

## INTERIM REPORT ON THE OPERATIONS OF AB CUSTOS FOR THE PERIOD JANUARY 1 – JUNE 30, 2001

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- Total return on Custos shares for the report period was 4.3 percent.
  - Custos divested its holding in Perstorp.
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### Total return

Total return on Custos shares for the report period was 4.3 percent.

#### Return, January 1, 2001 – June 30, 2001

	%
Total return on Custos shares <sup>1</sup>	4.3
Cost of shareholders' equity <sup>2</sup>	4.0
SIX Portfolio Return Index	-8.8
SIX Return Index	-12.3
Morgan Stanley World Index <sup>3</sup>	- 11.2

1 Total return taking into account share price appreciation and, where appropriate, dividend paid and redemption of shares reinvested.

2 Measured as the average twelve-month Swedish treasury bill rate plus a risk premium of 4 percent during the six-month period.

3 MSCI Indices US\$ World Index.

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*In this Interim Report, total net asset value, net asset value per share etc. on December 31, 2000 are calculated on the assumption that the SCA shares that comprised payment in the redemption program being completed during 2001 had been distributed to Custos shareholders on December 31, 2000. An Extraordinary General Meeting on December 5, 2000 approved this redemption in principle.*

*However, the Parent Company Condensed Balance Sheet on December 31, 2000 includes these SCA shares, because the approval and registration of Custos' redemption of ordinary shares with payment in the form of SCA shares was not completed until early in 2001.*

*For further information, see the Custos Annual Report for 2000.*

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## Net asset value

Total net asset value on June 30, 2001 was MSEK 5,239 (Dec. 31, 2000: 4,981), or SEK 291 (Dec. 31, 2000: 276) per share. Value per share is based on 18,030,654 Custos shares and is calculated on the assumption that the synthetically repurchased shares, as provided by a mandate from the Annual General Meeting on April 5, 2000, were redeemed.

On June 30, 2001, Custos' discount to net asset value was 14 percent. This was higher than at year-end 2000, when the discount was 7 percent.

<b>Change in net asset value, MSEK</b>		<b>Jan 1, 2001- Jun 30, 2001</b>
<b>Net asset value, January 1<sup>1</sup></b>		<b>4,981</b>
Dividends	38	
Administrative expenses	-22	
Other income and expenses	1	
Financial income and expenses	1	
Taxes	-1	17
<b>Change in value of securities portfolio</b>		
Perstorp/Pergo <sup>2</sup>	555	
Svedala	109	
Perbio Science	79	
SCA (including securities loans)	42	
Bilia	13	
Christian Salvesen	-13	
C. Tybring-Gjedde	-56	
Other holdings	-144	585
<b>Change in net asset value before dividend, redemption etc.</b>		<b>602</b>
Dividend to shareholders		-358
Change in value from synthetic buy-backs of Custos' own shares (swap agreement 2) which arose during 2001		-63
Transfer of market value of synthetic share buy-backs on December 31, 2000 (swap agreement 2)		936
Fixed redemption amount of synthetic share buy-backs on June 30, 2001 (swap agreement 2) <sup>3</sup>		-831
Other items		-28
<b>Net asset value at end of period</b>		<b>5,239</b>

1 The Custos shares that were included in the synthetic buy-back program on December 31, 2000 as provided by a mandate from the Annual General Meeting on April 5, 2000 (swap agreement 2) are assumed to have been redeemed at the market value prevailing on December 31, 2000 (MSEK 936).

2 Also includes the change in the value of the debentures issued by Sydsvenska Kemi (see "Portfolio of listed shares").

3 The Custos shares that were included in the synthetic buy-back program as provided by a mandate of the Annual General Meeting on April 5, 2000 (swap agreement 2) are assumed to have been redeemed at a fixed redemption amount (MSEK 831, see "Redemption").

**Net asset value on June 30, 2001, allocated by assets and liabilities**

Listed companies	Number	Price per share, SEK	Market value, MSEK	SEK per Custos share <sup>1</sup>
Perbio Science	14,101,226	136.00	1,918	106
Svedala	5,296,600	181.50	961	53
Christian Salvesen	27,090,000	19.15	519	29
SCA, Series A	1,412,715	230.50	326 <sup>2</sup>	18
Bilia	3,826,363	68.50	262	15
Pergo	3,964,284	62.00	246	14
C. Tybring-Gjedde	8,300,000	3.70	31	2
C. Tybring-Gjedde (convertible loan)	4,900,000	11.95	58 <sup>3</sup>	3
Other listed companies			37	2
<b>Subtotal listed companies</b>			<b>4,358</b>	<b>242</b>
Options issued			-16	-1
<b>Total listed companies</b>			<b>4,342</b>	<b>241</b>
<b>Unlisted companies</b>				
Acando			244	14
Other unlisted companies			114	6
<b>Subtotal unlisted companies</b>			<b>358</b>	<b>20</b>
Options issued, Acando			-60	-3
<b>Total unlisted companies</b>			<b>298</b>	<b>17</b>
Debentures, Sydsvenska Kemi	15,857,139	14.28	226	13
Other assets			1,364 <sup>4</sup>	75
<b>Total assets</b>			<b>6,230</b>	<b>346</b>
Liabilities			-991 <sup>5</sup>	-55
<b>Net asset value</b>			<b>5,239</b>	<b>291</b>

<sup>1</sup> Calculated on the basis of 18,030,654 shares.

<sup>2</sup> SCA, Series A shares have been equated in value with SCA, Series B shares, which are more liquid. Furthermore, it is possible to convert SCA, Series A shares to SCA, Series B shares.

<sup>3</sup> Convertible debenture loan equivalent to 4,900,000 shares. The market value presupposes that no conversion will take place. The loan has been calculated at its current value.

<sup>4</sup> Adjusted for the surplus value of synthetically repurchased shares etc.

<sup>5</sup> Adjusted for the market value of options issued, redemption proceeds for synthetically repurchased shares etc.

In calculating net asset value, Custos has applied the same principles as in its Annual Report for 2000.

## Portfolio of listed shares

On June 30, 2001, the market value of the portfolio of listed shares, taking into account options issued, was MSEK 4,342 (Dec. 31, 2000: 5,024, excluding the SCA shares distributed early in 2001, in accordance with a decision in principle by an Extraordinary General Meeting on December 5, 2000).

The largest single change in the composition of the portfolio during the report period was Custos' divestment of its entire holding in Perstorp to Sydsvenska Kemi AB (a chemical company controlled by Industri Kapital). For its shares in Perstorp, Custos received a total of SEK 1.1 billion in cash plus 15,857,139 debentures issued by Sydsvenska Kemi with a total calculated value of MSEK 226 on June 30, 2001.

Before the divestment, Perstorp had implemented a distribution of its laminate flooring subsidiary Pergo AB to the shareholders of Perstorp. Custos received 3,964,284 shares in Pergo, equivalent to 22.2 percent of the share capital and voting power in the company.

In addition, Custos converted 2,261,102 SCA, Series A shares to SCA, Series B shares and repaid its securities loans. Custos' redemption offer with payment in the form of SCA shares was completed by distributing 12,170,874 SCA shares to Custos' shareholders.

During June 2000, the Finnish-based engineering group Metso Corporation announced an offer to acquire all shares and convertible debentures in Svedala. Metso Corporation is offering SEK 185 per share. The application period has been extended until July 25, 2001. Custos has accepted the offer.

During the report period, Custos carried out net sales of securities totaling MSEK 1,187.

## Unlisted companies

On June 30, 2001, the market value of Custos' holdings in unlisted companies, taking into account options issued, amounted to an estimated MSEK 298 (Dec. 31, 2000: 447).

Shares in unlisted companies	Number	Market value, MSEK	SEK per Custos share <sup>1</sup>
Shares in unlisted Group companies		109	6
Shares in unlisted associated companies:			
Acando <sup>2</sup>	360,522	184	11
Others		5	0
<b>Total unlisted companies</b>		<b>298</b>	<b>17</b>

1 Calculated on the basis of 18,030,654 shares.

2 Taking into account options issued.

Taking into account options issued, Custos' holding in Acando was valued on June 30, 2001 at MSEK 184. The corresponding value on December 31, 2000 was MSEK 335. The appraisal of Acando on June 30, 2001 took into account the change in the index for companies in the IT Consulting & Services sector during the report period.

Custos is the largest single shareholder in Acando, with 30 percent of the share capital and voting power, taking into account options issued. Custos has invested a total of MSEK 66 in Acando, taking into account options issued.

## Securities portfolio, earnings and financial position

The market value of the Parent Company's total securities on June 30, 2001, taking into account options issued, amounted to MSEK 4,866 (Dec. 31, 2000: 5,471, excluding the SCA shares distributed early in 2001, in accordance with a decision in principle by an Extraordinary General Meeting on December 5, 2000). The book value of the portfolio on the balance sheet date was MSEK 2,536 (Dec. 31, 2000: 2,760). The difference between the market value and book value of the portfolio, the so-called surplus value, thus amounted to MSEK 2,330 (Dec. 31, 2000: 2,711).

During the period, Custos carried out net sales of securities totaling MSEK 1,188.

The Parent Company's income before taxes for the period January 1 – June 30, 2001 amounted to MSEK 983 (year-earlier period: 600). Dividends received totaled MSEK 38 (238) and capital gains etc. totaled MSEK 965 (360). Taxes totaling MSEK 1 (2) were charged to income.

The adjusted equity/assets ratio on June 30, 2001 was 83 percent (Dec. 31, 2000: 74). Net interest-bearing assets (interest-bearing assets minus interest-bearing liabilities) totaled MSEK 1,427 (Dec. 31, 2000: net interest-bearing liability 57).

## Redemption

The ongoing redemption of Custos shares targeted to Svenska Handelsbanken in order to finally settle the synthetic buy-back program implemented as provided by a mandate of the Annual General Meeting on April 5, 2000, is proceeding as planned. Custos expects the redemption procedure to be completed during August.

### Change in share capital, 2001

Year	Ordinary shares (1 vote each)	Series C shares (1/10 vote each)	Share capital, MSEK
<b>December 31, 2000</b>	<b>27,758,803</b>	<b>-</b>	<b>694</b>
2001 new share issue <sup>1</sup>	-	6,085,437	152
2001 redemption <sup>2</sup>	-6,085,437	-	-152
2001 redemption <sup>3</sup>		-6,085,437	-152
2001 redemption <sup>4</sup>	-3,642,712	-	-91
<b>2001</b>	<b>18,030,654</b>	<b>-</b>	<b>451</b>

1 New share issue targeted to Svenska Handelsbanken to enable Custos to carry out the redemption program with payment in SCA shares, in accordance with a decision by the Extraordinary General Meeting on February 8, 2001, efficiently without delay.

2 Completed redemption with payment in SCA shares, in accordance with a decision by the Extraordinary General Meeting on February 8, 2001.

3 Completed redemption targeted to Svenska Handelsbanken.

4 Ongoing redemption targeted to Svenska Handelsbanken as final settlement of the synthetic buy-back program implemented as provided by a mandate from the Annual General Meeting on April 5, 2000 (swap agreement 2).

## The Group

Custos is a non-diversified investment company, best analyzed on the basis of the Parent Company's accounts, in which the investment portfolio is valued at market value. Because the consolidated accounts for this type of investment company only serve as a complement to the Parent Company accounts, the consolidated balance sheets and income statements of the Custos Group are presented in an appendix to this Interim Report (see page 9).

## Miscellaneous

The Board of Directors of Custos has approved the introduction of a new bonus program for employees related to the 2001 financial year. The program is mainly connected to the performance of Custos shares during 2001. The total return on Custos shares must exceed the cost of shareholders' equity and the SIX Portfolio Return Index in a certain way in order for bonuses to be payable.

## Accounting principles

The same accounting principles and calculation methods have been used in the Interim Report as in the latest Annual Report. In addition, the Company applies the new recommendations of the Swedish Financial Accounting Standards Council, which went into effect on January 1, 2001 except Recommendation RR20 re current report period for the Group. This report will be prepared and available at the end of August, 2001. These new recommendations have not, however, had any impact on the accounts of the Parent Company and the Group.

## Information schedule

- Interim Report, January 1 – September 30.....October 17, 2001
- Annual General Meeting..... April 8, 2002

Only reports attributable to the full-year accounts will be distributed to the shareholders. Other reports will be available at the Company's office and will be sent to shareholders who request them. All reports are also available on the Company's website, [www.custos.se](http://www.custos.se).

Stockholm, July 17, 2001

AKTIEBOLAGET CUSTOS (publ)

Christer Gardell  
*Chief Executive Officer*

## Review report for AKTIEBOLAGET CUSTOS (publ)

We have reviewed the Interim Report for the period January 1 – June 30, 2001. In doing so, we have followed the recommendation issued by the Swedish Institute of Authorized Public Accountants (FAR). A review is substantially more limited than an audit. Nothing has emerged that indicates that this Interim Report does not fulfill the requirements of the Securities Exchange and Clearing Operations Act and the Annual Accounts Act.

KPMG

Per Bergman  
Authorized Public Accountant.

*The Interim Report is published in Swedish and English. In the event of any difference between the English version and the Swedish original, the Swedish version shall govern.*

**Parent Company Condensed Income Statement**  
(Amounts in MSEK)

	Jan - Jun 2001	Apr - Jun 2001	Jan - Jun 2000	Apr -Jun 2000
<b>Income from securities management</b>				
Dividends	38	27	238	216
Other income from holdings in associated companies other listed securities	0 965	-1 546	- 360	- -6
<b>Total income from securities management</b>	<b>1,003</b>	<b>572</b>	<b>598</b>	<b>210</b>
Administrative expenses	-22	-13	-22	-13
Other income and expenses	1	4	11	9
<b>Operating income</b>	<b>982</b>	<b>563</b>	<b>587</b>	<b>206</b>
Income/loss from fixed-asset receivables	-7	-6	-	-
Financial income and expenses	8	3	13	3
<b>Income before taxes</b>	<b>983</b>	<b>560</b>	<b>600</b>	<b>209</b>
Taxes	-1	-	-2	-1
<b>Net income for the period</b>	<b>982</b>	<b>560</b>	<b>598</b>	<b>208</b>
Net income per share (SEK)	42.53	25.87	18.79	6.54
Based on the following number of shares	23,093,301	21,673,366	31,845,613	31,845,613

**Parent Company Condensed Balance Sheet**  
(Amounts in MSEK)

	Jun 30, 2001	Dec 31, 2000
<b>Fixed assets</b>		
Tangible fixed assets	2	1
Financial fixed assets		
Holdings in Group companies	23	23
Holdings in associated companies	783 <sup>1</sup>	1,490 <sup>2</sup>
Receivables from associated companies	52	52
Other long-term holdings of securities	1,477	2,349
Other long-term receivables (of which, interest-bearing)	233 (229)	20 (20)
Current assets (of which, interest-bearing)	1,311 (1,306)	524 (523)
<b>Total assets</b>	<b>3,881</b>	<b>4,459</b>
Shareholders' equity <sup>3</sup>	3,723	3,711
Provisions	21	29
Current liabilities (of which, interest-bearing)	137 (108)	719 (600)
<b>Total shareholders' equity and liabilities</b>	<b>3,881</b>	<b>4,459</b>
1 Acando, C. Tybring-Gjedde, Firefly, Perbio Science, Pergo etc.		
2 Acando, C. Tybring-Gjedde, Firefly, Perbio Science, SCA etc.		
3 At the beginning of the period	3,711	4,292
Dividend	-358	-366
New issue of Series C shares	152	-
Redemption of Series C shares	-153	-
Other redemptions	-611	-875
Ongoing transactions attributable to buy-backs of Custos' own shares	0	95
Net income for the period	982	565
<b>At the end of the period</b>	<b>3,723</b>	<b>3,711</b>

Of which, net shareholders' equity utilized during Custos' redemptions	831	611
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<b>Parent Company Condensed Cash Flow Statement</b> (Amounts in MSEK)	<b>Jun 30, 2001</b>	<b>Jun 30, 2000</b>
<b>Current operations</b>		
Dividends received	38	238
Other operating income	944	349
<b>Operating income</b>	<b>982</b>	<b>587</b>
Adjustments for items not included in cash flow	-966	-370
	<b>16</b>	<b>217</b>
Net interest received/paid and similar items	7	12
Taxes paid	-2	-2
<b>Cash flow from current operations before changes in working capital</b>	<b>21</b>	<b>227</b>
<b>Changes in working capital</b>		
Increase (-)/decrease (+) in current receivables	-1	32
Increase (+)/decrease (-) in current liabilities	-36	9
Increase (+)/decrease (-) in provisions	-8	-2
<b>Cash flow from current operations</b>	<b>-24</b>	<b>266</b>
<b>Investment operations</b> <b>Note 1</b>		
Acquisitions of holdings in companies	-20	-465
Divestments of holdings in companies	1,189	1,217
Other investment operations	-	-12
<b>Cash flow from investment operations</b>	<b>1,169</b>	<b>740</b>
<b>Financing operations</b>		
Synthetic buy-backs of Custos' own shares	0	46
Dividend paid	-358	-366
Amounts disbursed to shareholders for redemptions	-153	-
New share issue	152	-
<b>Cash flow from investment operations</b>	<b>-359</b>	<b>-320</b>
Increase(+)/decrease (-) in liquid funds	786	686
Liquid funds, beginning of the period	520	630
<b>Liquid funds, end of the period</b> <b>Note 2</b>	<b>1,306</b>	<b>1,316</b>
<b>Note 1</b>		
Net sales of securities	1,188	758
Net investments in equipment	0	0
Increase (-)/decrease (+) in receivables related to divestments	1	-3
Increase (+)/decrease (-) in liabilities related to acquisitions	-20	-15
<b>Payments received</b>	<b>1,169</b>	<b>740</b>
<b>Note 2</b>		
Short-term investments	1,303	1,316
Cash and bank balances	3	0
<b>Liquid funds, end of the period</b>	<b>1,306</b>	<b>1,316</b>

## Appendix

### INTERIM REPORT ON CUSTOS GROUP OPERATIONS FOR THE PERIOD JANUARY 1 – JUNE 30, 2001

#### Group

#### Earnings

The operating income of the Custos Group for the period January-June 2001 totaled MSEK 714 (671). After estimated taxes, consolidated income totaled MSEK 708 (609).

#### Associated companies

Shareholdings in associated companies – in which the Group has long-term ownership of no less than 20 percent and no more than 50 percent of voting power – are reported according to the equity method in the consolidated financial statements. Share of income in associated companies is mainly reported in Custos' financial statements with a time lag of one quarter. In cases where the acquisition value of an associated company exceeds the Group's holding in the shareholders' equity of the company, the surplus is classified as goodwill and is depreciated over a five-year period.

Shareholdings previously reported as associated companies but in which Custos' stake has fallen below 20 percent of voting power are reported according to the acquisition method of accounting. SCA is reported in the consolidated financial statements according to the acquisition method from January 1, 2001 onward.

The holdings that are classified in the consolidated financial statements as associated companies are:

	Jun 30, 2001		Dec 31, 2000		Jun 30, 2000	
Company <sup>1</sup>	% of capital	% of votes	% of capital	% of votes	% of capital	% of votes
Acando	49.9	49.9	49.9	49.9	49.9	49.9
C. Tybring-Gjedde	33.3	33.3	33.3	33.3	37.4	37.4
Firefly	38.4	38.4	43.0	43.0	43.0	43.0
Open Training	30.0	30.0	30.0	30.0	30.0	30.0
Perbio Science	39.0	39.0	39.5	39.5	38.7	38.7
Pergo	22.2	22.2	-	-	-	-
Plantvision	-	-	30.6	30.6	31.4	31.4
SCA	-	-	6.9	20.2	6.9	20.1

1 Custos' stake exclusive of options issued.

<b>Consolidated Condensed Income Statement</b> (Amounts in MSEK)	<b>Jan - Jun 2001</b>	<b>Jan - Jun 2000</b>	<b>Jan - Dec 2000</b>
<b>Income from securities management</b>			
Share of income in associated companies	-1	171	487
Capital gains on divestments of associated companies	2	-	8
Income from other securities management	735	491	553
	<b>736</b>	<b>662</b>	<b>1,048</b>
Income from other operations	8	29	37
Expenses from other operations	-5	-8	-35
	<b>3</b>	<b>21</b>	<b>2</b>
<b>Gross income</b>	<b>739</b>	<b>683</b>	<b>1,050</b>
Administrative expenses	-24	-23	-45
Other income and expenses	-1	11	-55
<b>Operating income</b>	<b>714</b>	<b>671</b>	<b>950</b>
Income/loss from fixed-asset receivables	-7	-	-2
Financial income and expenses	12	16	29
<b>Income after financial items</b>	<b>719</b>	<b>687</b>	<b>977</b>
Taxes	-11	-78	-144
<b>Net income for the period</b>	<b>708</b>	<b>609</b>	<b>833</b>
Net income per share, SEK	30.67	19.13	27.39
Based on the following number of shares	23,093,301	31,845,613	30,426,582
<b>Consolidated Condensed Balance Sheet</b> (Amounts in MSEK)	<b>Jun 30, 2001</b>	<b>Dec 31, 2000</b>	
<b>ASSETS</b>			
Fixed assets			
Tangible fixed assets	2		2
Financial fixed assets			
Holdings in associated companies	722		3,315
Receivables from associated companies	52		52
Other long-term holdings of securities	1,644		2,348
Other financial fixed assets	233		21
Current assets	1,364		609
<b>Total assets</b>	<b>4,017</b>		<b>6,347</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
Shareholders' equity <sup>1</sup>	3,918		5,617
Provisions	21		29
Current liabilities	78		701
<b>Total shareholders' equity and liabilities</b>	<b>4,017</b>		<b>6,347</b>

1	At the beginning of the period	5,617	5,818
	Dividends	-358	-366
	New issue of Series C shares	152	-
	Redemption of Series C shares	-153	-
	Other redemptions	-2,069	-875
	Ongoing transactions attributable to buy-backs of Custos' own shares	0	95
	Translation differences etc.	21	112
	Net income for the period	708	833
	<b>At the end of the period</b>	<b>3,918</b>	<b>5,617</b>
	Of which, net shareholders' equity utilized during Custos' redemptions	831	2,069

<b>Consolidated condensed cash flow analysis</b> (Amounts in MSEK)		<b>Jun 30, 2001</b>	<b>Jun 30, 2000</b>
<b>Current operations</b>			
Operating income		714	671
Adjustments for items not included in cash flow		-697	-433
		<u>17</u>	<u>238</u>
Net interest received/paid and similar items		12	16
Taxes paid		<u>-2</u>	<u>-2</u>
<b>Cash flow from current operations before changes in working capital</b>		<b>27</b>	<b>252</b>
<b>Changes in working capital</b>			
Increase (-)/decrease (+) in inventories etc.		1	3
Increase (-)/decrease (+) in current receivables		32	6
Increase (+)/decrease (-) in current liabilities		-102	-8
Increase (+)/decrease (-) in provisions		<u>-8</u>	<u>-2</u>
<b>Cash flow from current operations</b>		<b>-50</b>	<b>251</b>
<b>Investment operations</b>			
	<b>Note 1</b>		
Acquisitions of holdings in companies		-	-450
Divestments of holdings in companies		1,193	1,217
Other investment operations		<u>-</u>	<u>-12</u>
<b>Cash flow from investment operations</b>		<b>1,193</b>	<b>755</b>
<b>Financing operations</b>			
Synthetic buy-backs of Custos' own shares		0	46
Dividend paid		-358	-366
Amounts disbursed to shareholders for redemptions		-153	-
New share issues		<u>152</u>	<u>-</u>
<b>Cash flow from investment operations</b>		<b>-359</b>	<b>-320</b>
Increase (+)/decrease (-) in liquid funds		784	686
Liquid funds, beginning of the period		<u>525</u>	<u>633</u>
<b>Liquid funds, end of the period</b>	<b>Note 2</b>	<b>1,309</b>	<b>1,319</b>
<b>Note 1</b>			
Net investments in securities		1,192	758
Net investments in equipment		0	0
Increase (-)/decrease (+) in receivables related to divestments		<u>1</u>	<u>-3</u>
<b>Payments disbursed</b>		<b>1,193</b>	<b>755</b>
<b>Note 2</b>			
Short-term investments		1,303	1,316
Cash and bank balances		<u>6</u>	<u>3</u>
<b>Liquid funds, end of the period</b>		<b>1,309</b>	<b>1,319</b>