

INTERIM REPORT III

Interim period: 1st September 2004–31st May 2005 (9 months)

Current reporting period: 1st March–31st May 2005 (3 months)

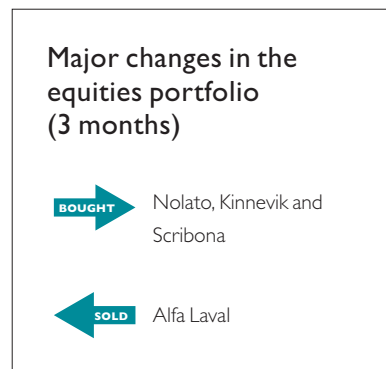
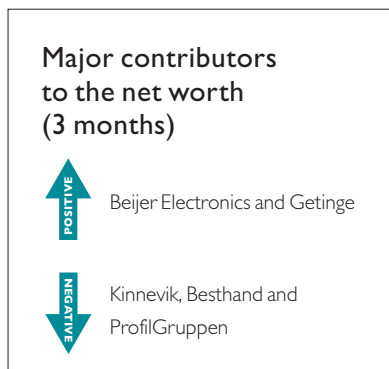
Svolder is a dedicated investment trust that invests in the shares of listed small and medium-sized Swedish companies. The company is listed on the “O” list of the Stockholm Stock Exchange. Svolder’s net worth is published weekly and appears on the company’s website, www.svolder.se

RESULT FOR THE INTERIM PERIOD (9 MONTHS)

- The company reported a result for the interim period (9 months) of SEK 138.1 million (SEK 117.5 m), corresponding to SEK 10.80 (SEK 9.20) per share.
- The net worth rose by 24.3%, adjusted for dividends, to SEK 52.70 per share.
- The listed price of the class B share rose by 14.0%, adjusted for dividends, to SEK 48.20 per share.
- The CSX small business index and the Stockholm Stock Exchange’s SAX index rose by 29.6% and 18.2%, respectively.
- The closing investment trust premium was 8.6%.

RESULT FOR THE CURRENT REPORTING PERIOD (3 MONTHS)

- The company reported a result for the period (3 months) of SEK 3.5 million (SEK –16.4 m), corresponding to SEK 0.30 (SEK –1.30) per share.
- The net worth rose by 0.5% to SEK 52.70 per share.
- The listed price of the class B share rose by 2.8% to SEK 48.20 per share.
- The CSX small business index and the Stockholm Stock Exchange’s SAX index rose by 1.1% and 2.1%, respectively.
- The net worth on 10th June was SEK 53 and the listed price of the class B share was SEK 49.50.



This interim report describes Svolder's business from a perspective in which all assets are valued at their true value, referred to in previous reports as "at market value", and in which changes in true value throughout a full reporting period are included in full effect in the result. The true value is determined on the basis of the market value of the assets, usually the listed price. Changes to the Swedish Annual Reports Act mean that as of this financial year, all accounts will be produced using a valuation based on the true value.

The global stock market trend was negative, measured in USD, at the beginning of the past three-month period. The global index fell by 3.1 per cent. The US dollar strengthened, however, during the period, and market price movements were hence nonetheless positive, calculated in Swedish kronor. The NASDAQ technology index rose by 0.8 per cent in USD after a strong recovery in May, and in many cases, American companies' financial reports for Q1 2005 exceeded market expectations.

The Stockholm Stock Exchange rose by 2.1 per cent during the current reporting period, according to the SAX (Stockholm Stock Exchange All-Share Index). The small business index, CSX, also rose by 1.1 per cent during the same period. The rally in prices tapered off as listed companies' dividends were paid out. Concerns about economic trends spread among investors and interest declined in investments associated with risk. Falling bond interest rates and the rising US dollar exchange rate did, however, provide some support for the stock market, and with the exception of April 2005, the small businesses index has risen in every single month of the current financial year.

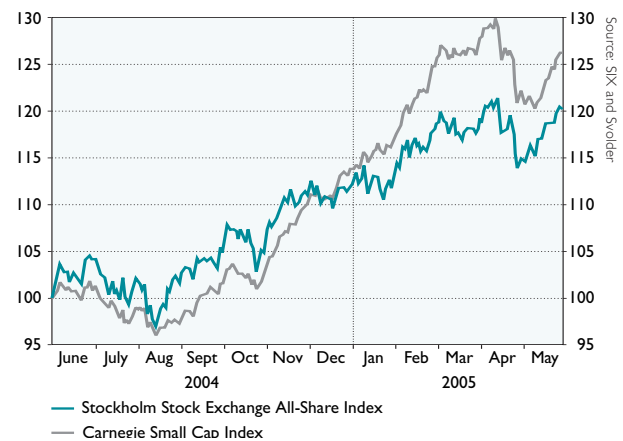
Interest rate trends helped ensure that real estate companies continued to perform well on the stock market during the three-month period. Major rallies were also noted in the IT and healthcare sectors. Companies operating in the Materials and Industrial Products sectors performed worst as a result of downgraded expectations of growth in the global economy.

Both the Swedish interest market and the currency market were affected by significant movements during the current reporting period. The five-year bond interest rate, for example, fell by over half a percentage point. At the same time, interest rates with a shorter term fell as a result of speculation about an imminent reduction in the key interest rates by the Bank of Sweden. The value of the Swedish krona fell by 9 per cent against the American dollar from the level at the beginning of the period, but fell by only one per cent against the euro.

Share price trends

The closing price paid for Svolder's Class B share was SEK 48.20, corresponding to a rise in the price of the share during the current reporting period of 2.8 per cent. The closing share price represented a premium of 8.6 per cent on the net worth. The Class B share was traded on all of the trading days during the period, with an average of approximately 10,500 shares being traded on each day of trading. Trading in Svolder's Class A share was, however, limited. Under the terms of Svolder's Articles of Association, Class

SAX AND CSX, 12 MONTHS



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 52.70, which represents an increase during the current reporting period of 0.5 per cent. This increase was, however, less than that shown by the CSX comparison index, which rose by 1.1 per cent. The discrepancy corresponds, by and large, to the write-down of the value of the Besthand holding during the period, which is described below. The majority of listed companies paid their dividends during the period, and the net worth trend for CSX was hence slightly better than that of comparison figures presented. The Svolder share portfolio's negative performance in relation to CSX was due to the lack of shares in real estate

TOTAL RETURN, PER CENT

	3 months 1st March 2005– 31st May 2005	9 months 1st Sept 2004– 31st May 2005	Rolling 12 months 1st June 2004– 31st May 2005
Share price (class B) ¹⁾	2.8	14.0	17.7
Net worth ¹⁾	0.5	24.3	14.3
CSX ²⁾	1.1	29.6	26.2
SAX ²⁾	2.1	18.2	19.1

¹⁾ Including the dividend paid during the period.

²⁾ Excluding underlying dividends.

companies, but the company's investments in the Industrial Products sector were successful.

Svolder's share 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 comparison indices can, therefore, differ substantially between different accounting periods.

BIGGEST CONTRIBUTORS TO CHANGE IN NET WORTH,

1st March–31st May 2005 (3 months)

(Based on the portfolio's market value of SEK 671.1 million or SEK 52.40/share on 28th Februari 2005.)

	SEK m	SEK/share ¹⁾
Beijer Electronics	5.3	0.40
Getinge	4.3	0.30
Saab	2.8	0.20
XPonCard	2.6	0.20
Beijer Alma	2.4	0.20
Total, five positive	17.4	1.40
Kinnevik B	-3.4	-0.30
Besthand, inc. conversion loan	-3.2	-0.30
ProfilGruppen	-3.2	-0.20
Trelleborg	-2.8	-0.20
Scribona B	-2.7	-0.20
Total, five negative	-3.2	-0.30
Other shares	-7.6	-0.60
Shares, total	6.5	0.50
Other	-3.0	-0.20
Change in value	3.5	0.30

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

Strong improvements in results during the fourth quarter of 2004, coupled with a major corporate acquisition in Taiwan in March 2005 helped bring about the rally in the price of **Beijer Electronics**. The purchase of Hitech Electronics is interesting because it generates the potential for an expansion in sales of in-house developed operator terminals in the Asian markets. Beijer Electronics expects the acquisition to make a positive contribution to earnings per share as early as the current calendar year.

The **Getinge share** benefited from a general increase in the stock market's valuation of the healthcare sector. This sector is less sensitive to cyclic fluctuations in demand and several healthcare companies have recently completed significant acquisitions that are expected to help ensure stable future development. The results for the period reported by Getinge hold no major surprises, but the outlook for 2005 continues to be favourable. The stock market is primarily waiting for a new acquisition in the Medical Systems business area that is designed to strengthen the group's position in the North American market. The forecasts for long-term growth may be adjusted upwards when this occurs.

Kinnevik includes a number of associated and wholly owned companies with strong market positions in such

sectors as the media (MTG and Metro), telecoms (Tele2 and Millicom) and kraft paper and specialist cardboard (Korsnäs). A number of the operations have previously typically enjoyed strong growth, but suffered from unsatisfactory cash flows and weak financial bases. This situation has changed, however, and their financial performance is now balanced. The Kinnevik share is traded at a substantial net worth premium, as it is known, in relation to several companies in this sector. The premium has risen during the reporting period, but at the same time, the Kinnevik share has been negatively affected by the poor market price movements for the group's associated company, Tele2, and the deterioration in the result of the wholly owned forestry group, Korsnäs. The share price was possibly also negatively affected by the fact that many investment companies paid substantial cash dividends, while Kinnevik operates a more cautious dividend policy, but this year will see dividends in the Invik financial group paid to the shareholders. Svolder has acquired shares in Kinnevik for a total of SEK 10.7 million during the three-month period.

Besthand comprises one per cent of Svolder's net worth and is the only unlisted shareholding. Besthand has been hit by Axfood's and ICA's transition from insourced picking services through central general agreements to equivalent in-house services. The adjustment to a reduced level of operations and a change in the range of services provided has had a negative effect on Besthand's result and cashflow, necessitating an additional owner's contribution. Svolder does not wish to participate in new share issues in unlisted companies, and the current convertible debentures issue has resulted in a write-down requirement of SEK 3.2 million, corresponding to SEK 0.25 per Svolder share.

The equities portfolio

Shares were acquired for SEK 58.1 million (gross) and sold for SEK 25.1 million (gross) during the current reporting period. Liquid assets, including share transactions in the course of settlement etc., totalled SEK 2.3 million on the closing day, corresponding to 0.3 per cent of the company's net worth.

A minor holding in **Höganäs** was acquired during the period and the remaining shares in **Alfa Laval** were sold. On the closing day, the portfolio thus comprised 23 holdings.

NET PURCHASES FOR THE EQUITY PORTFOLIO (3 months)

Share	Number	SEK m	SEK/share ¹⁾
Nolato	270 000	14.2	52.70
Kinnevik	170 000	10.7	62.90
Scribona B	700 000	10.6	15.10
Beijer Alma	37 000	4.6	123.30
AcandoFrontec	448 000	3.7	8.40

¹⁾ The purchase price per share is arrived at on the basis of the aggregate purchase price for all shares of the same Class purchased during the period

Part of the holding in **Nolato** was sold earlier in the financial year, but a fall in the Nolato share price and an improvement in the company's profit outlook led to the decision to build up the holding once more during the current period. Nolato's interim report for the first quarter of 2005

lived up to expectations, and a continued healthy profit performance and strong cash flow make the valuation attractive.

The PC market in the Nordic region has seen a growth in volume in recent years. This has been paralleled by the decision by the IT distributor, **Scribona**, to implement an extensive programme designed to improve efficiency in order to enable the company to meet the market's pricing pressure. These and other ongoing measures are expected to generate a successive improvement in the company's profitability. The stock market had low expectations of Scribona, causing Svolder to increase its holding.

The residual holding in **Alfa Laval** was sold during the current reporting period. After a weaker end to 2004 than expected in terms of the company's results, the stock market was clearly disappointed with the result for the first quarter of 2005. Other companies in the same sector offer better preconditions for a growth in profits and lower valuation.

NET SALES FROM THE EQUITY PORTFOLIO (3 months)

Share	Number	SEK m	SEK/share ¹⁾
Alfa Laval	70 000	8.3	119.10
SSAB A	25 600	4.6	178.70
WM-data	200 000	4.0	18.60
Orc Software	33 000	1.9	57.10
ProfilGruppen	4 800	0.4	77.10

¹⁾ The sales proceeds per share are arrived at on the basis of the aggregate sales proceeds for all shares of the same Class sold during the period.

The Parent Company

The result for the Group and the Parent Company correspond in full. The cash and bank balances item totals SEK 5.5 million for both the Parent Company and the Group, which also have an unutilised bank overdraft facility of SEK 70 million.

Accounting principles

This Interim Report has been prepared in accordance with recommendation RR 20 (Interim Reporting) of the Swedish Financial Accounting Standards Council.

Recommendation RR 29 (Remuneration to employees) of the Swedish Financial Accounting Standards

Council has come into effect during the interim period. This has had no effect on Svolder's results or position.

As of the beginning of this financial year, all financial assets are valued at their market value, including in the official accounts, which are based on the provisions of the Swedish Annual Reports Act. This has previously been done in the form of complementary accounts. The effects of this change in accounting principles have been reported against opening shareholders' equity and all comparison figures have been revised.

Nomination procedure

Svolder will hold its Annual General Meeting on 23rd November 2005. A nomination committee comprising MatsOla Palm (Chairman of the Board of Svolder), Eric Hielte (Ernstströmsgruppen), Rolf Lundström (Provobis Holding) and Bo Selling (AMF Pension) has been appointed. Comments and nominations by other shareholders are welcome and should be submitted to the Chairman of the Board, MatsOla Palm, either by mail sent to the company's postal address, or communicated by phone on tel: +46 708 20 20 10 or by e-mail to matsola.palm@palmiva.com.

Next Interim Report

The preliminary financial statement for the financial year from 1st September 2004–31st August 2005, including the Interim Report for the period from 1st June–31st August 2005, will be published on 28th September 2005.

Stockholm, 17th June 2005
SVOLDER AB (publ)

Ulf Hedlundh
Managing Director

For additional information, please contact:
Ulf Hedlundh, Managing Director, tel: +46 8 440 3773

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

THE EQUITY PORTFOLIO, 31ST MAY 2005

Sector/share	No. of shares	Price (SEK)	Market value (SEKm)	% of net worth	Total net worth %	Sector weighting in CSX, %	Acc. change in value, %	Gross exposure ¹⁾ (SEK)
Energy & utilities					-	2.3	-	
Materials					6.1	11.1	1.9	
ProfilGruppen	320 000	65.00	20.8	3.1				1.60
SSAB A	109 400	181.00	19.8	2.9				1.50
Höganäs	4 200	196.00	0.8	0.1				0.10
Capital goods					22.4	16.6	5.2	
Beijer Alma	407 000	127.50	51.9	7.7				4.10
Saab	428 600	117.00	50.1	7.4				3.90
Peab	399 600	77.50	31.0	4.6				2.40
Haldex	140 000	131.50	18.4	2.7				1.40
Commercial services					8.8	3.1	0.7	
Observer	1 000 000	30.00	30.0	4.4				2.30
Intrum Justitia	450 600	51.00	23.0	3.4				1.80
Besthand, inc. conv. loans	8 451 247	0.77	6.5	1.0				0.50
Transport					-	2.9	-	
Consumer discretionary & services					5.6	14.5	1.4	
Trelleborg	330 000	115.50	38.1	5.6				3.00
Consumer staples					-	3.2	-	
Healthcare					9.2	10.4	3.5	
Getinge	400 000	108.00	43.2	6.4				3.40
Biacore	1 100 000	172.00	18.9	2.8				1.50
Financial & real estate					5.4	26.4	0.5	
Kinnevik B	595 000	60.75	36.1	5.4				2.80
Software & services					16.0	6.2	4.8	
Telelogic	2 500 000	16.80	42.0	6.2				3.30
AcandoFrontec	4 048 000	8.80	35.6	5.3				2.80
WM-data	1 200 000	19.40	23.3	3.5				1.80
Orc Software	120 000	60.00	7.2	1.1				0.60
Technology hardware & equipment					26.0	3.1	8.1	
Beijer Electronics	632 300	84.75	53.6	7.9				4.20
XPonCard	190 000	170.00	32.3	4.8				2.50
Scribona B	2 200 000	14.50	31.9	4.7				2.50
Nolato	620 000	51.00	31.6	4.7				2.50
Axis	931 500	28.00	26.1	3.9				2.00
Telecom operators					-	0.2	-	
Liquid assets etc.			2.3	0.3	0.3	-	0.0	0.20
Total net worth			674.6	100	100	100	26.0	52.70
Change in value after management costs, 9 months (excl. paid dividend)							24.3	

¹⁾ Market value per Svolder share.

The following information, for example, can be obtained from the table. Svolder's largest holding is Beijer Electronics, which has a market value of SEK 53.6 million, corresponding to 7.9 per cent of the net worth. Beijer Electronics is a company in the Technology hardware & equipment sector; which, including other companies in the sector, accounts for 26.0 per cent of Svolder's net worth. The corresponding weighting for the Technology hardware & equipment sector in CSX totals 3.1 per cent, and the portfolio is hence overweighted in terms of companies in the Technology hardware & equipment sector in relation to CSX. Shares in this sector accounted for 8.1 percentage points of the change in Svolder's net worth to date during the 2004/2005 financial year.

The Group

INCOME STATEMENT

Based on a valuation at true value

	3 months 1st Mar 2005– 31st May 2005	3 months 1st Mar 2004– 31st May 2004	9 months 1st Sept 2004– 31st May 2005	9 months 1st Sept 2003– 31st May 2004	Rolling 12 months 1st June 2004– 31st May 2005	12 months 1st Sept 2003– 31st Aug 2004
(SEKm)						
Management operations						
Dividend income	13.7	13.0	13.7	13.0	13.7	13.0
Administrative costs	-3.0	-2.7	-9.6	-9.4	-12.8	-12.6
Earnings from securities	-7.2	-26.8	133.8	113.4	87.2	66.8
Operating profit	3.5	-16.5	137.9	117.0	88.1	67.2
Profit on financial investments						
Interest income and similar items	0.1	0.1	0.3	0.5	0.3	0.5
Interest expenses and similar items	0.0	0.0	0.0	0.0	0.0	0.0
Profit after financial items	3.5	-16.4	138.1	117.5	88.3	67.7
Tax	-	-	-	-	-	-
Profit for the period	3.5	-16.4	138.1	117.5	88.3	67.7
Earnings per share, SEK	0.30	-1.30	10.80	9.20	6.90	5.30

The Group

CASH FLOW STATEMENT

Based on a valuation at true value

	3 months 1st Mar 2005– 31st May 2005	3 months 1st Mar 2004– 31st May 2004	9 months 1st Sept 2004– 31st May 2005	9 months 1st Sept 2003– 31st May 2004	Rolling 12 months 1st June 2004– 31st May 2005	12 months 1st Sept 2003– 31st Aug 2004
(SEKm)						
Cash flow from current operations						
before changes in working capital	11.1	10.8	3.9	4.5	1.4	2.0
Changes in working capital						
Increase (+)/decrease (-) in current liabilities	0.0	0.0	0.0	0.1	0.0	0.1
Cash flow from current operations	11.1	10.8	3.9	4.6	1.4	2.1
Investment operations						
Purchase of securities	-64.2	-101.3	-222.5	-276.7	-279.2	-333.4
Sale of securities	27.2	80.1	251.6	292.5	285.7	326.6
Investment in machinery & equipment	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from investment operations	-37.0	-21.2	29.1	15.8	6.5	-6.8
Financial operations						
Dividend paid	-	-	-30.7	-28.8	-30.7	-28.8
Cash flow from financial operations	-	-	-30.7	-28.8	-30.7	-28.8
Increase (+)/decrease (-) in liquid assets	-25.8	-10.5	2.3	-8.5	-22.7	-33.5
Liquid assets at beginning of period	31.3	38.7	3.2	36.7	28.2	36.7
Liquid assets at end of period	5.5	28.2	5.5	28.2	5.5	3.2

The Group

KEY RATIOS PER SHARE

Based on a valuation at true value

	3 months 1st Mar 2005– 31st May 2005	3 months 1st Mar 2004– 31st May 2004	9 months 1st Sept 2004– 31st May 2005	9 months 1st Sept 2003– 31st May 2004	Rolling 12 months 1st June 2004– 31st May 2005	12 months 1st Sept 2003– 31st Aug 2004
Change in net worth, SEK	0.30	-1.30	8.40	6.90	4.50	3.00
Dividend paid during period, SEK	-	-	2.40	2.25	2.40	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 whole ten öre throughout the Interim Report (except for dividends).

The Group

BALANCE SHEET

Based on a valuation at true value

(SEKm)

	31st May 2005	28th Feb 2005	31st Aug 2004	31st May 2004	29th Feb 2004	31st Aug 2003
ASSETS						
Fixed assets						
<i>Tangible fixed assets</i>						
Equipment	0.2	0.2	0.3	0.3	0.3	0.3
<i>Financial fixed assets</i>						
Securities holdings	672.3	648.0	566.3	592.4	599.0	492.0
Current assets						
Current receivables	0.4	1.0	0.3	5.2	1.7	4.4
Cash and bank	5.5	31.3	3.2	28.2	38.7	36.7
Total assets	678.4	680.5	570.1	626.1	639.7	533.4
SHAREHOLDERS' EQUITY & LIABILITIES						
Shareholders' equity¹⁾						
Restricted equity	320.0	320.0	320.0	320.0	320.0	320.0
Non-restricted equity	354.6	351.1	247.3	297.1	313.5	208.4
Total shareholders' equity	674.6	671.1	567.3	617.1	633.5	528.4
Liabilities						
Current liabilities	3.7	9.5	2.8	9.0	6.2	5.0
Total shareholders' equity & liabilities	678.4	680.5	570.1	626.1	639.7	533.4

The Group

KEY RATIOS

Based on a valuation at true value

	31st May 2005	28th Feb 2005	31st Aug 2004	31st May 2004	29th Feb 2004	31st Aug 2003
Net worth per share, SEK	52.70	52.40	44.30	48.20	49.50	41.30
Market price ("B"), SEK	48.20	46.90	44.40	43.00	45.00	38.60
Net worth, premium (+)/discount (-), %	-8.6	-10.5	0.2	-10.8	-9.1	-6.5
Liquidity, %	0.6	3.6	0.6	4.2	5.6	7.1
Equity/assets ratio, %	100	100	100	99	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 2003/2004.

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

¹⁾ Changes in shareholders' equity (SEKm)	31st May 2005	28th Feb 2005	31st Aug 2004	31st May 2004	29th Feb 2004
Opening balance ^{a)}	567.3	567.3	500.9	500.9	500.9
Adjustment for new accounting principles ^{b)}			27.5	27.5	27.5
New opening balance	567.3	567.3	528.4	528.4	528.4
Dividend paid	-30.7	-30.7	-28.8	-28.8	-28.8
Result for the period	138.1	134.6	67.7	117.5	133.9
Closing balance	674.6	671.1	567.3	617.1	633.5

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

^{b)} See section on accounting principles.



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