

INVIK & CO. AB



INTERIM REPORT 2002

1 JANUARY – 31 MARCH

INTERIM REPORT 1 January – 31 March 2002

MANAGEMENT

The Invik Group consists of the Parent Company, Invik & Co. AB, and a number of operating subsidiaries. The Parent Company is a holding company whose activities include managing a long-term securities portfolio consisting mainly of major investments in a small number of listed companies in which Invik is seeking active management participation mainly through board representation. The subsidiaries are principally active in Finance and Insurance. In addition there are certain other business activities, principally a small brewery.

On 28 March, 2002, the value of the Group's holdings of listed securities was MSEK 7,275. On 25 April, 2002, the value was MSEK 5,187, which gives a premium over the book value of the Group's portfolio of MSEK 1,793 on that date.

The long-term securities portfolio as at 28 March, 2002 consisted of shares in Tele2 AB ("Tele2"), Industriförvaltnings AB Kinnevik ("Kinnevik"), Modern Times Group MTG AB ("MTG"), Metro International S.A. ("Metro"), Transcom WorldWide S.A. ("Transcom"), and Millicom International Cellular S.A. ("MIC").

- Tele2, 9,891,787 class A shares and 2,925,579 class B shares, equivalent to 24.4% of the votes and 8.7% of the equity.
- Kinnevik, 6,281,387 class A shares and 2,286,936 class B shares, equivalent to 32.7% of the votes and 13.6% of the equity.
- MTG, 6,381,249 class A shares, equivalent to 30.9% of the votes and 9.6% of the equity. After full conversion of convertible loan stock, this corresponds to 30.5% of the votes and 9.2% of the equity.
- Metro, 7,214,582 class A shares, equivalent to 12.9% of the votes and 6.6% of the equity. After full conversion of convertible loan stock, this corresponds to 11.4% of the votes and 5.3% of the equity.
- Transcom, 7,016,815 class A shares and 1,486,508 class B shares, equivalent to 22.0% of the votes and 13.4% of the equity. After full conversion of convertible loan stock, this corresponds to 17.7% of the votes and 12.0% of the equity.
- MIC, 940,418 shares and an option equivalent to 186,520 shares. The total holding corresponds to 2.3% of the votes and the equity.

During Invik's seventeen-year history, the appreciation of its net asset value corresponds to an annual return of 37%, calculated on the basis of the company's original net asset value of SEK 4 per share in 1985. This may be compared with an annual return on the "Affärsvärlden" composite index of 15% over the same period. The price of Invik's shares has increased by some 2,330% since the first day of trading on 1 July, 1987, corresponding to an annual average appreciation of 24%.

The net asset value, calculated as the market value of listed securities plus the book value of other assets less liabilities, was SEK 797 per share as at 28 March, 2002 and SEK 528 as at 25 April, 2002.

Invik's shares are listed on the Stockholm Stock Exchange O list. The B share price paid on 28 March, 2002 was SEK 535 and on 25 April, 2002 it was SEK 370.

CONSOLIDATED EARNINGS

The result after financial items, in accordance with the acquisition method, amounted to MSEK 3.3 which may be compared with loss of MSEK 24.0 for the corresponding period in the previous year. The loss after tax amounted to MSEK 3.8 (loss of 19.7).

The consolidated income above does not include the Parent Company's interest in the earnings of associated companies.

The result according to the equity method is stated in a note.

FINANCIAL POSITION AND INVESTMENTS

The Group's liquid assets, excluding funds within the banking and insurance operations, i.e. liquid funds and unutilised credit facilities, amounted to MSEK 21.2 as at 28 March, 2002, compared with MSEK 104.5 at the year-end. Other than this, assets consist principally of listed securities that are immediately realisable. The Group's long-term holdings of listed securities had a total market value of MSEK 7,275.

The Group's net investments in securities during the period amounted to MSEK 33.7. Investments in fixed assets amounted to MSEK 19.9 during the period.

The Parent Company's equity ratio was 52% as at 28 March, 2002. If the premium over the book value of the long-term securities portfolio is also included, the equity ratio amounted to 74%. The corresponding equity ratios for the Group are 27% and 50% respectively.

OPERATIONS AND RESULTS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

Moderna Försäkringar reports a strong growth during the first quarter in 2002 with more than 5,000 new customers. Damage frequency as well as damage cost percent were lower than last year. Damage cost percent amounted to 48.5% and total cost percent to 80.7%. The company has carried out increase in premiums as per year-end with between 10-35%. The industrial and marine book, which is being phased out, also had a positive development. The result before tax amounted to 0.6 MSEK (loss of 3.7).

The newly-started Netviq Liv AB, under change of name to Moderna Försäkringar Liv AB, will during the second quarter launch their first capital and pension insurance products. The result before tax was a loss of 0.7 MSEK (loss of 1.1).

Modern Re S.A. which was acquired during 2001, reported a result before tax of 5.4 MSEK during the first quarter.

Banque Invik S.A. offers qualified advisory services regarding asset management to wealthy private individuals. Furthermore, Banque Invik offers financial advisory services to companies, provides credit card services and operates fund management. The Bank once again began the year with a favourable earnings trend coupled with continued growth in all areas of business. The prevailing uncertainty on the stock market only had a marginal impact on the business. Moderna Fonder today offers 11 European Index Funds whereof 7 are share index funds and 4 are interest index funds. Assets under management and the number of clients investing in Moderna Fonder's Index Funds are increasing continuously. The Bank's

income after financial items amounted to MSEK 5.0 (8.6).

Modern Privat Kapitalförvaltning AB provides asset management services based on fundamental analysis combined with a high level of personal service. Aktie-Ansvar AB has under management the top ranked funds Ansvar Equity Fund Sweden and Equity Ansvar Europe. OP Financial Services AB is a financial consultant. MPK has some SEK 5.2 billion under management. Income after financial items amounted to MSEK 1.0 (2.8).

Fischer Partners is engaged in stockbroking, dealing, corporate finance and asset management. Fischer's stockbroking clients are mainly foreign and Swedish institutional investors and active private individuals. The company is currently a market maker for 11 companies on the NGM list. Income after financial items amounted to MSEK 0.2 (6.2).

Gamla Stans Bryggeri AB, the brewing and restaurant business, reports a further loss. The restaurant business is being reorganized.

The associated companies Tele2, Kinnevik, MTG, Metro, Transcom and MIC are listed on the stock market and publish their own interim reports.

PERSONNEL

The average number of employees in the Group during the period was 230. At the close of the period the number of employees was 228, of whom 201 were in Sweden.

EARNINGS PER SHARE

The loss per share amounted to SEK 0.5 (loss of 2.5).

The total number of shares in issue as at 28 March, 2002 was 7,760,000, of which 3,753,333 were class A shares and 4,006,667 class B shares.

PARENT COMPANY

The result after financial items amounted to MSEK 4.3 (loss of 20.0). Liquid assets as at 28 March, 2002 amounted to MSEK 21.2, which may be compared with MSEK 104.5 at year-end. The Parent Company's net investments in shares during the period amounted to MSEK 39.0 and in fixed assets to MSEK 0.0.

The average rate of interest paid on the Parent Company's borrowing during the period was 4.7% (4.8).

Stockholm, 26 April 2002

Thomas Jönsson
President

The preliminary publication date for the interim report for the January – June 2002 period is 6 August 2002.

This interim report has not been subject to specific examination by the company's auditors.

CONSOLIDATED INCOME STATEMENT	1 Jan – 31 March		Full year
Acquisition method * (SEK million)	2002	2001	2001
Net sales	211.2	177.7	856.4
Cost of goods and services supplied	-122.1	-128.1	-569.7
Gross income	89.1	49.6	286.7
Selling and administrative expenses	-106.5	-68.0	-375.2
Other operating revenues and expenses	0.1	-0.1	22.3
Dividend income	4.3	6.1	106.0
Capital gains on securities sold	30.8	0.0	27.5
Operating income	17.8	-12.4	67.3
Net interest expense and other financial items	-14.5	-11.6	-59.5
Income after financial items ¹⁾	3.3	-24.0	7.8
Minority share in income for the period	0.3	0.2	1.0
Tax paid	-5.2	-3.8	-12.7
Deferred tax	-2.2	7.9	41.9
NET INCOME FOR THE PERIOD ²⁾	-3.8	-19.7	38.0

*The income statement and balance sheet are prepared according to the earlier accounting principles.

¹⁾ Income after financial items according to the equity method -52.4 -202.9 -270.0

²⁾ Net income for the period according to the equity method -93.7 -224.7 -70.8

CONSOLIDATED BALANCE SHEET	31 March		31 Dec
Acquisition method (SEK million)	2002	2001	2001
ASSETS			
Fixed assets			
Goodwill	141.4	121.7	129.9
Other intangible assets	6.1	11.0	6.9
Tangible assets	32.2	29.4	34.0
Financial assets ³⁾	3,561.0	3,369.3	3,496.8
Total fixed assets	3,740.7	3,531.4	3,667.6
Current assets			
Inventories and securities	24.9	0.9	18.1
Current receivables	664.3	588.8	567.7
Investments	3,826.5	3,031.0	4,017.0
Cash and bank balances	315.7	97.6	297.8
Total current assets	4,831.4	3,718.3	4,900.6
TOTAL ASSETS	8,572.1	7,249.7	8,568.2
EQUITY, PROVISIONS AND LIABILITIES			
Equity			
Restricted equity	1,132.8	1,110.4	1,130.2
Unrestricted equity	1,171.2	1,193.6	1,188.6
Total equity ⁴⁾	2,304.0	2,304.0	2,318.8
Minority interest	2.5	3.4	2.2
Provisions	130.4	82.1	127.8
Long-term liabilities			
Interest-bearing liabilities	1,850.7	1,505.9	1,580.0
Current liabilities			
Interest-bearing liabilities	3,508.2	2,816.5	3,894.1
Non-interest-bearing liabilities	776.3	537.8	645.3
Total current liabilities	4,284.5	3,354.3	4,539.4
Total liabilities	6,135.2	4,860.2	6,119.4
TOTAL EQUITY, PROVISIONS AND LIABILITIES	8,572.1	7,249.7	8,568.2
³⁾ Financial assets according to the equity method	5,368.6	5,411.4	5,515.3
⁴⁾ Total equity according to the equity method	4,111.6	4,346.1	4,337.3

CHANGE TO GROUP EQUITY (SEK million)	1 Jan – 31 March	
	2002	2001
Opening balance as per balance sheet December 31	2,318.8	2,319.4
Exchange rate differences	-11.0	4.3
Profit/loss for the period	-3.8	-19.7
Closing balance	2,304.0	2,304.0

CASH FLOW ANALYSIS (SEK million)	1 Jan – 31 March		Full year
	2002	2001	2001
Cash flow from current operations	-19.1	-18.4	-86.9
Change in working capital	-182.8	-48.7	158.1
Total cash flow from current operations	-201.9	-67.1	71.2
Cash flow from investment operations	-52.9	-124.7	-171.8
Cash flow from financing operations	274.5	144.2	250.6
Change in liquid funds	19.7	-47.6	150.0
Liquid funds at opening of year	296.0	145.2	147.8
Liquid funds at close of period	315.7	97.6	297.8

FINANCIAL HIGHLIGHTS	31 March		31 Dec
	2002	2001	2001
Equity, SEK million	2,304	2,304	2,319
Balance sheet total, SEK million	8,572	7,250	8,568
Net asset value, SEK million	6,185	7,299	6,960
Equity ratio I %	26.9	31.8	27.1
Equity ratio II %	49.7	59.6	52.7
Debt/equity ratio, multiple	2.6	2.1	2.6
Data per share, SEK ¹⁾			
Market price	535	610	579
Net asset value	797	941	897
Earnings after taxes	-0.5	-2.5	4.9
Market price/net asset value %	67	65	65

¹⁾ The number of outstanding shares was 7,760,000.

Definitions

Net asset value Equity, adjusted for surplus value/deficit in the long-term securities portfolio without regard to tax effects.

Equity ratio I Equity, plus minority interest, divided by the balance sheet total.

Equity ratio II Net asset value, plus minority interest, divided by the balance sheet total, adjusted for surplus value/deficit in holdings of publicly traded securities.



*Thor's hammers made of iron, dating from the days of the Vikings and discovered at Innvik, Nordfjord, Norway.**

Connections...

Thor, the god of thunder, protected mankind from violence and powers of evil in the heathen times. His weapon was a short-shafted hammer and ring that Thor would hurl at his victim and which always returned back into his hand. Copies of this hammer were used as a protective force against lightning and have been discovered in chimney brickwork and rafters of dwellings dating from the days of the Vikings. The use of protective amulets in the form of hammers was a widespread practice. After the victory of Christianity, the power of the hammer was replaced by that of the cross in popular faiths.

In the Eskimo languages, the word for person or human is inu. Various Eskimo groups use inu as part of their names for themselves – such as inuit, inuplak, inuktit, inuttut, inuvialukton, and inuinaqtun. Inuvik means the people's place – or town. Inuvik can refer to any settlement. Vik is a word that can be found around the world from India to Alaska and is always associated with family, home or dwelling place. The ancient Indo-European word wika meant clan or extended family; and from that origin, many of the European languages from Sanskrit to Old Norse have some form of the word.

*Bergens University Museum

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