

# Interim Report January - June 2002

**Investor's net asset value** on June 30, 2002 amounted to SEK 86,639 m. (SEK 113 per share), compared with SEK 118,284 m. on December 31, 2001 (SEK 154 per share).

**The value of Investor's total assets** was SEK 102,267 m. on June 30, 2002, as against SEK 129,366 m. at year-end 2001. Net debt amounted to SEK 15,628 m. on June 30, 2002 (SEK 11,082 m. on December 31, 2001), corresponding to 15 percent of total assets (9).

**The value of Core Holdings** declined SEK 28,343 m. during the six-month period. Ericsson and AstraZeneca accounted for decreases of SEK 16,678 m. and SEK 9,413 m., respectively. Electrolux and Saab AB contributed with appreciation of SEK 711 m. and SEK 390 m., respectively.

**Investor increased its holdings in Ericsson and SEB** during the second quarter through the purchase of shares for SEK 599 m. and SEK 384 m., respectively. During the quarter Investor also participated in ABB's convertible bond issue in an amount totaling approximately SEK 530 m. In the first quarter, shares were purchased in WM-data for SEK 308 m. and in SEB for SEK 26 m.

**The value of New Investments** decreased SEK 491 m. in the first six months of the year. Shares were purchased for a total of SEK 1,847 m. and shares were sold for a total of SEK 1,579 m. Kyphon and Ballingslöv were listed in the second quarter.

**The total return on Investor shares** was -26 percent in the first six months of 2002, compared with 3 percent appreciation in the corresponding period of 2001. The average annual total return has been 20 percent for the past 20 years.

## Investor's key figures

	6/30 2002	12/31 2001	6/30 2001
Assets, SEK bn.	102	129	139
Net debt, SEK bn.	15	11	11
Net asset value, SEK bn.	87	118	128
Net asset value per share, SEK	113	154	167

Development during the period/quarter	January-June 2002	January-June 2001	April-June 2002	April-June 2001
Change in net asset value, SEK bn.	-31	-16	-32	2
Change in net asset value, percent	-27	-11	-27	2
Income after tax, SEK bn.	1	9	0	8
Total return, percent	-26	3	-28	16

The interim report can also be accessed on the Internet at [www.investorab.com](http://www.investorab.com)

**Investor AB** is Sweden's largest listed industrial holding company. The company's business concept is to create shareholder value through long-term active ownership and investment activities. Investor is a leading shareholder in a number of public multinational companies, including AstraZeneca, SEB and Ericsson. Investor also conducts venture capital activities in North America, Europe and Asia. The average annual total return to shareholders has been 20 percent for the past 20 years.

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## President's comments

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Many areas of the world are experiencing political and economic uncertainty at the moment. Although growth in many countries has recovered to a certain extent, weak stock exchanges and troubled credit markets are negatively affecting both investments and private consumption.

**In the second quarter the world's stock exchanges** took turns leading the decline, which has encompassed virtually all industries. A contributing factor to the market weakness is growing uncertainty about the quality of earnings and the financial viability of companies, including reduced confidence in corporate accounting. In addition, it is being reported that some institutional owners have changed the composition of their portfolios, which has affected stock market trends. The weakening of the U.S. dollar has been another point of concern.

The Stockholm Stock Exchange was one of the markets that experienced the weakest results and is down 24 percent since the beginning of the year – the worst start to a trading year since the 1930s. The healthcare sector, which had previously withstood the market downturn relatively well, also declined in the second quarter. The telecom sector continued to perform poorly and has fallen approximately 48 percent on the Stockholm exchange since the start of the year.

**Investor's strategy** – to be a committed, long-term owner that supports its portfolio companies strategically, operationally and financially – is important to emphasize against this background. During the period, Investor's financial position has enabled participation in ABB's convertible bond issue and commitment to Ericsson's planned new rights offering. In addition, a number of add-on investments and new investments were made during the first half.

Investments during the period have increased Investor's debt, although it is still considered to be limited in relation to total assets.

**In line with stock market developments**, the value of most of Investor's core holdings declined in the first six months of the year. Exceptions were Electrolux and Saab, whose share prices rose. AstraZeneca, Investor's largest holding, was affected by the general market downturn. During the period AstraZeneca reported that it had received preliminary approval for its Crestor statin in the United States and approval for its anti-cancer drug Iressa in Japan. AstraZeneca's progress in research and strong financial position inspire confidence that the company will perform favorably in the future.

Ericsson's shares continued to weaken. The company is continuing to implement cost-reduction measures as part of its efforts to restore profitability. Investor supports Ericsson's new rights offering, which is designed to give the company increased financial resources if the telecom markets remain weak. The offering will also give Ericsson the resources to respond to any business

recovery. Investor's long-term holding in Ericsson, and belief in the telecom industry, was demonstrated by the purchase of additional shares in Ericsson during the second quarter.

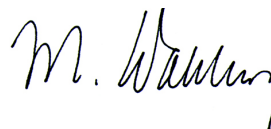
During the year Investor also increased its holdings in SEB and WM-data, two companies that are well positioned in their respective markets. As noted above, Investor also subscribed to ABB's convertible bond issue in an amount corresponding to its stake in the company. ABB is continuing to restructure its finances and operations. The company has also reported a positive trend of orders.

**New investments, divestments and IPOs** were carried out in the New Investments business in the second quarter. Despite the difficult public market environment, it was gratifying that Kyphon went public on the Nasdaq exchange, and that one of EQT's portfolio companies, Ballingslöv, was listed on the Stockholm Stock Exchange. Furthermore, the Hong Kong-based venture capital company imGO was divested and generated a capital gain. At the same time, Investor Growth Capital announced that it is initiating direct venture capital activities in Asia. With two specialized teams focused on buyouts (Investor Capital Partners – Asia Fund) and early-stage technology companies (Investor Growth Capital Asia), Investor's presence has been strengthened in the growing Asian market.

**Investor's active portfolio management unit** again generated a very high return. As announced earlier, the scope of Investor's own equity-trading activities will be reduced going forward.

**The review of Investor's organization** has resulted in further cost reductions, which is now reflected in the financial statements. It is worth noting that slightly more than half of Investor's total costs are related to venture capital operations, which also employ more than half of Investor's employees. This business is personnel-intensive but also has high return potential. Investor's venture capital operations are considered to be cost-competitive.

**Investor's history** shows that a long-term ownership philosophy is put to the test in times of economic uncertainty. However, such times also offer many attractive business opportunities. In a turbulent market it is important to maintain a long-term perspective of operations and portfolio companies. Investor stands firmly by its business concept to create value in portfolio companies, and thereby also creating value for shareholders, through committed ownership and entrepreneurial investment activities.



**Marcus Wallenberg**

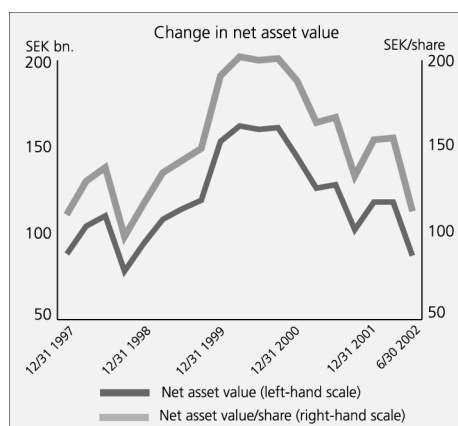
## Change in net asset value

On June 30, 2002, Investor's net asset value amounted to SEK 86,639 m. (127,941)<sup>1)</sup>, corresponding to SEK 113 per share (167). At year-end 2001, Investor's net asset value amounted to SEK 118,284 m. or SEK 154 per share.

### Investor's net asset value

	6/30 2002		12/31 2001	
	SEK/share	SEK m.	SEK/share	SEK m.
Core Holdings	109	84 020	144	110 518
New Investments	16	12 172	16	12 410
Other Holdings	6	4 879	7	4 893
Other Operations	2	1 531	3	2 063
Other assets and liabilities	0	-335	-1	-518
<b>Total assets</b>	<b>133</b>	<b>102 267</b>	<b>169</b>	<b>129 366</b>
Net debt	-20	-15 628	-15	-11 082
<b>Total net asset value</b>	<b>113</b>	<b>86 639</b>	<b>154</b>	<b>118 284</b>

During the first six months of the year Investor's net asset value decreased SEK 31,645 m. (-16,492) or 27 percent (-11). In the second quarter, the net asset value developed negatively, declining SEK 32,044 m., or 27 percent.



During the period Core Holdings changed the net asset value by SEK -26,897 m. (-12,343), New Investments by SEK -592 m. (-1,477), Other

1) Figures in parentheses refer to the corresponding date/period of the preceding year.

### Total assets by sector and business segment on June 30, 2002

SEK m.	Healthcare	Technology	Engineering	Financial Services	Other	Total
Core Holdings	40 476	9 882	19 194	14 468	-	<b>84 020</b>
New Investments, listed	1 096	466	86	-	-	<b>1 648</b>
New Investments, unlisted	1 449	6 161	1 026	68	1 820	<b>10 524</b>
Other	-	721	2 588	-	2 766	<b>6 075</b>
<b>Total</b>	<b>43 021</b>	<b>17 230</b>	<b>22 894</b>	<b>14 536</b>	<b>4 586</b>	<b>102 267</b>
(%)	(42%)	(17%)	(22%)	(14%)	(5%)	(100%)

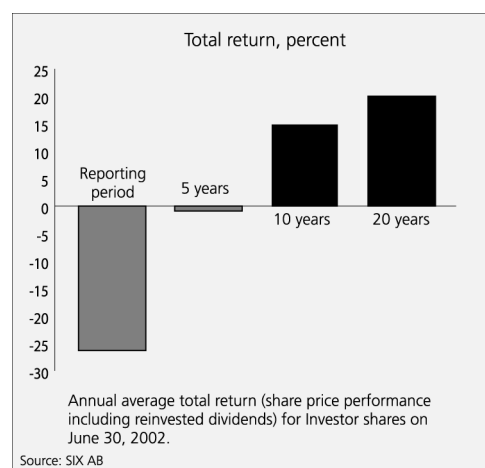
Holdings by SEK 377 m. (635) and Other Operations by SEK 387 m. (1,101). The corresponding figures for the second quarter were SEK -26,836, -280, -297 and 84 m. In addition, the net asset value was impacted by the dividend payment totaling SEK -4,219 m.

See Appendix 1, page 14, for a detailed presentation of each business segment's effect on the change in net asset value.

## Investor shares

The total return<sup>2)</sup> on Investor shares was -26 percent in the first six months of the year (3). During the past 12-month period, the total return has been -39 percent (20). The total return was -28 percent in the second quarter (16).

The average annual total return on Investor shares has been 20 percent during the past 20-year period.



The discount to net asset value was 29 percent on June 30, 2002, compared with 26 percent at year-end 2001.

For more information: [share.investorab.com](http://share.investorab.com)

2) Total return is the sum of share price appreciation and reinvested dividends.

## Core Holdings

In the first six months of 2002, shares in Core Holdings were purchased for a total of SEK 1,845 m. (15,081), of which SEK 1,511 m. was in the second quarter. No shares were sold during the period (SEK 13,556 m.).

Purchases during the second quarter comprised 28,000,000 B shares in Ericsson for SEK 599 m. and 4,050,000 A shares in SEB for SEK 384 m. After the purchases, Investor's holdings now amount to 5 percent of the share capital and 39 percent of the voting rights in Ericsson, and 20 percent of the capital and 21 percent of the votes in SEB.

In the second quarter Investor participated in ABB's convertible bond issue in an amount totaling approximately SEK 530 m.

In the first quarter 15,000,000 A shares were acquired in WM-data for SEK 308 m. and 250,000 A shares in SEB for SEK 26 m.

The value of Investor's Core Holdings changed by<sup>1)</sup> SEK -28,343 m. during the period (-14,358), of which SEK -27,757 m. was in the second quarter (4,381).

The largest contributions to the change in value were from Electrolux with appreciation of SEK 711 m. and Saab AB with SEK 390 m. Ericsson and AstraZeneca had a negative impact corresponding to SEK -16,678 m. and SEK -9,413 m., respectively.

1) The change in value is defined as the sum of realized gains (including write-downs) and changes in surplus values (taking purchasing and sales proceeds into account).

### Core Holdings on June 30, 2002

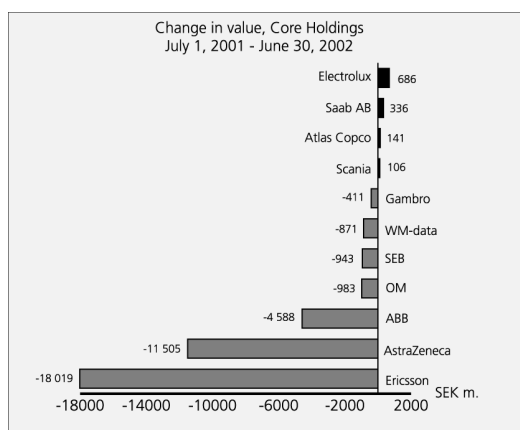
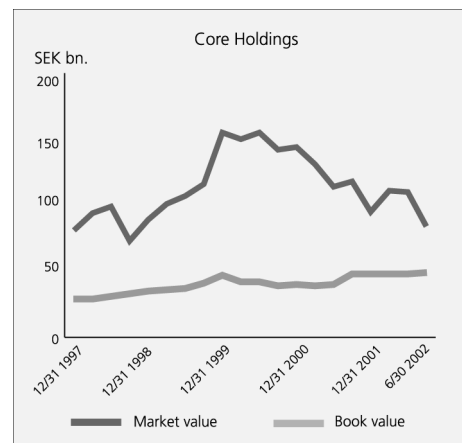
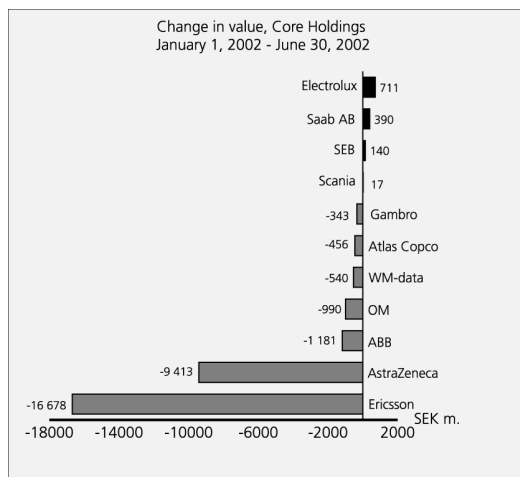
	Number of shares <sup>1)</sup> 6/30 2002	Market value SEK/share 6/30 2002	Market value SEK m. 6/30 2002	Share price perform- ance 2002 <sup>2)</sup> (%)	Share of core holdings (%)	Share of capital <sup>3)</sup> (%)	Share of voting rights <sup>3)</sup> (%)	Market value SEK/share 12/31 2001	Market value SEK m. 12/31 2001
<b>Healthcare</b>									
AstraZeneca	95 085 810	47	36 323	-21	43	5	5	60	45 736
Gambro	68 638 225	5	4 153	-8	5	20	26	6	4 496
		<b>52</b>	<b>40 476</b>		<b>48</b>			<b>66</b>	<b>50 232</b>
<b>Technology</b>									
Ericsson	410 678 896	8	6 119	-76	7	5	39	29	22 198
Saab AB	21 611 925	3	2 540	+18	3	20	36	3	2 150
WM-data	70 302 500	2	1 223	-34	2	18	31	2	1 455
		<b>13</b>	<b>9 882</b>		<b>12</b>			<b>34</b>	<b>25 803</b>
<b>Engineering</b>									
ABB <sup>4)</sup>	57 750 880	7	5 180	-19	6	5	5	7	5 833
Atlas Copco	31 454 971	9	6 920	-6	8	15	21	10	7 376
Scania	18 170 073	4	3 456	0	4	9	15	4	3 439
Electrolux	19 613 190	5	3 638	+19	5	6	24	4	2 927
		<b>25</b>	<b>19 194</b>		<b>23</b>			<b>25</b>	<b>19 575</b>
<b>Financial Services</b>									
SEB	139 672 295	18	13 478	+1	16	20	21	17	12 928
OM	14 350 507	1	990	-50	1	17	17	2	1 980
		<b>19</b>	<b>14 468</b>		<b>17</b>			<b>19</b>	<b>14 908</b>
<b>Total</b>		<b>109</b>	<b>84 020</b>		<b>100</b>			<b>144</b>	<b>110 518</b>

<sup>1)</sup> Holdings, including any shares on loan.

<sup>2)</sup> Most heavily traded class of share.

<sup>3)</sup> After full dilution.

<sup>4)</sup> Market value includes the holding in ABB's convertible bonds.



In the first six months of 2002, SEK 1,521 m. in dividends were received from the core holdings, compared with SEK 2,119 m. in the corresponding period of 2001. The decline is partly the consequence of a change in the composition of the portfolio, and partly the effect of lower dividends, or no dividends, from a few portfolio companies.

For more information: [ch.investorab.com](http://ch.investorab.com)

## New Investments

### New Investments on June 30, 2002

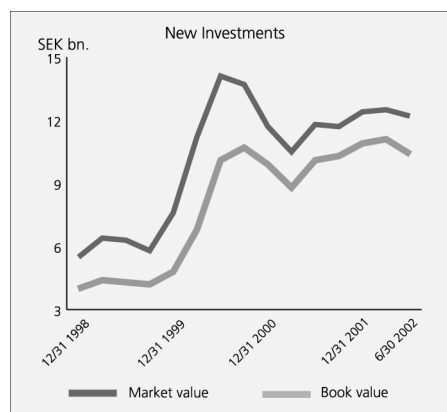
	SEK/share	Market value (SEK m.)	Book value (SEK m.)
Investor Growth Capital	11	8 159	6 715
Investor Capital Partners – Asia Fund <sup>1)</sup>	1	769	533
EQT	4	3 244	3 150
<b>Total</b>	<b>16</b>	<b>12 172</b>	<b>10 398</b>

<sup>1)</sup> Includes all Investor Group investments in Asia.

A total of SEK 1,847 m. was invested in the first six months of 2002 (2,181), of which SEK 1,014 m. was in the second quarter (1,643). Holdings were sold for a total of SEK 1,579 m. (929), of which SEK 1,047 m. was in the second quarter (204). Divestments during the period generated capital gains totaling SEK 222 m. (110), of which SEK 121 m. was in the second quarter (45).

Write-downs amounted to SEK -628 m. during the period (-1,407), of which SEK -518 m. was in the second quarter (-243) (see "Valuation principles for New Investments" on page 10).

The value of New Investments decreased SEK 491 m. in the first half of the year (-1,369), of which SEK 236 m. was in the second quarter (-151).



For more information: [ni.investorab.com](http://ni.investorab.com)

### Investor Growth Capital

Recent venture capital industry trends continued with lower activity levels and relatively few start-ups receiving funding in the second quarter. However, historically, funding levels are still at a high level, and there is a possibility of further reductions in activity levels. In addition, exit opportunities such as IPOs are still rare, as well as mergers and acquisitions.

The medical-device company Kyphon went public on the Nasdaq exchange in the U.S. in the

second quarter. The market value of Investor's holding in Kyphon was SEK 438 m. on June 30, 2002, compared with SEK 182 m. at year-end 2001. Investor owns 11.9 percent of Kyphon.

In the second quarter, Investor Growth Capital made new investments in Collectricon, Exigen and Mahi Networks.

Collectricon (Gothenburg, Sweden) is a biotech tool company with a comprehensive patent portfolio for developing cell-based assays and single-cell electromanipulation which will allow for dramatic productivity increases in the drug discovery process.

Exigen (San Francisco, California) delivers business process solutions for global enterprises in the insurance, communications and financial industries. The company's software enables customers to realize cost savings through automating business processes.

Mahi Networks (Petaluma, California) develops and markets high-capacity intelligent optical networking solutions for metropolitan core networks.

In the first quarter of 2002, Investor Growth Capital made new investments in Atrica and Cameron Health.

In addition to the above-mentioned investments, follow-on investments were made in, among other companies, Melacure, Metcon and Paratek during the second quarter. Earlier in the year follow-on investments were made in, among other companies, Bredbandsbolaget (B2), Personal Chemistry and Lycos Europe (the final add-on investment in accordance with an earlier agreement).

In the first quarter, the remaining position was sold in Sylvan Learning Systems, among other companies.

b-business partners, in which Investor Growth Capital has concentrated its IT investments in Europe, made new investments in Accelerated Encryption Processing Ltd. and Esual Software during the second quarter. Furthermore, the portfolio company EHAND was sold to XcelleNet.

In the second quarter, Investor Growth Capital Asia Limited was formed under the management of former imGO CEO Michael Ricks. The company focuses on investments in early stage technology companies in Asia. Investor Growth Capital Asia will also monitor Investor's existing direct holdings in Asia. The entire holding of Lerado was divested in the second quarter.

For more information: [igc.investorab.com](http://igc.investorab.com)

### New Investments – 10 largest listed companies<sup>1)</sup>

Company	Sector	Owner-ship (%)	Share price performance 2002 (%)	Market value <sup>2)</sup> (SEK m.) 6/30 2002	Market value <sup>2)</sup> (SEK m.) 12/31 2001
Kyphon	HC	11.9	-2.8 <sup>3)</sup>	438	182
Axcan	HC	7.5	4.1	348	388
ASM Pacific	IT	4.3	14.3	278	282
Intuitive Surgical	HC	7.0	-15.6	177	242
Medtronic	HC	0.0	-16.4	91	124
Amkor	IT	0.9	-61.0	76	152
Lycos Europe	IT	4.5	-41.9	54	82
Intrabiotics	HC	8.3	-50.6	28	70
United Pacific	IT	13.4	-24.6	34	50
Perlos	IT	1.5	-50.6	33	77
Other, listed	-	-	-	91	548
<b>Total, listed</b>	-	-	-	<b>1 648</b>	<b>2 197</b>
Unlisted	-	-	-	10 524	10 213
<b>Total, New Investments</b>	-	-	-	<b>12 172</b>	<b>12 410</b>

<sup>1)</sup> Purchases and sales were made in certain holdings during the year.

<sup>2)</sup> After a discount of 10 or 20 percent, depending on the liquidity of the company's shares. Market value includes any exchange rate effects.

<sup>3)</sup> Refers to share price development since the listing on May 17, 2002.

### Investor Capital Partners – Asia Fund

During the second quarter Investor sold its direct and indirect holdings in imGO. The sales proceeds for Investor amounted to about SEK 820 m. and the transaction generated a capital gain of approximately SEK 70 m.

In the first quarter Investor Capital Partners – Asia Fund made an investment in a leading contract manufacturer of small household appliances in East China.

Investor Capital Partners – Asia Fund has a total capital commitment of USD 322 m., of which Investor's commitment is USD 200 m.

For more information visit: [icp.investorab.com](http://icp.investorab.com)

### EQT

In the second quarter, EQT Northern Europe acquired the Finnish technology company VTI Hamlin, a world-leading manufacturer of acceleration and motion sensors. In addition, Stenqvist, an EQT Scandinavia 1 portfolio company, acquired a Danish competitor, Unibag AS. EQT Denmark's portfolio company, Context Holding, also purchased Vidar Systems Corporation, Inc.

In the second quarter the kitchen-furniture manufacturer Ballingslöv was listed on the Stockholm Stock Exchange.

In the first quarter, EQT Northern Europe acquired the Finnish company Lillbacka Corporation (Finn-Power).

EQT's funds have an investment commitment totaling approximately SEK 30 bn. Investor is one of the major investors in the funds, with total commitments amounting to approximately SEK 8 bn. On June 30, 2002, the book value of Investor's existing holdings in EQT's funds totaled SEK 3,150 m.

For more information: [www.eqt.se](http://www.eqt.se)

### New Investments' effect on the change in net asset value, 1998 – June 30, 2002

SEK m.	1998	1999	2000	2001	Jan. – June 2002	<b>Total 1998 – June 2002</b>
Capital gains, net (incl. dividends)	709	2 399	3 004	524	267	<b>6 903</b>
Write-downs, net	-344	14	-1 228	-2 802	-628	<b>-4 988</b>
Operating costs	-210	-249	-325	-336	-146	<b>-1 266</b>
<b>Operating result for the period</b>	<b>155</b>	<b>2 164</b>	<b>1 451</b>	<b>-2 614</b>	<b>-507</b>	<b>649</b>
Change in surplus value, etc.	1 162	722	-955	-119	-85	<b>725</b>
<b>Effect on net asset value</b>	<b>1 317</b>	<b>2 886</b>	<b>496</b>	<b>-2 733</b>	<b>-592</b>	<b>1 374</b>

*Investor Growth Capital* is wholly owned by Investor and focuses on direct investments in young high-growth companies in an expansion phase. The focus is on European, U.S. and Asian companies in the information technology and healthcare sectors. Investor Growth Capital has offices in Stockholm, New York, Palo Alto, Hong Kong and Amsterdam.

*Investor Capital Partners – Asia Fund* is a private equity fund with a focus on buyouts in Asia, excluding Japan. The investment adviser is Investor's wholly owned subsidiary Investor Asia Limited.

*EQT* takes control positions in medium-sized companies that are normally unlisted and have high return potential through various forms of restructuring. EQT is operated in the form of a number of LBO<sup>\*)</sup> funds with capital from Investor and external investors. Investor is the principal owner of the investment adviser EQT Partners AB

<sup>\*)</sup> Leveraged buyout.



## Other Holdings

### Other Holdings

	6/30 2002		12/31 2001	
	SEK/share	SEK m.	SEK/share	SEK m.
Volvo	2	2 086	3	2 460
Syngenta	2	1 249	2	1 240
Hi3G	1	721	1	358
Other	1	823	1	835
<b>Total, Other Holdings</b>	<b>6</b>	<b>4 879</b>	<b>7</b>	<b>4 893</b>

Investor's Other Holdings had a positive impact on the change in value with appreciation of SEK 233 m. in the first six months of the year (470), of which SEK -432 m. during the second quarter (290).

### Hi3G

Hi3G announced in the second quarter that it had signed a letter of intent with Vodafone concerning a national roaming agreement in which Hi3G will be able to use Vodafone's GSM network in Sweden.

Hi3G has been provided with capital to support the build-out of the company's network and the continuing development of services.

In the second quarter Hi3G signed agreements with SEB regarding 3G banking services, and with Svenska Hockeyligan AB covering the future provision of Swedish national ice hockey league content to 3G mobile phones.

For more information: [www.hi3gaccess.se](http://www.hi3gaccess.se)

### Volvo

In the second quarter, 3,039,700 shares in Volvo were sold for SEK 604 m. Investor's remaining holding in Volvo now totals 10,980,020 shares.

## Other Operations

### Other Operations

	6/30 2002		12/31 2001	
	SEK/share	SEK m.	SEK/share	SEK m.
The Grand Group	1	1 075	1	1 075
Active portfolio management	0	88	1	599
Land and real estate	1	350	1	350
Other	0	18	0	39
<b>Total, Other Operations</b>	<b>2</b>	<b>1 531</b>	<b>3</b>	<b>2 063</b>

### Active portfolio management

Investor's active portfolio management activities continued to perform strongly in the first six months of the year. Net income totaled SEK 334 m. (748).

The scope of Investor's active portfolio management activities was reduced effective mid-year 2002.

### The Grand Group

The result after financial items for the Grand Group (formerly Grand Hôtel Holdings) was SEK -20 m. (35). During the period SEK 31 m. was expensed for renovation work at the Grand Hôtel in Stockholm. The Grand Group's results were also affected by a generally weak economy.

For more information: [www.grandhotel.se](http://www.grandhotel.se)



## Consolidated results

Investor's income after financial items, excluding unrealized increases in value, amounted to SEK 1,269 m. (9,453). The amount includes capital gains, net, totaling SEK 96 m. (7,670).

Investor's operating costs amounted to SEK 316 m. in the first six months of the year, as against SEK 381 m. in the first half of 2001.

Income for the period (after tax) was SEK 1,192 m. (9,171). Corresponding income for the second quarter was SEK 368 m. (7,759).

A more detailed description of operations is provided as a table in Appendix 1.

## Consolidated net debt

Consolidated net debt at the end of the period was SEK 15,628 m., as against SEK 11,082 m. at year-end 2001. Net debt thus increased SEK 4,546 m. in the first six months of the year. Investor's net debt thereby amounted to 15 percent of total assets.

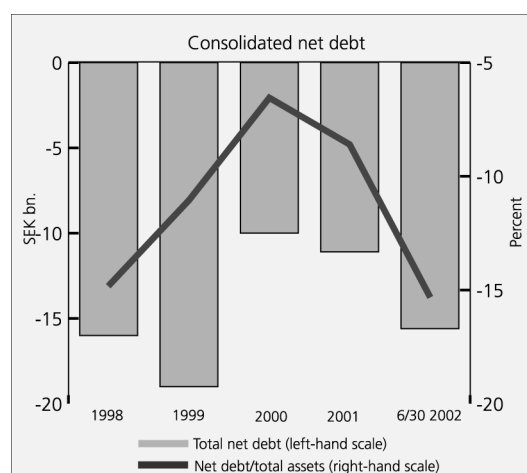
In the first quarter, Investor issued a bond loan amounting to EUR 500 m. The loan was raised for primarily for refinancing purposes and has a maturity of ten years.

## Share capital

Investor's share capital on June 30, 2002 amounted to SEK 4,795 m., compared with SEK 4,795 m. on December 31, 2001.

### Structure of share capital

Class of share	Number of shares	Number of votes	% of capital	% of votes
A 1 vote	311 690 844	311 690 844	40.6	87.2
B 1/10 vote	455 484 186	45 548 418	59.4	12.8
<b>Total</b>	<b>767 175 030</b>	<b>357 239 262</b>	<b>100.0</b>	<b>100.0</b>



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## Other

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### Parent Company Investor AB

Income after financial items was SEK 2,536 m. (10,909), of which SEK 283 m. (7,183) m. consisted of capital gains.

During the period shares were purchased for SEK 2,235 m. (16,597) and shares were sold for SEK 2,633 m. (14,694).

Current receivables amounted to SEK 259 m. on June 30, 2002, as against SEK 275 m. on December 31, 2001. Short-term debt amounted to SEK 11,360 m., compared with SEK 13,701 m. on December 31, 2001. Shareholders' equity amounted to SEK 55,257 m. on June 30, 2002, compared with SEK 57,108 m. at year-end 2001.

### Annual General Meeting

On April 16, 2002, the Annual General Meeting of Investor AB approved an ordinary dividend of SEK 3.00 per share and an extraordinary dividend of SEK 2.50 per share for fiscal 2001.

At the Annual General Meeting, Sune Carlsson, President and CEO of SKF, was elected a new member of the board. Michael Treschow declined re-election, due to his election as chairman of Ericsson.

### Accounting principles

This interim report has been prepared in accordance with Sweden's Annual Accounts Act and the recommendations of the Swedish Financial Accounting Standards Council. It should be noted, however, that the net asset value per share is stated instead of income per share, since it reflects the development of Investor as an industrial holding company in a more relevant way.

Holdings in associated companies are reported in accordance with the acquisition value method. The consolidated accounts in accordance with the equity method (income statement, balance sheet and specification of equity) will be made available on Investor's website as of August 31, 2002.

### Valuation principles for New Investments

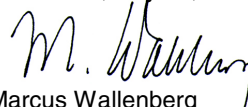
The valuation of listed holdings is based on the share price of each company on the last business day of the reporting period, less 10 or 20 percent, depending on the liquidity of the company's shares.

For unlisted holdings, Investor uses a valuation method in which the holdings are valued at acquisition cost, less any write-downs. The valuation, and if relevant, any need for write-downs, is determined quarterly on the basis of the market's development and the performance of each company in relation to its plan and budget.

### Financial calendar

±! Oct. 10, 2002	Interim Report, January –September
±! Jan. 24, 2003	Year-End Report for 2002

Stockholm, July 10, 2002

  
Marcus Wallenberg  
President and Chief Executive Officer

### For information

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This interim report has not been subject to specific review by the Company's auditors.

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## INVESTOR GROUP

### CONSOLIDATED INCOME STATEMENT

*Acquisition value method*

SEK m.	2002 1/1-6/30	2001 1/1-6/30	2002 4/1-6/30	2001 4/1-6/30
Dividends	1 521	2 119	955	867
Capital gains, net	-	7 008	-	7 008
Operating costs	-75	-104	-34	-48
<b>Net income - Core Holdings</b>	<b>1 446</b>	<b>9 023</b>	<b>921</b>	<b>7 827</b>
Dividends	193	223	167	172
Capital gains, net	-196	21	-591	-118
Operating costs	-150	-166	-76	-79
<b>Net income - New Investments and Other Holdings</b>	<b>-153</b>	<b>78</b>	<b>-500</b>	<b>-25</b>
Net income, securities trading	334	748	160	308
Net sales	288	318	162	177
Cost of goods and services sold	-298	-219	-171	-112
Operating costs	-63	-69	-32	-37
<b>Net income - Other Operations</b>	<b>261</b>	<b>778</b>	<b>119</b>	<b>336</b>
Groupwide operating costs	-28	-42	-14	-19
<b>Operating income</b>	<b>1 526</b>	<b>9 837</b>	<b>526</b>	<b>8 119</b>
Net financial items	-257	-384	-134	-214
<b>Income after financial items</b>	<b>1 269</b>	<b>9 453</b>	<b>392</b>	<b>7 905</b>
Actual tax	-109	-166	-52	-109
Deferred tax	35	-109	28	-33
Minority interest	-3	-7	-	-4
<b>Net income for the period</b>	<b>1 192</b>	<b>9 171</b>	<b>368</b>	<b>7 759</b>

## INVESTOR GROUP

### CONSOLIDATED BALANCE SHEET

*Acquisition value method*

SEK m.	2002 6/30	2001 6/30	2001 12/31
<b>Assets</b>			
Equipment and real estate, etc.	1 455	1 520	1 490
Shares and participations	64 372	65 338	65 482
Receivables	1 164	3 333	1 851
Cash and short-term investments	6 195	3 368	4 345
<b>Total assets</b>	<b>73 186</b>	<b>73 559</b>	<b>73 168</b>
<b>Shareholders' equity and liabilities</b>			
Shareholders' equity	49 212	54 356	52 986
Provision for pensions	198	189	196
Loans	21 626	13 263	14 257
Other liabilities	2 150	5 751	5 729
<b>Total shareholders' equity and liabilities</b>	<b>73 186</b>	<b>73 559</b>	<b>73 168</b>
<b>Net debt</b>			
Cash and short-term investments <sup>1)</sup>	6 196	2 828	3 371
Loans	-21 626	-13 263	-14 257
Provision for pensions	-198	-189	-196
<b>Total net debt</b>	<b>-15 628</b>	<b>-10 624</b>	<b>-11 082</b>

1) The calculation of net debt was adjusted by:

	1	-540	-974
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since corresponding items have been included in other liabilities, which are not included in the calculation of net debt.

### CHANGES IN SHAREHOLDERS' EQUITY

*Acquisition value method*

SEK m.	2002 6/30	2001 6/30	2001 12/31
Opening balance	52 986	48 782	48 782
Conversion of convertible debenture loans	-	74	75
Dividend to shareholders	-4 219	-4 218	-4 218
Hedging of employee stock option program	-213	-	-96
Translation differences in subsidiaries	-534	547	287
Net income for the period	1 192	9 171	8 156
Closing balance	49 212	54 356	52 986

## INVESTOR GROUP

### CONSOLIDATED STATEMENT OF CASH FLOWS

SEK m.	2002 1/1-6/30	2001 1/1-6/30
<b>Cash flow from operating activities</b>		
Core Holdings		
Dividends received	1 518	2 119
New Investments and Other Holdings		
Dividends received	192	223
Securities trading, Other Operations and operating costs		
Payments received	32 059	48 385
Payments made	-31 353	-48 204
<b>Cash flow from operating activities before net interest income/expense and income taxes</b>	<b>2 416</b>	<b>2 523</b>
Interest received/paid	-243	-237
Income taxes paid	-252	-149
<b>Cash flow from operating activities</b>	<b>1 921</b>	<b>2 137</b>
<b>Cash flow from investing activities</b>		
Core Holdings		
Purchases	-1 845	-15 081
Sales	-	13 556
New Investments and Other Holdings		
Purchases, etc.	-2 275	-2 836
Sales	1 891	5 976
Investments in tangible fixed assets	-19	-55
Sold tangible fixed assets	36	8
<b>Cash flow from investing activities</b>	<b>-2 212</b>	<b>1 568</b>
<b>Cash flow from financing activities</b>		
Long-term loans raised	8 366	91
Long-term loans amortized	-870	-2 090
Change in short-term financial liabilities, net	-127	-399
Dividends paid	-4 219	-4 218
<b>Cash flow from financing activities</b>	<b>3 150</b>	<b>-6 616</b>
<b>Cash flow for the period</b>	<b>2 859</b>	<b>-2 911</b>
<b>Liquid assets, opening balance</b>	<b>3 371</b>	<b>5 723</b>
<b>Translation difference in liquid assets</b>	<b>-34</b>	<b>16</b>
<b>Liquid assets, closing balance <sup>1)</sup></b>	<b>6 196</b>	<b>2 828</b>

1) Adjusted by: 1 -540  
since corresponding items have been included in other liabilities, which are not included in the calculation of net debt.

## APPENDIX 1 – INVESTOR'S PERFORMANCE BY SEGMENT

### Performance by segment 1/1-6/30 2002

(SEK m.)	Core Holdings	New Investments	Other Holdings	Other Operations	Investor groupwide	Total
Dividends	1 521	45	148	42		1 756
Capital gains						
Realized profit/loss	0	222	-74	225		373
Write-downs		-628	284	67		-277
Other revenues and expenses				-10		-10
Operating costs	-75	-146	-4	-63	-28	-316
<b>Operating income</b>	<b>1 446</b>	<b>-507</b>	<b>354</b>	<b>261</b>	<b>-28</b>	<b>1 526</b>
Net financial items					-257	-257
Taxes and minority interest					-77	-77
<b>Income for the period</b>	<b>1 446</b>	<b>-507</b>	<b>354</b>	<b>261</b>	<b>-362</b>	<b>1 192</b>
Change in surplus value	-28 343	265	23	126	58	-27 871
Other (currency, etc.)		-350			-397	-747
Dividends paid					-4 219	-4 219
<b>Effect on the change in net asset value</b>	<b>-26 897</b>	<b>-592</b>	<b>377</b>	<b>387</b>	<b>-4 920</b>	<b>-31 645</b>

### Net asset value by segment 6/30 2002

Book value	49 462	10 398	4 340	975	-335	64 840
Accumulated surplus value	34 558	1 774	539	556		37 427
Net debt					-15 628	-15 628
<b>Total net asset value</b>	<b>84 020</b>	<b>12 172</b>	<b>4 879</b>	<b>1 531</b>	<b>-15 963</b>	<b>86 639</b>

### Performance by segment 1/1-6/30 2001

(SEK m.)	Core Holdings	New Investments	Other Holdings	Other Operations	Investor groupwide	Total
Dividends	2 119	54	169	107		2 449
Capital gains						
Realized profit/loss	7 008	110	-238	641		7 521
Write-downs		-1 407	1 556			149
Other revenues and expenses				99		99
Operating costs	-104	-162	-4	-69	-42	-381
<b>Operating income</b>	<b>9 023</b>	<b>-1 405</b>	<b>1 483</b>	<b>778</b>	<b>-42</b>	<b>9 837</b>
Net financial items					-384	-384
Taxes and minority interest					-282	-282
<b>Income for the period</b>	<b>9 023</b>	<b>-1 405</b>	<b>1 483</b>	<b>778</b>	<b>-708</b>	<b>9 171</b>
Change in surplus value	-21 366	-72	-848	323		-21 963
Other* (currency, etc.)					518	518
Dividends paid					-4 218	-4 218
<b>Effect on the change in net asset value</b>	<b>-12 343</b>	<b>-1 477</b>	<b>635</b>	<b>1 101</b>	<b>-4 408</b>	<b>-16 492</b>

### Net asset value by segment 6/30 2001

Book value	47 603	10 121	4 529	2 458	269	64 980
Accumulated surplus value	70 608	1 760	703	514		73 585
Net debt					-10 624	-10 624
<b>Total net asset value</b>	<b>118 211</b>	<b>11 881</b>	<b>5 232</b>	<b>2 972</b>	<b>-10 355</b>	<b>127 941</b>

\* The breakdown by segment was introduced for the first time in the interim report for January-September 2001.