other markets. Another reason could be that major asset managers in various growth countries in Asia and the Middle East have been net sellers of international shares, which has affected larger companies more than smaller companies. With this in mind, we should also praise many of the management teams, personnel and boards at the small and medium-sized companies for their professional commitment and results, both in terms of profit and value growth. For Svolder, which specialises in this category of listed company, the results have been successful over several time frames.

#### Total return<sup>1)</sup> in % on 31st May 2016

	1 year 1/6 2015 – 31/5 2016	3 years 1/6 2013 – 31/5 2016	5 years 1/6 2011 – 31/5 2016	10 years 1/6 2006 – 31/5 2016
<b>Svolder</b>				
Net worth	23	101	107	236
Share price (Class B)	27	117	124	248
<b>Stock market index</b>				
CSRX	12	90	117	208
SIXRX	-6	42	60	132

<sup>1)</sup> Total return is calculated using comparable methods to reinvestment indices and funds, i.e. assuming that the dividend paid is reinvested at the time of the dividend in underlying types of assets.

## DIVIDENDS AND STOCK PICKING CREATE ADDED VALUE

Svolder can now also sum up the 2015 dividend season with the comment that the resolved share dividends exceeded our expectations somewhat. This is particularly true of the portfolio companies **Acando**, **Troax** and **XANO**. The total yield is almost 3 per cent of the portfolio value, but this does not include **Oriflame's** dividend which is paid in late 2016 and early 2017, or the dividend capacity of the newly listed companies **Scandic Hotels** and **GARO**, which will not reach the new owners until after the 2016 financial year.

Over the past three-month period, Oriflame and GARO in particular have excelled with contributions to net worth totalling over SEK 81 million. Furthermore, the portfolio companies that had a negative return during this period are fortunately smaller and fewer in number. It is clear that Oriflame's profitable, fast-growing operations outside of the former Soviet states are now beginning to be noticed and valued by investors. The fact that the cosmetics company has also begun to resume share dividends reduces our own risk premium, and probably also that of several other portfolio managers.

### WELL PLACED IN AN ENVIRONMENT WITH MANY SELL-OFFS

During the current reporting period the company's liquid assets increased by almost SEK 150 million. This is partly due to the receipt of SEK 39 million in dividends, but also to the departure of companies like **Proact** and **Scandi Standard** from the portfolio. As a result, Svolder's liquid assets etc. were approximately SEK 206 million on the closing day, which equates to over 11 per cent of the portfolio value. We anticipate a number of potential additional positions in portfolio companies, but we are also in ongoing negotiations about involvement as an 'anchor investor' in some potential new listed companies. In general we are seeing that many companies want to join the stock exchange's main list and even more want to join more unofficial lists, such as Aktietorget and First North, although here we apply caution. We find that the quality of company and valuation varies greatly, but a large offering also creates opportunities for long-term players like Svolder. Provided there are good growth opportunities, a dedicated and experienced management team, driven long-term owners, an attractive company history, good business acumen and the ability to pay dividends in the long term, not to mention a reasonable share valuation, Svolder will be able to remain an active anchor investor. Since the investment company's equity is not affected by the current inflow or outflow from the owners, as in various unit trusts, Svolder has tremendous opportunities to apply a long-term management strategy for the benefit of portfolio companies and Svolder's shareholders alike.

*Yours faithfully*

**ULF HEDLUNDH**  
*Managing Director*



# THE EQUITIES PORTFOLIO

31/5 2016

Share	Quantity	Share price (SEK) <sup>1)</sup>	Market value (SEK m)	% of net worth	% of the company's capital <sup>2)</sup>	% of the company's votes <sup>2)</sup>
Saab	800,000	277.50	<b>222.0</b>	12.0	0.7	0.6
Troax	1,781,576	113.00	<b>201.3</b>	10.9	8.9	8.9
Acando <sup>3)</sup>	7,921,000	17.00	<b>134.7</b>	7.3	7.6	9.1
Nolato	499,892	217.00	<b>108.5</b>	5.9	1.9	1.0
GARO	700,000	147.00	<b>102.9</b>	5.6	7.0	7.0
New Wave Group	2,562,246	39.70	<b>101.7</b>	5.5	3.8	1.0
Magnolia Bostad	1,107,557	90.25	<b>100.0</b>	5.4	2.9	2.9
Scandic Hotels Group	1,261,961	62.50	<b>78.9</b>	4.3	1.2	1.2
Oriflame <sup>4)</sup>	390,000	196.20	<b>76.5</b>	4.1	0.7	0.7
Beijer Alma	400,000	190.00	<b>76.0</b>	4.1	1.3	0.7
XANO Industri	370,748	183.00	<b>67.8</b>	3.7	5.4	1.5
Klövern Class B	5,900,000	9.88	<b>58.3</b>	3.1	0.6	0.4
Platzer Fastigheter	1,296,166	44.00	<b>57.0</b>	3.1	1.4	0.5
Nobina	1,308,517	41.40	<b>54.2</b>	2.9	1.5	1.5
Boule Diagnostics	524,436	87.00	<b>45.6</b>	2.5	11.1	11.1
SSAB Class B incl. TR <sup>4)5)</sup>	1,500,000	24.96	<b>37.4</b>	2.0	0.2	0.0
AGES Industri	314,059	107.00	<b>33.6</b>	1.8	4.6	1.3
Elos Medtech	309,832	92.25	<b>28.6</b>	1.5	5.1	1.9
Orexo	523,492	48.80	<b>25.5</b>	1.4	1.5	1.5
Verisec	226,000	80.50	<b>18.2</b>	1.0	5.6	5.6
Bong	16,661,088	0.93	<b>15.4</b>	0.8	7.9	7.9
<b>Equities portfolio</b>			<b>1,644.1</b>	<b>88.8</b>		
<b>Net debt (-)/net receivable (+)</b>			<b>206.5</b>	<b>11.2</b>		
<b>Total/net worth</b>			<b>1,850.6</b>	<b>100.0</b>		
			<b>144.60</b>	<b>SEK per Svolder share</b>		

All securities holdings, except for SSAB TR, come under level I of the value hierarchy.

<sup>1)</sup> In calculating the market value (fair value), the bid price for the securities on Nasdaq Stockholm on the closing day has been used.

<sup>2)</sup> Based on outstanding shares in the portfolio company.

<sup>3)</sup> Of which 7,421,000 Acando Class B and 500,000 Acando Class A shares.

<sup>4)</sup> The above-mentioned holdings on the closing day 31st May 2016 included loaned shares as follows: 194,617 Oriflame shares and 1,000,000 SSAB shares.

<sup>5)</sup> Refers to 1,500,000 SSAB Class B shares at a bid price of SEK 18.21 and 1,500,000 SSAB TR shares valued at SEK 6.75 per share.

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 222.0 million, corresponding to 12.0 per cent of net worth. A one per cent change in Saab's share price (bid price on the closing day) affects Svolder's net worth by SEK 2.2 million, which equates to SEK 0.20 per Svolder share.

## MARKET COMMENTARY

The current reporting period, 1st March – 31st May 2016 has, unlike the previous three-month period, been characterised by growth on the world's stock markets. The Swedish stock market (SIXRX) rose a good 5.4 per cent, but was surpassed by the index for small and medium-sized companies (CSRX) which rose by a full 8.0 per cent. The global stock exchanges, calculated according to MSCI, rose by 5.3 per cent measured in SEK. The American stock markets performed particularly well.

The Swedish krona strengthened over the three-month period. The most significant increases were against the US dollar (2.7%) and the British pound (0.9%), and the krona also increased somewhat against the euro (0.3%). Growth in the Swedish economy is among the strongest in the western world, and the underlying domestic inflation is showing tendencies to increase. Sweden's central bank, the Riksbank, is therefore expected to be able to pursue a slightly less expansive monetary policy, with a lower risk of sustained negative interest rates, compared with the European Central Bank.

Growth in the world is positive, even though the adjustments made to forecasts were generally downward. There are some signs of improved economic conditions for industry from Continental Europe and possibly from China too. Although the Swedish economy is strong, the Swedish National Institute of Economic Research's monthly Economic Tendency Indicator shows a weakening in this trend, with the exception of the construction industry. Swedish households in particular are negative about finances, more when it comes to Sweden's finances than their own.

International government bond interest rates remain low.

The most prominent change during the reporting period is the recovery of the oil price, with an increase of a full 38% for Brent oil. This was partly countered by a weakened US dollar. The development of commodity prices otherwise varied greatly. Gold, aluminium and copper were stable, while iron ore and zinc rose.

Known threats to the economic recovery in the near future mainly comprise the resumed large flows of migrants to the EU and the outcome of the UK's EU referendum. This autumn's presidential elections in the USA are also mentioned as a particular trouble spot for the financial markets.

Index performance (12 months)



Source: SIX

## SHARE PRICE TRENDS

The closing price for Svolder's Class B share was SEK 133.50. This corresponds to an increase during the current reporting period of 18.9 per cent. The share's value on the closing day represented a discount of 7.7 per cent on its net worth. The Class B share was traded on all trading days during the period, with an average of approximately 4,000 shares traded each day of trading on Nasdaq Stockholm.

Trading in Svolder's Class A shares was very low. 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<sup>1)</sup> in %

	3 months 1/3 2016 – 31/5 2016	9 months 1/9 2015 – 31/5 2016	Rolling 12 months 1/6 2015 – 31/5 2016
<b>Svolder</b>			
Share price (Class B)	18.9	31.7	26.8
Net worth	11.7	27.9	23.4
<b>Stock market index</b>			
Carnegie Small Cap Return Index	8.0	17.1	12.0
SIX Return Index	5.4	1.5	-6.1

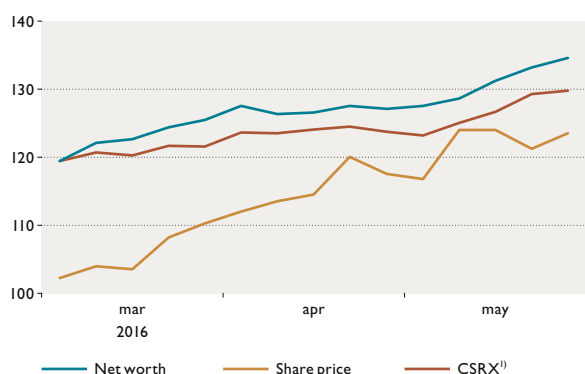
<sup>1)</sup> Total return is calculated using comparable methods to reinvestment indices and funds, i.e. assuming that the dividend paid is reinvested at the time of the dividend in underlying types of assets.

Source: Svolder, SIX and Morningstar

## CHANGE IN NET WORTH

Svolder's closing net worth was SEK 144.60 per share, which represents an increase during the current reporting period of 11.7 per cent. This figure is 3.7 percentage points better than that of the small cap index (CSRX), which increased by 8.0 per cent during the corresponding period. This can also be compared with the Swedish market as a whole (SIXRX), which increased by 5.4 per cent.

### Svolder (SEK per share) and CSRX (3 months)



<sup>1)</sup> Index-linked to net worth.

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) 1st March – 31st May 2016

	SEK m	SEK/share
<b>Net worth, 29th February 2016</b>	<b>1,656.8</b>	<b>129.40</b>
<b>Equities portfolio</b>		
Opening value	1,591.8	124.40
Purchase of shares	164.1	
Sale of shares	-271.0	
Change in value, equities portfolio	159.1	4.10
<b>Closing value</b>	<b>1,644.1</b>	<b>128.40</b>
<b>Net debt (-)/Net receivable (+)</b>		
Opening value	65.0	5.10
Share dividends received	38.6	
Other operating income	0.1	
Administrative costs	-4.0	
Net financial items	-0.1	
Sale of shares, net	106.8	11.10
<b>Closing value</b>	<b>206.5</b>	<b>16.10</b>
<b>Net worth, 31st May 2016</b>	<b>1,850.6</b>	<b>144.60</b>

Source: Svolder and SIX

As outlined in the previous interim report, Svolder acted as a so-called anchor investor in the listing of electrical products company **GARO** in March. Svolder was particularly attracted by the company's well-established business model, good profit development, strong balance sheet and stable management team. The acquisition worth SEK 51 million was the second largest in terms of value during the current reporting period. GARO develops and manufactures innovative products and total solutions for the electrical installation market under its own brand. It has operations in Sweden, Norway, Finland, Ireland and Poland. The products can be divided into four product areas. By far the largest product area is a wide range of Installation products. This is followed by Customised, which focuses on customised total solutions for cable cabinets and switchgear, for example. The two smallest product areas are Temporary Power and EV Charger. Temporary Power covers products in the areas of temporary power and workplace lighting. EV Charger offers infrastructure solutions for chargeable vehicles. All of the product areas have developed positively in recent years, with the fastest growth in EV Charger and Temporary Power. The share price has developed very positively and the holding was the largest contributor to net worth during the current reporting period.

The share price of cosmetics company **Oriflame** developed very well in 2016 and the company was a major contributor to Svolder's net worth. The company's last two interim reports have confirmed the trend with continued strong growth, chiefly in the Asia & Turkey region. At the same time the former problem area of CIS (primarily Russia and Ukraine) showed signs of stabilisation. All in all, the development in the group's various regions means a more geographically balanced exposure to risk. The operating margin has developed positively, despite continued negative currency effects. The balance sheet has strengthened considerably and the annual general meeting in May decided to resume the payment of dividends.

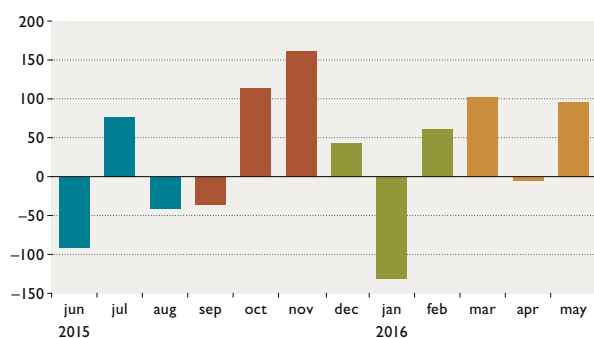
The housing development company **Magnolia Bostad** has continued to increase its project portfolio, which totalled 7,600 homes at the end of March 2016. The company has since communicated new business in accordance with its business model, which mainly involves minimising risks. The company's share price has developed particularly strongly following the interim report for the first quarter and the above-mentioned business, which is why the company is a major contributor to net worth. Svolder expects continued positive development moving forward in line with increased awareness of the company, a growing project portfolio and in the longer term listing on the Nasdaq Stockholm exchange. Svolder has used the share price's temporarily weak periods to increase its holding.

## Biggest contributors to changes in net worth 1st March – 31st May 2016

(Based on net worth of SEK 1,656.8 million or SEK 129.40 SEK/share on 29th February 2016)

	SEK m	SEK/share
GARO	51.8	4.00
Oriflame	29.3	2.30
Magnolia Bostad	20.7	1.60
New Wave Group	19.7	1.50
XANO Industri	12.7	1.00
Platzer Fastigheter	11.0	0.90
SSAB Class B incl. TR	10.1	0.80
Nobina	9.2	0.70
Boule Diagnostics	9.0	0.70
<b>Total, nine positive</b>	<b>173.5</b>	<b>13.60</b>
Bong	-2.7	-0.20
<b>Total, one negative</b>	<b>-2.7</b>	<b>-0.20</b>
Other shares	27.0	2.10
<b>Shares, total</b>	<b>197.8</b>	<b>15.50</b>
Other	-4.0	-0.30
<b>Change in value</b>	<b>193.8</b>	<b>15.10</b>

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



Excluding dividends of SEK 32.0 million (SEK 2.50/share) paid in November 2015.

## 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 206.5 million on the closing day, corresponding to 11.2 per cent of the company's net worth. This is to be compared with a net receivable of SEK 65.0 million at the beginning of the current reporting period.

## THE EQUITIES PORTFOLIO

Shares to the value of SEK 164.1 million (gross) were acquired during the current reporting period. Shares for a gross amount of SEK 271.0 million were sold during the corresponding period, and net sales hence totalled SEK 106.8 million.

New holdings during the three-month period were **GARO** and **Klövern**, while all shares in **KappAhl**, **Proact** and **Scandi Standard** were sold during the same period. On the closing day, the equities portfolio thus comprised 21 holdings.

### Major net purchases for the equities portfolio (3 months) 1st March – 31st May 2016

Share	Quantity	SEK m	SEK/share <sup>1)</sup>
Klövern Class B	5,900,000	55.4	9.40
GARO	700,000	51.1	73.00
Magnolia Bostad	246,557	17.7	71.90

<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.

Ordinary shares in **Klövern** were acquired during the current reporting period. At the same time, the share position in **Platzer** was reduced. The changes were made for valuation reasons, as **Klövern** got off to a weak start to the calendar year in 2016 and **Platzer** got off to a strong start. **Klövern's** real estate portfolio comprises commercial properties and is concentrated in the Stockholm area and in large regional centres. Furthermore, the company has informed the stock market of its development rights for residential housing purposes, which may be utilised by the company, **Platzer's** real estate portfolio in the Gothenburg area is continuing to create value. New projects are beginning and several institutional investors have begun to discover the share. This in turn has made the share more expensive and has resulted in a degree of rearrangement in **Svolder's** portfolio.

### Major net sales from the equities portfolio (3 months) 1st March – 31st May 2016

Share	Quantity	SEK m	SEK/share <sup>1)</sup>
Proact	467,436	58.0	124.10
Platzer Fastigheter	1,102,354	47.2	42.80
Scandi Standard	782,340	45.3	57.80
Nolato	75,000	17.1	227.70
Beijer Alma	80,401	15.7	195.70

<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.

During the current reporting period Svolder sold all of its shares in data storage specialist **Proact**. The company has shown a significant improvement in profitability during Svolder's three years as a shareholder. At the same time, it is evident that profitability is still burdened by some divisions which were added through acquisitions in 2010/2011. The return on Svolder's investment has been good.

During the three-month period all shares in chicken producer **Scandi Standard** were also sold. The growing demand for chicken is expected to continue. At the same time, Svolder deems that production capacity in Sweden is starting to become strained, which will entail a higher investment requirement moving forward. Frequent reports of one-off costs have also increased Svolder's risk premium on the company. The share has developed positively and now appears to be fully valued.

### LENDING OF SHARES

During the current reporting period, Svolder has lent shares to a limited extent with a Swedish bank as the counterparty. On the closing day, share lending amounted to around 3 per cent of the net worth. Income from share lending for the three-month period amounts to SEK 0.1 million and is reported as other operating income. The share lending has taken place against securities mainly in large cap companies listed on Nasdaq Stockholm, equating to approximately 105 per cent of the loaned shares' market value.

### THE PARENT COMPANY

The results for the Group and the Parent Company correspond in full. The Parent Company balance sheet is the same as for the Group with the exception of the Parent Company's holdings in subsidiaries, worth SEK 0.1 million, and a current liability of SEK 0.1 million. The Parent Company and the Group have an overdraft facility totalling SEK 200 million.

### RISKS AND UNCERTAINTY FACTORS

The identified risks and uncertainties for the Group and the Parent Company are presented on page 53 and in note 17 on page 65 of the 2014/2015 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 are deemed to have occurred subsequently.

### NOMINATIONS COMMITTEE

As reported in a press release on 11th May 2016, a Nominations Committee has been formed in accordance with a decision at the 2015 Annual General Meeting. The Nominations Committee has appointed Øystein Engebretsen (Investment AB Öresund) as its Chairman. Other members are Christoffer Lundström (Provobis Holding/Rolf Lundström), Jannis Kitsakis (Fourth AP Fund) and Fredrik Carlsson (Chairman of the Board and convener).

Shareholders wishing to submit proposals for members of the Nominations Committee may contact the Committee's Chairman: Øystein Engebretsen, Investment AB Öresund, Tel: +46 (0)8-402 33 00, E-mail: oystein.engebretsen@oresund.se

### EVENTS AFTER THE REPORTING PERIOD

The net worth on 3rd June was SEK 143 per share and the listed price was SEK 129.00.

### YEAR-END REPORT

A Year-End Report for the financial year 1st September 2015 – 31st August 2016, encompassing the 3-month report for 1st June – 31st August 2016, will be published on 23rd September 2016.

### 2016 AGM

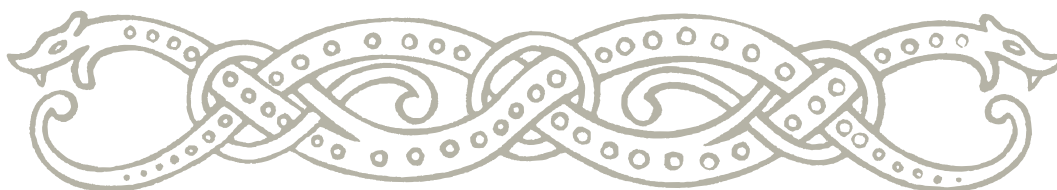
The AGM will take place in Stockholm on Thursday 15th November 2016.

Shareholders wishing to have an issue discussed at Svolder's 2016 AGM must make a written request to the Board of Directors by 30th September 2016 at the latest to: Svolder AB (publ), Board of Directors, Box 70431, SE-107 25 Stockholm, Sweden.

STOCKHOLM 10TH JUNE 2016  
SVOLDER AB (PUBL)

THE BOARD OF DIRECTORS

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





## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(SEK m)	3 months 1/3 2016 – 31/5 2016	3 months 1/3 2015 – 31/5 2015	9 months 1/9 2015 – 31/5 2016	9 months 1/9 2014 – 31/5 2015	Rolling 12 months 1/6 2015 – 31/5 2016	12 months 1/9 2014 – 31/8 2015
<b>Management operations</b>						
Dividend income	38.6	36.0	39.7	38.8	39.7	38.8
Administrative costs	-4.0	-3.7	-12.0	-11.8	-15.5	-15.3
Earnings from securities	159.1	24.2	378.7	213.8	327.8	162.8
Other operating income	0.1	1.3	1.2	3.2	2.2	4.2
<b>Operating profit</b>	<b>193.8</b>	<b>57.7</b>	<b>407.7</b>	<b>244.0</b>	<b>354.3</b>	<b>190.6</b>
<b>Profit on financial investments</b>						
Financial income	0.0	0.0	0.0	0.0	0.0	0.0
Financial expenses	-0.1	0.0	-0.2	-0.2	-0.2	-0.2
<b>Profit after financial items</b>	<b>193.8</b>	<b>57.7</b>	<b>407.5</b>	<b>243.9</b>	<b>354.1</b>	<b>190.4</b>
Tax	-	-	-	-	-	-
<b>Profit for the period</b>	<b>193.8</b>	<b>57.7</b>	<b>407.5</b>	<b>243.9</b>	<b>354.1</b>	<b>190.4</b>
Other comprehensive income	-	-	-	-	-	-
<b>Comprehensive income for the period</b>	<b>193.8</b>	<b>57.7</b>	<b>407.5</b>	<b>243.9</b>	<b>354.1</b>	<b>190.4</b>
<b>Earnings per share, SEK</b>	<b>15.10</b>	<b>4.50</b>	<b>31.80</b>	<b>19.10</b>	<b>27.70</b>	<b>14.90</b>

## CONSOLIDATED CASH FLOW STATEMENT

(SEK m)	3 months 1/3 2016 – 31/5 2016	3 months 1/3 2015 – 31/5 2015	9 months 1/9 2015 – 31/5 2016	9 months 1/9 2014 – 31/5 2015	Rolling 12 months 1/6 2015 – 31/5 2016	12 months 1/9 2014 – 31/8 2015
<b>Cash flow from operating activities before changes in working capital</b>	<b>35.0</b>	<b>33.5</b>	<b>29.6</b>	<b>27.1</b>	<b>26.7</b>	<b>24.2</b>
<b>Changes in working capital</b>						
Increase (+)/decrease (-) in current liabilities	0.1	0.0	0.1	0.0	0.1	0.0
<b>Cash flow from operating activities</b>	<b>35.1</b>	<b>33.6</b>	<b>29.7</b>	<b>27.1</b>	<b>26.8</b>	<b>24.2</b>
<b>Investing activities</b>						
Purchase of securities	-158.6	-182.6	-521.2	-320.5	-606.3	-405.6
Sales of securities	271.0	107.5	669.5	398.6	725.2	454.3
Investment in machinery and equipment	0.0	0.0	0.0	0.0	0.0	0.0
<b>Cash flow from investing activities</b>	<b>112.4</b>	<b>-75.1</b>	<b>148.3</b>	<b>78.0</b>	<b>118.9</b>	<b>48.7</b>
<b>Financing activities</b>						
Dividend paid	-	-	-32.0	-28.8	-32.0	-28.8
<b>Cash flow from financing activities</b>	<b>0.0</b>	<b>0.0</b>	<b>-32.0</b>	<b>-28.8</b>	<b>-32.0</b>	<b>-28.8</b>
Increase (+)/decrease (-) in liquid assets	147.5	-41.6	145.9	76.3	113.7	44.0
Liquid assets at beginning of period	67.2	142.6	68.7	24.7	101.0	24.7
<b>Liquid assets at end of period</b>	<b>214.6</b>	<b>101.0</b>	<b>214.6</b>	<b>101.0</b>	<b>214.6</b>	<b>68.7</b>

## CONSOLIDATED KEY RATIOS PER SHARE

(SEK m)	3 months 1/3 2016 – 31/5 2016	3 months 1/3 2015 – 31/5 2015	9 months 1/9 2015 – 31/5 2016	9 months 1/9 2014 – 31/5 2015	Rolling 12 months 1/6 2015 – 31/5 2016	12 months 1/9 2014 – 31/8 2015
Change in net worth, SEK	15.10	4.50	29.30	16.80	25.20	12.60
Dividend paid during the period, SEK	-	-	2.50	2.25	2.50	2.25
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 and dividends.

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

## CONSOLIDATED BALANCE SHEET

### Assets

(SEK m)	31/5 2016	29/2 2016	31/8 2015	31/5 2015	28/2 2015	31/8 2014
<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	1,644.1	1,591.8	1,408.5	1,431.4	1,326.1	1,291.9
<b>Current assets</b>						
Current receivables	0.5	0.6	0.8	3.5	5.5	12.8
Cash and bank balances	214.6	67.2	68.7	101.0	142.6	24.7
<b>Total assets</b>	<b>1,859.4</b>	<b>1,659.7</b>	<b>1,478.2</b>	<b>1,536.0</b>	<b>1,474.4</b>	<b>1,329.5</b>

### Shareholders' equity and liabilities

(SEK m)	31/5 2016	29/2 2016	31/8 2015	31/5 2015	28/2 2015	31/8 2014
<b>Shareholders' equity</b>	<b>1,850.6</b>	<b>1,656.8</b>	<b>1,475.0</b>	<b>1,528.5</b>	<b>1,470.8</b>	<b>1,313.4</b>
<b>Liabilities</b>						
Current liabilities	8.8	2.9	3.1	7.5	3.5	16.1
<b>Total liabilities and shareholders' equity</b>	<b>1,859.4</b>	<b>1,659.7</b>	<b>1,478.2</b>	<b>1,536.0</b>	<b>1,474.4</b>	<b>1,329.5</b>

## CHANGES IN SHAREHOLDERS' EQUITY

(SEK m)	3 months 1/3 2016 – 31/5 2016	3 months 1/3 2015 – 31/5 2015	9 months 1/9 2015 – 31/5 2016	9 months 1/9 2014 – 31/5 2015	12 months 1/9 2014 – 31/8 2015
<b>Opening balance</b>	<b>1,656.8</b>	<b>1,470.8</b>	<b>1,475.0</b>	<b>1,313.4</b>	<b>1,313.4</b>
Dividend paid	-	-	-32.0	-28.8	-28.8
Comprehensive income for the period	193.8	57.7	407.5	243.9	190.4
<b>Closing balance</b>	<b>1,850.6</b>	<b>1,528.5</b>	<b>1,850.6</b>	<b>1,528.5</b>	<b>1,475.0</b>

## CONSOLIDATED KEY RATIOS PER SHARE

(SEK m)	31/5 2016	29/2 2016	31/8 2015	31/5 2015	28/2 2015	31/8 2014
Net worth per share, SEK	144.60	129.40	115.20	119.40	114.90	102.60
Share price (Class B), SEK	133.50	112.25	103.50	107.50	103.25	92.75
Net worth, premium (+)/discount (-), %	-8	-13	-10	-10	-10	-10
Liquidity (+)/Borrowing (-), %	11	4	5	6	10	2
Equity/assets ratio, %	100	100	100	100	100	100
Number of shares, million	12.8	12.8	12.8	12.8	12.8	12.8

Definitions as in the Annual Report for 2014/2015. Amounts per share have been rounded off to the nearest SEK 0.1 throughout the Interim Report, except for share prices and dividends. The company has no ongoing programmes of financial instruments that entail any dilution in the number of shares. The number of outstanding shares equals 12,800,000.

## ACCOUNTING PRINCIPLES

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

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

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

## REVIEW REPORT

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

### Introduction

We have reviewed this Interim Report for the period 1st September 2015 to 31st May 2016 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

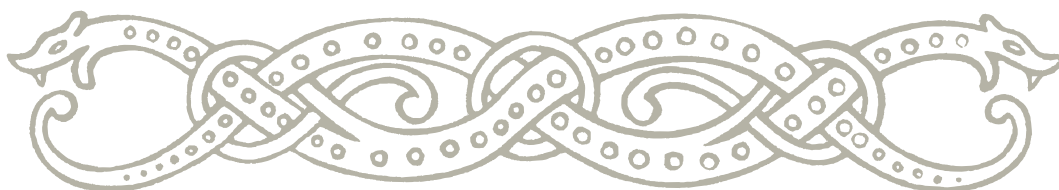
We conducted our review in accordance with the International Standard on Review Engagements (ISRE) 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying 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 10TH JUNE 2016  
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 SMALL AND MEDIUM-SIZED LISTED SWEDISH COMPANIES. THE COMPANY'S SHARES ARE LISTED ON NASDAQ STOCKHOLM AB. SVOLDER'S NET WORTH IS PUBLISHED WEEKLY AND APPEARS ON THE COMPANY'S WEBSITE AT [WWW.SVOLDER.SE](http://WWW.SVOLDER.SE)



SVOLDER

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