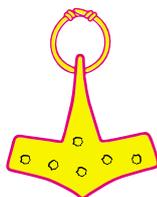


INVIK & CO. AB

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INTERIM REPORT 1 JANUARY – 30 JUNE 2004

- The merger with Industriförvaltnings AB Kinnevik (“Kinnevik”) was finalised on 28 July.
- Vigo Carlund has been appointed President and CEO of Invik & Co. AB.
- This interim report comprises three parts: Invik’s operations, Kinnevik’s operations and pro forma financial statements for the merged company.

Invik

- Net turnover for the first half of the year amounted to SEK 896.6 (487.1) million.
- Net result after taxes amounted to SEK 145.8 (56.5) million.
- Earnings per share amounted to SEK 1.88 (0.73).
- Modern Finance Group reported income after financial items of SEK 93.3 (50.0) million.

Kinnevik

- Net turnover for the first half of the year amounted to SEK 2,898 (2,926) million.
- Net result after taxes amounted to SEK 534 (318) million.
- Earnings per share amounted to SEK 8.48 (5.06).
- Korsnäs Holding reported operating income of SEK 444 (479) million.

The merged company

- The merged company’s pro forma net turnover for the first half of the year amounted to SEK 3,790 million.
- The pro forma underlying operating result amounted to SEK 499 million. The operating profit, including income from corporate development of SEK 465 million, amounted to SEK 964 million.
- Pro forma net result after taxes amounted to SEK 598 million.
- Pro forma earnings per share amounted to SEK 2.23.
- The market value of the merged company’s holdings of listed securities amounted to SEK 23,622 million at 30 June 2004. On 4 August the value was SEK 20,292 million, which means that the market value exceeded the book value of the listed portfolio by SEK 4,538 million on that date.

Invik & Co. AB herewith presents the interim report for the first half of 2004. On 28 July 2004 Industrieförvaltnings AB Kinnevik was dissolved following the merger with Invik. Information corresponding to Kinnevik's half-year report, as well as a pro forma income statement for the first half of the year and a pro forma balance sheet as at 30 June of the merged Kinnevik and Invik are therefore included in this report. It should be noted that the merged company has not been functioning as a single unit during the first half of the year. The merged company will report consolidated statements with effect from the third quarter.

INVIK & CO. AB

ADMINISTRATION

Invik & Co. AB is an investment company. The Group consists of the Parent Company, Invik & Co. AB, and Modern Finance Group with a number of operating subsidiaries. The Parent Company manages a long-term securities portfolio. The subsidiaries are principally active in the areas of Banking, Insurance, Asset management and Securities trading.

The value of the Group's holdings of listed securities decreased during the first half of the year by 6% to SEK 7,545 million as at 30 June, which means that the premium over book value of the Group's portfolio amounted to SEK 3,018 million.

The long-term securities portfolio as at 30 June 2004 consisted of the following listed shares:

- Industrieförvaltnings AB Kinnevik ("Kinnevik"), 6,281,387 class A shares and 2,286,936 class B shares, corresponding to 35.3% of the votes and 13.6% of the capital.
- Tele2 AB ("Tele2"), 5,807,863 class A shares and 5,984,503 class B shares, corresponding to 22.3% of the votes and 8.0% of the capital.
- Modern Times Group MTG AB ("MTG"), 6,181,249 class A shares, corresponding to 30.0% of the votes and 9.3% of the capital.
- Transcom WorldWide S.A. ("Transcom"), 7,152,046 class A shares and 1,351,277 class B shares, corresponding to 19.8% of the votes and 11.8% of the capital.
- Metro International S.A. ("Metro"), 14,549,360 class A shares, corresponding to 5.5% of the votes and 2.8% of the capital.
- Millicom International Cellular S.A. ("Millicom"),

1,253,888 shares, corresponding to 1.4% of the votes and capital.

Invik's net asset value has generated an annual return (excluding dividend) of 33% over its 19-year history, calculated on the basis of the company's original net asset value of SEK 4 per share in 1985. This can be compared with the annual return of the "Affärsvärlden General Index" of 13% during the same period. The price of Invik's shares has increased by 3,116% since the first day of trading on 1 July 1987, equivalent to a compound annual growth rate of 23%.

The net asset value, calculated as the market value of listed securities plus the book value of other assets less liabilities, was SEK 86.30 per share as at 30 June.

A 10:1 share split in the Invik share was carried out on 28 April in line with a decision taken at the Extraordinary General Meeting of Invik held on 16 April. After the share split, the total number of Invik shares amounted to 77,600,000.

The Extraordinary General Meeting of 16 April also approved a proposal allowing holders of class A shares to convert their shares to class B shares during a limited period, whereby holders of 5,312,726 class A shares requested reclassification to class B shares. After the conversion, the number of class A shares in Invik amounted to 28,774,264 and the number of class B shares to 48,825,736.

The shareholders voted at the Annual General Meeting on 13 May in favour of the Board's proposal to pay a cash dividend of SEK 0.50 (SEK 5.00 before share split) to Invik's shareholders.

On 23 June, Invik participated in a reclassification offer in Tele2 by reclassifying 4,083,904 Tele2 class A shares into class B shares.

No creditor came forward to contest the merger between Invik and Kinnevik when the deadline for filing a dissension expired on 28 June. On 30 June, the Swedish Patent and Registration Office (PRV) therefore issued a permit allowing Invik and Kinnevik to complete the merger between the companies.

CONSOLIDATED RESULT

Consolidated income after financial items amounted to SEK 257.9 (159.4) million for the first half of the year. This figure includes income from sales of securities of SEK 0.0 (21.2) million and interest in

the earnings of associate companies of SEK 224.6 (156.8) million, of which Kinnevik accounted for SEK 97.6 (62.5) million, MTG for SEK 18.0 (10.3) million, Tele2 for SEK 98.5 (75.9) million and Transcom for SEK 10.1 (9.0) million. Net income for the first half of the year was SEK 145.8 (56.5) million.

For the second quarter, consolidated income after financial items amounted to SEK 104.6 (78.0) million. This figure includes interest in the earnings of associate companies of SEK 90.2 (72.1) million, of which Kinnevik accounted for SEK 16.0 (17.8) million, MTG for SEK 16.9 (9.6) million, Tele2 for SEK 53.4 (41.6) million and Transcom for SEK 3.7 (3.3) million. Net income for the second quarter was SEK 46.7 (39.1) million.

FINANCIAL POSITION AND INVESTMENTS

The Group's liquidity reserve, comprising liquid funds and approved but undrawn credits excluding funds within Modern Finance Group, amounted to SEK 34.4 million at 30 June 2004 compared to SEK 34.2 million at 31 December 2003.

No acquisitions or sales of securities were made during the first half of the year. During the same period last year net sales of securities amounted to SEK 153.3 million. Investments in intangible and tangible fixed assets amounted to SEK 10.2 (9.4) million during the first half of the year.

The Group's equity to assets ratio was 35.6% (31.4%) as at 30 June. Adjusted for the surplus to book value of the long-term securities portfolio, the equity to assets ratio was 50.0% (42.3%).

MODERN FINANCE GROUP

The businesses in Modern Finance Group continued to make good progress during the first half of the year, improving both their results and their market positions.

Modern Finance Group reported income after financial items of SEK 93.3 (50.0) million during the first half of the year and SEK 45.3 (39.4) million for the second quarter.

BANKING

Banque Invik's turnover for the first half of the year was 18% higher than in the corresponding period last year, mainly as a result of a sharp rise in turnover within the credit card business. Financial advice services within Banque Invik and Modern

Treuhand's business also enjoyed favourable growth during the first half of the year. Continued low interest rates meant that the interest margins during the first half of the year were lower than in the same period last year. This was partly offset by increased income from the customers' securities trading and foreign exchange.

The credit card business has continued to grow with a sharp increase in sales during the first half of the year. As a result of a large number of fraudulent actions occurred during the second quarter, results have been negatively affected. Additional efforts are being made to prevent credit card fraud.

On 30 June, the bank's liquidity ratio was 71% (statutory requirement 30%) and its capital adequacy ratio was 173% (statutory requirement 100%).

The Banking business reported income after financial items of SEK 17.7 (33.3) million for the first half of the year.

INSURANCE

The Insurance business consists of the life and non-life insurance business in Sweden and the re-insurance business conducted through Luxembourg based Modern Re S.A.

The non-life business reported strong growth during the first half of the year, acquiring more than 28,000 new clients, its annual premium revenue rose by SEK 179 million and the result increased very strongly. The claims cost ratio was 62.4% (59.1%) and the total cost ratio was 87.5% (89.6%). The income after financial items of the non-life operations amounted to SEK 30.9 (11.2) million.

Moderna Försäkringar Liv's sales of unit-linked insurance, which amounted to SEK 228.4 (31.0) million, surpassed expectations. The sales trend during the second quarter remained at the same high level as in the first quarter, when the company achieved a market share of 3.1% of the total number of new unit-linked insurance sales and a market share of no less than 10.1% in terms of lump sum occupational pension premiums invested in unit-linked insurance. The group life business continued to grow, and reports consistently low indemnification costs. The unit-linked insurance business incurs high costs for marketing and distribution during the establishment phase, which means that we expect the business to continue to report a negative result during the build-up phase. The life insurance

business reported income after financial items of SEK -3.7 (-2.1) million for the first half of the year.

The remainder of the Insurance business reported income after financial items of SEK 5.2 (4.5) million.

The Insurance business as a whole reported income after financial items of SEK 28.4 (9.6) million for the first half of the year, including goodwill amortisation of SEK 4.0 (4.0) million.

ASSET MANAGEMENT

The MPK group is engaged in asset management through Modern Privat Kapitalförvaltning AB ("MPK") and in fund management through Aktie-Ansvar AB ("Aktie-Ansvar"). The MPK group had total assets under management of SEK 8,715 (5,700) million at the end of June.

MPK provides asset management services based on sophisticated fundamental analysis to private investors, corporations, institutions, foundations and religious communities. The market value of the assets under management rose from SEK 4,541 million to SEK 4,834 million during the first half of 2004.

Aktie-Ansvar manages five mutual funds: Aktie-Ansvar Sverige, Aktie-Ansvar Avkastningsfond (income fund), Aktie-Ansvar Europa, FondSelect (fund-of-funds), and the Graal hedge fund. The assets under management increased by 39% during the first half of the year to SEK 3,881 million. Net investments (subscriptions less redemptions) during the first half of the year amounted to SEK 1,031 million (2003 as a whole: SEK 1,134 million). The three largest funds at the end of June were Graal with SEK 1,623 million, Aktie-Ansvar Avkastningsfond with SEK 1,397 million, and Aktie-Ansvar Sverige with SEK 741 million.

Asset management's income after financial items was SEK 7.0 (2.9) million for the first half of the year.

SECURITIES TRADING

Fischer Partners is one of the leading brokerage houses in the Nordic region and is a member of the Stockholm, Helsinki, Oslo and Copenhagen stock markets and the Eurex derivatives market in Germany. Fischer Partners' clients are mainly foreign and Swedish institutions and active private investors. During the first half of the year Fischer Partners ranked third and fifth in size on the Stockholm and Helsinki stock exchanges respectively. Greatly improved market conditions produ-

ced a significant increase in profit. However, the level of activity on the market levelled off in May and June.

The Securities trading income after financial items amounted to SEK 40.2 (4.2) million for the first half of the year.

EARNINGS PER SHARE

Earnings per share amounted to SEK 1.88 (0.73) for the first half of the year. Subsequent to the split and reclassification of the shares in the second quarter of 2004, the total number of shares in issue amounted to 77,600,000 as at 30 June, broken down into 28,774,264 class A shares and 48,825,736 class B shares. Following the conclusion of the merger with Kinnevik on 28 July, the total number of Invik shares is 267,896,239, of which 54,111,352 are class A and 213,784,887 class B.

PARENT COMPANY

Income after financial items amounted to SEK -20.3 (46.2) million for the first half of the year. The liquidity reserve amounted to SEK 34.4 million as at 30 June 2004, compared to SEK 34.2 million as at 31 December 2003. The Parent Company's net investments in securities, which consisted of internal share transfers, amounted to SEK 161.9 million for the first half of the year. During the same period last year net sales of securities amounted to SEK 153.3 million. Investments in fixed assets amounted to SEK 0.8 (0.5) million during the first half of the year.

The Parent Company's external loans amounted to SEK 1,574.9 million as at 30 June, of which SEK 60.8 million were current liabilities. The corresponding amounts as at 31 December 2003 were SEK 1,538.4 million and SEK 107.5 million respectively.

The average rate of interest paid by the Parent Company during the first half of the year was 3.9% (5.0%).

ACCOUNTING PRINCIPLES

This report has been prepared in accordance with the Swedish Financial Accounting Standards Council's standard RR 20 Interim Reports. The same accounting principles have been applied as in the annual report for 2003, with the exceptions stated below.

Accounting recommendation RR29 Employee Benefits has been applied as of 1 January 2004, as a

consequence of which defined benefit pension undertakings are to be stated as a liability in the balance sheet. Most of the Group's pension commitments are covered by defined contribution pension plans, which are not affected by the new accounting recommendation. Moderna Försäkringar has defined benefit pension undertakings in a plan that covers several employers (FTP). At present, no information is available regarding the Group's share of the commitments and assets relating to this plan, and it is therefore stated in the accounts as if it were a defined contribution plan, with insurance premiums paid thus stated as costs. The application of the new recommendation has not had any effect on the opening equity balance.

Work continued during the first half of 2004 on identifying accounting areas in which disparities still exist between Swedish standards and IFRS. In Invik's judgement, the areas that impinge on Invik's accounting procedures primarily comprise financial instruments and insurance instruments. It is worth noting that the standards affecting these areas have not yet been finalised. Financial reporting in accordance with IFRS 4, Insurance contracts, means that some of Moderna Försäkringar's unit-linked insurance products might be accounted for as financial instruments.

CONSOLIDATED INCOME STATEMENT (SEK million)

	2004	2003	2004	2003	2003
	1 January-30 June	1 January-30 June	1 April-30 June	1 April-30 June	Full year
Net turnover	896.6	487.1	485.1	276.2	1.186.0
Cost of sales	<u>- 645.8</u>	<u>- 327.1</u>	<u>- 353.4</u>	<u>- 192.1</u>	<u>- 841.0</u>
Gross result	250.8	160.0	131.7	84.1	345.0
Selling and administrative expenses	- 233.7	- 174.8	- 121.0	- 89.3	- 391.6
Other operating revenue and expenses	48.8	26.2	19.8	22.2	114.1
Income from sales of securities	-	21.2	-	-	48.3
Interest in earnings of associate companies	<u>224.6</u>	<u>156.8</u>	<u>90.2</u>	<u>72.1</u>	<u>591.4</u>
Operating income	290.5	189.4	120.7	89.1	707.2
Net financial items	<u>- 32.6</u>	<u>- 30.0</u>	<u>- 16.1</u>	<u>- 11.1</u>	<u>- 105.2</u>
Income after financial items	257.9	159.4	104.6	78.0	602.0
Taxes	<u>- 112.1</u>	<u>- 102.9</u>	<u>- 57.9</u>	<u>- 38.9</u>	<u>149.0</u>
Net result for the period	<u>145.8</u>	<u>56.5</u>	<u>46.7</u>	<u>39.1</u>	<u>751.0</u>
Earnings per share before/after dilution, SEK	1.88	0.73	0.60	0.50	9.68
Total number of shares before/after dilution	77,600,000	77,600,000	77,600,000	77,600,000	77,600,000

CONSOLIDATED STATEMENT OF CASH FLOW (SEK million)

	2004	2003	2003
	1 Jan.- 30 June	1 Jan.- 30 June	Full year
Cash flow from operations before change in working capital	112.1	31.9	42.5
Change in working capital	<u>- 135.6</u>	<u>235.6</u>	<u>- 70.5</u>
Cash flow from operations	- 23.5	267.5	- 28.0
Cash flow from investing activities	- 10.2	144.0	216.5
Cash flow from financing activities	<u>- 2.3</u>	<u>- 238.3</u>	<u>172.4</u>
Cash flow for the period	- 36.0	173.2	360.9
Liquid funds, opening balance	<u>756.2</u>	<u>395.3</u>	<u>395.3</u>
Liquid funds, closing balance	720.2	568.5	756.2

REVIEW OF THE GROUP (SEK million)	2004	2003	2004	2003	2003
	1 January-30 June		1 April-30 June		Full year
Breakdown of net turnover by business area					
Banking	128.9	109.7	68.9	55.2	247.5
Insurance	601.2	274.8	335.7	166.6	707.5
Asset management	34.3	22.4	17.7	12.2	54.2
Securities trading	138.9	80.3	65.5	41.7	183.3
Eliminations within Modern Finance Group	- 11.9	- 6.5	- 5.6	- 3.5	- 19.6
Total Modern Finance Group	891.4	480.7	482.2	272.2	1,172.9
Portfolio management	6.2	5.8	3.4	2.7	12.3
Other businesses	-	1.8	-	1.3	3.8
Eliminations	- 1.0	- 1.2	- 0.5	0.0	- 3.0
Total net turnover	896.6	487.1	485.1	276.2	1,186.0

Breakdown of income / loss after financial items by business area

Banking	17.7	33.3	7.9	26.4	63.1
Insurance	28.4	9.6	21.1	8.3	33.1
Asset management	7.0	2.9	0.6	2.8	9.8
Securities trading	40.2	4.2	15.7	1.9	23.7
Total Modern Finance Group	93.3	50.0	45.3	39.4	129.7
Portfolio management	- 60.0	- 43.6	- 30.9	- 31.0	- 90.6
Other businesses	-	- 2.9	-	- 2.0	- 8.0
Associate companies	224.6	156.8	90.2	72.1	591.4
Eliminations	0.0	- 0.9	0.0	- 0.5	- 20.5
Total income / loss after financial items	257.9	159.4	104.6	78.0	602.0

FINANCIAL HIGHLIGHTS

	2004	2003	2003
	30 June	30 June	31 Dec.
Equity, SEK million	3,719	2,892	3,590
Balance sheet total, SEK million	10,462	9,226	10,509
Net asset value, SEK million	6,737	4,636	7,144
Equity to assets ratio I, %	35.6	31.4	34.2
Equity to assets ratio II, %	50.0	42.3	50.8
Debt/equity ratio, multiple	1.4	1.7	1.6
Data per share			
Market price, SEK	70.75	38.45	71.00
Net asset value, SEK	86.30	59.70	92.10
Market price/net asset value %	82	64	77

Definitions

Net asset value	Equity, adjusted for surplus value/deficit in the long-term securities portfolio without regard to tax effects.
Equity to assets ratio I	Equity, plus minority interest, divided by total assets.
Equity to assets ratio II	Net asset value, plus minority interest, divided by total assets, adjusted for surplus value/deficit in holdings of publicly traded securities.
Debt/equity ratio	Interest-bearing liabilities divided by equity (including minority interests in equity).

CONSOLIDATED BALANCE SHEET (SEK million)	2004	2003	2003
	30 June	30 June	31 Dec.
Fixed assets			
Goodwill	31.8	44.2	38.6
Other intangible assets	2.3	5.0	1.6
Tangible assets	28.1	23.9	25.4
Financial assets	4,894.0	3,993.9	4,630.6
	<u>4,956.2</u>	<u>4,067.0</u>	<u>4,696.2</u>
Current assets			
Inventories and securities	42.1	16.8	15.0
Current receivables	574.0	657.2	492.4
Short-term investments	4,169.2	3,916.1	4,549.4
Cash and bank	720.2	568.5	756.2
	<u>5,505.5</u>	<u>5,158.6</u>	<u>5,813.0</u>
Total assets	<u>10,461.7</u>	<u>9,225.6</u>	<u>10,509.2</u>
Shareholders' equity			
Restricted equity	2,905.3	2,201.8	2,791.3
Unrestricted equity	814.1	690.6	798.4
	<u>3,719.4</u>	<u>2,892.4</u>	<u>3,589.7</u>
Provisions	34.8	124.1	42.1
Long-term liabilities			
Interest-bearing liabilities	1,635.4	1,659.9	1,406.3
Short-term liabilities			
Interest-bearing liabilities	3,438.1	3,279.1	4,242.9
Non-interest bearing liabilities	1,634.0	1,270.1	1,228.2
	<u>5,072.1</u>	<u>4,549.2</u>	<u>5,471.1</u>
Total shareholders' equity and liabilities	<u>10,461.7</u>	<u>9,225.6</u>	<u>10,509.2</u>

MOVEMENTS IN SHAREHOLDERS' EQUITY (SEK million)

	2004	2003	2003
	1 Jan.-30 June	1 Jan.-30 June	Full year
Opening balance	3,589.7	2,955.9	2,955.9
Translation differences	22.7	- 120.0	- 93.9
Dividend	- 38.8	-	- 23.3
Net income for the period	145.8	56.5	751.0
Closing balance	<u>3,719.4</u>	<u>2,892.4</u>	<u>3,589.7</u>

INDUSTRIFÖRVALTNINGS AB KINNEVIK

Industriförvaltnings AB Kinnevik was merged with Invik & Co. AB and dissolved on 28 July 2004.

ADMINISTRATION

The shareholders voted at the Annual General Meeting on 13 May in favour of the Board's proposal to pay a cash dividend of SEK 5.50 per share.

Since 1976, Kinnevik's shares have generated an average effective return of 17% per year as a result of rising share prices and dividends, including the value of subscription offers. During the past five years, Kinnevik's shares have generated an average effective return of 13% per year.

The market value of the Group's holdings of listed securities amounted to SEK 18,466 million at 30 June, which means that the market value exceeded the book value of the Group's listed portfolio by SEK 6,634 million on that date.

In April, Kinnevik sold 1,902,000 shares in P4 Radio Hele Norge ASA externally on the market for SEK 20 million. The sale resulted in a capital gain of SEK 13 million in the consolidated accounts.

In May, Kinnevik acquired 2,380,952 newly issued shares in Viking Telecom AB for SEK 10 million. Kinnevik's holding in Viking Telecom amounts to 29.3% of the votes and capital after the acquisition.

In May and June, Kinnevik sold 3,600,000 class B shares in AcandoFrontec AB externally on the market for SEK 24 million. The sale resulted in a capital gain of SEK 1 million in the consolidated accounts.

On 21 June, Kinnevik acquired 1,550,000 shares in Millicom for SEK 252 million. Kinnevik's holding in Millicom amounts to 33.5% of the votes and capital after the acquisition.

In accordance with a proposal to convert class A shares to class B shares that was approved by Kinnevik's EGM on 16 April, holders of 182,479 class A shares requested reclassification. After the reclassification, the number of class A shares in Kinnevik amounted to 13,520,555 and the number of class B shares to 49,418,122. The total number of shares in Kinnevik remained unchanged at 62,938,677.

On 23 June, Kinnevik participated in a reclassification offer in Tele2 by reclassifying 900,000 Tele2 class A shares into class B shares.

No creditor came forward to contest the merger

between Invik and Kinnevik before the deadline for filing a dissension expired on 28 June. On 30 June, the Swedish Patent and Registration Office (PRV) therefore issued a permit allowing Invik and Kinnevik to complete the merger between the companies.

CONSOLIDATED RESULT FOR THE FIRST HALF OF 2004

Net turnover for the first half of the year amounted to SEK 2,898 (2,926) million.

Operating income amounted to SEK 912 (632) million. The operating income includes income from corporate development of SEK 461 (195) million and result from sales of securities of SEK 14 (-36) million. Income from corporate development for 2004 consists of capital gain on the sale of Korsnäs' forestland to Bergvik Skog and for 2003 of capital gains on the sale of Credit International Services' debt-collection business and Cargo Pak, a line of business within Korsnäs Packaging. Excluding these items, operating income amounted to SEK 437 (473) million.

Kinnevik's interests in associate companies amounted to a net gain of SEK 33 (113) million, of which Tele2 accounted for SEK 82 (167) million, Millicom for SEK -3 (0) million and Metro for SEK -54 (-42) million.

Other financial revenue and expense amounted to a net expense of SEK -154 (-219) million, of which net interest costs amounted to SEK -126 (-223) million and exchange rate differences accounted for SEK 1 (6) million. The comparable figures for 2003 include a cost of SEK 67 million in respect of a previously not reserved interest cost in connection with the settlement of the dispute with the Alecta occupational pension company over the outstanding 4% of the shares in Korsnäs AB.

The result after financial items amounted to SEK 791 (526) million.

CONSOLIDATED RESULT FOR THE SECOND QUARTER OF 2004

Net turnover for the second quarter amounted to SEK 1,460 (1,430) million.

Operating income amounted to SEK 187 (192) million. The operating income includes income from corporate development of SEK 0 (5) million and result from sales of securities of SEK 14 (-36)

million. Excluding these items, operating income amounted to SEK 173 (223) million.

Kinnevik's interests in associate companies amounted to a net gain of SEK 31 (63) million, of which Tele2 accounted for SEK 52 (89) million, Millicom for SEK -3 (0) million and Metro for SEK -19 (-15) million.

Other financial revenue and expense amounted to a net expense of SEK -69 (-91) million, of which net interest costs amounted to SEK -53 (-84) million and exchange rate differences accounted for SEK -4 (-6) million.

The result after financial items amounted to SEK 149 (164) million.

MELLERSTA SVERIGES LANTBRUKS AB

After a long, stable winter followed by a warm, dry spring, crops grew well during April and May. Incessant rain during a cold June dampened growth, however, especially that of sugar beet and corn. The quality of the harvests will suffer, unless the weather turns drier during the remainder of the summer.

Prices on the European market declined during the second quarter owing to the high expectations placed on the volume of the year's harvests. Harvesting is expected to start at the end of July.

Net turnover for the first half of the year amounted to SEK 11 (13) million and the operating income was SEK 4 (0) million.

KORSNÄS HOLDING AB

Korsnäs Holding AB is the parent company of Korsnäs AB and Korsnäs Packaging AB. Korsnäs AB and its subsidiaries are engaged in packaging materials ("Korsnäs Industrial") and purchasing of wood and fibre ("Korsnäs Forestry"). In March 2004, Korsnäs concluded the sale of its Swedish timberland to Bergvik Skog AB, a company in which Korsnäs has a 5% interest.

Net turnover of the Korsnäs Holding Group for the first half of the year amounted to SEK 2,883 (2,860) million and the operating income was SEK 444 (479) million.

Korsnäs Industrial

The first half of the year was characterised by healthy demand for Korsnäs Industrial's products, but at relatively weak market prices. The aggregate delivery volume for paper, pulp and paperboard pro-

ducts is 4% higher than of the first half of 2003, which is a record for Korsnäs Industrial.

The market for sack and kraft paper stabilised during the period but is still relatively weak. Prices tended to stabilise in the latter part of the period from what had been a declining trend since 2003. The market for White Top Liner was weak at the start of the year, but strengthened slightly early in the spring only to decline slightly again. Prices were stable for the first half of the year, but at a level that was lower than in the corresponding period in 2003. The market for Liquid Packaging Board remained strong throughout the period. Demand for fluff pulp was stable with gradually increasing prices. All in all, price changes and delivery levels generated total income for the first half of the year that was almost 2% higher than for the same period in 2003.

At Korsnäsverken, production during the first half of the year amounted to 354,000 tonnes, which is a production record and an increase of almost 2% compared to the same period in 2003. The production of paper and paperboard is progressing very well, with product quality meeting all expectations.

The costs of energy were higher than in the same period last year. This is mainly due to higher electricity prices and the recently imposed retroactive taxes on electricity. Non-recurring costs of SEK 20 million for severance pay were also taken against the result during the first half of the year. In combination with relatively weak market prices, this led to a decline in result from that of the corresponding period last year, despite records for both delivery and production during the period. Measures designed to reduce costs are therefore in progress.

In June, the company and the Swedish Pulp and Paper Union reached a settlement on the employees who were given notice in connection with the final adjustment of manning levels in the two new control rooms that were commissioned in 2002.

Korsnäs Industrial's net turnover for the first half of the year amounted to SEK 1,996 (1,960) million, and operating income was SEK 364 (435) million.

Korsnäs Forestry

The wood market was characterised during the first half of the year by a healthy demand for pulpwood and a slightly lower demand for saw timber. Price increases on pulpwood were announced during the

period and were effected in part. The sale of the Group's forests to Bergvik Skog AB was concluded on 24 March, after which harvesting from Group forests was replaced by purchased felling rights from Bervik Skog. Felling operations have progressed well, and so stocks are in balance and at the planned levels, despite higher consumption levels within Korsnäs Industrial. Imports during the period produced steady supplies in accordance with plan. The Latvian business with its growing volumes proved a stable and effective supply source. High demand in Latvia puts upward pressure on wood and timber prices in the region. Plans for a pellet factory in Latvia, in which Korsnäs will be involved as a minority owner, are proceeding according to plan. The factory is expected to be ready for commissioning by the start of the new year.

Korsnäs Forestry's net turnover for the first half of the year amounted to SEK 825 (747) million and operating income was SEK 66 (86) million. The reason for the decline in operating result is that felling operations from Group forests were replaced during the second quarter by purchased felling rights from Bergvik Skog.

Korsnäs Packaging

The demand for paper sacks and paper bags remained weak during the first half of the year, and there are no clear signs of any improvement in the markets in the European countries where Korsnäs Packaging operates. Sold volumes were higher than in the same period in 2003, but lower sales prices and the sale of the USA business during the fourth quarter of 2003 led to a reduction in turnover compared with the corresponding period last year. Korsnäs Packaging continues, therefore, to focus on improving efficiency and reducing production costs in order to compensate for the low sales prices. The factory in Zaragosa was closed as planned at the end of June, after which operations in Spain were consolidated at the remaining larger plant in Almeria. This restructuring entailed the reduction of some 40 personnel in Spain with retained production capacity.

The extensive restructuring programmes of recent years within Korsnäs Packaging and the divestment of the loss-making business in the USA during the fourth quarter of 2003 produced an improved operating result for the first half of the

year. However, recently announced increases in raw material prices combined with persistently tough competition risk to once again depress the gross margins.

Korsnäs Packaging's net turnover for the first half of the year amounted to SEK 643 (722) million and the operating result was SEK 14 (-42) million.

OTHER SUBSIDIARIES

As of 2004, other subsidiaries, consisting of N.P. Birraria Hugo's in Kosovo and Förvaltnings AB Eris & Co., are stated under Parent company and other.

ASSOCIATE COMPANIES AND OTHER INVESTMENTS

At 30 June 2004, Kinnevik's long-term holdings comprised the following listed securities:

- Tele 2 AB, 5,468,880 class A shares and 24,565,929 class B shares, corresponding to 27.6% of the votes and 20.4% of the capital.
- Millicom International Cellular S.A., 29,838,647 shares, corresponding to 33.5% of the votes and capital.
- Metro International S.A., 79,584,202 class A shares and 115,329,193 class B shares, corresponding to 30.2% of the votes and 37.1% of the capital.
- Modern Times Group MTG AB, 3,529,637 class A shares and 224,125 class B shares, corresponding to 17.2% of the votes and 5.7% of the capital.
- Transcom WorldWide S.A., 4,232,697 class A shares and 2,179,002 class B shares, corresponding to 11.7% of the votes and 8.9% of the capital.
- Viking Telecom AB, 7,037,952 shares, corresponding to 29.3% of the votes and capital.
- Cherryföretagen AB, 1,402,500 class A shares and 7,378,249 class B shares, corresponding to 26.2% of the votes and 28.1% of the capital.
- Invik & Co. AB, 3,914,300 class A shares, corresponding to 11.6% of the votes and 5.0% of the capital.
- P4 Radio Hele Norge ASA, 2,124,820 shares, corresponding to 6.6% of the votes and capital.
- AcandoFrontec AB, 2,335,580 class B shares, corresponding to 2.9% of the votes and 4.2% of the capital.

TELE2 AB

The market value of Kinnevik's holding of Tele2 shares amounted to SEK 9,911 million on 30 June 2004. Tele2's shares are listed on Stockholmsbörsen's Attract 40 list and on Nasdaq in New York.

Tele2, which was formed in 1993, is Europe's leading alternative telecom operator, and offers fixed and mobile telephony as well as datanet and Internet services to close to 25 million subscribers in 24 countries.

Tele2 has successfully challenged the old European telecom monopolies by offering subscribers telecom services at the market's lowest rates. Tele2's strategy is to create a strong brand, to offer simple, straightforward products and to invest in high quality customer services rather than networks.

Extensive flexibility and cost awareness have transformed Tele2 from a regional Scandinavian telecom company to the fastest growing and most cost-effective telecom operator in Europe.

The net turnover for the first half of the year was SEK 21,090 (17,841) million and the result after financial items was SEK 1,367 (1,058) million.

MILlicom INTERNATIONAL CELLULAR S.A.

The market value of Kinnevik's holding of shares in Millicom amounted to SEK 4,938 million on 30 June 2004. Millicom's shares are listed on Nasdaq in New York, Stockholmsbörsen's O-list and on the Luxembourg Stock Exchange.

Millicom is a leading international mobile telephone operator that focuses on emerging markets in Asia, Latin America and Africa. Economic developments on these markets are creating a demand for improved communication services. Millicom's aim is to become established on new markets at an early stage through licence agreements, preferably in partnership with local operators. The company's strategy is to be the price leader on all markets by offering its customers pre-paid mobile telephony services at the lowest possible prices. Millicom also offers high-speed data transmission in five countries.

Millicom currently has equity interests in 16 mobile telecom companies in 15 countries, which together represent a market with approximately 387 million inhabitants. On 30 June 2004, the total number of subscribers in these companies was 6.4 (4.5) million, which is an increase by 43% over the previous 12-month period. On a pro rata basis in rela-

tion to Millicom's equity interests, the subscriber base was 4.4 (3.1) million, which is an increase by 43%.

The net turnover for the first half of the year was USD 430 (289) million and the result after financial items was USD 73 (229) million.

METRO INTERNATIONAL S.A.

The market value of Kinnevik's holding of shares in Metro amounted to SEK 2,319 million on 30 June 2004. Metro's shares are listed on Stockholmsbörsen's O list.

Metro is the world's largest free newspaper with editions published in 16 countries in 15 languages across Europe, North and South America and Asia. The newspapers are distributed free of charge, with income being generated from sales of advertising space. Metro attracts a readership of more than 14.5 million a day.

The net turnover for the first half of the year was USD 145 (97) million and the result after financial items was USD -5 (-23) million.

FINANCIAL POSITION

The Group's liquid funds, including short-term investments and undrawn credit facilities, amounted to SEK 1,718 (890) million as at 30 June.

The Group's net interest-bearing debt amounted to SEK 4,779 (6,797) million.

The average cost of interest for the first half of the year was 3.9% (5.0%) (calculated as interest expense in relation to average interest-bearing debt excluding pension liabilities).

The Group's capital expenditure amounted to SEK 567 (414) million, of which SEK 137 (112) million related to tangible fixed assets and SEK 430 (298) million to financial fixed assets.

The equity to assets ratio was 62% (43%) as at 30 June. After taking into account the premium over the book value of the holdings in listed securities, the equity to assets ratio was 72% (53%).

The Group's borrowing is mainly arranged in Swedish kronor. Foreign subsidiaries are however largely financed in local currencies.

The net effect of the Group's in- and outflows in foreign currencies represents, on an annual basis, a net inflow of approximately SEK 1,000 million, which mainly comprises sales in Euro. Sales in USD are marginal.

PARENT COMPANY

The Parent Company's net turnover for the first half of the year amounted to SEK 6 (6) million. Income from corporate development and income from sales of securities amounted to SEK 0 (-103) million.

Result from participation in Group companies amounted to SEK 3,000 (-98) million and consisted of dividends and write-downs. Interest in earnings of associated companies and Income from other securities amounted to SEK 13 (0) million. Other financial revenue and expense amounted to a net expense of SEK -6 (-43) million.

The Parent Company's result after financial items amounted to SEK 2,987 (-262) million.

Fixed capital expenditure amounted to SEK 0 (289) million, of which SEK 0 (289) million related to investments in financial fixed assets.

The Parent Company's closing liquid funds, including short-term investments and undrawn credit facilities, amounted to SEK 1,485 (408) million at the end of the period.

Interest-bearing external debt amounted to SEK 1,930 (3,069) million.

ACCOUNTING PRINCIPLES

As of 1 January 2004, recommendation RR29 issued by the Swedish Financial Accounting Standards Council concerning the reporting of employee benefits is applied. This recommendation represents a change in the principles for the reporting of pension commitments, whereby pension commitments are stated as a liability in the balance sheet. The application of the new accounting principle has resulted in an increase of SEK 88 million in the stated pension liability at 1 January 2004. As of this date, this effect has been taken direct to equity.

In all other respects the accounting principles are the same as those applied in the annual report for 2003.

CONSOLIDATED INCOME STATEMENT (SEK million)

	2004	2003	2004	2003	2003
	1 January- 30 June	1 January- 30 June	1 April-30 June	1 April-30 June	Full year
Net turnover	2,898	2,926	1,460	1,430	5,660
Cost of sales	<u>- 2,287</u>	<u>- 2,215</u>	<u>- 1,203</u>	<u>- 1,083</u>	<u>- 4,357</u>
Gross result	611	711	257	347	1,303
Selling, administration, research and development expenses	- 236	- 259	- 118	- 137	- 532
Income from corporate development	461	195	0	5	193
Income from sales of securities	14	- 36	14	- 36	62
Other operating income	78	71	43	43	181
Other operating expenses	<u>- 16</u>	<u>- 50</u>	<u>- 9</u>	<u>- 30</u>	<u>- 429</u>
Operating income	912	632	187	192	778
Interest in earnings of associate companies	33	113	31	63	2,675
Income from other securities	5	-	2	-	277
Net financial items	<u>- 159</u>	<u>- 219</u>	<u>- 71</u>	<u>- 91</u>	<u>- 405</u>
Income after financial items	791	526	149	164	3,325
Taxes	- 256	- 207	- 117	- 94	403
Minority share in income	<u>- 1</u>	<u>- 1</u>	<u>- 1</u>	<u>2</u>	<u>3</u>
Net result for the period	<u>534</u>	<u>318</u>	<u>31</u>	<u>72</u>	<u>3,731</u>
Earnings per share before/after dilution, SEK	8.48	5.06	0.49	1.15	59.27
Total number of shares before/after dilution	62,938,677	62,938,677	62,938,677	62,938,677	62,938,677

CONSOLIDATED STATEMENT OF CASH FLOW (SEK million)

	2004	2003	2003
	1 Jan.-30 June	1 Jan.-30 June	Full year
Cash flow from operations before change in working capital	559	369	789
Change in working capital	<u>- 50</u>	<u>- 260</u>	<u>17</u>
Cash flow from operations	509	109	806
Cash flow from investing activities	2,556	- 254	- 483
Cash flow from financing activities	<u>- 3,122</u>	<u>- 4</u>	<u>- 483</u>
Cash flow for the period	- 57	- 149	- 160
Liquid funds, opening balance	215	379	379
Exchange rate differences in liquid funds	<u>1</u>	<u>- 2</u>	<u>- 4</u>
Liquid funds, closing balance	159	228	215

REVIEW OF THE GROUP (SEK million)	2004	2003	2004	2003	2003
	1 January-30 June		1 April-30 June		Full year
Breakdown of net turnover by business area					
Continuing operations					
Mellersta Sveriges Lantbruks AB	11	13	6	5	44
Korsnäs Industrial	1,996	1,960	1,004	979	3,816
Korsnäs Forestry	825	747	407	366	1,441
Korsnäs Packaging	643	722	341	360	1,386
Eliminations within Korsnäs Holding AB	<u>- 581</u>	<u>- 569</u>	<u>- 300</u>	<u>- 283</u>	<u>- 1,090</u>
Total Korsnäs Holding AB	2,883	2,860	1,452	1,422	5,553
Other subsidiaries	-	10	-	5	17
Parent Company and other	10	7	4	3	16
Eliminations	<u>- 6</u>	<u>- 10</u>	<u>- 2</u>	<u>- 5</u>	<u>- 16</u>
Subtotal continuing operations	2,898	2,880	1,460	1,430	5,614
Discontinuing operations					
CIS Credit International Services AB	-	46	-	-	46
Total net turnover	<u>2,898</u>	<u>2,926</u>	<u>1,460</u>	<u>1,430</u>	<u>5,660</u>
Breakdown of operating income / loss by business area					
Continuing operations					
Mellersta Sveriges Lantbruks AB	4	0	7	4	4
Korsnäs Industrial	364	435	161	213	793
Korsnäs Forestry	66	86	0	40	142
Korsnäs Packaging	<u>14</u>	<u>- 42</u>	<u>9</u>	<u>- 23</u>	<u>- 408</u>
Total Korsnäs Holding AB	444	479	170	230	527
Other subsidiaries	-	- 12	-	- 10	- 11
Income from corporate development	461	37	0	5	35
Parent Company and other	<u>3</u>	<u>- 38</u>	<u>10</u>	<u>- 37</u>	<u>57</u>
Subtotal continuing operations	912	466	187	192	612
Discontinuing operations					
CIS Credit International Services AB	-	8	-	-	8
Gain on discontinuance of CIS	<u>-</u>	<u>158</u>	<u>-</u>	<u>-</u>	<u>158</u>
Subtotal discontinuing operations	-	166	-	-	166
Total operating income / loss	<u>912</u>	<u>632</u>	<u>187</u>	<u>192</u>	<u>778</u>
Breakdown of income / loss after financial items by business area					
Continuing operations					
Mellersta Sveriges Lantbruks AB	3	- 2	7	4	0
Korsnäs Holding AB	420	427	155	222	434
Other subsidiaries	-	- 12	-	- 10	- 10
Associate companies*	14	116	24	68	2,665
Income from corporate development	461	37	0	5	35
Parent Company and other	<u>- 107</u>	<u>- 206</u>	<u>- 37</u>	<u>- 125</u>	<u>35</u>
Subtotal continuing operations	791	360	149	164	3,159
Discontinuing operations					
CIS Credit International Services AB	-	8	-	-	8
Gain on discontinuance of CIS	<u>-</u>	<u>158</u>	<u>-</u>	<u>-</u>	<u>158</u>
Subtotal discontinuing operations	-	166	-	-	166
Total income / loss after financial items	<u>791</u>	<u>526</u>	<u>149</u>	<u>164</u>	<u>3,325</u>

* Excluding associate companies included within Korsnäs Holding AB.

CONSOLIDATED BALANCE SHEET (SEK million)			
	2004	2003	2003
	30 June	30 June	31 Dec.
Fixed assets			
Goodwill	18	110	21
Machinery, equipment, property etc	4,150	7,223	6,816
Other shares and participations	12,170	7,800	11,406
Long-term interest bearing receivables	369	1,277	964
Long-term non-interest bearing receivables	39	56	55
	<u>16,746</u>	<u>16,466</u>	<u>19,262</u>
Current assets			
Inventories	1,055	1,036	975
Current receivables	869	982	916
Cash, bank and short-term investments	162	417	227
	<u>2,086</u>	<u>2,435</u>	<u>2,118</u>
Total assets	<u>18,832</u>	<u>18,901</u>	<u>21,380</u>
Shareholders' equity			
Restricted equity	4,173	4,007	4,163
Unrestricted equity	7,503	4,169	7,352
	<u>11,676</u>	<u>8,176</u>	<u>11,515</u>
Minority interests in equity	0	1	0
Provisions			
Provisions for pensions	706	632	614
Deferred tax liability	838	1,104	818
Other provisions	96	268	191
	<u>1,640</u>	<u>2,004</u>	<u>1,623</u>
Long-term liabilities			
Non-interest bearing liabilities	4	4	4
Interest-bearing liabilities	4,604	7,858	7,380
	<u>4,608</u>	<u>7,862</u>	<u>7,384</u>
Short-term liabilities			
Non-interest bearing liabilities	908	857	858
Interest-bearing liabilities	0	1	0
	<u>908</u>	<u>858</u>	<u>858</u>
Total shareholders' equity and liabilities	<u>18,832</u>	<u>18,901</u>	<u>21,380</u>
MOVEMENTS IN SHAREHOLDERS' EQUITY (SEK million)			
	2004	2003	2003
	1 Jan.-30 June	1 Jan.-30 June	Full year
Closing balance 31 December 2003, before change in accounting principle	11,515		
Change in accounting principle, RR29	- 88		
Opening balance	11,427	8,221	8,221
Translation differences	61	- 111	- 185
Net income for the period	534	318	3,731
Dividend	- 346	- 252	- 252
Closing balance	<u>11,676</u>	<u>8,176</u>	<u>11,515</u>

THE MERGED KINNEVIK AND INVIK

The pro forma statements presented below have been prepared in order to illustrate the merged Kinnevik's and Invik's financial position and results after the merger has been completed. The pro forma balance sheet has been prepared as if the merger was carried out on 30 June 2004, and the pro forma income statement as if the merger was carried out on 1 January 2004, with the assumptions stated below. It is assumed that Invik and Kinnevik already on 1 January 2004 had reclassified a sufficient number of A shares in Tele2 to result in a combined ownership that does not exceed 50% of the voting rights and that Tele2, as a consequence, is not accounted for as a subsidiary.

The pro forma statements are based on the interim reports of both Invik and Kinnevik for the period 1 January – 30 June 2004. These reports have been reviewed by the auditors and were prepared in accordance with recommendation 20 "Interim Reporting" issued by the Swedish Financial Accounting Standards Council.

The merger is accounted for using the purchase method of accounting and Kinnevik has been identified as the acquiring company, with consideration that Kinnevik's shareholders will exercise controlling influence over the merged company. Consequently, the principles of accounting for a reverse acquisition are applied. This means that Kinnevik is regarded as acquiring Invik, even though the latter company formally is the transferee company and remains in existence after the merger.

The acquisition price paid for Kinnevik is the value of the newly issued shares in the merged company that have been offered to Kinnevik shareholders by Invik. This value is based on a set exchange ratio; 1 share in Kinnevik entitled the holder to receive 3.5 new shares in Invik, which is equivalent to 0.29 Kinnevik shares for each Invik share on the basis of a reverse acquisition. As a result of the reverse acquisition, the compensation has been determined on the basis of the listed price of the Kinnevik share as at 23 July, which was the last day of trading in Kinnevik before the merger on 28 July. The closing price of the Kinnevik B share on 23 July was SEK 223, which has resulted in an acquisition price of SEK 4,725 million and an

adjustment to the book value of publicly listed shares of SEK 1,006 million. The market value of publicly listed shares amounted to SEK 21,240 million as at 23 July, and the book value of these shares (after adjustments) was SEK 15,754 million as at 30 June. The value adjustment of the book value of publicly listed assets of SEK 1,006 million results in an adjustment of interest in earnings in remaining associate companies, after elimination of cross-held shares, due to additional quarterly goodwill amortisations of SEK 21 million for an amortisation period of ten years. Additional interest in earnings of associate companies of SEK 14 million and shares of associated companies' tax costs of SEK 10 million are also included.

The pro forma financial statements have also been adjusted for cross-ownership and internal balances and transactions between the companies, which reduce the assets by SEK 1,834 million, liabilities by SEK 222 million and equity by SEK 1,612 million. Earnings from participations in associated companies decline by SEK 98 million and tax expenses decline by SEK 35 million as a result of the elimination of Invik's share in Kinnevik's earnings.

Effects of possible synergies, cost reductions or restructuring costs that could arise as a result of the merger have not been included in the statements.

It should be noted that the merged company has not been functioning as a single unit during the first half of 2004. The information given below does not necessarily reflect the result and the financial position that Kinnevik or Invik would have achieved if they had run their operations as a single unit during the indicated period. Neither does the information necessarily provide any indication of the merged group's future results.

PRO FORMA INCOME STATEMENT 1 JANUARY-30 JUNE 2004 (SEK million)

	Invik	Kinnevik	Merger	Elimi- nations	New Group	New Group excl. MFG*	MFG*	
Net turnover	897	2,898	-	-	5	3,790	2,899	891
Costs of sales	- 646	- 2,287	-	-	0	- 2,933	- 2,287	- 646
Gross income	251	611	-	-	5	857	612	245
Selling, administration, research and development expenses	- 234	- 236	-	-	2	- 468	- 261	- 207
Income from corporate development	-	461	-	-	4	465	465	-
Other operating income	64	78	-	-	1	141	72	69
Other operating expenses	- 15	- 16	-	-	-	- 31	- 17	- 14
Operating income	66	898	-	-	0	964	871	93
Interest in earnings of associate companies	225	33	-	7	-	98	153	153
Income from other securities	-	5	-	-	2	3	3	-
Income from sales of securities	-	14	-	-	-	14	14	-
Net financial items	- 33	- 159	-	-	0	- 192	- 192	-
Income after financial items	258	791	-	7	-	100	942	849
Taxes	- 112	- 256	-	10	35	- 343	- 334	- 9
Minority share in income	-	- 1	-	-	-	- 1	- 1	-
Net income	146	534	-	17	-	65	598	514
Earnings per share before/after dilution, SEK	1.88	8.48				2.23		
Total number of shares before/after dilution (million)	77.6	62.9				267.9		

* Modern Finance Group consisting of Invik's banking business, insurance business, asset management and securities trading.

PRO FORMA BALANCE SHEET AS OF 30 JUNE 2004 (SEK million)

	Invik	Kinnevik	Merger	Elimi- nations	New Group	New Group excl. MFG*	MFG*
Intangible assets	34	18	–	–	52	18	34
Tangible assets	28	4,150	–	–	4,178	4,156	22
Shares in associated and other companies	4,575	12,170	1,006	– 1,612	16,139	16,127	12
Long-term interest bearing receivables	3	369	–	– 221	151	151	0
Long-term non-interest bearing receivables	316	39	–	–	355	40	315
Total fixed assets	4,956	16,746	1,006	– 1,833	20,875	20,492	383
Inventories	42	1,055	–	–	1,097	1,055	42
Short-term non-interest bearing receivables	549	869	– 26	– 1	1,391	869	522
Intergroup receivables within Invik	–	–	–	–	–	12	210
Short-term interest bearing receivables	1,351	0	–	–	1,351	0	1,351
Short-term investments	2,844	3	–	–	2,847	3	2,844
Cash and cash equivalents	720	159	– 4	–	875	162	713
Total current assets	5,506	2,086	– 30	– 1	7,561	2,101	5,682
Total assets	10,462	18,832	976	– 1,834	28,436	22,593	6,065
Restricted equity	2,905	4,173	976	– 1,612	6,442	5,626	816
Unrestricted equity	814	7,503	–	–	8,317	8,233	84
Total equity	3,719	11,676	976	– 1,612	14,759	13,859	900
Minority interests in equity	0	0	–	–	0	0	0
Provisions for pensions	3	706	–	–	709	706	3
Provision for deferred tax liability	32	838	–	–	870	835	35
Other provisions	0	96	–	–	96	96	0
Total provisions	35	1,640	–	–	1,675	1,637	38
Long-term interest bearing liabilities	1,635	4,604	–	–	6,239	5,897	342
Long-term non-interest bearing liabilities	0	4	–	–	4	4	0
Total long-term liabilities	1,635	4,608	–	–	6,243	5,901	342
Short-term interest bearing liabilities	3,438	0	–	– 221	3,217	61	3,156
Intergroup liabilities within Invik	–	–	–	–	–	210	12
Short-term non-interest bearing liabilities	1,635	908	–	– 1	2,542	925	1,617
Total short-term liabilities	5,073	908	–	– 222	5,759	1,196	4,785
Total equity and liabilities	10,462	18,832	976	– 1,834	28,436	22,593	6,065
Key ratios							
Debt/equity ratio	1.4	0.5			0.7	0.5	3.9
Equity ratio I	36%	62%			52%	61%	15%
Equity ratio II	50%	72%			62%	71%	15%
Net debt	158	4,779			4,941	6,546	– 1,605

Definitions

Debt/equity ratio	Interest-bearing liabilities and interest-bearing provisions divided by shareholders' equity.
Equity ratio I	Shareholders' equity as percentage of total assets.
Equity ratio II	Shareholders' equity adjusted for surplus value in the listed stock portfolio as percentage of total assets plus surplus value in the listed stock portfolio.
Net debt	Interest-bearing liabilities including pension provisions less the sum of interest-bearing receivables, short-term investments and cash and cash equivalents.

* Modern Finance Group consisting of Invik's banking business, insurance business, asset management and securities trading.

BOOK VALUE OF LISTED AND UNLISTED HOLDINGS, AND MARKET VALUE OF LISTED HOLDINGS

	A shares	B shares	Equity interest (%)	Voting interest (%)	Book value 30 June 2004 (Mkr)	Market value 30 June 2004 (Mkr)	Surplus to book value
Listed holdings							
Tele2 AB	11,276,743	30,550,432	28.3	49.9	12,567	13,803	1,236
Millicom International Cellular S.A.		31,092,535	34.9	34.9	859	5,146	4,287
Metro International S.A.	94,133,562	115,329,193	39.8	35.7	901	2,493	1,592
Modern Times Group MTG AB	9,710,886	224,125	15.0	47.2	1,124	1,451	327
Transcom WorldWide S.A.	11,384,743	3,530,279	20.8	31.5	227	453	226
Cherryföretagen AB	1,402,500	7,378,249	28.1	26.2	32	211	179
Viking Telecom AB		7,037,952	29.3	29.3	21	27	6
Other listed shares					23	38	15
Total listed holdings*					<u>15,754</u>	<u>23,622</u>	<u>7,868</u>
Unlisted holdings							
Korsnäs Holding			100	100	4,548		
Modern Finance Group			100	100	900		
Mellersta Sveriges Lantbruk			100	100	189		
Other assets and liabilities					<u>86</u>		
Total unlisted holdings					<u>5,551</u>		
Total holdings					<u>21,305</u>		
Interest bearing net debt (excluding MFG**)					<u>- 6,546</u>		
Total equity					<u>14,759</u>		

* After the merger with Kinnevik on 28 July 2004, Invik holds 3,914,300 of its own class A shares, corresponding to 1.5% of the capital and 5.2% of the votes.

** Modern Finance Group consisting of Invik's banking business, insurance business, asset management and securities trading.

FINANCIAL POSITION OF THE MERGED KINNEVIK AND INVIK

The merged company's liquidity reserve, excluding funds within Modern Finance Group, comprising cash, bank, short-term investments and undrawn credit facilities, amounted to SEK 1,748 million as at 30 June 2004.

The merged company's interest-bearing net debt, excluding funds within Modern Finance Group, amounted to SEK 6,546 million.

The equity to assets ratio of the merged company, excluding Modern Finance Group, was 61% as at 30 June. Adjusted for the surplus to book value of the holdings in listed securities, the equity to assets ratio was 71%.

EVENTS AFTER THE END OF THE PERIOD

On 5 July, Kinnevik sold its entire holding of 2,124,820 shares in P4 Radio Hele Norge ASA to Modern Times Group MTG AB, and at the same time acquired 2,220,629 class A shares in Metro International S.A. from Modern Times Group MTG AB in a non-cash transaction.

On 28 July, Kinnevik merged with Invik. On the same date, Vigo Carlund was appointed CEO of Invik. By way of merger settlement, Invik issued 25,337,088 class A shares and 164,959,151 class B shares to Kinnevik's shareholders. The new Invik shares were registered into the recipients' accounts on 30 July. Trading in the new shares commenced on 29 July, since which date Invik has been listed on Stockholmsbörsen's Attract 40 list.

EXTRAORDINARY GENERAL MEETING

Invik's Board has called an Extraordinary General Meeting for Thursday 26 August 2004 at 9.30 a.m. at Brasserie by the Sea, Tullhus 2, Skeppsbron, Stockholm. It is proposed that the Board of Directors shall consist of Pehr G Gyllenhammar, Edvard von Horn, Wilhelm Klingspor, Erik Mitteregger, Stig Nordin and Cristina Stenbeck. It is also proposed that at the constituent board meeting Pehr G Gyllenhammar shall be appointed chairman and Cristina Stenbeck vice chairman. It is also proposed that the Extraordinary General Meeting resolve that the company's official name be changed to Investment AB Kinnevik and approve the proposal for the nomination process ahead of the board elections for the 2005 Annual General Meeting.

NEXT FINANCIAL REPORT

The preliminary publication date for the financial report for the period January-September 2004 is 21 October 2004.

Stockholm, 5 August 2004

Vigo Carlund

President and Chief Executive Officer

REVIEW REPORT

We have reviewed this interim report in accordance with the recommendation issued by FAR.

A review is considerably limited in scope compared with an audit.

Nothing has come to our attention that causes us to believe that the interim report does not comply with the requirements of the Exchange and Clearing Operations Act and the Annual Accounts Act.

Stockholm, 5 August 2004

Pål Wingren

PricewaterhouseCoopers AB

Erik Åström

Ernst & Young AB

FOR FURTHER INFORMATION, PLEASE VISIT WWW.KINNEVIK.SE, WWW.INVIK.SE OR CONTACT:

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