

Year-End Report 2006

- **IndustriVärden's net asset value was SEK 62,092 M on February 13, 2007, an increase of SEK 3,581 M since the start of 2007. Net asset value on December 31, 2006, was SEK 58,511 M (48,252), an increase of SEK 10,259 M, or 21% in 2006.**
- **Net asset value per share on February 13, 2007, was SEK 321, an increase of SEK 18 per share since the start of the year. Net asset value on December 31, 2006, was SEK 303 per share (250). Including reinvested dividends, the increase was SEK 61 per share (68), or 24% in 2006.** Average annual growth in net asset value over the last ten-year period, including reinvested dividends, was 17%. Earnings per share for 2006 were SEK 60.17 (73.54).
- **The total return in 2006 for IndustriVärden Class A shares was 29%, and the total return for the Class C shares was 32%, compared with 28% for the return index.** The average annual total return for the Class A shares over the last ten-year period was 5 percentage points higher than the return index.
- **During the year, purchases of stocks totaled SEK 3.2 billion (3.0) and sales totaled SEK 2.1 billion (4.0). The last remaining operating subsidiary, Isaberg Rapid, was sold in December, with the buyer taking possession in January 2007.**
- **The Board of Directors proposes a dividend of SEK 9.00 per share (7.00), an increase of 29%. In addition, the Board proposes a 2:1 stock split.**

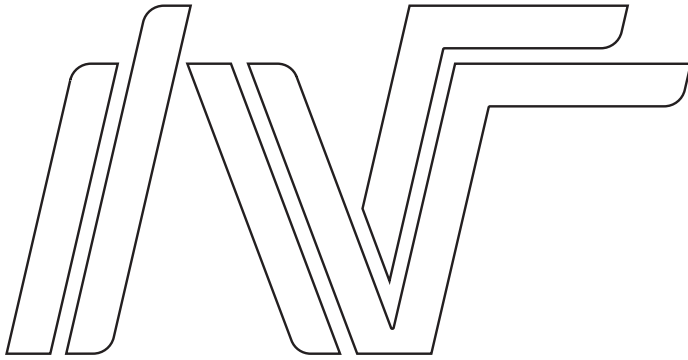
IndustriVärden in Summary

	Change, % 2006	Average annual change, %	
		Five years, 2002–2006	Ten years, 1997–2006
Total return			
IndustriVärden Class A	29	16	18
Return index (SIXRX)	28	13	13
Excess return, IndustriVärden Class A	1	3	5
Net asset value			
Net asset value	21	8	10
Net asset value incl. reinvested dividends	24	14	17



Composition of Net Asset Value

	SEK billion				SEK per share			
	2007 Feb. 13	2006 Dec. 31	2005 Dec. 31	2004 Dec. 31	2007 Feb. 13	2006 Dec. 31	2005 Dec. 31	2004 Dec. 31
Parent Company								
Equities portfolio	66.8	63.3	52.3	41.7	345	328	271	216
Net debt	-4.7	-4.8	-4.0	-5.1	-24	-25	-21	-27
Net asset value	62.1	58.5	48.3	36.6	321	303	250	189



Industrivärden is one of the Nordic region's leading holding companies, taking an active ownership role in a concentrated selection of listed Nordic companies with good development potential. Industrivärden's mission is to create shareholder value based on a professional investment operation and active ownership. The goal is to generate high growth in net asset value over time. Based on this, the aim is to deliver a total return to Industrivärden's shareholders that is higher, over time, than the average for the Stockholm Stock Exchange. For more information, visit our website: www.industrivarden.net.

CEO's Message

2006 was yet another strong year for the world economy. Europe's economy is now gaining momentum, while the rapid growth in China and India is expected to continue. Following the Fed's increases in the short-term borrowing rate, the U.S. economy appears to be headed toward a phase of slower growth. Both short-term and long-term interest rates have begun to rise, which is natural in this phase of the economic cycle. In summary, there is reason to be optimistic about economic development in 2007.

The trend in 2006 was positive for Industrivärden, despite sharp price fluctuations in the stock market along the way. During the year, our net asset value rose by SEK 10 billion, to SEK 58 billion, which is an increase of 24% assuming reinvestment of dividends. The total return for the Class A and C shares was 29% and 32%, respectively, compared with 28% for the total return index. We thereby once again achieved our goal of generating a better return than the index. What's important, however, is that we have succeeded in achieving a very competitive return over time.

On the whole, our portfolio companies experienced good growth in value, which is a clear reflection of their fine earnings and profitability levels. Our strong performance rests on a foundation of a diversified portfolio of holdings in companies with leading positions in their respective niches. The portfolio companies that made the greatest contribution to the favorable growth in Industrivärden's net asset value were Sandvik, which gained 34%, SSAB, which rose 69%, and SCA, which gained 23% for the year. Due to favorable earnings performance and subsequently good cash flow, several of our portfolio companies today have a larger capital base than what is deemed necessary in relation to their mid-term needs. For this reason, the boards of several of our portfolio companies have, among other things, proposed share redemption and repurchase programs as a means of adapting the companies' capital structures.

In December we announced the sale of our last remaining operating subsidiary, Isaberg Rapid. The sale entails that we are now fully dedicated to our strategy of investing in listed Nordic companies. Industrivärden's organization, experience and culture are well-adapted for this strategy.

Our short-term trading continued to do well despite the major swings in the stock market in 2006. Earnings for the year from this activity totaled SEK 173 M, an increase of SEK 51 M compared with 2005. Since starting our short-term trading three and a half years ago, we have earned about a half-billion kronor.

For 2006 the Board of Directors has proposed raising the dividend by 29%, to SEK 9.00 per share. The Board has also proposed a 2:1 stock split, whereby each share would be converted to two new shares of the same class. This measure aims to facilitate trading in round lots for our shareholders with small holdings.

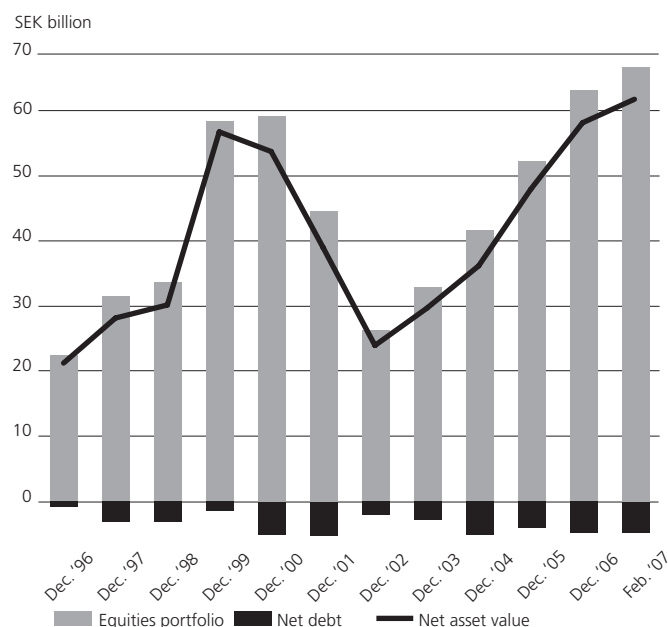
NET ASSET VALUE

Net asset value has grown by an average of 10% per year over the last ten-year period. Including reinvested dividends, the average annual increase was 17%, compared with 13% for the return index.

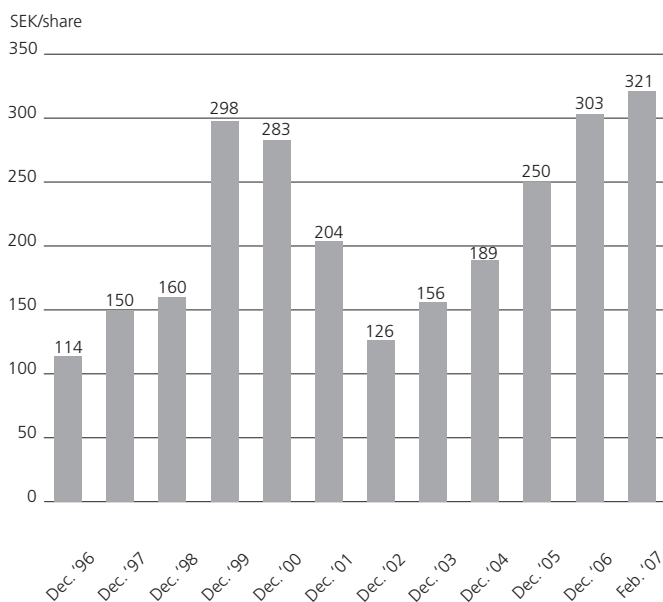
Total growth in net asset value including reinvested dividends during the last ten-year period was 371%, compared with 238% for the return index.

Net asset value consists of the difference between the market value of the equities portfolio and net debt. Its development over the last ten-year period is shown in the charts below.

Development of Net Asset Value



Net Asset Value per Share



The value of the equities portfolio on December 31, 2006, was SEK 63,325 M (52,265). In 2006 stocks were purchased for SEK 3,193 M and sold for SEK 2,072 M.

Management costs amounted to SEK 81 M, which were amply covered by the earnings of SEK 173 M generated by short-term derivative transactions and equity trading. Net financial items amounted to SEK -190 M. Overall, net debt increased by SEK 801 M, to SEK 4,814 M, mainly due to net purchases of stocks, totaling SEK 1,121 M.

Net asset value at December 31, 2006, was SEK 58.5 billion, an increase of SEK 10.2 billion for the year.

As per February 13, 2007, net asset value was SEK 62.1 billion, an increase of SEK 3.6 billion, or 6%, since the start of the year.

Development of Net Asset Value, SEK M

	2006	Jan. 1–Feb. 13, 2007
Net asset value, Dec. 31, 2005/Dec. 31, 2006	48,252	58,511
<i>Equities portfolio</i>		
Opening value	52,265	63,325
Purchases	3,193	255
Sales	-2,072	-406
Change in value of equities portfolio:		
Sandvik	3,315	1,950
SSAB	2,775	665
SCA	1,553	491
Indutrade	684	70
Handelsbanken	676	399
Skanska	458	452
Munters	342	38
Ericsson	48	-848
Höganäs	25	2
Other stocks	63	365
	9,939	3,584
Closing value	63,325	66,758
<i>Net debt</i>		
Opening value	-4,013	-4,814
Dividend paid out	-1,352	-
Dividends received	1,733	-
Management costs	-81	-10
Net financial items	-190	-21
Purchases/sales of stocks, net	-1,121	151
Other ¹	210	28
	-801	148
Closing value	-4,814	-4,666
Net asset value	58,511	62,092

¹ Includes earnings of SEK 173 M from short-term derivative transactions and equity trading as per December 31, 2006, SEK 110 M in received repayment of shareholder contributions, and additional tax of SEK -51 M, in accordance with a tax ruling.

Equities Portfolio²

The market value of Industrivärden's equities portfolio on December 31, 2006, was SEK 63,325 M (52,265 at the start of the year), which exceeded cost by SEK 41,370 M (31,592 at the start of the year).

See the detailed portfolio specification as per December 31, 2006, on page 7. The market value on February 13, 2007, was SEK 66,758 M. Taking into account purchases and sales, the change in value was 6% compared with the start of the year.

Company	As per Dec. 31, 2006		Total return, % 2006	Average annual total return, %		As per Feb. 13, 2007	
	No. of shares	SEK M		Five years, 2002–2006	Ten years, 1997–2006	No. of shares	SEK M
Handelsbanken	68,108,900	14,099	9	10	16	68,308,900	14,550
Sandvik	130,000,000	12,935	38	22	15	130,000,000	14,885
Ericsson	377,000,000	10,405	2	-7	5	377,000,000	9,557
SCA	23,600,000	8,557	27	9	15	23,600,000	9,048
SSAB	41,903,218	6,809	73	43	21	41,856,809	7,471
Skanska	32,315,000	4,363	17	20	13	32,315,000	4,815
Indutrade	14,857,800	2,006	55	–	–	14,857,800	2,076
Munters	3,638,000	1,153	48	15	–	3,638,000	1,191
Höganäs	3,550,000	637	7	4	4	3,550,000	639
Other		2,361					2,526
Total		63,325	23				66,758
Return index			28	13	13		

Of the shareholdings listed above, Munters and Höganäs have been held for less than five years, while Sandvik has been held for less than ten years. Indutrade became listed on the stock market in October 2005.

Handelsbanken's operating profit for the first three quarters of 2006 improved as a result of – among other things – an improvement in net commissions and a higher net result of financial items stated at fair value. Net interest was largely unchanged. Net commissions improved due to higher brokerage revenue and an increase in commission revenue from insurance, fund and custody account business. Costs rose during the period, partly due to the consolidation of SPP. Return on equity improved during the period. Handelsbanken's year-end report will be released on February 20.

Sandvik's profit after financial items for the full-year 2006 rose by 26% as a result of higher demand, a positive price trend, improved efficiency and a favorable product mix. Order intake showed continued good growth and was particularly strong for the Mining and Construction business area. All of Sandvik's business areas – Tooling, Mining and Construction, and Materials Technology – all showed higher sales and improved profit margins. In view of Sandvik's strong performance, its board adopted a new set of financial targets. In addition, the board has proposed an extra distribution of funds to the shareholders, for a total pay-out of SEK 7.5 billion, including a share redemption program.

Ericsson's income after financial items improved in 2006 compared with 2005. Invoiced sales rose in all segments, especially in Fixed Networks. Margins remained strong across the board. Half-owned Sony Ericsson posted record earnings. Ericsson continues to grow organically, with own product development and through complementary acquisitions. Integration of the acquired Marconi operations is proceeding well, and Ericsson is well-poised in the ongoing convergence

between fixed line broadband and mobile telecommunications. The company thus has a solid foundation to continue capturing market share and strengthen its leading position. In January 2007 Ericsson acquired the American company Redback Networks, which is active in advanced routing technology. The board has proposed a dividend of SEK 0.50 per share, for a total dividend of SEK 7.9 billion.

SCA's profit after financial items for 2006 rose by 18% as a result of an improved market situation, good growth and the effects of cost-cutting programs. Earnings for the Personal Care Products, Packaging Solutions and Forest Products units improved, despite higher energy and raw material costs. The improvement can be credited to extensive product launches and a positive price trend, among other things. Tissue for bulk consumers developed well, especially in North America, while the European consumer tissue segment continues to be fiercely competitive. Profit for the Tissue operations decreased slightly. The board has proposed a total dividend of SEK 2.8 billion and a 3:1 stock split.

SSAB posted a record profit after financial items for 2006. Deliveries of the company's core niche products – quenched steels and extra and ultra high strength sheet – rose 24% and now account for roughly 40% of total deliveries by the steel operations. A three-year action program has been launched to increase profitability, streamline the organization and strengthen the company's niche focus. In addition, a decision was made in 2006 to carry out substantial capacity investments. SSAB's board has proposed a total dividend of SEK 1.2 billion and authorization to repurchase a maximum of 10% of SSAB's shares.

² Pertains to the Parent Company's equities portfolio. Based on these holdings, short-term derivative transactions are also conducted. In addition Industrivärden also conducts short-term equity trading through the subsidiary Nordinvest, which had shareholdings with a market value of SEK 114 M as per December 31, 2006.

Skanska's income after financial items was down slightly in 2006 from the preceding year. Operating income improved for the core Construction business and for Residential Development. The value of sold properties in Commercial Development decreased, with lower income as a result. The projects in the Commercial Development and Infrastructure Development activities showed surplus values corresponding to SEK 5.7 billion at year-end 2006. The board has proposed an ordinary dividend plus an extra dividend totaling SEK 3.5 billion.

Indutrade's earnings after financial items for 2006 rose by amply 30%. The operating margin improved thanks to, among other things, profitable acquisitions and increased demand. Incoming orders showed continued good growth.

Munters' earnings after financial items for the first three quarters of 2006 rose by slightly more than 50% compared with the same period a year earlier. Order bookings were favorable, and all three of the company's divisions improved their operating earnings as well as operating margins. Munters' year-end report will be released on February 19.

Höganäs's income after net financial items for the full-year 2006 improved compared with the preceding year. Adjusted for nonrecurring items and currency effects, operating income rose 13%.

Equity Transactions During the Year

During the fourth quarter of 2006, gross purchases of stocks totaled SEK 219 M and gross sales totaled SEK 913 M. Major purchases consisted of 379,000 Volvo A, and major sales consisted of 20,000,000 Ericsson B and 1,000,000 SCA B.

In 2006, purchases of stocks totaled SEK 3,193 M and sales totaled SEK 2,072 M (gross). Stocks were thus bought for a net amount of SEK 1,121 M. Net purchases and net sales of stocks are shown in the table below.

Net purchases	No. shares	SEK M
Tandberg Television ASA	5,793,550	737
Volvo A	529,000	225
Handelsbanken A	1,000,000	202
Other		300
Total		1,464
Net sales	No. shares	SEK M
Volvo B	448,000	190
SSAB A	743,000	72
Other		81
Total		343

In December 2006, an agreement was reached on the sale of Industrivärden's last remaining operating subsidiary, Isaberg Rapid, with the buyer taking possession in January 2007. The capital gain amounts to approximately SEK 100 M.

After the end of the reporting period, from January 1 through February 13, 2007, stocks were purchased for SEK 255 M and sold for SEK 406 M.

Short-Term Derivative Transactions and Equity Trading

A profit of SEK 173 M (122) was generated from short-term trading.

Net Debt

The Parent Company's net debt was SEK 4.8 billion on December 31, 2006, of which SEK 4.5 billion in interest-bearing net debt, corresponding to a net debt-equity ratio of 7.2% (7.0% at the start of the year), as shown in the specification below.

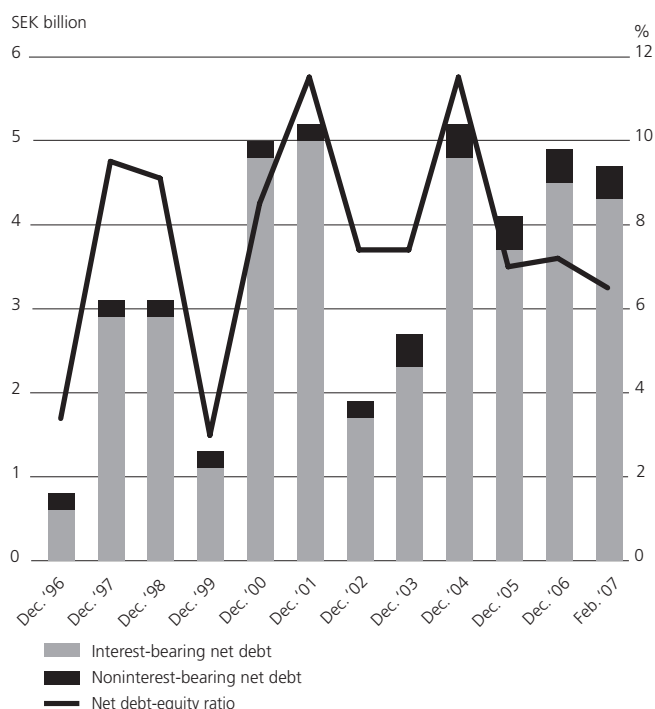
Interest-bearing net debt increased by SEK 0.9 billion compared with the start of the year, mainly due to net purchases of stocks.

Net debt as per February 13, 2007, was SEK 4.7 billion, including SEK 4.3 billion in interest-bearing net debt.

Change in Interest-Bearing Net Debt

SEK M	Dec. 31 2004	Dec. 31 2005	Dec. 31 2006	Feb. 13 2007
Cash and cash equivalents	453	1,257	738	864
Current interest-bearing receivables	358	89	88	160
Long-term interest-bearing liabilities	4,102	3,870	2,776	2,777
Current interest-bearing liabilities	1,650	1,350	2,796	2,789
	4,941	3,874	4,746	4,542
Less: liabilities to subsidiaries	-143	-202	-214	-214
Interest-bearing net debt	4,798	3,672	4,532	4,328
Market value of equities portfolio	41,691	52,265	63,325	66,758
Net debt-equity ratio, %	11.5	7.0	7.2	6.5

Net Debt-Equity Ratio



EARNINGS

Group

Consolidated operating earnings amounted to SEK 11,858 M (14,258), including SEK 1,733 M (1,275) in dividend income, SEK 10,037 M (12,937) in change in value of stocks, SEK 173 M (122) from short-term derivative transactions and equity trading, management costs of SEK -81 M (-78), and SEK -4 M (-2) in other income and expenses. After net financial items, totaling SEK -187 M (-216), tax of SEK -73 M (-2) and earnings after tax from discontinued operations, totaling SEK 23 M (162) (pertaining to Isaberg Rapid and, in 2005, also Indutrade), net earnings for the year were SEK 11,621 M (14,202). The tax amount reported above includes an additional tax charge of SEK 51 M (as a result of a ruling by the Administrative Court of Appeal); similarly, net financial items include an additional interest charge of SEK 9 M. See note 3 on page 8.

The Group's interest-bearing net debt amounted to SEK 4.5 billion as per December 31, 2006, an increase of SEK 0.6 billion compared with the start of the year.

OTHER INFORMATION

Annual General Meeting and Annual Report

The Annual General Meeting will be held at 2 p.m. on Tuesday, March 27, 2007, at the Grand Hotel, Vinterträdgården room, in Stockholm. The 2006 Annual Report will be published in early March 2007 and will be sent to shareholders upon request. Copies will also be available at Industrivärden's offices at Storgatan 10 in Stockholm.

Dividend

The Board proposes a dividend of SEK 9.00 per share (7.00), and March 30, 2007, as the record date. This corresponds to a total dividend of SEK 1,738 M.

Stock Split

To facilitate trading in round lots for shareholders with small holdings, the Board has proposed a 2:1 split. The split is planned to be implemented in April 2007.

Accounting Principles

As from January 1, 2005, Industrivärden's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU. The accounting principles used in preparing this report are described in the 2005 Annual Report. This interim report is prepared in accordance with IAS 34, which is in compliance with the requirements set out by Swedish Financial Accounting Standards Council recommendation RR 31 – Interim Financial Reporting for Groups.

The amendments and interpretations of accounting recommendations introduced with effect from January 1, 2006, have not had any effect on the Group's or the Parent Company's financial position and earnings.

Stockholm, February 15, 2007

AB Industrivärden (publ)

THE BOARD OF DIRECTORS

Auditors' Review Report

We have reviewed the Interim Report for AB Industrivärden (publ) for the period January 1 – December 31, 2006. Management is responsible for the preparation and presentation of this year-end report in accordance with the Annual Accounts Act and IAS 34. Our responsibility is to express a conclusion on this year-end report based on our review.

We conducted our review in accordance with the Swedish standard for such reviews, SÖG 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by FAR, the institute of the accountancy profession in Sweden. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing in Sweden (RS) and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Based on our review, nothing has come to our attention that causes us to believe that the year-end report is not prepared, in all material respects, in accordance with the Annual Accounts Act and IAS 34.

Stockholm, February 15, 2007

Öhrlings PricewaterhouseCoopers AB

ANDERS LUNDIN

Authorized Public Accountant

Nominating Committee's proposal for the Board of Directors

Industrivärden's 2006 Annual General Meeting assigned the Chairman of the Board with the task of contacting the four largest registered shareholders in terms of votes in VPC's printout of the shareholder register on August 31, 2006, who each appoint one representative who is not a director on the Company's board, to form together with the Chairman of the Board a nominating committee for the time until a new nominating committee has been appointed based on the mandate from the next year's Annual General Meeting.

Accordingly, the following persons have been appointed as members of the Nominating Committee: Tom Hedelius (Chairman of Industrivärden), Christer Elmehagen (AMF Pension), Curt Källströmer (Handelsbanken, Committee Chairman), Ulf Lundahl (L E Lundbergföretagen) and Anders Nyberg (SCA Pension Foundation).

The Nominating Committee has proposed to the Annual General Meeting that the following persons be re-elected to serve on the Company's board: Boel Flodgren, Lars O Grönstedt, Tom Hedelius, Finn Johnsson, Fredrik Lundberg, Sverker Martin-Löf, Lennart Nilsson and Anders Nyrén. In addition, the Committee has recommended that Tom Hedelius be elected as Chairman of the Board at the Annual General Meeting. Shareholders who together represent approximately 70% of the total number of votes in the Company intend to support the Nominating Committee's proposals.

Further Information

Anders Nyrén, President and CEO, tel. +46 8 666 64 00
 Carl-Olof By, Executive Vice President and CFO,
 tel. +46 8 666 64 00
 Sverker Sivall, IR, tel. +46 8 666 64 19
 Industrivärden's complete contact information can be found
 on page 1.

Financial Calendar

The 2006 Annual Report will be published in early March 2007.
 The Annual General Meeting will be held in Stockholm on
 March 27.
 Interim report January–March 2007: May 3.
 Interim report January–June 2007: August 3.
 Interim report January–September 2007: October 31.

Parent Company's Equities Portfolio

Holdings as per Dec. 31, 2006	No. of shares	Value breakdown				Share of portfolio value, %	Share of capital in company, %	Share of votes in company, %
		Market value		Cost	Surplus value			
		SEK M	SEK/share	SEK M	SEK M			
Handelsbanken A	68,000,000	14,099	73	4,748	9,351	22	10.6	10.7
Handelsbanken B	108,900							
Sandvik	130,000,000	12,935	67	5,379	7,556	20	11.0	11.0
Ericsson A	372,000,000	10,405	54	3,256	7,149	16	2.3	13.3
Ericsson B	5,000,000							
SCA A	16,000,000	8,557	44	2,546	6,011	14	10.5	29.4
SCA B	7,600,000							
SSAB A	41,833,218	6,809	35	916	5,893	11	15.4	20.0
SSAB B	70,000							
Skanska A	15,010,000	4,363	23	1,642	2,721	7	8.2	27.3
Skanska B	17,305,000							
Indutrade	14,857,800	2,006	10	248	1,758	3	37.1	37.1
Volvo A	2,429,000	1,205	6	674	531	2	0.9	1.6
Volvo B	52,000							
Munters	3,638,000	1,153	6	680	473	2	14.6	14.6
Höganäs B	3,550,000	637	3	637	0	1	10.1	8.1
Tandberg Television ASA	5,963,150	510	3	705	-195	1	7.4	7.4
Other		646	4	524	122	1		
Total as per December 31, 2006		63,325	328	21,955	41,370	100		

Market value pertains to Industrivärden's share of the portfolio company's total market value.

Share of capital and votes includes the Parent Company's outstanding OTC options in Handelsbanken, Sandvik, SCA, SSAB, Skanska and Volvo.

The cost of foreign shareholdings has been adjusted for currency hedging. See definition on page 11.

2,000,000 Volvo A were out on loan on December 31, 2006.

Total number of Industrivärden shares outstanding: 193,135,612.

Holdings as per Dec. 31, 2005	No. of shares	Value breakdown				Share of portfolio value, %	Share of capital in company, %	Share of votes in company, %
		Market value		Cost	Surplus value			
		SEK M	SEK/share	SEK M	SEK M			
Handelsbanken A	67,000,000	13,199	68	4,524	8,675	25	10.0	10.3
Ericsson A	372,000,000	10,367	54	3,262	7,105	20	2.3	13.3
Ericsson B	5,000,000							
Sandvik	26,000,000	9,620	50	5,365	4,255	18	11.3	11.3
SCA A	16,000,000	7,009	36	2,466	4,543	13	10.2	28.9
SCA B	7,600,000							
SSAB A	14,200,000	4,104	21	915	3,189	8	15.6	20.4
Skanska A	15,000,000	3,908	20	1,579	2,329	8	7.7	26.9
Skanska B	17,300,000							
Indutrade	14,857,800	1,322	7	248	1,074	3	37.1	37.1
Volvo A	1,900,000	880	5	553	327	2	0.6	1.2
Volvo B	500,000							
Munters	3,400,000	745	4	614	131	1	13.6	13.6
Höganäs B	3,400,000	585	3	609	-24	1	9.7	7.7
Other		526	3	538	-12	1		
Total as per December 31, 2005		52,265	271	20,673	31,592	100		

Development from

January 1–December 31, 2006:

Purchases	3,193
Sales	-2,072
Change in value	9,939

Market value as per Dec. 31, 2006 63,325

Industrivärden Consolidated Income Statement

SEK M	2006 Oct.–Dec.	2005 Oct.–Dec.	2006 Jan.–Dec.	2005 Jan.–Dec.
Dividend income from stocks	–	–	1,733	1,275
Change in value of stocks	6,358	4,551	10,037	12,937
Short-term derivative transactions and equity trading	69	53	173	122
Management costs	-23	-20	-81	-78
Other income and expenses	-1	0	-4	2
Operating earnings	6,403	4,584	11,858	14,258
Interest income	4	6	17	12
Interest expenses	-48	-67	-198 ³	-220
Other financial items	-1	-2	-6	-8
Earnings after financial items	6,358	4,521	11,671	14,042
Tax	-9	0	-73³	-2
Earnings for the year for continuing operations	6,349	4,521	11,598	14,040
Earnings for the year for discontinued operations⁴	9	2	23	162
Net earnings for the year	6,358	4,523	11,621	14,202
Depreciation included in operating earnings	1	1	4	4
Earnings per share, SEK ⁵	32.92	23.42	60.17	73.54

³ For 2006 includes tax charge of SEK 51 M plus interest of SEK 9 M, in accordance with a ruling by the Administrative Court of Appeal. The tax amount pertains to the tax years 1998–2002 on standard-calculated earnings for shares in subsidiaries. According to the tax laws currently in effect, no standard-calculated level of earnings is assessed for shares in subsidiaries.

⁴ Earnings from discontinued operations pertain to Isaberg Rapid for 2006 and 2005, and Indutrade until the stock listing in the turn of the months September/October 2005.

	2006	2005
Net sales	900	3.654
Expenses	-872	-3.424
Earnings after financial items	28	230
Tax	-5	-68
Earnings for the year	23	162

⁵ Net earnings for the year divided by 193,135,612 shares. There is no dilutive effect.

Industrivärden Consolidated Balance Sheet

SEK M	Dec. 31 2006	Dec. 31 2005
Intangible assets	–	83
Tangible assets	87	228
Equities	63,030	51,910
Other financial assets	1	12
Inventories	–	197
Accounts receivable, trade	–	239
Other current assets	147	185
Cash and cash equivalents	738	1,307
Assets in discontinued operations ⁶	708	–
Total assets	64,711	54,161
Shareholders' equity	58,491	48,227
Long-term noninterest-bearing liabilities	32	43
Long-term interest-bearing liabilities	2,778	4,037
Current noninterest-bearing liabilities	425	608
Current interest-bearing liabilities	2,505	1,246
Liabilities in discontinued operations ⁶	480	–
Total shareholders' equity and liabilities	64,711	54,161

⁶ Pertains to Isaberg Rapid.

Change in Consolidated Shareholders' Equity

SEK M	2006 Jan.–Dec.	2005 Jan.–Dec.
Opening shareholders' equity	48,227	35,175
Dividend to shareholders	-1,352	-1,159
Translation differences	-5	9
Net earnings for the year	11,621	14,202
Closing shareholders' equity	58,491	48,227
Shareholders' equity per share, SEK	303	250

Industrivärden Consolidated Statement of Cash Flows

SEK M	2006 Jan.–Dec.	2005 Jan.–Dec.
OPERATING ACTIVITIES		
Dividend income from stocks	1,733	1,275
Cash flow from short-term derivative and equity trading	238	252
Management costs paid	-80	-79
Tax paid	-56	-26
Other items affecting cash flow	6	35
Financial items, net	-184	-235
CASH FLOW FROM OPERATING ACTIVITIES	1,657	1,222
INVESTING ACTIVITIES		
Purchases of listed stocks ⁷	-3,193	-3,023
Sales of listed stocks ⁷	2,072	2,379
Sales of subsidiaries	–	1,585
Net purchases/sales of other non-current assets	-2	-49
CASH FLOW FROM INVESTING ACTIVITIES	-1,123	892
FINANCING ACTIVITIES		
Loans raised and amortization of debt	299	-478
Dividend paid out	-1,352	-1,159
CASH FLOW FROM FINANCING ACTIVITIES	-1,053	-1,637
CASH FLOW FROM DISCONTINUED OPERATIONS⁸	5	283
NET CASH FLOW FOR THE YEAR	-514	760
Cash and cash equivalents at start of year	1,307	625
Less: cash and cash equivalents in discontinued operations	-54	-83
Exchange rate difference in cash and cash equivalents	-1	5
CASH AND CASH EQUIVALENTS AT END OF YEAR	738	1,307

⁷ Pertains to changes in the Parent Company's equities portfolio.

⁸ Cash flow from discontinued operations pertains to Isaberg Rapid for 2006 and Indutrade until the stock listing in the turn of the months September/October 2005.

	2006	2005
Cash flow from:		
- operating activities	55	147
- investing activities	-32	-184
- financing activities	-18	19
Net cash flow for the year	5	-18
Of which, dividend, etc. to Industrivärden	–	301
Cash flow from discontinued operations	5	283

Change in Interest-Bearing Net Debt

SEK M	2006 Jan.–Dec.	2005 Jan.–Dec.
Interest-bearing net debt at start of year	3,970	5,392
Net cash flow for the year	514	-760
Change in borrowings	299	-478
Other changes	5	3
Change pertaining to discontinued operations ⁹	-245	-187
Interest-bearing net debt at end of year	4,543	3,970

⁹ Pertains to Isaberg Rapid in 2006 and Indutrade in 2005.

Definitions

Change in value of stocks

For stocks held at both the start and end of the year, the change in market value consists of the difference in value between these two occasions. For stocks sold during the year, the change in market value consists of the difference between the value at the start of the year and the payment price received. For stocks purchased during the year, the change in market value consists of the difference between the cost of the stocks and their value at the end of the year.

Currency hedging

For investments in foreign, listed stocks, currency hedges are taken out by raising loans in the foreign currency in an amount corresponding to the invested amount.

Interest-bearing net debt

Interest-bearing liabilities and pensions less cash and cash equivalents and interest-bearing receivables, and for the Parent Company, also adjusted for liabilities to subsidiaries.

Market value of equities portfolio

The market value of the equities portfolio is defined as the market value of the listed portfolio (based on the market price on the balance sheet date).

Net asset value

The market value of the Parent Company's equities portfolio less net debt.

Net asset value including reinvested dividends

The development of net asset value including reinvested dividends after tax, recalculated taking into account the development of the listed portfolio. This gives a measure of how net asset value would have developed if Industrivärden had not paid any dividends and thereby had taxable earnings, since dividends rendered are tax-deductible.

Net debt

Net debt is defined as the Parent Company's interest-bearing and noninterest-bearing net debt.

Net debt-equity ratio

The Parent Company's interest-bearing net debt in relation to the market value of the Parent Company's equities portfolio.

Total return

Price trend plus reinvested dividends.

AB Industrivärden (publ)
Reg. no. 556043-4200
Box 5403,
SE-114 84 Stockholm,
Sweden
Phone +46-8-666 64 00
Fax +46-8-661 46 28
www.industrivarden.net
info@industrivarden.se

