



SVOLDER

INTERIM REPORT II 2005/2006

Interim period: 1ST September 2005–28TH February 2006 (6 months)

Current reporting period: 1ST December 2005–28TH February 2006 (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.

Result for the interim period (6 months)

- The company reported a result for the interim period (6 months) of SEK 239.7 million (SEK 134.4 m), corresponding to SEK 18.70 (SEK 10.50) per share.
- The net worth rose by 31.8%, adjusted for dividends, to SEK 74.60 per share.
- The listed price of the class B share rose by 18.7%, adjusted for dividends, to SEK 65.25 per share.
- The CSX Small Cap Index and the Stockholm Stock Exchange's OMXS index rose by 28.0% and 19.9% respectively.
- The closing discount on net worth was 12.5%.

Result for the current reporting period (3 months)

- The company reported a result for the period (3 months) of SEK 153.6 million (SEK 86.0 m), corresponding to SEK 12.00 (SEK 6.70) per share.
- The net worth rose by 19.2% to SEK 74.60 per share.
- The listed price of the class B share rose by 4.0% to SEK 65.25 per share.
- The CSX Small Cap Index and the Stockholm Stock Exchange's OMXS index rose by 16.5% and 11.2% respectively.
- The net worth on 17th March was SEK 78 per share and the listed price was SEK 70.

Major contributors to the net worth (3 months)



Positive:

AcandoFrontec,
Kinnevik and Beijer Alma



Negative:

Intrum Justitia

Major changes in the equities portfolio (3 months)



Bought:

Beijer Alma, Ratos
and Clas Ohlson



Sold:

Scribona, OMX, SAS
and Kinnevik

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 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 December 2005 to 28th February 2006.

The stock market trend remained positive during the current reporting period. The American technology exchange, NASDAQ, rose by 2.2 per cent in US dollars, while the global index rose by 6.3 per cent, measured in the same currency.

The Stockholm Stock Exchange reported a rise of 11.2 per cent during the three-month period, according to OMXS (OMX Stockholm Price Index). At the same time share trading reached new record levels. All the main sectors covered by the index performed positively. Shares in Materials, Energy and Capital goods saw the biggest rises, with the smallest increases seen in the IT and Healthcare sectors. According to CSX, the small business market rose by as much as 16.5 per cent. The 2005 year-end financial statements of listed companies lived up to the market's expectations and many companies also proposed substantial dividend increases and delivered positive assessments of future performance.

INDEX PERFORMANCE, 12 MONTHS



Interest rates with both short and long terms rallied in Sweden during the current reporting period. Sweden's central bank, the Riksbank, increased the key interest rates on two occasions, helping to shrink the interest rate gap with other countries. The Swedish krona strengthened against the most important currencies.

Share price trend

The closing price paid for Svolder's class B share was SEK 65.25, corresponding to a rise during the current reporting period of 4.0 per cent. The share's value on the closing day represented a discount of 12.5 per cent on its net worth. The class B share was traded on all the trading days during the period, with an average of approximately 23,600 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 AND CSX, 3 MONTHS (SEK per share)



Change in net worth

Svolder's closing net worth per share was SEK 74.60, which represents an increase during the current reporting period of 19.2 per cent. This increase exceeds that shown by the CSX benchmark index, which rose by 16.5 per cent during the corresponding period, by 2.7 per cent. The positive relative change in net worth is primarily due to three of the company's largest holdings in terms of value – AcandoFrontec, Kinnevik and Beijer Alma. The selection of shares for the portfolio has been successful in all areas except the Materials sector, where the absence of shares in mining, forestry and steel companies had a negative impact on relative comparison. For more details, the reader is referred to the section under the heading "Borrowing".

TOTAL RETURN, PER CENT

	3 months 1 ST Dec 05– 28 TH Feb 06	6 months 1 ST Sept 05– 28 TH Feb 06	Rolling 12 months 1 ST Mar 05– 28 TH Feb 06
Share price (class B) ¹⁾	4.0	18.7	45.5
Net worth ¹⁾	19.2	31.8	48.5
CSX ²⁾	16.5	28.0	42.8
OMXS ²⁾	11.2	19.9	32.3

1) Including dividend paid during the period.

2) Excluding underlying dividends.

Svolder's equities portfolio is not an index portfolio. Instead, investment decisions are 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 may therefore differ substantially between different accounting periods.

BIGGEST CONTRIBUTORS TO CHANGE IN NET WORTH

1ST December–28TH February 2006

(Based on net worth of SEK 800.8 million or SEK 62.60/share on 30th November 2005)

	SEK m	SEK/share ¹⁾
AcandoFrontec	32.7	2.60
Kinnevik B	29.4	2.30
Beijer Alma	21.1	1.60
Trelleborg	13.2	1.00
Observer	10.0	0.80
OMX	7.8	0.60
Saab	7.1	0.60
Getinge	6.3	0.50
Scribona B	4.3	0.30
Total, nine positive	131.8	10.30
Intrum Justitia	-0.8	-0.10
Total, one negative	-0.8	-0.10
Other shares	26.4	2.10
Shares total	157.3	12.30
Other	-3.8	-0.30
Change of value	153.6	12.00

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

The autumn of 2005 saw a marked improvement in demand in the Stockholm market, which is of strategic importance to IT consultants. This was deemed to benefit AcandoFrontec in particular, leading to further purchases of its shares at that time. Just after the new year, AcandoFrontec announced its intention to acquire Resco and e-motion technology, thereby providing a major boost to the company's offering of SAP related services. The acquisitions were, just like AcandoFrontec's financial results for 2005, greeted very positively by the stock market.

Svolder's acquisition of Resco shares took place after AcandoFrontec submitted its public share offering. Since the end of the current reporting period, Svolder has accepted the offer to convert its Resco shares into a corresponding holding in AcandoFrontec.

NET WORTH TREND (3 mån)

	SEK m	SEK/share
Net worth, 1st December 2005	800.8	62.60
The equities portfolio		
Opening value	943.0	73.70
Purchases	154.7	
Sales	-192.3	
Change in value, equities portfolio	157.4	119.8
Closing value	1062.8	83.00
Net debt		
Opening value	-142.2	-11.10
Administration costs	-3.0	
Net financial items	-0.8	
Sale of shares, net	37.6	33.8
Closing value	-108.3	-8.50
Net worth, 28th February 2006	954.4	74.60

The Board of Directors of Kinnevik's associated company, Millicom, announced on 19th January that it would, based on a number of enquiries from parties interested in acquiring all or part of Millicom, be evaluating the possibility of selling this rapidly growing telecom operator. The announcement boosted the price of the Kinnevik share following the high discount and weak rise in the share prices of several of its portfolio holdings that the company had to contend with in 2005.

Borrowing

The net debt includes, among other things, non-liquidated share trading transactions and totalled SEK 108.3 million on the closing date, corresponding to 11.4 per cent of the company's net worth.

Svolder's net worth trend is primarily determined by the equities portfolio's results. The portfolio's performance can be compared with that of a benchmark index, such as CSX or OMXS, as well as on the basis of long-term absolute return requirements. Borrowing strengthens the result, because the value of the equities portfolio then exceeds the net worth. This leverage effect, as it is known, can be both positive and negative. During the current reporting period, borrowing against the portfolio is estimated to have made a positive contribution to net worth of just under SEK 20 million, corresponding to just over 2 per cent of the growth in value for the period.

The equities portfolio

Shares were acquired for SEK 154.7 million (gross) and sold for SEK 192.3 million (gross) during the current reporting period.

New holdings in Ratos, Clas Ohlson and Resco were acquired during the three-month period. All shares in Scribona, OMX, SAS, ProfilGruppen and Gunnebo Industrier were sold. On the closing day, the portfolio thus comprised 22 holdings.

NET PURCHASES FOR THE EQUITIES PORTFOLIO (3 months)

1st December 2005–28th February 2006

Share	Number	SEK m	SEK/share ¹⁾
Beijer Alma	213 600	42.8	200.10
Ratos	100 000	20.0	200.00
Clas Ohlson	100 000	14.5	144.90
Nefab	212 400	12.7	59.90
Beijer Electronics	96 900	11.4	117.30

¹⁾ 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 largest net purchase for the equities portfolio during the current reporting period was **Beijer Alma**. The main reasons for increasing this holding were its attractive valuation in relation to expectations of a continued healthy financial performance and the forecast of a substantial dividend increase. Both these assumptions were later confirmed by the preliminary year-end financial statements.

The result for 2005 was healthy and statements about the future were positive. Besides a higher dividend, a share split was also announced. The report was given a positive

reception by the stock market and the share price rose, which made Beijer Alma one of the most positive contributors. The outlook for the future remains good and the share is still attractively valued despite its rising price.

Ratos' portfolio of associated and subsidiary companies appeals to Svolder. They largely comprise operations linked to construction and Nordic consumption. In addition, there is also the Gadelius trading house, one of the few Swedish companies that specialises in Japan and consequently benefits from the improvement in Japan's economic position. The freeing up of capital within the associated company, Lindab, signalled a potential dividend increase. This was also later confirmed in the proposed redemption programme of the year-end financial statements.

NET SALES FROM THE EQUITIES PORTFOLIO (3 months)

1st December 2005–28th February 2006

Share	Number	SEK m	SEK/share ¹⁾
Scribona	2 700 000	53.4	19.80
OMX	220 000	30.8	133.40
SAS	236 000	25.2	106.70
Kinnevik	205 000	19.1	93.40
ProfilGruppen	190 200	13.1	68.90

¹⁾ 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.

New principal owners, as well as plans to hive off the Carl Lamm subsidiary and hopes of a rapid improvement in the profitability of the distribution operations have all served to boost Scribona's share price. The company's profit warning in January demonstrated that the negative trend has not yet turned and that the outlook is uncertain. Svolder took advantage of the share price increase to sell its entire holding. Scribona's shares have made a contribution to net worth of SEK 11.8 million during the current financial year.

Strong exchanges have boosted both result and cash flow for OMX. The company has also elected to compensate its shareholders for last year's failure to pay a dividend by proposing an extra dividend. The share price has performed well recently, leading Svolder to sell its holding for valuation reasons. OMX has made a contribution to net worth of SEK 9.5 million during the current financial year.

The European airlines industry is seeing improved passenger figures while revenue per kilometre flown is displaying a declining tendency. Alongside major savings programmes, this has resulted in positive results and favourable cash flows for several companies with international operations. The industry is however contending with labour market conflicts, constant surplus capacity, state surcharges and weak balance sheets. The SAS share has been quick to reach Svolder's target price, leading the position to be abandoned in favour of more stable shares. The holding has made a contribution of SEK 5.8 million to net worth over the first six months of the financial year.

The focus of the portfolio

Svolder has retained the positive attitude to the Stockholm Stock Exchange described in its Annual Report, lar-

gely for valuation reasons. The listed companies' strong results generally account for the rising share prices. The concentration to a slightly smaller number of portfolio companies predicted at the time, together with responsible borrowing, has been implemented and this trend is expected to continue. Svolder intends to play a more active role with regard to ownership issues in a limited number of companies in which Svolder has a relatively large ownership share and in which the need for active ownership is deemed to benefit Svolder and the portfolio company's shareholders. This may lead to close associates of Svolder becoming more involved at the boardroom level in these companies. Svolder intends to continue to increase the percentage of shares represented by this group in its portfolio, so that the group eventually accounts for no less than half the total value of the portfolio.

No sweeping changes are planned to the selection of companies for the equities portfolio. The analytical and management work currently focus on companies reporting visible profits, profit growth and positive cash flows, as well as having healthy dividend capacity along with a willingness to pay dividends.

Svolder's assessment that returns on the Stockholm Stock Exchange are likely to be lower in 2006 than in 2005 remains in place. The share prices of small companies have continued to perform better than those of large ones, which has led to an even larger increase in relative valuation. From an exclusive valuation perspective, it is likely that the share price trend for small companies will, in the foreseeable future, be less dramatic than that of the large companies. This is also true of the segment comprising small and medium-sized companies with a market capitalisation of up to around SEK 30 billion that figure in Svolder's investment sphere.

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.

Next Interim Report

The report for the period from 1st September 2005 to 31st May 2006 (9 months), together with that for the current reporting period from 1st March 2006 to 31st May 2006, will be published on 15th June 2006.

Stockholm 21st March 2006

SVOLDER AB (publ)

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

THE EQUITIES PORTFOLIO, 28TH FEBRUARY 2006

Sector/share	No. of shares	Price (SEK)	Market value (SEK m)	% of net worth	Total net worth, %	Sector weighting in CSX, %	Acc. change in value ¹⁾ , %	Gross exposure ²⁾ (SEK)
Energy & utilities					-	2.6	-	
Materials					3.5	11.9	0.0	
Höganäs	200 000	167.50	33.5	3.5				2.60
Capital goods					34.7	20.1	10.3	
Beijer Alma	622 400	230.00	143.2	15.0				11.20
Saab	428 600	170.00	72.9	7.6				5.70
Trelleborg	420 000	165.00	69.3	7.3				5.40
Peab	432 200	105.50	45.6	4.8				3.60
Commercial services					10.2	2.7	1.3	
Observer	1 000 000	37.50	37.5	3.9				2.90
Intrum Justitia	500 000	69.25	34.6	3.6				2.70
Nefab	400 000	59.25	23.7	2.5				1.90
Besthand, inkl. konv. lån	9 951 247	0.12	1.2	0.1				0.10
Transport					-	2.9	0.8	
Consumer & discretionary services					2.6	12.0	0.9	
New Wave	285 000	87.50	24.9	2.6				1.90
Clas Ohlson	100 000	143.50	14.4	1.5				1.10
Consumer staples					-	3.8	-	
Healthcare					9.3	9.4	1.2	
Getinge	600 000	114.50	68.7	7.2				5.40
Biacore	90 000	225.50	20.3	2.1				1.60
Financial & real estate					10.3	25.8	5.7	
Kinnevik B	800 000	94.50	75.6	7.9				5.90
Ratos B	100 000	226.50	22.7	2.4				1.80
Software & services					17.1	5.7	5.8	
AcandoFrontec	5 900 000	15.30	90.3	9.5				7.10
Telelogic	3 200 000	19.30	61.8	6.5				4.80
Resco	1 790 000	6.20	11.1	1.2				0.90
Technology hardware & equipment					22.2	3.0	6.9	
Beijer Electronics	734 100	122.50	89.9	9.4				7.00
Nolato	640 000	78.75	50.4	5.3				3.90
Axis	800 000	49.00	39.2	4.1				3.10
XPonCard	160 000	200.50	32.1	3.4				2.50
Telecom operators					-	0.1	-	
Equities portfolio			1 062.7	111.4	111.4	-	32.9	83.00
Net debt			-108.3	-11.4	-11.4	-	-0.2	-8.50
Total/net worth			954.4	100	100	100	32.7	74.60
Change in value after management costs, 6 months (ex. paid dividend)							31.8	

¹⁾ Based on values converted to the bid price on 31st Aug. 2005, as per IAS 39.

²⁾ 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 143.2 million, corresponding to 15.0 per cent of the net worth. Beijer Alma is a company in the Capital goods sector, which also includes other companies in the sector and accounts for 34.7 per cent of Svolder's net worth. The corresponding weighting for the Capital goods sector in CSX totals 20.1 per cent, and the portfolio is thus overweighted in terms of companies in the Capital goods sector in relation to CSX. Shares in this sector accounted for 10.3 percentage points of the change in Svolder's net worth to date during the 2005/2006 financial year.

CONSOLIDATED INCOME STATEMENT

(SEK m)	3 months	3 months	6 months	6 months	Rolling	Rolling
	01/12/2005–	01/12/2004–	01/9/2005–	01/9/2004–	12 months	12 months
	28/2/2006	28/2/2005	28/2/2006	28/2/2005	01/3/2005–	01/9/2004–
					28/2/2006	31/8/2005
Management operations						
Dividend income	-	-	-	-	13.7	13.7
Administration costs	-3.0	-2.9	-6.3	-6.6	-13.1	-13.4
Earnings from securities	157.4	88.8	247.4	140.8	325.2	218.6
Operating profit	154.4	85.9	241.1	134.2	325.8	218.9
Profit on financial investments						
Financial income	0.0	0.1	0.0	0.2	0.1	0.3
Financial expenses	-0.8	0.0	-1.4	0.0	-1.6	-0.2
Result after financial items	153.6	86.0	239.7	134.4	324.3	219.0
Tax	-	-	-	-	-	-
Profit for the period	153.6	86.0	239.7	134.4	324.3	219.0
Earnings per share, SEK	12.00	6.70	18.70	10.50	25.30	17.10

CONSOLIDATED CASH FLOW STATEMENT

	3 months	3 months	6 months	6 months	Rolling	Rolling
	01/12/2005–	01/12/2004–	01/9/2005–	01/9/2004–	12 months	12 months
	28/2/2006	28/2/2005	28/2/2006	28/2/2005	01/3/2005–	01/9/2004–
					28/2/2006	31/8/2005
Cash flow from current operations before changes in working capital	-3.8	-2.6	-8.7	-7.2	-0.4	1.1
Changes in working capital						
Increase (+)/decrease (-) in current liabilities	-0.9	-0.4	-0.1	0.0	0.0	0.1
Cash flow from current operations	-4.7	-3.0	-8.8	-7.2	-0.4	1.2
Investment operations						
Purchase of securities	-150.5	-139.8	-323.0	-158.3	-492.0	-327.3
Sale of securities	197.8	142.4	324.2	224.4	394.8	295.0
Investment in machinery & equipment	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from investment operations	47.3	2.6	1.2	66.1	-97.1	-32.2
Financial operations						
Loans raised (+)/amortised (-)	-4.2	-	46.0	-	104.6	58.6
Dividend paid	-38.4	-	-38.4	-30.7	-38.4	-30.7
Cash flow from financial operations	-42.6	0.0	7.6	-30.7	66.2	27.9
Increase (+)/decrease (-) in liquid assets	-	-0.4	-	28.1	-31.3	-3.2
Liquid assets at beginning of period	-	31.7	-	3.2	31.3	3.2
Liquid assets at end of period	0.0	31.3	0.0	31.3	0.0	0.0

CONSOLIDATED KEY RATIOS PER SHARE

	3 months	3 months	6 months	6 months	Rolling	Rolling
	01/12/2005–	01/12/2004–	01/9/2005–	01/9/2004–	12 months	12 months
	28/2/2006	28/2/2005	28/2/2006	28/2/2005	01/3/2005–	01/9/2004–
					28/2/2006	31/8/2005
Change in net worth, SEK	12.00	6.70	15.70	8.10	22.30	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	12.8	12.8

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

CONSOLIDATED BALANCE SHEET

(SEK m)	28/2 2006	30/11 2005	31/8 2005	28/2 2005	30/11 2004	31/8 2004
ASSETS						
Fixed assets						
<i>Tangible fixed assets</i>						
Equipment	0,2	0,2	0,2	0,2	0,2	0,3
<i>Financial fixed assets</i>						
Securities holdings	1 062,7	943,0	814,9	645,4	560,9	563,9
Current assets						
Current receivables	2,9	8,4	4,5	1,0	5,9	0,3
Cash and bank	-	-	-	31,3	31,7	3,2
Total assets	1 065,8	951,7	819,5	678,0	598,7	567,7
SHAREHOLDERS' EQUITY & LIABILITIES						
Shareholders' equity¹⁾	954,4	800,8	753,1	668,5	582,5	564,9
Liabilities						
Current liability to credit institution	104,6	108,8	58,6	-	-	-
Current liabilities	6,8	42,1	7,9	9,5	16,2	2,8
Total liabilities and shareholders' equity	1 065,8	951,7	819,5	678,0	598,7	567,7

CONSOLIDATED KEY RATIOS PER SHARE

	28/2 2006	30/11 2005	31/8 2005	28/2 2005	30/11 2004	31/8 2004
Net worth per share, SEK	74,60	62,60	58,80	52,20	45,50	44,10
Market price (B), SEK	65,25	62,75	57,50	46,90	46,40	44,40
Net worth, premium (+)/discount (-), %	-12,5	0,3	-2,3	-10,2	2,0	0,6
Liquidity (+)/Borrowing (-), %	-11,2	-17,4	-7,8	3,7	4,0	0,6
Equity/assets ratio, %	90	84	92	100	99	100
Number of shares, million	12,8	12,8	12,8	12,8	12,8	12,8

Definitions as in the Annual Report for 2004/2005.

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

¹⁾ Changes in shareholders' equity (SEK m)	28/2 2006	30/11 2005	31/8 2005	28/2 2005	30/11 2004
Opening balance ^{a)}	756,1	756,1	567,3	567,3	567,3
Adjustment for new accounting principle ^{b)}	-3,0	-3,0	-2,4	-2,4	-2,4
New opening balance	753,1	753,1	564,9	564,9	564,9
Dividend paid	-38,4	-38,4	-30,7	-30,7	-30,7
Result for the period	239,7	86,1	219,0	134,3	48,4
Closing balance	954,4	800,8	753,1	668,5	582,5

^{a)} According to the Balance Sheet adopted by the AGM.

^{b)} As per IAS 39.

ACCOUNTING PRINCIPLES

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

Svolder's reporting is primarily affected by IAS 39 with regard to the reporting and valuation of financial instruments at their 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 I.

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 ¹⁾	01/09/2004– 30/11/2004	28/02/2005	Adjustment ¹⁾	01/12/2004– 28/02/2005	01/03/2005– 31/05/2005	Adjustment ¹⁾	01/03/2005– 31/05/2005	01/06/2005– 31/08/2005	Adjustment ¹⁾	01/06/2005– 31/08/2005	12 months 2004/2005				
Management operations																	
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	-3.0		-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	85.4	-1.6	83.8		218.6
Operating profit	48.0	0.3	48.3	86.4	-0.5	85.9	3.5	1.1	4.6	81.6	-1.6	80.0	81.6	-1.6	80.0		218.9
Profit on financial investments																	
Financial income	0.1		0.1	0.1		0.1	0.1		0.1	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	0.0		-0.2		-0.2
Result after financial items	48.1	0.3	48.4	86.5	-0.5	86.0	3.5	1.1	4.6	81.4	-1.6	79.8	81.4	-1.6	79.8		219.0
Tax	-		-	-		-	-		-	-		-	-		-		-
Profit for the period	48.1	0.3	48.4	86.5	-0.5	86.0	3.5	1.1	4.6	81.4	-1.6	79.8	81.4	-1.6	79.8		219.0
Earnings per share, SEK	3.80	0.00	3.80	6.80	0.00	6.70	0.30	0.10	0.40	6.40	-0.10	6.20	6.40	-0.10	6.20		17.10

CONSOLIDATED BALANCE SHEETS

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

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

