



# SVOLDER

## INTERIM REPORT I 2005/2006

Current reporting period: 1<sup>ST</sup> September–30<sup>TH</sup> November 2005 (3 months)

*Svolder is a dedicated investment trust that invests in the shares of listed small and medium-sized Swedish companies. The company is listed on the "O" list of the Stockholm Stock Exchange. Svolder's net worth is published weekly and appears on the company's website, [www.svolder.se](http://www.svolder.se)*

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

- The company reported a result for the interim period (3 months) of SEK 86.1 million (SEK 48.4 m), corresponding to SEK 6.70 (SEK 3.80) per share.
- The net worth rose by 11.4%, adjusted for dividends, to SEK 62.60 per share.
- The listed price of the class B share rose by 14.3%, adjusted for dividends, to SEK 62.75 per share.
- The CSX small business index and the Stockholm Stock Exchange's OMXS index rose by 9.9% and 7.8%, respectively.
- The closing premium on net worth was 0.3%.
- The net worth on 9th December was SEK 64 and the listed price was SEK 62.7.
- This is the Group's first Interim Report in accordance with IFRS.

### Major contributors to the net worth (3 months)    Major changes in the equities portfolio (3 months)



#### Positive:

Beijer Electronics, Beijer Alma, Saab, Scribona and Nolato



#### Negative:

Observer and Höganäs



#### Bought:

Kinnevik, AcandoFrontec and SAS



#### Sold:

WM-data and Haldex

This interim report 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 true value and in which changes in true value throughout a full reporting period affect the result. The true 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 year's reports, the most recent price paid was used. Comparative figures for last year 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 time concepts of "the current reporting period" and "the three-month period" refer to the period from 1st September to 30th November 2005.

The stock market trend was positive during the current reporting period. The American technology exchange, NASDAQ, rose by 3.8 per cent in US dollars, whilst the global index rose by 3.1 per cent, measured in the same currency. If these figures are converted into Swedish kronor, the increase equals around 10 per cent for both of these indices.

The Stockholm Stock Exchange reported a rise of 7.8 per cent during the three-month period, according to the broad market index, OMXS (OMX Stockholm Price Index). All of the main sectors covered by the index performed positively. Shares in Capital goods and Commercial services saw the biggest rise, with the smallest increases seen in the Consumer staples and Consumer discretionary & services sectors. According to CSX, the small business market rose by 9.9 per cent.

#### INDEX PERFORMANCE, 12 MONTHS



The stock market suffered a temporary downturn in October as a result of growing concerns about rising inflation and increased interest rates. Prices began to rise once more as the listed companies presented their financial reports for the third quarter of 2005. These reports were generally strong and led to upwardly adjusted profit forecasts. The promising economic outlook for early 2006 and positive exchange rate effects from the weakening of the krona contributed to this rosy picture. Profit forecasts were also boosted by falling oil prices.

Interest rates with both short and long terms rallied

in Sweden during the current reporting period. Interest rate levels did, however, continue low and are almost one half of a percentage point down on levels twelve months ago. The low level of Swedish interest rates in comparison with those of other countries also probably goes some way towards explaining the krona's weakening during the period, falling just over 6 per cent in value against the US dollar. The fall against the euro stopped at 2 per cent down.

#### Share price trends

The closing price paid for Svolder's class B share was SEK 62.75, corresponding to a rise during the current reporting period of 14.3 per cent, adjusted for dividends. The share's value on the closing day represented a premium of 0.3 per cent on its net worth. The class B share was traded on all of the trading days during the period, with an average of just over 26,000 shares traded on each day of trading. Trading in Svolder's class A share was limited. Under the terms of Svolder's Articles of Association, class A shareholders wishing to convert class A shares into class B shares may do so by application to the Board.

#### SVOLDER<sup>1)</sup> AND CSX, 3 MONTHS (SEK per share)



<sup>1)</sup>The dividend paid by Svolder (SEK 3.00 per share) has resulted in a fall in the net worth and the price up until the payment date in November.

#### Change in net worth

Svolder's closing net worth per share was SEK 62.60 per share, which represents an increase during the current reporting period of 11.4 per cent, including the dividend paid to shareholders. This increase exceeds that shown by the CSX benchmark index, which rose by 9.9 per cent during the corresponding period, by 1.5 per cent. The positive relative change in net worth is primarily due to the high number of shares in the Technology hardware & equipment, and Capital goods subsidiary sectors. The Materials sector portfolio companies, however, deviated negatively from this trend. Borrowing against the equities portfolio has, furthermore, had a positive effect on the change in net worth.

#### NET WORTH TREND, PER CENT

	3 months
Change in value, equities portfolio	11.0
Borrowing effect	0.8
Administration costs	-0.4
<b>Change in net value before dividend paid</b>	<b>11.4</b>

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. 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. The Net Worth Trend table includes this effect in the "Borrowing effect" item, which also includes the cost of borrowing. The net worth trend was particularly healthy during the current reporting period, as a result of borrowing. The company's administration costs are, furthermore, also charged to the net worth. The Net Worth Trend table describes these effects on the net worth, and is calculated on the basis of component closing values, with adjustments for securities bought and sold.

#### TOTAL RETURN, PER CENT

	Rolling		
	3 months	12 months	12 months
	1 <sup>ST</sup> Sept 05– 30 <sup>TH</sup> Nov 05	1 <sup>ST</sup> Dec 04– 30 <sup>TH</sup> Nov 05	1 <sup>ST</sup> Sept 04 – 31 <sup>ST</sup> Aug 05
Share price (class B) <sup>1)</sup>	14.3	41.7	34.9
Net worth <sup>1)</sup>	11.4	44.1	38.7
CSX <sup>2)</sup>	9.9	39.0	43.1
OMXS <sup>2)</sup>	7.8	26.1	27.8

1) Including dividend paid during the period.

2) Excluding underlying dividends.

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

#### BIGGEST CONTRIBUTORS TO CHANGE IN NET WORTH

1<sup>ST</sup> September–30<sup>TH</sup> November 2005

(Based on net worth of SEK 753.1 million or SEK 58.80/share on 31st August 2005)<sup>1)</sup>

	SEK m	SEK/share <sup>2)</sup>
Beijer Electronics	16.2	1.30
Beijer Alma	11.9	0.90
Saab	10.9	0.90
Scribona B	7.5	0.60
Nolato	6.9	0.50
Telelogic	5.4	0.40
Peab	5.3	0.40
Axis	5.2	0.40
<b>Total, eight positive</b>	<b>69.3</b>	<b>5.40</b>
Höganäs	-2.6	-0.20
Observer	-3.9	-0.30
<b>Total, two negative</b>	<b>-6.5</b>	<b>-0.50</b>
<b>Other shares</b>	<b>27.3</b>	<b>2.10</b>
<b>Shares, total</b>	<b>90.0</b>	<b>7.00</b>
Other	-3.9	-0.30
<b>Change in value before dividend</b>	<b>86.2</b>	<b>6.70</b>

<sup>1)</sup> The market values have been recalculated to the bid price, in accordance with IAS 39, rather than to the most recent price paid, as was previously the case.

<sup>2)</sup> SEK per share is rounded off to the nearest whole ten öre.

The market for industrial automation in the Nordic region has improved markedly as a result of a previously pent up need for investment amongst industrial companies, and increased demands for improvements in efficiency. These factors, coupled with continued high levels of demand for operator terminals, has helped bring about the healthy improvement in Beijer Electronics' sales and net profit performance during the last few quarters. The recently acquired Hitech Electronics in Taiwan is performing better than expected. Hitech's products are in the process of being launched in Europe and the USA, in a move which coincides with the introduction of Beijer Electronics' own terminals in Asia. The Group is en route to its best year ever in terms both of net sales and profit.

Beijer Alma's continued healthy profit performance is pleasing to see. The Interim Report for the third quarter was very strong, as were those for the preceding two quarters. The main cause for satisfaction in the third quarter came from the subsidiary company, Habia, but Lesjöfors' successes also showed no sign of tapering off. The Group management also made positive statements about the end of 2005, and Svolder expects an extremely strong fourth quarter in terms of profits, forecasting a substantial increase in dividends paid in the light of the strong Balance Sheet and the promising outlook for the future. The valuation remains attractive, the rise in the share price notwithstanding.

#### NET WORTH TREND, 1<sup>ST</sup> Sept–30<sup>TH</sup> Nov 2005

	SEK m	SEK/share
<b>Net worth, 31st Aug 2005</b>	<b>753.1</b>	<b>58.80<sup>1)</sup></b>
<b>The equities portfolio</b>		
Opening value	<b>814.9</b>	<b>63.70<sup>1)</sup></b>
Purchases	168.3	
Sales	-130.2	
Change in value, equities portfolio	90.0	<b>128.1</b>
Closing value	<b>943.0</b>	<b>73.70</b>
<b>Net debt</b>		
Opening value	<b>-61.8</b>	<b>-4.80</b>
Dividend entered as liability	-38.4	
Administration costs	-3.3	
Net financial items	-0.5	
Purchase of shares, net	-38.1	<b>-80.3</b>
Closing value	<b>-142.1</b>	<b>-11.10</b>
<b>Net worth</b>	<b>800.8</b>	<b>62.60</b>

<sup>1)</sup> Calculated on the basis of bid prices of the holdings (IFRS). In previous reports, calculations were made on the basis of most recent prices paid. The difference comprises -SEK 3.0 million (-SEK 0.20/share).

#### The equities portfolio

Shares were acquired for SEK 168.3 million (gross) and sold for SEK 130.2 million (gross) during the current reporting period. A dividend payment of SEK 38.4 million was made to the shareholders for the 2004/2005 financial year. Borrowing, including dividends entered as a liability and share transactions in the course of settlement etc., totalled SEK 142.2 million on the closing day, corresponding to 17.8 per cent of the company's net worth. New holdings in SAS and Gunnebo Industrier were acquired during the three-month period. All shares in WM-data, Haldex, PartnerTech, Alfa Laval and Invik were sold. On the closing day, the portfolio thus comprised 24 holdings.

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

Sept–Nov 2005

Share	Number	SEK m	SEK/share <sup>1)</sup>
Kinnevik	380 000	23.8	62.60
AcandoFrontec	2 473 000	22.8	9.20
SAS	236 000	19.4	82.00
Getinge	100 000	10.2	101.90
New Wave	151 600	9.6	63.00

<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.

The discount on **Kinnevik's** share in relation to an estimated net worth has risen during the reporting period. The key areas of the company's business in terms of its value have, at the same time, defended their market positions and profits well. This is particularly true of the associated companies, MTG and Tele2. Kinnevik owns an attractive group of companies, from a net worth perspective, and when the holdings are also at a discount, the Kinnevik share looks even more interesting. The share holding has consequently been enlarged during the accounting period to the tune of SEK 23.8 million. The share has, to date during the 2005/2006 financial year, contributed SEK 1.5 million to the total net worth of the portfolio.

After a slightly poorer than expected Q3 report for **AcandoFrontec**, the outlook for the remainder of 2005 and 2006 as a whole is deemed, by contrast, to be good, particularly in the light of the strong market in Stockholm, where the company conducts half of its operations. If AcandoFrontec also manage to succeed in attracting new employees and, consequently, in growing, the company will report a further improvement in its net profits. The holding was increased during the quarter by SEK 22.8 million.

**SAS** has, in common with the majority of the other European airlines, reported successively better and better results in 2005. This has been achieved through substantial cost cutting, but also, in recent months, through a pronounced improvement in capacity utilisation. High fuel costs, rising airport charges, possible industrial disputes and stiff competition from low cost airlines pose a constant threat to SAS' laborious progress towards becoming a profitable company. The forecast cash flow and results for 2006 and 2007 do, however, make the share attractive in the short to medium term. The shares have contributed SEK 2.4 million to net worth during the three-month period.

## NET SALES FROM THE EQUITIES PORTFOLIO

(3 months) Sept–Nov 2005

Share	Number	SEK m	SEK/share <sup>1)</sup>
WM-data	1 082 000	22,9	21,20
Haldex	140 000	19,7	140,50
ProfilGruppen	145 800	9,3	63,70
PartnerTech	99 700	9,2	92,00
Intrum Justitia	114 400	8,0	70,30

<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.

**WM-data's** most recent quarterly reports proved a positive surprise for the market and the company is well on the way to achieving its long-term margin goal of 10 per cent. Question marks remain, however, with regard to the

integration of its acquisition, Atos Origin. The portfolio holding was sold as the valuation was clearly higher than that of the majority of listed consultancy companies.

After a period when the share price of the manufacturing company, **Haldex**, performed well, the valuation was deemed less attractive, and the holding was sold in its entirety.

## The Parent Company

The result for the Group and the Parent Company correspond in full. The Parent Company and the Group have an overdraft facility of SEK 300 million, SEK 108.8 million was utilised, as of the closing day.

## 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 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. The effects of this transition are presented in greater depth in Appendix 1.

## Next Interim Report

The report for the period from 1st September 2005 to 28th February 2006 (6 months), together with that for the current reporting period from 1st December 2005 to 28th February 2006, will be published on 21st March 2006.

Stockholm, 14th December 2005  
SVOLDER AB (publ)

Ulf Hedlundh  
Managing Director

For additional information, please contact:  
Ulf Hedlundh, Managing Director 08-440 3773  
Johan Forslund, Assets/IR Manager 08-440 3774

*This Interim Report has not been subject to specific examination by the company's auditors.*

## THE EQUITIES PORTFOLIO, 30<sup>TH</sup> NOVEMBER 2005

Sector/share	No. of shares	Price <sup>1)</sup> (SEK)	Market value (SEK m)	% of net worth	Total net worth, %	Sector weighting in CSX, %	Acc. change in value <sup>2)</sup> , %	Gross exposure <sup>3)</sup> (SEK)
<b>Energy &amp; utilities</b>					-	2.9	-	
<b>Materials</b>					4.5	10.3	-0.1	
Höganäs	140 000	165.00	23.1	2.9				1.80
ProfilGruppen	190 200	66.25	12.6	1.6				1.00
<b>Capital goods</b>					30.4	19.9	4.4	
Beijer Alma	408 800	194.00	79.3	9.9				6.20
Saab	428 600	153.50	65.8	8.2				5.10
Trelleborg	420 000	133.50	56.1	7.0				4.40
Peab	432 200	98.50	42.6	5.3				3.30
<b>Commercial services</b>					10.6	3.0	-0.2	
Observer	1 350 000	28.50	38.5	4.8				3.00
Intrum Justitia	407 000	70.75	28.8	3.6				2.20
Nefab	187 600	50.75	9.5	1.2				0.70
Gunnebo Industrier	58 500	111.50	6.5	0.8				0.50
Besthand, inc. conv. loans	9 951 247	0.12	1.2	0.1				0.10
<b>Transport</b>					2.7	3.3	0.3	
SAS	236 000	92.00	21.7	2.7				1.70
<b>Consumer discretionary &amp; services</b>					2.7	12.0	0.5	
New Wave	285 000	76.50	21.8	2.7				1.70
<b>Consumer staples</b>					-	2.5	-	
<b>Healthcare</b>					9.3	10.7	0.1	
Getinge	500 000	104.00	52.0	6.5				4.10
Biacore	110 000	205.00	22.6	2.8				1.80
<b>Financial &amp; real estate</b>					11.0	25.2	0.4	
Kinnevik B	1 005 000	65.00	65.3	8.2				5.10
OMX	220 000	104.50	23.0	2.9				1.80
<b>Software &amp; services</b>					16.4	6.4	1.2	
AcandoFrontec	6 646 000	10.25	68.1	8.5				5.30
Telelogic	3 300 000	19.10	63.0	7.9				4.90
<b>Technology hardware &amp; equipment</b>					30.2	3.6	5.3	
Beijer Electronics	637 200	117.50	74.9	9.3				5.80
Scribona B	2 700 000	18.20	49.1	6.1				3.80
Nolato	634 800	75.00	47.6	5.9				3.70
Axis	800 000	48.00	38.4	4.8				3.00
XPonCard	160 000	197.00	31.5	3.9				2.50
<b>Telecom operators</b>					-	0.2	-	
<b>Liquid assets etc.</b>			-142.2	-17.8	-17.8	-	-0.1	-11.10
<b>Total/net worth</b>			<b>800.8</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>11.9</b>	<b>62.60</b>
<b>Change in value after management costs, 3 months (ex. paid dividend)</b>							<b>11.4</b>	

<sup>1)</sup> Bid price, as per IAS 39.

<sup>2)</sup> Based on values converted to the bid price as of 31st August 2005, as per IAS 39.

<sup>3)</sup> Market value per Svolder share.

The following information can, for example, be obtained from the table. Svolder's largest holding is Beijer Alma, which has a market value of SEK 79.3 million, corresponding to 9.9 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 30.4 per cent of Svolder's net worth. The corresponding weighting for the Capital goods sector in CSX totals 19.9 per cent, and the portfolio is hence overweighted in terms of companies in the Capital goods sector in relation to CSX. Shares in this sector accounted for 4.4 percentage points of the change in Svolder's net worth to date during the 2005/2006 financial year.

## CONSOLIDATED INCOME STATEMENT

(SEK m)			Rolling	
	3 months	3 months	12 months	12 months
	01/09/2005– 30/11/2005	01/09/2004– 30/11/2004	01/12/2004– 30/11/2005	01/09/2004– 31/08/2005
<b>Management operations</b>				
Dividend income	-	-	13.7	13.7
Administration costs	-3.3	-3.7	-13.0	-13.4
Earnings from securities	90.0	52.0	256.6	218.6
<b>Operating profit</b>	<b>86.7</b>	<b>48.3</b>	<b>257.3</b>	<b>218.9</b>
<b>Profit on financial investments</b>				
Financial income	0.0	0.1	0.2	0.3
Financial expenses	-0.6	0.0	-0.8	-0.2
<b>Result after financial items</b>	<b>86.1</b>	<b>48.4</b>	<b>256.7</b>	<b>219.0</b>
Tax	-	-	-	-
<b>Profit for the period</b>	<b>86.1</b>	<b>48.4</b>	<b>256.7</b>	<b>219.0</b>
Earnings per share, SEK	6.70	3.80	20.10	17.10

## CONSOLIDATED CASH FLOW STATEMENT

			Rullande	
	3 months	3 months	12 months	12 months
	01/09/2005– 30/11/2005	01/09/2004– 30/11/2004	01/12/2004– 30/11/2005	01/09/2004– 31/08/2005
<b>Cash flow from current operations</b>				
<b>before changes in working capital</b>	<b>-4.9</b>	<b>-4.6</b>	<b>0.8</b>	<b>1.1</b>
<b>Changes in working capital</b>				
Increase (+)/decrease (-) in current liabilities	0.8	0.4	0.5	0.1
<b>Cash flow from current operations</b>	<b>-4.1</b>	<b>-4.2</b>	<b>1.3</b>	<b>1.2</b>
<b>Investment operations</b>				
Purchase of securities	-172.5	-18.5	-481.3	-327.3
Sale of securities	126.4	82.0	339.4	295.0
Investment in machinery & equipment	0.0	0.0	0.0	0.0
<b>Cash flow from investment operations</b>	<b>-46.1</b>	<b>63.5</b>	<b>-141.8</b>	<b>-32.2</b>
<b>Financial operations</b>				
Loans raised	50.2	-	108.8	58.6
Dividend paid	-	-30.7	-	-30.7
<b>Cash flow from financial operations</b>	<b>50.2</b>	<b>-30.7</b>	<b>108.8</b>	<b>27.9</b>
Increase (+)/decrease (-) in liquid assets	-	28.6	-31.7	-3.2
Liquid assets at beginning of period	-	3.2	31.7	3.2
<b>Liquid assets at end of period</b>	<b>0.0</b>	<b>31.7</b>	<b>0.0</b>	<b>0.0</b>

## CONSOLIDATED KEY RATIOS PER SHARE

			Rullande	
	3 months	3 months	12 months	12 months
	01/09/2005– 30/11/2005	01/09/2004– 30/11/2004	01/12/2004– 30/11/2005	01/09/2004– 31/08/2005
Change in net worth, SEK	3.70	1.40	17.10	14.70
Dividend paid during period, SEK	3.00	2.40	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 SHEET

(SEK m) 30/11/2005 30/11/2004 31/08/2005 31/08/2004

### ASSETS

#### Fixed assets

##### Tangible fixed assets

Equipment 0.2 0.2 0.2 0.3

##### Financial fixed assets

Securities holdings 943.0 560.9 814.9 563.9

#### Current assets

Current receivables 8.4 5.9 4.5 0.3

Cash and bank - 31.7 - 3.2

**Total assets 951.7 598.7 819.5 567.7**

### SHAREHOLDERS' EQUITY & LIABILITIES

**Shareholders' equity <sup>1)</sup> 800.8 582.5 753.1 564.9**

#### Liabilities

Current liability to credit institution 108.8 - 58.6 -

Current liabilities 42.1 16.2 7.9 2.8

**Total liabilities and shareholders' equity 951.7 598.7 819.5 567.7**

## CONSOLIDATED KEY RATIOS

	30/11 2005	30/11 2004	31/8 2005	31/8 2004
Net worth per share, SEK	62.60	45.50	58.80	44.10
Market price (B), SEK	62.75	46.40	57.50	44.40
Net worth, premium (+)/discount (-), %	0.3	2.0	-2.3	0.6
Liquidity (+)/Borrowing (-), %	-17.4	4.0	-7.8	0.6
Equity/assets ratio, %	84	99	92	100
Number of shares, million	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)	30/11 2005	30/11 2004	31/8 2005
Opening balance <sup>a)</sup>	756.1	567.3	567.3
Adjustment for new accounting principles <sup>b)</sup>	-3.0	-2.4	-2.4
<b>New opening balance</b>	<b>753.1</b>	<b>564.9</b>	<b>564.9</b>
Dividend paid	-38.4	-30.7	-30.7
Result for the period	86.1	48.4	219.0
<b>Closing balance</b>	<b>800.8</b>	<b>582.5</b>	<b>753.1</b>

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

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

## APPENDIX I

### TRANSITION TO REPORTING IN ACCORDANCE WITH IFRS

As of this Interim Report, 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	85.4	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>4.6</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>4.6</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>4.6</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>0.40</b>	<b>17.10</b>

### CONSOLIDATED BALANCE SHEETS

(SEK m)	31/08/2004		IFRS 01/09/2004		31/08/2005		IFRS 01/09/2005	
		Adjustment <sup>1)</sup>				Adjustment <sup>1)</sup>		
<b>ASSETS</b>								
<b>Fixed assets</b>								
<i>Tangible fixed assets</i>								
Equipment	0.3		0.3	0.2		0.2		0.2
<i>Financial fixed assets</i>								
Securities holdings	566.3	-2.4	563.9	817.9	-3.0	814.9		814.9
<b>Current assets</b>								
Current receivables	0.3		0.3	4.5		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>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>753.1</b>
<b>Liabilities</b>								
Current liability to credit institution	-		-	58.6		58.6		58.6
Current liabilities	2.8		2.8	7.9		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>		<b>819.5</b>

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

