

INVIK & CO. AB

INTERIM REPORT

1 January – 30 September 2002

With great sadness the Board of Invik & Co. AB announced that the Founder and Chairman of the company, Mr Jan Hugo Stenbeck, passed away on August 19 2002.

The Board announced on August 22 2002 that Johan Björkman was appointed as Chairman of the Board.

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 30 September 2002, the value of the Group's holdings of listed securities was SEK 3,038 million. On 24 October 2002, the value was SEK 3,877 million, which gives a premium over the book value of the Group's portfolio of SEK 541 million on that date.

The long-term securities portfolio as at 30 September 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 29.7 % 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, 6,181,249 class A shares, equivalent to 30.0 % of the votes and 9.3 % of the equity. After full conversion of convertible loan stock, this corresponds to 29.6 % of the votes and 8.9 % of the equity.
- Metro, 7,222,082 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 5.4 % of the equity.
- Transcom, 7,152,046 class A shares and 1,351,277 class B shares, equivalent to 22.4 % of the votes and 13.4 % of the equity. After full conversion of convertible loan stock, this corresponds to 18.0 % of the votes and 11.9 % of the equity.
- MIC, 940,418 shares, equivalent to 1.9 % of the votes and equity.

During Invik's seventeen-year history, the appreciation of its net asset value corresponds to an annual return of 27 %, 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 11 % over the same period. The price of Invik's shares has increased by some 565 % since the first day of trading on 1 July 1987, corresponding to an annual average appreciation of 13 %.

The net asset value, calculated as the market value of listed securities plus the book value of other assets less liabilities, was SEK 248 per share as at 30 September 2002 and SEK 356 as at 24 October 2002.

Invik's shares are since 1 July 2002 listed on the Stockholm Stock Exchange Attract 40-list. The B share price paid on 30 September 2002 was SEK 146 and on 24 October 2002 it was SEK 191.

Consolidated earnings

The loss after financial items, in accordance with the acquisition method, amounted to SEK 80.2 million which may be compared with a profit of SEK 4.4 million for the corresponding period in the previous year. The loss after tax amounted to SEK 66.8 million (profit of 15.9).

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 SEK 14.5 million as at 30 September, 2002, compared with SEK 104.5 million 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 SEK 3,038 million.

The Group's net investments in securities during the period amounted to SEK 22.1 million. Investments in fixed assets amounted to SEK 29.1 million during the period.

The Parent Company's equity ratio was 51 % as at 30 September 2002. If the premium over the book value of the long-term securities portfolio is also included, the equity ratio amounted to 49 %. The corresponding equity ratios for the Group are 26 % and 24 % respectively.

Operations and results of subsidiaries and associated companies

Moderna Försäkringar AB reports strong growth for the third quarter 2002, with 20,000 new customers and profits that remain healthy for the insurance business, despite depressed financial returns. The damages frequency and the compensation costs ratio were both lower than last year. The compensation costs ratio was 57.9 %, and the total costs ratio was 81.8 %. The industrial and marine portfolio, which is being phased out, also performed well. The result before tax amounted to SEK 7.2 million (0.6).

During the third quarter 2002 Moderna Försäkringar AB made an agreement to acquire Safe's houseowner- and householder insurance portfolio, which implies a strong reinforcement of Moderna Försäkringar AB's private lines portfolio.

Moderna Försäkringar Liv AB's launch of the capital and pensions insurance in partnership with Modern Funds S.A. and MPK Kapitalförvaltning AB has got a very positive response on the market. The group life insurance activities reported a premium volume of SEK 58.0 million and a compensation cost ratio of 61.3 %.

Modern Re S.A., acquired in 2001, saw a favourable premium and compensation cost development. The premium income amounted to SEK 40.0 million and result before tax amounted to SEK 9.8 million.

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 has a favourable earnings trend coupled with continued growth in all areas of 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 SEK 20.5 million (11.7).

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. In July the hedge fund Graal was established. During the period July to September the fund increased 16 % more compared to Stockholm Stock Exchange index. MPK has some SEK 4.0 billion under management. Income after financial items amounted to SEK 0.8 million (1.3).

Fischer Partners Fondkommission AB is a stockbroker and trading company. It is one of Scandinavia's leading brokers for electronic customer trading and is a member of the Stockholm, Helsinki, Copenhagen and Oslo Stock Exchanges. Fischer Partners' customers are primarily foreign and Swedish institutions and active private individuals. The result before allocations and tax was a loss of SEK 4.2 million (profit of 12.5).

Gamla Stans Bryggeri AB, the brewing and restaurant business, reports a further loss. The restaurant business has been conducted since May 2002 under the name Pontus by the Sea.

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 225. At the close of the period the number of employees was 220, of whom 193 were in Sweden.

Earnings per share

The loss per share amounted to SEK 8.60 (profit of 2.00)

The total number of shares in issue as at 30 September 2002 was 7,760,000 of which 3,753,333 were class A shares and 4,006,667 class B shares.

Parent Company

The loss after financial items amounted to SEK 75.0 million (profit of 4.3). Liquid assets as at 30 September 2002 amounted to SEK 13.6 million, which may be compared with SEK 104.5 million at year-end. The Parent Company's net investments in shares during the period amounted to SEK 13.6 million and fixed assets to SEK 2.4 million.

The average rate of interest paid on the Parent Company's borrowing during the period was 5.0 % (4.8).

Stockholm, 25 October 2002

Thomas Jönsson

President

The preliminary publication date for the year-end release for 2002 is 13 February 2003.

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

CONSOLIDATED INCOME STATEMENT

Acquisition method * (SEK million)	1 Jan - 30 Sept		1 July - 30 Sept		Full year
	2002	2001	2002	2001	2001
Net sales	742.6	619	274.3	229.2	856.4
Cost of goods and services supplied	-442.0	-416.2	-173.6	-142.1	-569.7
Gross income	300.6	202.8	100.7	87.1	286.7
Selling and administrative expenses	-336.4	-232.6	-115.6	-88.0	-375.2
Other operating revenues and expenses	2.4	-0.9	0.4	-0.5	22.3
Dividend income	12.9	80.5	4.3	72.2	106.0
Capital gains on securities sold	56.5	6.3	-0.1	0.1	27.5
Operating income	36.0	56.1	-10.3	70.9	67.3
Net interest expense and other financial items	-116.2	-51.7	-20.8	-30.2	-59.5
Income after financial items¹⁾	-80.2	4.4	-31.1	40.7	7.8
Minority share in income for the period	1.1	0.7	0.4	0.2	1.0
Tax paid	-5.1	-12.7	-1.3	-4.0	-12.7
Deferred tax	17.4	23.5	5.4	9.7	41.9
Net income for the period²⁾	-66.8	15.9	-26.6	46.6	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	-99.8	-287.4	8.3	-31.8	-270.0
²⁾ Net income for the period according to the equity method	-168.7	-349.9	-4.3	-42.4	-70.8

CONSOLIDATED BALANCE SHEET

Acquisition method (SEK million)

Assets	30 September		31 Dec
	2002	2001	2001
Fixed assets			
Goodwill	134.0	140.3	129.9
Other intangible assets	7.9	8.3	6.9
Tangible assets	27.4	37.4	34.0
Financial assets ³⁾	3,525.5	3,452.9	3,496.8
Total fixed assets	3,694.8	3,638.9	3,667.6
Current assets			
Inventories and securities	19.6	40.6	18.1
Current receivables	630.7	659.9	567.7
Investments	2,357.0	4,008.3	4,017.0
Cash and bank balances	1,757.0	254.1	297.8
Total current assets	4,764.3	4,962.9	4,900.6
Total assets	8,459.1	8,601.8	8,568.2

Equity, provisions and liabilities

Equity

Restricted equity	1,135.1	1,110.5	1,130.2
Unrestricted equity	1,087.2	1,198.8	1,188.6
Total equity⁴⁾	2,222.3	2,309.3	2,318.8

Minority interest	1.0	4.4	2.2
Provisions	108.6	149.1	127.8

Long-term liabilities

Interest-bearing liabilities	1,868.2	1,866.6	1,580.0
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Current liabilities

Interest-bearing liabilities	3,546.7	3,544.2	3,894.1
Non-interest-bearing liabilities	712.3	728.2	645.3

Total current liabilities	4,259.0	4,272.4	4,539.4
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Total liabilities	6,127.2	6,139.0	6,119.4
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Total equity, provisions and liabilities	8,459.1	8,601.8	8,568.2
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³⁾ Financial assets according to the equity method	5,164.4	5,410.2	5,515.3
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⁴⁾ Total equity according to the equity method	3,861.2	4,266.6	4,337.3
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Change to Group equity (SEK million)

	1 Jan - 30 Sept	
	2002	2001
Opening balance as per balance sheet December 31	2,318.8	2,319.4
Exchange rate differences	-6.4	20.5
Dividend	-23.3	-46.5
Profit/loss for the period	-66.8	15.9
Closing balance	2,222.3	2,309.3

CASH FLOW ANALYSIS (SEK million)	1 Jan - 30 Sept		Full year
	2002	2001	2001
Cash flow from current operations	-46.7	-54.1	-86.9
Change in working capital	1,315.1	-200.0	158.1
Total cash flow from current operations	1,268.4	-254.1	71.2
Cash flow from investment operations	-54.9	-173.3	-171.8
Cash flow from financing operations	245.7	536.3	250.6
Change in liquid funds	1,459.2	108.9	150.0
Liquid funds at opening of year	297.8	145.2	147.8
Liquid funds at close of period	1,757.0	254.1	297.8

FINANCIAL HIGHLIGHTS	30 Sept		31 Dec
	2002	2001	2001
Equity, SEK million	2,222	2,309	2,319
Balance sheet total, SEK million	8,459	8,602	8,568
Net asset value, SEK million	1,924	4,843	6,960
Equity ratio I, %	26.3	26.9	27.1
Equity ratio II, %	23.6	43.5	52.7
Debt/equity ratio, multiple	2.4	2.6	2.6

Data per share, SEK ¹⁾

Market price	146	400	579
Net asset value	248	624	897
Earnings after taxes	-8.60	2.00	4.90
Market price/net asset value %	59	64	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.