

INVIK & CO. AB

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YEAR-END RELEASE 2003

- This year-end release has been prepared in accordance with the equity accounting method for associate companies.
- Net turnover for the year was SEK 1,186.0 (983.3) million.
- Consolidated income after financial items amounted to SEK 602.0 (–1,069.5) million for the full year, including capital gains of SEK 48.3 (–227.0) million on the sale of shares.
- Net income amounted to SEK 751.0 (–1,121.9) million for the full year.
- Earnings per share amounted to SEK 96.78 (–144.57) for the full year.
- Modern Finance Group reported income after financial items of SEK 129.7 (–147.2) million for the full year.
- The market value of the long-term securities portfolio increased during the year by SEK 3,824 million to SEK 8,020 million.
- Moderna Försäkringar's turnover increased by 44% to SEK 707.5 (491.4) million.
- The assets under management in MPK increased by 57% to SEK 7,336 (4,659) million.
- Fischer Partners became the fifth largest member on Stockholmsbörsen, with a 5.7% (4.1%) share of the turnover on Stockholmsbörsen.
- The Board proposes to pay a cash dividend of SEK 5 (3) per share.

Anders Fällman, CEO of Invik & Co. AB, commented: "The businesses in the Modern Finance Group ("MFG") performed very well during the year. The profit of SEK 130 million earned by MFG exceeded the target, and the businesses are continuing to show strong growth."

| | 31 Dec 2003 (SEK million) | Value/Share (SEK) | Share of total assets (%) | 31 Dec 2002 (SEK million) |
|----------------------------------------------|------------------------------|----------------------|---------------------------------|---------------------------------|
| Net Asset Value | | | | |
| Book value of listed securities | 4,466.7 | 576 | 57 | 4,087.3 |
| Surplus to book value of listed securities | 3,553.8 | 458 | 30 | 109.1 |
| Book value of Modern Finance Group | 824.1 | 106 | 12 | 618.9 |
| Book value of other assets | 44.4 | 6 | 1 | 62.9 |
| Net debt of Parent Company | –1,745.5 | –225 | – | –1,813.2 |
| Net asset value | 7,143.5 | 921 | – | 3,065.0 |
| Market value of Invik (closing rate B-share) | 5,509.6 | 710 | – | 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 year by 91% to SEK 8,020 million as at 31 December 2003, which means that the premium over book value of the Group's portfolio amounted to SEK 3,554 million. As at 11 February 2004, the value of the Group's holdings was SEK 8,292 million, which gives a premium over book value of the Group's portfolio of SEK 3,826 million.

The long-term securities portfolio as at 31 December 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 11.9% 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 34% 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 3,127% 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 921 per share as at 31 December 2003 and SEK 956 as at 11 February 2004.

Invik's shares have been listed on Stockholmsbörsen since 1997. The last traded price for the class A shares on 31 December 2003 was SEK 690, and SEK 698 on 11 February 2004. The last traded price for the class B shares on 31 December 2003 was SEK 710 and SEK 700 on 11 February 2004.

CONSOLIDATED RESULT

Consolidated income after financial items amounted to SEK 602.0 (-1,069.5) million for the full year. This figure includes income from sales of securities of SEK 48.3 (-227.0) million and interest in the earnings of associate companies of SEK 591.4 (-522.5) million, of which Kinnevik accounted for SEK 435.9 (-554.7) million, MTG for SEK 26.6 (-6.7) million, Tele2 for SEK 81.4 (46.3) million and Transcom for SEK 19.5 (10.0) million. Net income for the full year was SEK 751.0 (-1,121.9) million.

Consolidated income after financial items for the fourth quarter was SEK 322.3 (–969.7) million. This figure includes income from the sale of securities of SEK 0 (–252.4) million and interest in the earnings of associated companies of SEK 352.2 (–546.9) million, of which Kinnevik accounted for SEK 345.2 (–595.2) million, MTG for SEK 13.2 (–1.9) million, Tele2 for SEK –44.0 (11.0) million and Transcom for SEK 7.0 (10.9) million. All interest income and interest cost for entities within MFG are from the fourth quarter classified as operating items. Net income for the fourth quarter was SEK 586.3 (–953.2) 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 34.2 million at 31 December 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 8,020 (4,196) million as at 31 December 2003.

The Group's net sales of securities during the year amounted to SEK 234.7 (246.4) million. Investments in intangible and tangible fixed assets amounted to SEK 18.2 (48.3) million during the year.

The Group's equity to assets ratio was 34.2% (33.8%) as at 31 December 2003. Adjusted for the surplus to book value of the long-term securities portfolio, the equity to assets ratio was 50.8% (34.6%).

PORTFOLIO MANAGEMENT

During 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.

MODERN FINANCE GROUP

The businesses in the Modern Finance Group performed very strongly during the year, and the results and market positions improved. The Group will continue its efforts to build up growth and profitability in 2004.

Modern Finance Group reported income after financial items of SEK 129.7 (–147.2) million for the full year.

BANKING

Banque Invik's profit after financial items increased during the year by 29% (excluding non recurring items) compared to the full year 2002. Stock markets recovered and income from securities trading gradually increased. However, income generated by currency trading was lower than in 2002 owing to decreased levels of activity amongst the customers. Low interest rates meant that the interest spread narrowed. Total turnover declined by 16% owing to reduced net financial income and the sale of the Private Banking business in Stockholm at the beginning of the year, while operating costs were reduced by 22%.

As in previous years, the Corporate Finance business was successful. The credit card operations also performed well. Operating costs were reduced and the average transaction volume per card issued was significantly higher than the average for VISA and Mastercard/Eurocard in Europe.

The liquidity ratio in the Bank was 54% (47%) and the capital adequacy ratio was 267% (235%) as at 31 December 2003.

The Banking business reported income after financial items of SEK 63.1 (23.4) million for the full year. The result includes non recurring items of SEK 15.1 (–13.9) million.

INSURANCE

The Insurance business continues to show strong growth and improved profitability. Income increased by 44% to SEK 707.5 million during the year.

The Non-life Insurance business reported growth during 2003, with more than 130,000 new policyholders and a positive earnings trend. An explicit focus on profitable customer and product segments, together with a strict underwriting regime in conjunction with commercially sound loss adjusting, improved profitability considerably. The profit after financial items amounted to SEK 38.2 (10.8) million.

Moderna Försäkringar Liv's unit-linked insurance business, which concentrates primarily on the occupational pension market, was consolidated further in 2003, and since inception at the end of 2002 has achieved a market share of 1.0%. New sales amounted to just over SEK 155 million. The Group Life Insurance business also continued to grow, and reported over 7,000 new customers during the period and constantly low loss-adjusting costs. The profit after financial items amounted to SEK -5.5 (-4.6) million.

The remainder of the Insurance business in Sweden and Luxembourg reported income after financial items of SEK 8.6 (-0.8) million.

The Insurance business as a whole reported income after financial items of SEK 33.1 (-2.8) million for the full year, including goodwill amortization of SEK 8.2 (8.2) million.

ASSET MANAGEMENT

The MPK Group's total assets under management at the end of the year amounted to SEK 7,336 million. The assets under management in Asset Management increased over the year by 42%, from SEK 3,207 million to SEK 4,541 million. The assets under management in fund management increased over the year by 92%, from SEK 1,452 million to SEK 2,795 million. Net savings (deposits less withdrawals) amounted in 2003 to SEK 1,134 (916) million.

All of Aktie-Ansvar's funds, which were given a ranking by Morningstar, were listed with five stars (the highest grading) as at 31 December 2003. Aktie-Ansvar's Graal hedge fund was nominated in January 2004 as Sweden's best hedge fund 2003 by the magazine Privata Affärer.

In December, Per Molin was appointed the new CEO of the MPK Group. Per Molin is currently manager of Nordea's discretionary asset management operations in Luxembourg. The CEO of Moderna Försäkringar, Lars Nordstrand, is the acting CEO of MPK until Molin takes over in the spring of 2004.

The strong performance on the stock market during the second half of the year stimulated greater interest in MPK's asset management services and a positive earnings trend.

Asset Management's profit after financial items was SEK 9.8 (-100.1) million for the year. Comparative figures for 2002 include a SEK 95.4 million write-down in the value of goodwill.

SECURITIES TRADING

Fischer Partners is engaged in stock broking and securities trading, and is a leading broker within electronic share trading. It is also a member of the stock exchanges in Stockholm, Helsinki, Oslo and Copenhagen, and of Eurex. Fischer Partners' share of Stockholmsbörsen's turnover was 5.7% (4.1%), of the Helsinki exchange's 5.1% (2.5%), of the Copenhagen exchange's 2.7% (2.5%), and of the Oslo exchange's 0.9% (0.1%). With these market shares Fischer Partners ranks fifth and fourth in order of size on the Stockholm and Helsinki stock exchanges respectively. Fischer Partners' customers are mainly Swedish and foreign institutions and active pri-

vate investors. The increasing turnover on the markets and in the products offered by Fischer Partners during the later part of the year had a favourable effect on the year's result.

The Securities Trading income after financial items amounted to SEK 23.7 (–67.7) million. Comparative figures for 2002 include non recurring items of SEK –58.0 million.

OTHER BUSINESSES

Other Businesses has previously comprised brewing and restaurant operations. The brewing business carried out by Gamla Stans Bryggeri AB was discontinued in the autumn. Pontus Frithiof by the Sea AB and Brasserie by the Sea AB operate restaurant businesses in Tullhus 2 in premises rented from Invik. Invik no longer operates any businesses under Other Businesses, and will not report this business area separately in future financial reports.

Other businesses reported income after financial items of SEK –8.0 (–10.0) million for the full year.

EARNINGS PER SHARE

Earnings per share amounted to SEK 96.78 (–144.57). As at 31 December 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 84.0 (–377.9) million. The liquidity reserve amounted to SEK 34.2 million as at 31 December 2003, compared to SEK 181.2 million as at 31 December 2002. The Parent Company's net sale of shares totalled SEK 168.1 (212.3) million during the year. Capital expenditure amounted to SEK 2.2 (2.7) million during the year.

The Parent Company's external loans amounted to SEK 1,538.4 million as at 31 December 2003, of which SEK 107.5 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 year was 4.7% (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 year is SEK 565.5 million higher (SEK 666.6 million lower), and the net income for the fourth quarter is SEK 557.0 million higher (SEK 926.6 million lower) than would have been the case if the acquisition accounting method had been used.

DIVIDEND

The Board of Directors proposes to pay a cash dividend of SEK 5 (3) per share.

ANNUAL GENERAL MEETING

The Annual General Meeting of shareholders will be held at 9.30 a.m. on Thursday 13 May 2004 at Brasserie by the Sea, Tullhus 2, Skeppsbron, Stockholm.

The nomination group for the AGM 2004 is being chaired by Cristina Stenbeck.

ANNUAL REPORT

The 2003 Invik annual report is expected to be distributed to the shareholders during March 2004. The report will be made available at the company's head office at Skeppsbron 18, Stockholm.

Stockholm, 12 February 2004

The Board of Directors

The preliminary publication date for the financial report for the period January-March 2004 is 22 April 2004.

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

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CONSOLIDATED INCOME STATEMENT

| Equity accounting method (SEK million) | 2003 | 2002 | 2003 | 2002 |
|-------------------------------------------------------------------------------------------|------------------|------------------|-----------------------|---------------|
| | Full year | Full year | 1 Oct - 31 Dec | |
| Net sales | 1,186.0 | 983.3 | 342.9 | 240.7 |
| Cost of goods and services | -841.0 | -571.5 | -255.6 | -129.5 |
| Gross income | 345.0 | 411.8 | 87.3 | 111.2 |
| Selling and administrative expenses | -391.6 | -626.9 | -121.2 | -290.5 |
| Other operating revenue and expenses | 114.1 | 3.4 | 73.9 | 1.0 |
| Income from sales of securities | 48.3 | -227.0 | 0.0 | -252.4 |
| Interest in earnings of associate companies | 591.4 | -522.5 | 352.2 | -546.9 |
| Operating income | 707.2 | -961.2 | 392.2 | -977.6 |
| Net financial items | -105.2 | -108.3 | -69.9 | 7.9 |
| Income after financial items ¹⁾ | 602.0 | -1,069.5 | 322.3 | -969.7 |
| Current tax | -13.9 | -12.0 | -8.3 | -6.9 |
| Deferred tax | 162.9 | -42.0 | 272.3 | 22.9 |
| Minority interest | 0.0 | 1.6 | 0.0 | 0.5 |
| NET INCOME FOR THE PERIOD ²⁾ | 751.0 | -1,121.9 | 586.3 | -953.2 |
| ¹⁾ Income after financial items according to the acquisition accounting method | 150.8 | -487.5 | -21.4 | -407.3 |
| ²⁾ Net income for the period according to the acquisition accounting method | 185.5 | -455.3 | 29.3 | -388.5 |
| Earnings per share before/after dilution, SEK | 96.78 | -144.57 | 75.56 | -122.83 |
| Total number of shares before/after dilution | 7,760,000 | 7,760,000 | 7,760,000 | 7,760,000 |
| REVIEW OF THE GROUP (SEK million) | 2003 | 2002 | 2003 | 2002 |
| | Full year | Full year | 1 Oct - 31 Dec | |
| Net sales by business area | | | | |
| Portfolio management | 12.3 | 9.8 | 2.7 | 5.2 |
| Banking | 247.5 | 295.5 | 73.7 | 76.7 |
| Insurance | 707.5 | 491.4 | 204.7 | 123.2 |
| Asset management | 54.2 | 68.1 | 18.8 | 14.3 |
| Securities trading | 183.3 | 149.2 | 50.9 | 44.8 |
| Other businesses | 3.8 | 2.7 | 0.8 | 0.6 |
| Eliminations | -22.6 | -33.4 | -8.7 | -24.1 |
| Total | 1,186.0 | 983.3 | 342.9 | 240.7 |
| Income after financial items by business area | | | | |
| Portfolio management | -90.6 | -389.8 | -66.7 | -262.2 |
| Banking | 63.1 | 23.4 | 16.0 | 2.9 |
| Insurance | 33.1 | -2.8 | 9.7 | -10.4 |
| Asset management | 9.8 | -100.1 | 2.8 | -95.6 |
| Securities trading | 23.7 | -67.7 | 11.6 | -52.7 |
| Other businesses | -8.0 | -10.0 | -3.3 | -4.8 |
| Associate companies | 591.4 | -522.5 | 352.2 | -546.9 |
| Eliminations | -20.5 | - | 0.0 | - |
| Total | 602.0 | -1,069.5 | 322.3 | -969.7 |

| CONSOLIDATED BALANCE SHEET | 2003 | 2002 |
|-------------------------------------------------------------------------------|-----------------|----------------|
| Equity accounting method (SEK million) | 31 Dec | 31 Dec |
| ASSETS | | |
| Fixed assets | | |
| Goodwill | 38.6 | 53.0 |
| Other intangible assets | 1.6 | 4.6 |
| Tangible assets | 25.4 | 25.1 |
| Financial assets ³⁾ | 4,630.6 | 4,186.0 |
| Total fixed assets | 4,696.2 | 4,268.7 |
| Current assets | | |
| Inventories and securities | 15.0 | 29.3 |
| Current receivables | 492.4 | 424.3 |
| Current investments | 4,549.4 | 3,623.3 |
| Cash and bank balances | 756.2 | 395.3 |
| Total current assets | 5,813.0 | 4,472.2 |
| TOTAL ASSETS | 10,509.2 | 8,740.9 |
| EQUITY, PROVISIONS AND LIABILITIES | | |
| Equity | | |
| Restricted equity | 2,791.3 | 2,489.2 |
| Unrestricted equity | 798.4 | 466.7 |
| Total equity ⁴⁾ | 3,589.7 | 2,955.9 |
| Minority interest | – | 0.6 |
| Provisions | 42.1 | 83.7 |
| Long-term liabilities | | |
| Interest-bearing liabilities | 1,406.3 | 460.0 |
| Current liabilities | | |
| Interest-bearing liabilities | 4,242.9 | 4,535.7 |
| Non interest-bearing liabilities | 1,228.2 | 705.0 |
| Total current liabilities | 5,471.1 | 5,240.7 |
| Total liabilities | 6,877.4 | 5,700.7 |
| TOTAL EQUITY, PROVISIONS AND LIABILITIES | 10,509.2 | 8,740.9 |
| ³⁾ Financial assets according to the acquisition accounting method | 2,935.6 | 3,064.1 |
| ⁴⁾ Total equity according to the acquisition accounting method | 2,010.0 | 1,834.0 |

| SHAREHOLDERS' EQUITY (SEK million) | 2003 Full year | 2002 Full year |
|---------------------------------------------------------------------------|---------------------------------|---------------------------------|
| Opening balance before change in accounting principle | 1,834.0 | 2,318.8 |
| Impact of change in accounting principle | 1,121.9 | 2,018.5 |
| Opening balance including impact of change in accounting principle | 2,955.9 | 4,337.3 |
| Translation differences | -93.9 | -236.2 |
| Dividend | -23.3 | -23.3 |
| Profit/loss for the year | 751.0 | -1,121.9 |
| Closing balance | 3,589.7 | 2,955.9 |

| CONSOLIDATED STATEMENT OF CASH FLOW (SEK million) | 2003 Full year | 2002 Full year |
|------------------------------------------------------------|---------------------------------|---------------------------------|
| Cash flow from operations before change in working capital | 42.5 | -183.0 |
| Change in working capital | -70.5 | 100.0 |
| Total cash flow from operations | -28.0 | -83.0 |
| Investing activities | 216.5 | 198.2 |
| Financing activities | 172.4 | -17.7 |
| Cash flow for the year | 360.9 | 97.5 |
| Liquid funds, opening balance | 395.3 | 297.8 |
| Liquid funds, closing balance | 756.2 | 395.3 |

| FINANCIAL HIGHLIGHTS | 2003 31 Dec | 2002 31 Dec |
|----------------------------------|------------------------------|------------------------------|
| Equity, SEK million | 3,590 | 2,956 |
| Balance sheet total, SEK million | 10,509 | 8,741 |
| Net asset value, SEK million | 7,144 | 3,065 |
| Equity to assets ratio I, % | 34.2 | 33.8 |
| Equity to assets ratio II, % | 50.8 | 34.6 |
| Debt/equity ratio, multiple | 1.5 | 1.7 |
| Data per share, (SEK) | | |
| Market price | 710.0 | 259.0 |
| Net asset value | 921.0 | 395.0 |
| Market price/net asset value % | 77 | 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). |