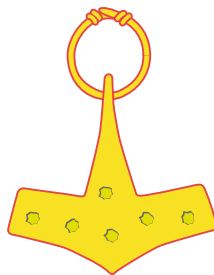


**INVIK & CO. AB**



**INTERIM REPORT 2000**  
**1 JANUARY – 30 SEPTEMBER**

## **INTERIM REPORT 1 January – 30 June 2000**

### **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 2000, the value of the Group's holdings of listed securities was MSEK 10,420. On 7 November 2000, the value was MSEK 9,629, which gives a premium over the book value of the Group's portfolio of MSEK 6,830 on that date.

The long-term securities portfolio as at 30 September 2000 consisted of shares in NetCom AB ("NetCom"), Industriförvaltnings AB Kinnevik ("Kinnevik"), Modern Times Group MTG AB ("MTG"), Metro International S.A. ("Metro"), and Millicom International Cellular S.A. ("MIC").

During the third quarter, Invik acquired shares in Metro by way of dividend from MTG, and accepted Netcom's offer to exchange shares in Société Européenne de Communication S.A. for shares in Netcom.

- NetCom, 9,642,608 Series "A" shares and 3,172,196 Series "B" shares, equivalent to 24.0 % of the votes and 8.9 % of the share capital.
- Kinnevik, 6,166,387 Series "A" shares and 2,336,936 Series "B" shares, equivalent to 32.2 % of the votes and 13.5 % of the share capital.
- MTG, 6,381,249 Series "A" shares, equivalent to 25.4 % of the votes and 9.6 % of the share capital.
- Metro, 6,381,249 Series "A" shares, equivalent to 18.6 % of the votes and 9.6 % of the share capital.
- MIC, 940,418 shares and an option on 186,520 shares. The total holding is equivalent to 2.3 % of the votes and share capital.

During Invik's fifteen-year history, the appreciation of its net asset value corresponds to an annual return of 47 %, 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 20 % over the same period. The price of Invik's shares has increased by some 4,000 % since the first day of trading on 1 July 1987, corresponding to an annual average appreciation of 32 %.

The net asset value, calculated as the market value of listed securities plus the book value of other assets less liabilities, was SEK 1,278 per share as at 30 September 2000 and SEK 1,176 as at 7 November 2000. Invik's shares are listed on the OM Stockholm Stock Exchange's "O" list. The share price paid on 30 September 2000 was SEK 894 and on 7 November 2000 was SEK 830.

### **CONSOLIDATED EARNINGS**

Income after financial items, in accordance with the acquisition method, was MSEK 107.3, which may be compared with MSEK 18.8 for the corresponding period in the previous year. Income after tax amounted to MSEK 73.3 (18.6). The consolidated income above does not include the the Parent Company's interest in the earnings of associate 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 315.5 as at 30 September 2000, compared with MSEK 170.0 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 10,420.

The Group's net investments in securities during the period amounted to MSEK 330.0. Investments in fixed assets amounted to MSEK 21.5 during the period.

The Parent Company's equity ratio was 59 % as at 30 September 2000. If the premium over the book value of the long-term securities portfolio is also included, the equity ratio amounted to 86 %. The corresponding equity ratios for the Group are 32 % and 67 % respectively.

### **OPERATIONS AND RESULTS OF SUBSIDIARIES AND ASSOCIATE COMPANIES**

As one step in the redirection of its business towards consumers and small businesses, Atlantica has changed its name to Moderna Försäkringar. However, Atlantica, which is a strong brand name, will continue to be used for motor boat and yacht insurance. The positive claims experience continued during the third quarter and market share strengthened in all areas of consumer insurance. In September a new web-based B2B system known as Broker Line was introduced to enable insurance brokers to serve small and medium-sized enterprises. The loss after financial items amounted to MSEK 5.7 (loss 18.5).

Banque Invik S.A., the Group's wholly owned bank, developed well during the period, with improved results in all areas of business. The bank was not affected by the prevailing uncertainty on the stock market, mainly owing to the long-term investment policy of its clients. The bank's result after financial items amounted to MSEK 17.5 (6.3).

Modern Privat Kapitalförvaltning MPK AB provides asset management services with a high level of personal service. The assets under management amounted to MSEK 5.9. OP Financial Service AB was acquired during the third quarter. Income after financial items amounted to MSEK 14.8 (3.2).

Fischer Partners Fondkommission AB, in which Invik has a 50 % interest, had a market share of 2.3 % on the OM Stockholm Stock Exchange. The company is a market maker for 18 companies on the SBI list. Income after financial items amounted to MSEK 61.1 (14.2).

Although the brewery and the restaurant improved their operating result, they are not yet profitable.

The associate companies NetCom, Kinnevik, MTG, Metro 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 206. At the close of the period the number of employees was 198, of whom 177 were in Sweden.

#### **EARNINGS PER SHARE**

Earnings per share amounted to SEK 9.4 (2.5).

The total number of shares in issue as at 30 September 2000 was 7,760,000, of which 3,753,333 were Series "A" shares and 4,006,667 Series "B" shares.

#### **PARENT COMPANY**

Income after financial items amounted to MSEK 143.9 (63.7). Liquid assets as at 30 September 2000 amounted to MSEK 311.0, which may be compared with MSEK 167.0 at year-end. The Parent Company's net investments in shares during the period amounted to MSEK 348.3 and in fixed assets to MSEK 0.3.

The average rate of interest paid on the Parent Company's borrowing during the period was 4.7 % (4.0 %).

Stockholm, 8 November 2000

Stig Nordin  
President

The preliminary publication date for the year-end communiqué for 2000 is 21 February 2001.

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

<b>CONSOLIDATED INCOME STATEMENT</b>	<b>1 Jan – 30 Sept</b>		<b>Full year</b>
	<b>2000</b>	<b>1999</b>	<b>1999</b>
<b>Acquisition method * (SEK million)</b>			
Net sales	600.5	516.2	708.5
Cost of goods and services supplied	-504.7	-420.8	-580.5
<b>Gross income</b>	<b>95.8</b>	<b>95.4</b>	<b>128.0</b>
Selling and administrative expenses	-225.2	-155.7	-237.3
Other operating revenues and expenses	5.4	2.5	6.6
Dividend income	38.1	40.1	53.6
Capital gains on securities sold	172.2	39.5	71.3
<b>Operating income</b>	<b>86.3</b>	<b>21.8</b>	<b>22.2</b>
Net interest expense and other financial items	21.0	-3.0	-7.0
<b>Income after financial items <sup>1)</sup></b>	<b>107.3</b>	<b>18.8</b>	<b>15.2</b>
Minority share in income for the period	0.0	0.0	0.0
Tax paid	-7.2	-3.8	-3.4
Deferred tax	-26.8	3.6	21.3
<b>NET INCOME FOR THE PERIOD <sup>2)</sup></b>	<b>73.3</b>	<b>18.6</b>	<b>33.1</b>

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

<sup>1)</sup> Income after financial items according to the equity method      204.4      -109.8      421.9

<sup>2)</sup> Net income for the period according to the equity method      99.5      -155.9      372.4

<b>CONSOLIDATED BALANCE SHEET</b>	<b>30 Sept</b>		<b>31 Dec</b>
<b>Acquisition method (SEK million)</b>	<b>2000</b>	<b>1999</b>	<b>1999</b>
<b>ASSETS</b>			
<b>Fixed assets</b>			
Intangible assets *	123.1	103.5	102.6
Tangible assets	35.1	63.1	61.8
Financial assets <sup>3)</sup>	3,151.9	2,487.6	2,625.7
<b>Total fixed assets</b>	<b>3,310.1</b>	<b>2,654.2</b>	<b>2,790.1</b>
<b>Current assets</b>			
Inventories	1.5	5.8	6.7
Current receivables	730.6	360.2	349.8
Investments	3,077.9	1,739.2	2,098.2
Cash and bank balances	163.4	89.0	105.4
<b>Total current assets</b>	<b>3,973.4</b>	<b>2,194.2</b>	<b>2,560.1</b>
<b>TOTAL ASSETS</b>	<b>7,283.5</b>	<b>4,848.4</b>	<b>5,350.2</b>
* of which goodwill from the Group	109.0	90.3	86.6
<b>EQUITY, PROVISIONS AND LIABILITIES</b>			
<b>Equity</b>			
Restricted equity	1,056.7	1,073.4	1,032.7
Unrestricted equity	1,240.5	1,160.2	1,217.7
<b>Total equity <sup>4)</sup></b>	<b>2,297.2</b>	<b>2,233.6</b>	<b>2,250.4</b>
Minority interest	3.1	2.6	3.3
Provisions	97.6	88.7	70.8
<b>Long-term liabilities</b>			
Interest-bearing liabilities	1,294.5	487.2	618.1
<b>Current liabilities</b>			
Interest-bearing liabilities	2,910.3	1,527.3	1,961.9
Non-interest-bearing liabilities	680.8	509.0	445.7
<b>Total current liabilities</b>	<b>3,591.1</b>	<b>2,036.3</b>	<b>2,407.6</b>
<b>Total liabilities</b>	<b>4,986.3</b>	<b>2,614.8</b>	<b>3,099.8</b>
<b>TOTAL EQUITY, PROVISIONS AND LIABILITIES</b>	<b>7,283.5</b>	<b>4,848.4</b>	<b>5,350.2</b>
<sup>3)</sup> Financial assets according to the equity method	3,249.1	2,083.4	2,735.7
<sup>4)</sup> Total equity according to the equity method	2,394.4	1,829.4	2,360.4

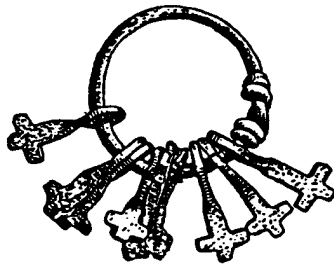
<b>CASH FLOW ANALYSIS</b> <b>(SEK million)</b>	<b>1 Jan – 30 Sept</b>		<b>Full year</b>
	<b>2000</b>	<b>1999</b>	<b>1999</b>
Cash flow from current operations	-72.2	6.3	-21.4
Change in working capital	-172.1	12.3	36.2
<b>Total cash flow from current operations</b>	<b>-244.3</b>	<b>18.6</b>	<b>14.8</b>
Cash flow from investment operations	-350.8	-82.4	-194.4
Cash flow from financing operations	653.1	56.9	189.1
<b>Change in liquid funds</b>	<b>58.0</b>	<b>-6.9</b>	<b>9.5</b>
Liquid funds at opening of year	105.4	95.9	95.9
<b>Liquid funds at close of period</b>	<b>163.4</b>	<b>89.0</b>	<b>105.4</b>

<b>FINANCIAL HIGHLIGHTS</b>	<b>30 Sept</b>		<b>31 Dec</b>
	<b>2000</b>	<b>1999</b>	<b>1999</b>
Equity, SEK million	2,297	2,234	2,250
Balance sheet total, SEK million	7,284	4,848	5,350
Net asset value, SEK million	9,919	6,459	12,732
Equity ratio I %, after full conversion	31.6	46.1	42.1
Equity ratio II %, after full conversion	66.6	71.2	80.4
Debt/equity ratio, multiple	2.1	1.1	1.3
<b>Data per share, SEK <sup>1)</sup></b>			
Market price	894	520	1,010
Net asset value, after full conversion	1,278	832	1,641
Earnings after taxes	9.4	2.5	4.4
Market price/net asset value %	70	62	62

<sup>1)</sup> The number of outstanding shares, after full conversion, 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.



*Tor's hammers made of iron from Inuvik in Nordfjord, Norway. The Viking age.*

*(Bergen Univ. Museum)*

## **INVIK & CO. AB**

Skeppsbron 18, Box 2095, S-103 13 Stockholm, Sweden

Telephone +46 8 562 000 20

Telefax +46 8 791 91 07

[www.invik.nu](http://www.invik.nu)