

INVIK & CO. AB

BOX 2095
SKEPPSBRON 18
S-103 13 STOCKHOLM



PHONE +46-8-562 000 20
FAX +46-8-791 91 07
ORG NR 556047-9742

FINANCIAL RESULTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2003

- As of this interim report, Invik has adopted the equity accounting method for associate companies.
- Net turnover amounted to SEK 843.1 (742.6) million for the first nine months of the year.
- Consolidated income after financial items amounted to SEK 279.7 (–99.8) million for the first nine months of the year, including capital gains of SEK 48.3 (25.4) million on the sale of shares.
- Net income amounted to SEK 164.7 (–168.7) million for the first nine months of the year.
- Earnings per share amounted to SEK 21.22 (–21.74) for the first nine months of the year.
- Modern Finance Group reported income after financial items of SEK 89.6 (8.6) million for the first nine months of the year.
- The market value of the long-term securities portfolio increased during the first nine months of the year by SEK 2,444 million to SEK 6,640 million.
- The Parent Company's external loans amounted to SEK 1,460.8 million at the end of the period, which is a reduction during the first nine months of SEK 275.5 million.

Anders Fällman, president and CEO of Invik & Co. AB, commented: "This is the third consecutive quarter that the Modern Finance Group has noted substantially improved results. Our financial goal for the full year was for MFG's profit to cover Invik's interest and administration costs. With MFG's profit of SEK 90 million for the first three quarters, this goal has already been achieved. We are now concentrating on further developing MFG's various businesses."

"All four of MFG's business areas show dramatically improved results. Fischer Partners, for instance, has continued to capture market share, and in September it was the fourth largest brokerage house on Stockholmsbörsen. Moderna Försäkringar is continuing to grow with healthy profitability. The expansion of the group life insurance business, where we have won 6,000 new customers so far this year, is particularly encouraging."

"The positive trend in equity prices in general and the performance of our portfolio companies in particular resulted in an increase of almost SEK 900 million in the value of our securities portfolio during the third quarter", he continues.

	30 September 2003	Value/Share	Share of	31 Dec
Net Asset Value	(SEK million)	(SEK)	total assets	2002 (SEK
			(%)	million)
Book value of listed securities	3,852.3	496	57	4,087.3
Surplus to book value of listed securities	2,787.5	360	30	109.1
Book value of Modern Finance Group	699.9	90	12	618.9
Book value of other assets	65.7	8	1	62.9
Net debt of Parent Company	–1,659.2	–214	–	–1,813.2
Net asset value	5,746.2	740	–	3,065.0
Market value of Invik (closing rate B-share)	3,872.2	499	–	2,009.8

ADMINISTRATION

Invik & Co. AB is an investment company. The Group consists of the Parent Company, Invik & Co. AB, and more than ten 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 increased during the first nine months of the year by 58% to SEK 6,640 million as at 30 September 2003, representing a premium of SEK 2,788 million to the book value of the Group's portfolio. As at 22 October 2003, the value of the Group's holdings of listed securities was SEK 7,452 million, representing a premium of SEK 3,600 million to the book value of the Group's portfolio.

The long-term securities portfolio as at 30 September 2003 consisted of the following listed shares:

- Industriförvaltnings AB Kinnevik ("Kinnevik"); 6,281,387 class A shares and 2,286,936 class B shares, equivalent to 35.0% of the votes and 13.6% of the capital.
- Tele2 AB ("Tele2"); 9,891,787 class A shares and 1,900,579 class B shares, equivalent to 29.4% of the votes and 8.0% of the capital.
- Modern Times Group MTG AB ("MTG"); 6,181,249 class A shares, equivalent 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, equivalent to 19.8% of the votes and 12.0% of the capital.
- Metro International S.A. ("Metro"); 14,549,360 class A shares, equivalent to 5.5% of the votes and 2.8% of the capital.
- Millicom International Cellular S.A. ("MIC"); 313,472 shares, equivalent to 1.9% of the votes and capital.

Invik's net asset value has generated an annual return (excluding dividend) of 33% over its 18-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 12% during the same period. The price of Invik's shares has increased by 2,168% since the first day of trading on 1 July 1987, equivalent to a compound annual growth rate of 21%.

The net asset value, calculated as the market value of listed securities plus the book value of other assets less liabilities, was SEK 740 per share as at 30 September 2003 and SEK 845 as at 22 October 2003.

Invik's shares have been listed on Stockholmsbörsen since 1997. The last traded price for the class A shares on 30 September 2003 was SEK 492, and SEK 590 on 22 October 2003. The last traded price for the class B shares on 30 September 2003 was SEK 499 and SEK 590 on 22 October 2003.

CONSOLIDATED RESULT

As of this interim report, Invik has adopted the equity accounting method for associate companies (see also under Accounting Principles). Consolidated income after financial items amounted to SEK 279.7 (-99.8) million for the first nine months of the year. This figure includes income from sales of securities of SEK 48.3 (25.4) million and interest in the earnings of associate companies of SEK 239.2 (24.4) million, of which Kinnevik accounted for SEK 90.7 (40.5) million, MTG for SEK 13.4 (-4.8) million, Tele2 for SEK 125.4 (35.3) million and Transcom for SEK 12.5 (-0.9) million. Net income for the first nine months of the year was SEK 164.7 (-168.7) million.

Consolidated income after financial items for the third quarter was SEK 120.3 (8.3) million. This figure includes income from the sale of securities of SEK 27.1 (0) million and interest in the earnings of associated companies of SEK 82.4 (43.6) million, of which Kinnevik accounted for SEK 28.2 (63.0) million, MTG for SEK 3.1 (–11.1) million, Tele2 for SEK 49.5 (24.0) million and Transcom for SEK 3.5 (–6.8) million. Net income for the third quarter was SEK 108.2 (–4.3) million.

FINANCIAL POSITION AND INVESTMENTS

The Group's liquidity reserve, comprising liquid funds and approved but undrawn credits excluding funds in the banking and insurance operations, amounted to SEK 15.9 million at 30 September 2003 compared to SEK 197.1 million at 31 December 2002. The Group's other assets consisted largely of securities in listed companies that are realisable on the stock market. The Group's long-term holdings of listed securities had a total market value of SEK 6,640 (3,038) million as at 30 September.

The Group's net sales of securities during the first nine months of the year amounted to SEK 234.7 million. Net investment in shares during the same period in 2002 amounted to SEK 22.1 million. Investments in intangible and tangible fixed assets amounted to SEK 11.5 (29.1) million during the period.

The Group's equity to assets ratio was 32.0% (38.2%) as at 30 September. Adjusted for the surplus to book value (2002 deficit) of the long-term securities portfolio, the equity to assets ratio was 47.7% (23.6%).

PORTFOLIO MANAGEMENT

During the first nine months of the year, a total of 925,000 Tele2 class B shares were sold on the stock market. The capital gain of SEK 48.3 million arising from the sales is stated as income from sales of securities in the consolidated income statement. The proceeds of the sale have been used to reduce the Parent Company's external loans.

The associate companies Kinnevik, Tele2, MTG and Transcom, as well as Metro and MIC are all listed companies and publish their own interim reports. The income after financial items for Portfolio management amounted to SEK –23.9 (–127.6) million for the first nine months of the year.

MODERN FINANCE GROUP

The businesses in the Modern Finance Group have strengthened their positions on the market over the past year. Their strategy of using attractive niche products to grow in profitable segments has proven to be successful. Further measures are being taken regularly to strengthen the profitability of these businesses.

Modern Finance Group reported income after financial items of SEK 89.6 (8.6) million for the first nine months of the year.

BANKING

Despite the recent gains on stock markets, the downturn at the start of the year coupled with narrower interest spreads and lower currency trading income resulted in a decline in Banque Invik's revenues for the first nine months of the year compared to the same period of last year. The divestment of the asset management business at the Stockholm branch to Modern Privat Kapitalförvaltning MPK AB at the beginning of the year also caused a year-on-year decline in revenues. In total, revenues declined by almost 26% during the first nine months of the year compared to the same period of last year.

Banque Invik's cost-cutting programme has continued according to plan and operating costs were reduced by 19% during the first nine months compared to the same period of last year.

The corporate finance business performed very well and greatly increased its volume of business.

Despite the uncertain economic climate, the credit card business has continued to make good progress with higher turnover than for the same period last year.

The liquidity ratio in the Bank was 58% and the capital adequacy ratio was 222% as at 30 September 2003.

The Banking business reported income after financial items of SEK 47.1 (20.5) million for the first nine months of the year. This figure includes non-recurring items of SEK 5.2 (-22.7) million.

INSURANCE

Moderna Försäkringar AB reported continued strong growth for the first nine months of the year with the addition of 24,500 new policyholders, an annual increase of SEK 117 million in premiums and a positive trend in the result of its insurance operations. The claims cost ratio was 61.4% and the combined ratio amounted to 86.7%. Income after financial items amounted to SEK 24.2 (7.2) million.

The launch of Moderna Försäkringar Liv's capital and pension insurance products in partnership with Aktie-Ansvar and Moderna Fonder has aroused a strong interest in the market with a resulting growth in premiums of SEK 57 million. The Group Life business has continued to expand and reported just over 6,000 new customers and the continuation of low claims costs during the first three quarters of the year. The establishment of the unit-linked insurance business requires high marketing and distribution costs, and the business will therefore report a loss during the build-up phase. The result after financial items amounted to SEK -3.9 (-2.4) million.

The remainder of the Insurance business in Sweden and Luxembourg reported income after financial items of SEK 9.2 (8.9) million.

The Insurance business as a whole reported income after financial items of SEK 23.4 (7.6) million for the first nine months of the year, including goodwill amortization of SEK 6.1 (6.1) million.

ASSET MANAGEMENT

The MPK-Group is engaged in discretionary asset management activities through Modern Privat Kapitalförvaltning MPK AB and mutual fund management through Aktie-Ansvar AB.

The "Affärsvärlden General Index" rose by 7% during the third quarter, which led to an increase in the value of MPK's assets under management and stimulated greater interest in MPK's and Aktie-Ansvar's services. Total assets under management at the MPK Group increased during the period to reach SEK 6,200 million by the end of the first half of the year, at which time MPK Kapitalförvaltning had around 2,100 clients and Aktie-Ansvar had around 5,500 clients.

The Asset management business reported income after financial items of SEK 7.0 (-4.5) million for the first nine months of the year.

SECURITIES TRADING

Fischer Partners is engaged in stockbroking and securities trading. The company is one of Scandinavia's leading brokerage houses within electronic share trading, and is a member of the stock exchanges in Stockholm, Helsinki, Copenhagen and Oslo, and of Eurex, the German derivatives market. Fischer Partners has further increased its market shares, particularly in Sweden and Finland. In September, Fischer Partners was the fourth largest member of the stock exchange in Stockholm and the third largest in Helsinki. Brokerage commissions for the first nine months of the year were 22% higher than for the same period in 2002. Greatly improved market conditions, reduced fixed costs and new clients all helped to improve the result.

The Securities trading business reported income after financial items of SEK 12.1 (–15.0) million for the first nine months of the year.

OTHER BUSINESSES

Since September, the brewing activities of Gamla Stans Bryggeri have been in their winding-up phase. Pontus Frithiof by the Sea AB runs a seasonal summer restaurant in Tullhus 2 as a tenant of Invik, and will be expanding the business to include Brasserie by the Sea, an all-year restaurant due to open in November. Further measures for improving the result of Other businesses are being evaluated.

Other businesses reported income after financial items of SEK –4.7 (–5.2) million for the first nine months of the year.

EARNINGS PER SHARE

Earnings per share amounted to SEK 21.22 (–21.74) for the first nine months of the year. As at 30 September 2003, the total number of outstanding shares was 7,760,000, comprising 3,408,699 class A shares and 4,351,301 class B shares.

PARENT COMPANY

Income after financial items amounted to SEK 111.7 (–75.0) million. The liquidity reserve amounted to SEK 15.9 million as at 30 September 2003, compared to SEK 181.2 million as at 31 December 2002. The Parent Company's net sale of shares totalled SEK 230.1 million during the first nine months of the year. Net investment in shares during the same period in 2002 amounted to SEK 13.6 million. Capital expenditure amounted to SEK 0.5 (2.4) million during the first nine months of the year.

The Parent Company's external loans amounted to SEK 1,460.8 million as at 30 September 2003, of which SEK 172.4 million were current liabilities. The corresponding amounts as at 31 December 2002 were SEK 1,736.3 million and SEK 1,311.3 million respectively.

The average rate of interest paid by the Parent Company during the first nine months of the year was 4.8% (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 2002, with the exceptions stated below. The Council's new standards, which came into effect on 1 January 2003, have been applied in this report. The application of the new standards has not had any effect on the stated opening equity position.

The method used for the accounting treatment of associate companies by Swedish listed investment and asset management companies is no longer consistent with Stockholmsbörsen's registration agreement after the amendments that came into effect on 1 September 2003. As of 1 July 2003, therefore, associate companies are stated in the consolidated accounts in accordance with RR 13 and with the equity accounting method. The new principle has been applied retroactively in accordance with RR 5 and has altered opening equity by SEK 1,121.9 (2,018.5) million. The application of the equity accounting method means that the net income for the first nine months is SEK 8.5 million higher (SEK 101.9 million lower), and the net income for the third quarter is SEK 23.3 million higher (SEK 22.3 million higher) than would have been the case if the acquisition accounting method had been used.

Stockholm, 23 October 2003

Anders Fällman

President and Chief Executive Officer

The preliminary publication date for the year-end release for 2003 is 12 February 2004.

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

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

Anders Fällman, President and CEO tel +46 (0) 8 562 000 20

Henrik Persson, Investor & Press Relations tel +44 (0) 7747 822 406

CONSOLIDATED INCOME STATEMENT

Equity accounting method (SEK million)	2003 1 Jan – 30 Sept	2002 1 Jan – 30 Sept	2003 1 July – 30 Sept	2002 1 July – 30 Sept	2002 Full year
Net sales	843.1	742.6	356.0	274.3	983.3
Cost of goods and services	-585.4	-442.0	-258.3	-173.6	-571.5
Gross income	257.7	300.6	97.7	100.7	411.8
Selling and administrative expenses	-270.4	-336.4	-95.6	-115.6	-626.9
Other operating revenue and expenses	40.2	2.4	14.0	0.4	3.4
Income from sales of securities	48.3	25.4	27.1	0.0	-227.0
Interest in earnings of associate companies	239.2	24.4	82.4	43.6	-522.5
Operating income	315.0	16.4	125.6	29.1	-961.2
Net financial items	-35.3	-116.2	-5.3	-20.8	-108.3
Income after financial items ¹⁾	279.7	-99.8	120.3	8.3	-1,069.5
Current tax	-5.6	-5.1	-2.1	-1.3	-12.0
Deferred tax	-109.4	-64.9	-10.0	-11.7	-42.0
Minority interest	0.0	1.1	0.0	0.4	1.6
NET INCOME FOR THE PERIOD ²⁾	164.7	-168.7	108.2	-4.3	-1,121.9
¹⁾ Income after financial items according to the acquisition accounting method	172.2	-80.2	81.8	-31.1	-487.5
²⁾ Net income for the period according to the acquisition accounting method	156.2	-66.8	84.9	-26.6	-455.3
Earnings per share before/after dilution, SEK	21.22	-21.74	13.94	-0.55	-144.57
Total number of shares before/after dilution	7,760,000	7,760,000	7,760,000	7,760,000	7,760,000
REVIEW OF THE GROUP (SEK million)	2003 1 Jan – 30 Sept	2002 1 Jan – 30 Sept	2003 1 July – 30 Sept	2002 1 July – 30 Sept	2002 Full year
Net sales by business area					
Portfolio management	9.6	4.6	3.8	3.3	9.8
Banking	173.8	218.8	64.1	67.2	295.5
Insurance	502.8	368.2	228.0	157.2	491.4
Asset management	35.4	53.8	13.0	14.0	68.1
Securities trading	132.4	104.4	52.1	35.3	149.2
Other businesses	3.0	2.1	1.2	0.8	2.7
Eliminations	-13.9	-9.3	-6.2	-3.5	-33.4
Total	843.1	742.6	356.0	274.3	983.3
Income after financial items by business area					
Portfolio management	-23.9	-127.6	19.7	-28.5	-389.8
Banking	47.1	20.5	13.8	4.5	23.4
Insurance	23.4	7.6	13.8	1.9	-2.8
Asset management	7.0	-4.5	4.1	-5.7	-100.1
Securities trading	12.1	-15.0	7.9	-7.2	-67.7
Other businesses	-4.7	-5.2	-1.8	-0.3	-10.0
Associate companies	239.2	24.4	82.4	43.6	-522.5
Eliminations	-20.5	-	-19.6	-	-
Total	279.7	-99.8	120.3	8.3	-1,069.5

CONSOLIDATED BALANCE SHEET	2003	2002	2002
Equity accounting method (SEK million)	30 Sept	30 Sept	31 Dec
ASSETS			
Fixed assets			
Goodwill	41.8	134.0	53.0
Other intangible assets	2.3	7.9	4.6
Tangible assets	23.6	27.4	25.1
Financial assets ³⁾	3,907.9	5,164.4	4,186.0
Total fixed assets	3,975.6	5,333.7	4,268.7
Current assets			
Inventories and securities	16.8	19.6	29.3
Current receivables	493.6	630.7	466.1
Current investments	3,785.0	2,357.0	3,581.5
Cash and bank balances	986.8	1,757.0	395.3
Total current assets	5,282.2	4,764.3	4,472.2
TOTAL ASSETS	9,257.8	10,098.0	8,740.9
EQUITY, PROVISIONS AND LIABILITIES			
Equity			
Restricted equity	2,173.6	2,774.0	2,283.4
Unrestricted equity	785.1	1,087.2	672.5
Total equity ⁴⁾	2,958.7	3,861.2	2,955.9
Minority interest	0.0	1.0	0.6
Provisions	67.7	108.6	83.7
Long-term liabilities			
Interest-bearing liabilities	1,967.4	1,868.2	460.0
Current liabilities			
Interest-bearing liabilities	3,051.6	3,546.7	4,535.7
Non interest-bearing liabilities	1,212.4	712.3	705.0
Total current liabilities	4,264.0	4,259.0	5,240.7
Total liabilities	6,231.4	6,127.2	5,700.7
TOTAL EQUITY, PROVISIONS AND LIABILITIES	9,257.8	10,098.0	8,740.9
³⁾ Financial assets according to the acquisition accounting method	2,949.1	3,525.5	3,064.1
⁴⁾ Total equity according to the acquisition accounting method	1,956.4	2,222.3	1,834.0

SHAREHOLDERS' EQUITY (SEK million)	2003 1 Jan – 30 Sept	2002 1 Jan – 30 Sept	2002 Full year
Opening balance before change in accounting principle	1,834.0	2,318.8	2,318.8
Impact of change in accounting principle	1,121.9	2,018.5	2,018.5
Opening balance including impact of change in accounting principle	2,955.9	4,337.3	4,337.3
Translation differences	-138.6	-284.1	-236.2
Dividend	-23.3	-23.3	-23.3
Profit/loss for the period	164.7	-168.7	-1,121.9
Closing balance	2,958.7	3,861.2	2,955.9

CONSOLIDATED STATEMENT OF CASH FLOW (SEK million)	2003 1 Jan – 30 Sept	2002 1 Jan – 30 Sept	2002 Full year
Cash flow from operations before change in working capital	33.2	-46.7	-183.0
Change in working capital	633.9	1,315.1	100.0
Total cash flow from operations	667.1	1,268.4	-83.0
Investing activities	223.2	-54.9	198.2
Financing activities	-298.8	245.7	-17.7
Cash flow for the period	591.5	1,459.2	97.5
Liquid funds, opening balance	395.3	297.8	297.8
Liquid funds, closing balance	986.8	1,757.0	395.3

FINANCIAL HIGHLIGHTS	2003 30 Sept	2002 30 Sept	2002 31 Dec
Equity, SEK million	2,959	3,861	2,956
Balance sheet total, SEK million	9,258	10,098	8,741
Net asset value, SEK million	5,746	1,924	3,065
Equity to assets ratio I, %	32.0	38.2	33.8
Equity to assets ratio II, %	47.7	23.6	34.6
Debt/equity ratio, multiple	1.7	1.4	1.7
Data per share, (SEK)			
Market price	499.0	146.0	259.0
Net asset value	740.0	248.0	395.0
Market price/net asset value %	67	59	66

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).