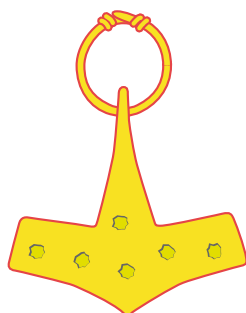


**INVIK & CO. AB**



**ANNUAL REPORT  
2002**

## **ANNUAL GENERAL MEETING**

The Annual General Meeting will take place at 4.00 p.m. on Thursday 15 May 2003 at Gamla Stans Bryggeri, Tullhus 2, Skeppsbrokajen, Stockholm. Shareholders who wish to participate in the AGM shall have their names entered in the extract from the register of shareholders referred to in Chapter 3, §13, second paragraph of the Swedish Companies Act, and notify the company of their wish to participate by no later than 3.00 p.m. on Friday, 9 May 2003. Notice shall be given via Invik's homepage, [www.invikab.se](http://www.invikab.se), by phone to +46-33-724 12 67 or by post to the following address:

Invik & Co. AB  
Box 2095  
103 13 STOCKHOLM

In order to be entered in the register named above, shareholders must have their names entered in the register of shareholders maintained by Värdepapperscentralen VPC AB by no later than Monday, 5 May 2003. Shareholders whose shares are registered in a nominee name via a bank's trust department or via a stockbroker, must temporarily re-register their shares in their own names to be entitled to participate in the AGM. This procedure should be completed by no later than the above date.

## **FINANCIAL INFORMATION**

Invik & Co. AB publishes the following information each year:

- Year-end Release, in February
- Annual Report, in March
- Interim Report January–March, in April
- Interim Report January–June, in August
- Interim Report January–September, in October

# **INVIK & CO. AB**

## **ANNUAL REPORT 2002**

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Jan Hugo Stenbeck  
1942-2002



## Invik & Co. AB

Dear Shareholder,

Jan Hugo Stenbeck was Chairman and founder of Invik & Co. AB. He was also Chairman of Industriförvaltnings AB Kinnevik, Tele2 AB, Modern Times Group MTG AB, Millicom International Cellular S.A., Metro International S.A. and Transcom WorldWide S.A.

Jan passed away on 19 August 2002. He possessed a seldom-rivaled energy, panache, ambition and sense of fun. His dynamism, curiosity and restlessness, combined with a charm, determination and healthy fear, drove him to create one of Europe's most innovative and successful group of companies. He would not compromise on quality or efficiency and never ceased to surprise by breaking with convention. His insight – the ability to grasp the key elements of an issue and articulate his views clearly – was his greatest attribute. Loyalty was the quality that he valued most in others.

Born in Stockholm in 1942, Jan graduated in Law from Uppsala University in 1968 and with an MBA from Harvard Business School in 1970. He then joined US investment bank Morgan Stanley and rose to become a Vice President in the Bank's Corporate Finance department. He became a member of the Board of Directors of Industriförvaltnings AB Kinnevik in 1971 and became Chairman in 1993, taking over at the helm of the Group that his father, the prominent lawyer Hugo Stenbeck, and the Klingspor and von Horn families had built into one of Sweden's largest industrial investment companies. With uncanny foresight, Jan built a multinational information empire from this industrial foundation and transformed Kinnevik into a holding company for new telecommunications, media and service businesses whose brands are now household names not just in his native Sweden but a large number of markets around the world.

As one of the leading entrepreneurs and visionaries of his generation, he started hundreds of companies in his lifetime. They ranged from a college sweatshirt business established in 1963 with 10,000 customers and less than US\$1 million in annual sales to Europe's leading alternative telecommunications provider with over 16.8 million customers and US\$3.7 billion in annual sales. All the businesses share several common features – they all break monopolies in order to provide people with choice, grow sales aggressively, are highly competitive businesses with low cost structures, and they all aspire to be “best in class”.

From Kinnevik's roots in the traditional steel and forestry industries, Jan created a group of companies that embraced new technologies and encouraged a competitive environment in the Nordic region and then internationally. As a pioneer of mobile telephony in the early 1980s, Jan formed a joint venture with British defense company Racal to acquire the UK's second mobile phone license. Racal-Millicom evolved into the US\$122 billion global telecommunications giant, Vodafone. Jan also acquired one of the first mobile telephony licenses in the United States and this model was repeated around the world. Millicom and Tele2 today hold fixed line or mobile telephony licenses in 37 countries – from Estonia to Sierra Leone, Bolivia to Russia, and Portugal to Laos – and have more than 20 million subscribers around the world.

In similar fashion, Jan introduced the first commercial television channel, TV3, to Scandinavia in 1987 by broadcasting commercial television into Scandinavia from London via the Astra satellite in Luxembourg. The same approach enabled Sky Television to launch in the UK. TV3 is now the largest pan-Nordic television channel and the Viasat satellite TV platform broadcasts 36 channels to nine countries, which are watched in 45 million homes.

The most recent project to achieve global scale and reflect the Group ambition is Metro International, the free newspaper group. Again challenging local market monopolies and established media in cities from Boston to Barcelona, Stockholm to Santiago, and Holland to Hong Kong, Metro now reaches over 12 million readers and is the world's largest newspaper outside Japan. The company's advertising revenues have grown at a compound annual rate of 47% since the launch of the first edition in Stockholm in 1995.

All of these companies continue to shape and adapt successfully to new developments as third generation mobile telephony and digital multi-channel television become realities, and as exciting new markets in Eastern Europe and Asia offer significant new opportunities.

Kinnevik has generated a compound annual average rate of return since 1976 of 13%, with the result that one dollar invested in Kinnevik in 1976 would be worth over US\$25 today. The Stenbeck Group of publicly listed companies had a combined market capitalization of US\$6 billion in February 2003 and employed more than 25,000 people in more than 50 countries around the world.

In typical style, the Stenbeck group of companies, combined established tradition with ground breaking originality by welcoming in the new millennium with a spectacular fireworks and multi-media display in Stockholm's Old Town on New Year's eve. The scale and complexity of this event not only mesmerized the record breaking crowd of 700,000 people and won its place in the

Guinness Book of World Records, but also offered a unique showcase for group brands such as Comviq, TV3 and Metro. The event perfectly illustrated Jan's unusual combination of creative flair and intricate planning.

On the day after he passed away and only a few months before his 60th birthday, one of Jan's greatest dreams was realized when the second Victory Challenge yacht was launched in Auckland, New Zealand. From the time that he had acquired the former committee boat of the New York Yacht Club, Jan had nurtured a dream to compete for one of the sporting world's oldest and most coveted trophies – The America's Cup. The Victory Challenge syndicate brought together leading match race sailors from the Nordic countries in the first challenge by a Nordic crew for twelve years.

The challenge exemplified Jan's approach, as he acquired one of the yachts used by Team New Zealand to win the Cup in 2000, then recruited and motivated world class boat designers, builders, and sailors, forged a team, and pushed each member to the limits of their potential, whilst maintaining a strict control on cost. This was an environment in which he thrived – high adrenaline competition, pitting the Nordic team against the world's best. Every detail counted as seconds decided between success and failure. Victory Challenge won eleven races, including two victories over the New York Yacht Club, reaching the quarterfinals of the Louis Vuitton Cup and becoming the most successful Nordic entry ever. The Challenge generated unparalleled media airtime for its group sponsors, including live television coverage in Sweden, Norway, Denmark, Switzerland, France, Italy, the United Kingdom, the United States and Canada.

Despite, and perhaps because, of all the achievements above, Jan remained a very private and modest man. "Tell them that I am only a Bassett hound breeder" he would reply to the endless requests for interviews. As Jan always said, "if you can't choose, you shouldn't complain". He led a unique life and is greatly missed. His legacy is an opportunity to build on his success and your Board is firmly committed to fulfilling this responsibility. On behalf of the shareholders, customers, employees and business partners, the Board of Directors wishes to express its gratitude for the enormous contribution of Jan Hugo Stenbeck to the development of Invik and the other companies, which he founded and in which he engaged.

Stockholm, 17th March 2003

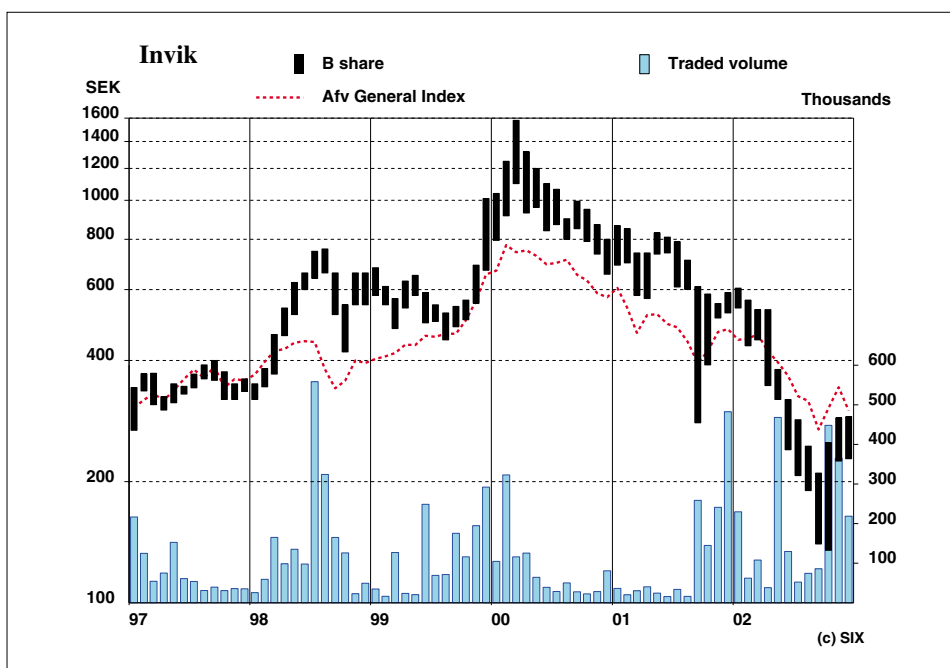
Invik & Co. AB

The Board of Directors

## THE INVIK SHARE

Invik's shares were listed on Stockholmsbörsen in 1997. The transaction price for the series A shares on 31 December 2002 was SEK 252 and the closing transaction price for series B shares was SEK 259. Based on the first day the shares were quoted, 1 July 1987, the share price has increased by 1,077 %, which corresponds to a compounded annual growth of 17 %.

Invik's Articles of Association stipulate that the company's operations shall be primarily focused on generating income for the shareholders. This includes, in addition to the direct return in the form of dividend, appreciation in the value of the company. As far as the return is concerned, the appreciation in value is the most important factor. In this context, it is the company's policy to pay only small, regular cash dividends. In years when substantial capital gains are reported, bonus dividends may be paid.



*The highest and lowest transaction price each month for Invik's series B shares between 1997 and 2002, as well as the Affärsvärlden General Index and turnover for the same period.*

Invik owns a long-term portfolio of securities in a small number of listed companies. As a long-term investor, Invik believes it is of great importance to own series A shares since this enables the company to exercise significant influence over the running of the companies. Investors currently prefer series B shares, mainly because of the lower liquidity of series A shares. Shareholders with a short investment horizon should be aware that series A shares owing to their lower liquidity may trade at an even larger discount in the future.



## SHAREHOLDERS

Shareholder	A shares	B shares	Interest as % of Capital	% of Votes
Emesco Group	1,100,230	40,780	14.7	26.6
Jan Hugo Stenbeck's estate	391,430	0	6.1	11.5
Kinnevik Group	331,102	0	5.0	9.4
Klingspor family	301,679	155,594	5.9	7.6
Sapere Aude Trust	224,563	4,024	2.9	5.4
HBK Master Fund	186,055	504,756	8.9	5.7
Farallon Capital	134,325	8,875	1.8	3.3
Nordea Funds	108,857	225,350	4.3	3.2
von Horn family	94,827	11,374	1.4	2.3
Alecta	45,310	153,767	2.6	1.5
Other shareholders	689,057	2,902,147	46.3	23.6
	3,753,333	4,006,667	100.0	100.0

*The number of shares in Invik owned by the ten largest shareholders and their share of the capital and votes at 30 December 2002.*

## HISTORICAL BACKGROUND

Invik has been engaged in its present business activities since 1985. The company was formed following the split of the operations of Industriförvaltnings AB Kinnevik into a long-term industrial management and corporate development services group, and an investment and financial services group that was merged into Invik – at the time a wholly owned subsidiary of Kinnevik. Kinnevik's shareholders were then invited to subscribe to shares in Invik.

Through Invik's holding in Kinnevik and its other shareholdings, Invik successively acquired shares in Millicom, Transcom, Tele2, MTG and Metro in the form of dividends paid by Kinnevik between 1990 and 2001.

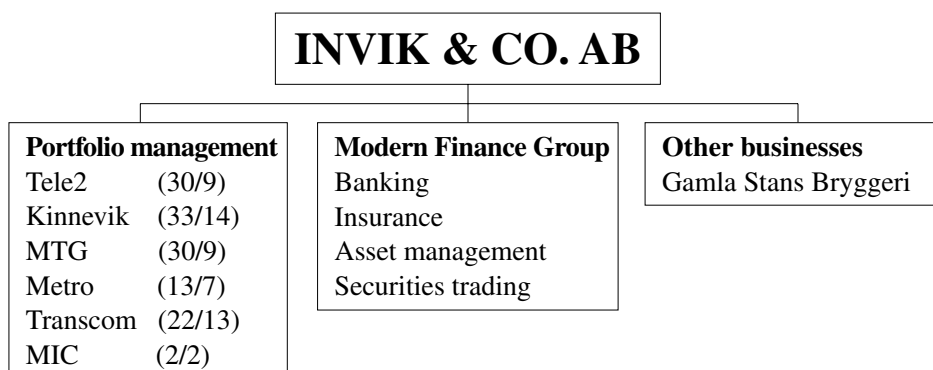
Invik's subsidiaries within the investment and financial sector have gradually developed and expanded during the years since the formation of the company in 1985.

# OPERATIONS AND ORGANIZATION

The Invik Group consists of the parent company Invik & Co. AB and a number of operating subsidiaries. Operationally, the businesses are organised into three business areas:

- Management of the long-term securities portfolio is conducted by the parent company and certain subsidiaries and is organised under Portfolio Management. The long-term securities portfolio consists primarily of large holdings in a small number of listed companies in which Invik seeks to exert influence by board representation and other means. In addition a minor block of shares is owned in unlisted companies.
- The businesses within banking, insurance, asset management and securities trading operate within Modern Finance Group. Modern Finance Group consists of:
  - A banking business, which is conducted by Banque Invik S.A.,
  - An insurance business, which is conducted by the subsidiaries Moderna Försäkringar AB, Moderna Försäkringar Liv AB, netviq AB, Modern Re S.A., MF Bilspport & MC Specialförsäkring AB and certain other small subsidiaries,
  - Asset management, which is conducted by Modern Privat Kapitalförvaltning MPK AB and Aktie-Ansvar AB, and
  - Securities trading, in which Fischer Partners Fondkommission AB is engaged in stockbroking and trading.
- Other businesses consist of a smaller brewery and a restaurant business.

The overall structure may be seen in the chart below:



The figures in brackets indicate the capital/votes controlled in each company as at 31 December 2002.

# PORTFOLIO MANAGEMENT

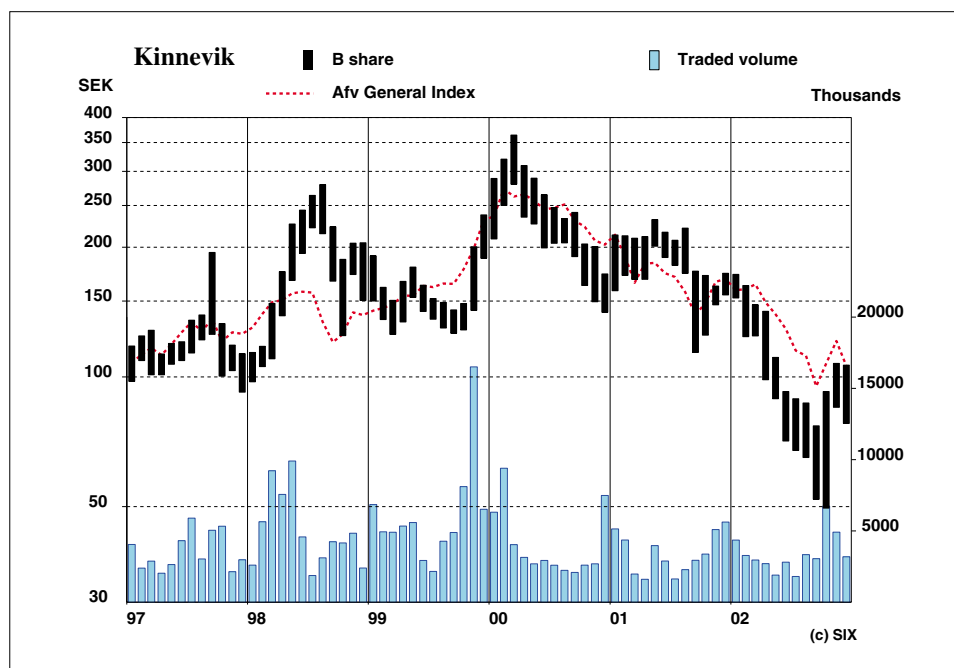
## INDUSTRIFÖRVALTNINGS AB KINNEVIK

The market value of Invik's holding in Kinnevik amounted to SEK 721 million at 31 December 2002. The holding corresponds to 32.7 % of the votes and 13.6 % of the capital. On 12 February 2003 the market value was SEK 732 million. Kinnevik's series A and series B shares are listed on Stockholmsbörsen's A-list and on the Nasdaq in the USA.

Historically, Kinnevik is Invik's most important investment. Since 1976 Kinnevik's shares have generated an average effective yield of 13 % per year as a result of rising prices and dividends, including the value of warrant and subscription offers.

The market value of Kinnevik's holdings of listed securities amounted to SEK 8,001 million at 31 December 2002. The portfolio of listed shares is dominated by Tele2 AB, in which Kinnevik controls 26.1 % of the votes and 21.1 % of the capital. Other investments consist mainly of Modern Times Group MTG AB, Millicom International Cellular S.A., Invik & Co. AB, Metro International S.A., Transcom WorldWide S.A., Cherryföretagen AB and Viking Telecom AB.

In addition to the list portfolio, Kinnevik owns and runs a number of wholly owned subsidiaries. Korsnäs, a forest products group, is Kinnevik's largest business area.



*The highest and lowest transaction price each month for Kinnevik's series B shares between 1997 and 2002, as well as the Affärsvärlden General Index and turnover for the same period.*

## **INVIK & CO.**

Its main production facilities are located in Gävle, where it has an annual capacity of 660,000 tonnes of pulp. The entire output of sulphate pulp is processed within the complex into paperboard, sack and kraft paper, and fluff pulp. Paperboard has evolved into the largest product area, with beverage board being used for packaging drinks, and white kraft board for the outer layer of corrugated board packaging. Korsnäs's turnover amounted to SEK 5,809 (5,842) million, and its operating income to SEK 622 (386) million. Severance pay and costs associated with other restructuring measures amounting to SEK 22 (315) million were charged against the year's result.

Kinnevik has continued its tradition of investing in and developing new lines of business, among which may be mentioned Acando AB, a firm of consultants which, despite the weak market in 2002, reported healthy profitability. During the year, CIS Credit International Services AB shifted its focus towards its debt collection business, which showed sustained sound profitability.

Kinnevik's net turnover amounted to SEK 6,110 (6,120) million. The result after financial net was a loss of SEK 3,946 (loss 462) million. Kinnevik's interest of SEK 4,921 million in the losses of associated companies and on other subsidiaries was taken against the result for 2002. This figure includes write-downs of SEK 3,898 million.

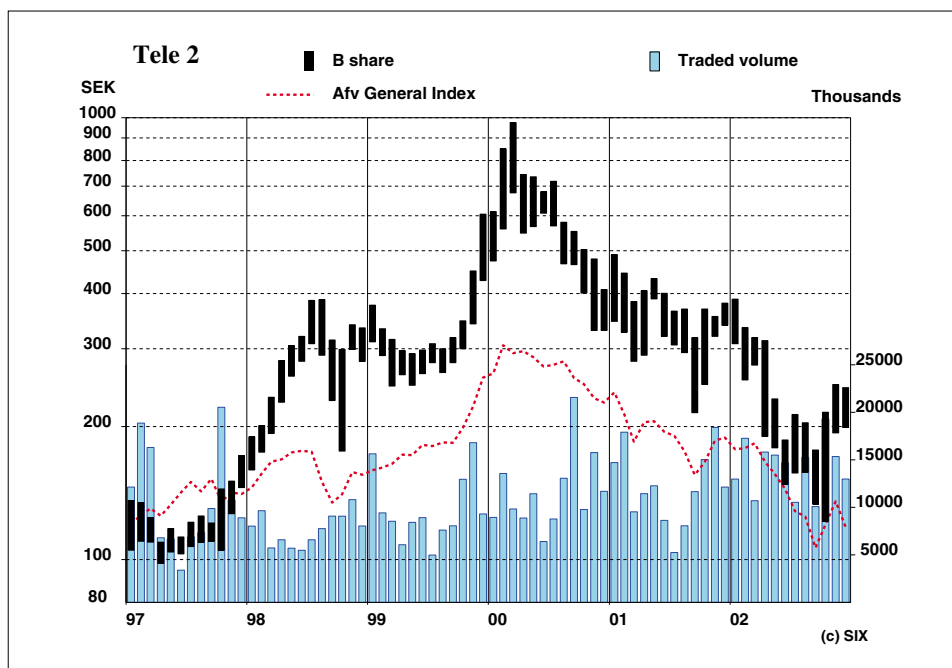
### **TELE2 AB**

The market value of Invik's holding of shares in Tele2 amounted to SEK 2,887 million as of 31 December 2002. This holding corresponds to 29.7 % of the votes and 8.6 % of the capital. As of 12 February 2003, the market value was SEK 3,093 million. In 1996, Kinnevik distributed shares in Tele2 to its shareholders. Tele2's series A and series B shares are listed on Stockholmsbörsen's Attract 40-list and on the Nasdaq exchange in the USA.

Tele2 was formed in 1993 and is the leading, alternative pan-European telecommunication company with operations in 22 countries. The company is active in mobile GSM services, public telecommunications and data communications, and Internet services under the Tele2, Tango and Comviq brand names. In 2002, the number of customers increased by almost two million to 16.8 million. During the year, Tele2 expanded faster than its competitors, while generating the best cash flow on record, which amounted, after investment activities, to SEK 1,849 million.

Tele2 also manages Datametrix, which specialises in systems integration; 3C Communications, which sells telephony and Internet services via telephone booths and Internet terminals; C<sup>3</sup>, which offers prepaid telephone cards for fixed telephony; and Transac, which is engaged in data processing of card transactions and invoices, for example. The group also provides cable-TV services in Sweden, Estonia and Lithuania.

The year's net turnover amounted to SEK 31,282 (25,085) million and income after financial net amounted to SEK 796 (loss 1,944) million.



*The highest and lowest transaction price each month for Tele2's series B shares between 1997 and 2002, as well as the Affärsvärlden General Index and turnover for the same period.*

#### MODERN TIMES GROUP MTG AB

The market value of Invik's holding of shares in MTG amounted to SEK 448 million at 31 December 2002. The holding corresponds to 9.3 % of the capital and 30.0 % of the votes. On 12 February 2003, the market value was SEK 359 million. MTG's series A and series B shares are listed on Stockholmsbörsen's Attract 40-list and its series B shares are listed on Nasdaq in the USA.

Sixteen years ago, Kinnevik established the first commercial TV channel in Sweden and Scandinavia when it launched TV3. That marked the beginning of what is now MTG. The shares in MTG were distributed to Kinnevik's shareholders in 1997.

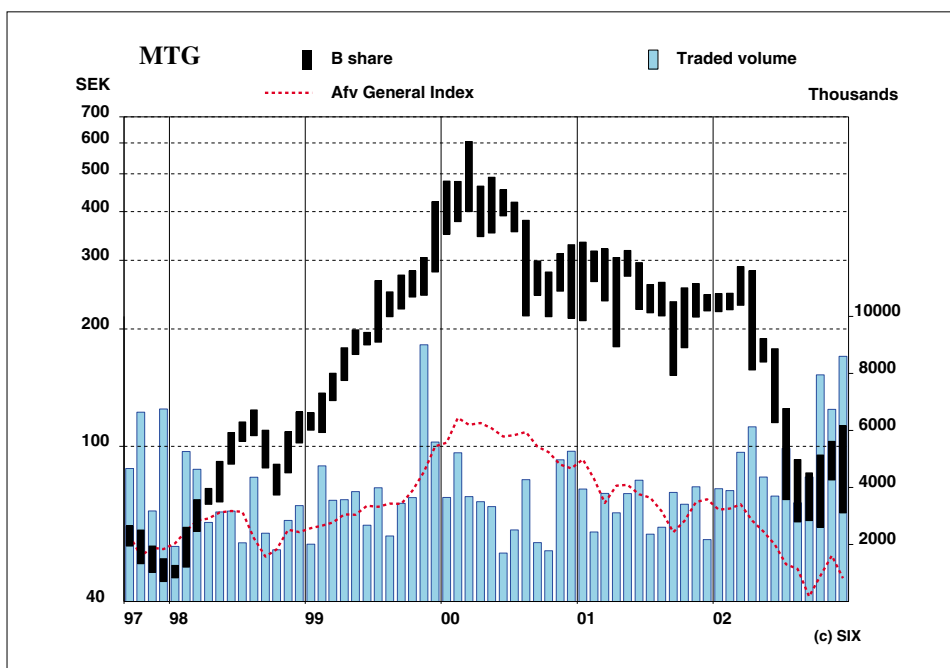
MTG is now the largest TV company in the Nordic region with substantial operations in both pay TV and free TV. Every day, the company's channels reach 45 million viewers in nine countries. MTG has also built up strong positions in radio, content production, and the translation, subtitling and dubbing of films and TV programmes.

In 1995, MTG launched the first newspaper to be distributed free of charge when it printed and introduced Metro in Stockholm. It achieved immediate success, and in 2000, after a period of rapid expansion, the shares in Metro International S.A. were distributed to MTG's shareholders.

## INVIK & CO.

MTG consists of six business areas: Viasat Broadcasting (free TV and pay TV in nine countries, as well as text TV, interactive, digital TV, Internet and mobile Internet), Radio (seven networks in five countries), Publishing (financial news and information services), TV-Shop (traditional home shopping, e-commerce and logistics), SDI Media (subtitling and dubbing), and Modern Studios (content production and a programme rights library).

Owing to the weakness of the advertising market, MTG's net turnover declined by 6 % in 2002 to SEK 6,023 (6,402) million and its pre-tax income to SEK 28 (250) million.



*The highest and lowest transaction price each month for MTG's series B shares between 18 September 1997 and December 2002, as well as the Affärsvärlden General Index and turnover for the same period.*

## METRO INTERNATIONAL S.A.

On 31 December 2002 the market value of Invik's holding of shares in Metro amounted to SEK 39 million. The holding corresponds to 6.6 % of the capital and 12.9 % of the votes. On 12 February 2003 the market value was SEK 32 million. Metro's series A and series B shares are listed on Stockholmsbörsen's O-list and on Nasdaq in the USA.

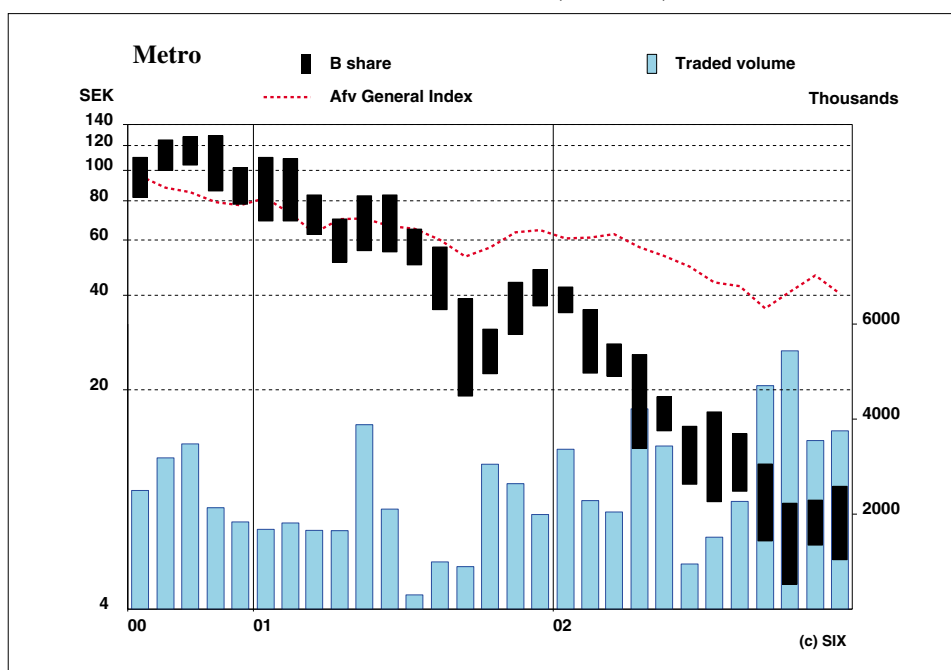
Since Metro was founded in 1995 the company has launched 25 newspapers in 16 countries. Metro reaches 12.3 million readers every day, which makes it the third largest newspaper in the world. Every week, Metro's newspapers are read by 27 million readers or 29 % of the population in the areas where it is distributed. Metro

has revolutionised the newspaper industry by changing the distribution method and rejuvenating its readership, with 48 % of its readers under 35 and half of them women. Since it started in 1995 sales have increased by 47 % a year and in the fourth quarter of 2002 all the newspapers that had been in existence for more than one year were operating at a profit, seen as a group.

Metro prints newspapers in the following countries and cities:

Stockholm, Gothenburg, Malmoe, Prague, Hungary, Holland, Helsinki, Santiago, Philadelphia, Toronto, Rome, Milan, Warsaw, Athens, Montreal, Barcelona, Boston, Madrid, Copenhagen, Paris, Marseilles, Lyons, Aarhus and Hong Kong. The business in Seoul is operated by third party on a franchise basis.

Net turnover in 2002 increased to USD 142.8 (109.9) million and the loss after interest and other financial items was USD 80.5 (loss 84.1) million.



*The highest and lowest transaction price each month for Metro's series B shares between August 2000 and December 2002, as well as the Affärsvärlden General Index and turnover for the same period.*

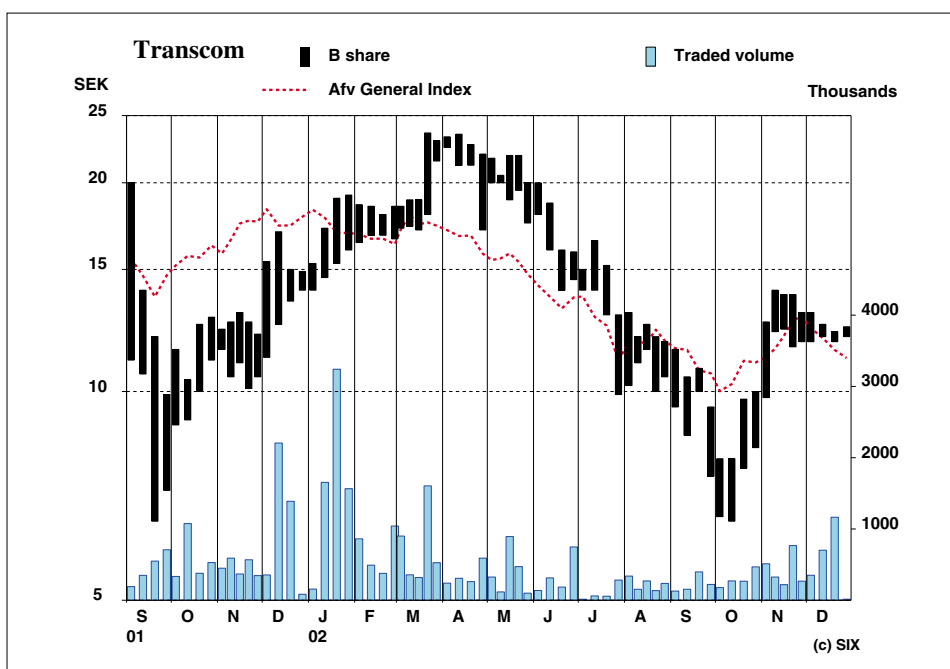
# **TRANSCOM WORLDWIDE S.A.**

On 31 December 2002 the market value of Invik's holding of shares in Transcom amounted to SEK 88 million. This holding represents 21.8 % of the votes and 13.1 % of the capital. On 12 February 2003 the market value was SEK 78 million. Transcom's series A and series B shares are listed on Stockholmsbörsen's Attract 40-list and on Nasdaq in the USA.

Transcom is the largest geographic CRM (Customer Relationship Management) provider in Europe for consumer-intensive enterprises. Transcom has 30 call centers with 7,700 employees providing services to 17 countries: Luxembourg, Sweden, France, Denmark, Germany, Finland, Italy, Switzerland, Norway, the Netherlands, Spain, Austria, Morocco, Estonia, Latvia, Lithuania and the UK.

Transcom offers CRM solutions to companies in numerous industries, including telecommunications, travel and tourism, utilities, media and financial services. In 2002 contracts were signed with several new clients, including Olivetti, Citibank Espana and Cigna Life Assurance. Client programs, which are available in up to 38 languages, are customised and extend from free-standing applications to complex programs, designed specifically for a particular country or the international market.

Net turnover amounted to EUR 228.5 (215.3) million and income after interest and other financial items amounted to EUR 5.0 (1.4) million.



*The highest and lowest transaction price each month for Transcom's series B shares between September 2001 and December 2002, as well as the Affärsvärlden General Index and turnover for the same period.*



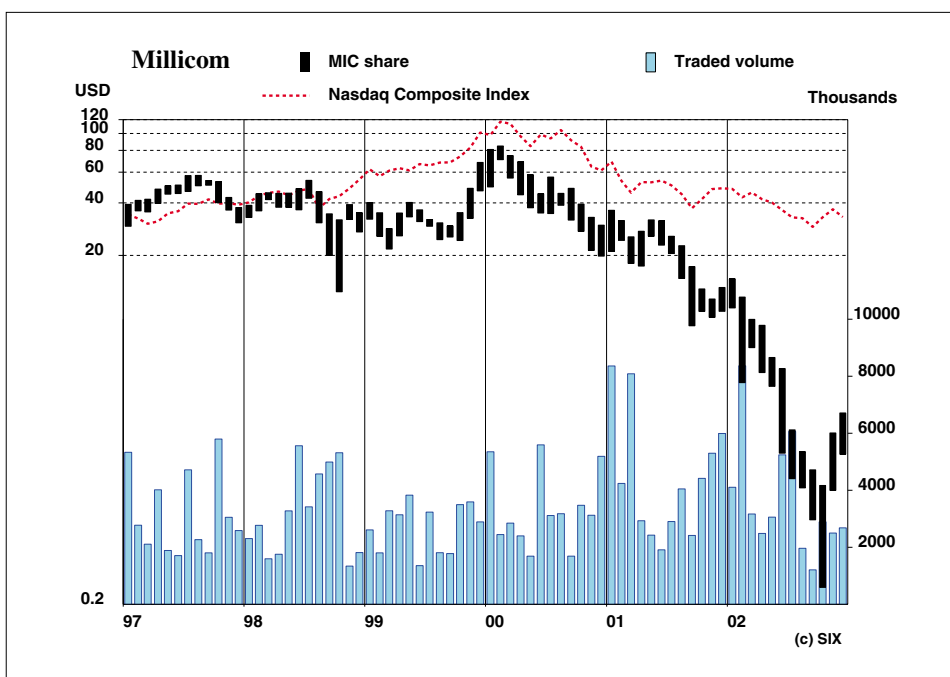
# **MILlicom INTERNATIONAL CELLULAR S.A.**

On 31 December 2002 the market value of Invik's holding of shares in MIC amounted to SEK 15 million. This holding corresponds to 2.0 % of the votes and capital. On 12 February 2003 the market value was SEK 13 million. The shares are listed on Nasdaq in the USA and on the Luxembourg Stock Exchange.

MIC is now one of the world's leading operators of mobile telecom services with operations in Asia, Latin America and Africa. The business is conducted largely in emerging economies where access to fixed telephony is inadequate and growth in the mobile telecom subscriber high. The time required and the cost of establishing a fixed telecom infrastructure in these countries is considerably higher than for mobile telephony.

MIC is at present a part-owner of 16 mobile licences in 15 countries, which together represent a market of 382 million people. In 2002 the number of subscribers increased by 28 % to more than four million. The company also produced a strong result, and despite the economic crisis in South America MIC managed to generate an EBITDA margin of 46 %.

Net turnover amounted to USD 605 (645) million. Operating income amounted to USD 9 (58) million, including non-recurring costs of USD 102 (23) million. The company's result after financial net was a loss of USD 233 (loss of 129) million.



*The highest and lowest transaction price each month for Millicom's shares between 1997 and 2002, as well as the Nasdaq Composite Index and turnover for the same period.*

## MODERN FINANCE GROUP

### BANKING

The banking division comprises Banque Invik S.A., whose registered office is in Luxembourg. Banque Invik has been engaged in banking since 1989 and is a wholly owned subsidiary of Invik. The business is conducted partly through the head office in Luxembourg, and partly through the branch in Stockholm, opened in 1996.

The business concept is to function as a banque privée in line with the continental model for such institutions. The bank advises wealthy private individuals on the management of their capital. The asset management activities conducted by the branch in Stockholm were transferred at the end of the year to Modern Privat Kapitalförvaltning MPK AB.

Banque Invik also offers financial advisory services to the business sector, issues credit cards, is engaged in fund management, and provides administrative services through Modern Treuhand.

Banque Invik engages in currency and securities trading on behalf of clients without taking its own positions. According to the bank's credit policy, all credit is fully secured by cash, securities and/or guarantees.

The issue of credit cards is a combination of financing and mediation of payments. Banque Invik is a member of the VISA and Mastercard/Eurocard organisations in Europe. The bank's cards are primarily intended for wealthy private individuals, not only its own clients but also those of other banks.

On the asset management side, Banque Invik has been marketing a range of funds that are managed by external fund managers under the umbrella name of Master Portfolio since 1993. Banque Invik also manages "The Modern Funds SICAV", a Luxembourg-registered umbrella fund containing seven index funds, three fixed income funds and four equity funds. In Sweden the funds are marketed under the Moderna Fonder name and in Western Europe as The Modern Funds.

Modern Treuhand, which is part of Banque Invik, offers company formation, administration and accounting services, mainly for companies based in Luxembourg.

Banque Invik's revenue was only marginally affected, despite the volatile financial markets, in 2002. In response to the weaker market conditions, the bank's costs were reduced during the year. Turnover was raised by 14 % due to favourable progress by the bank's financial and advisory services and credit card activities, which also contributed to the improvement in its results for 2002 in relation to the previous year. The corporate financial advisory services included the successful arrangement of financing of SEK 11,000 million for Svenska UMTS AB. Financial advisory services are also made available to corporate clients without use of the bank's balance sheet.

The bank's pre-tax income tax amounted to SEK 24.1 (15.4) million.

## INVIK & CO.

The bank's summary income statement and key ratios for 2000-2002 (SEK million):

	2000	2001	2002
Income after financial net including			
Group adjustments	11.4	15.4	23.4
Net income for the year	7.3	10.2	11.6
Capital adequacy ratio, %	169	208	235
Liquidity ratio, %	66	52	47
Number of employees	37	40	37

### INSURANCE

The insurance division consists primarily of Moderna Försäkringar AB, Moderna Försäkringar Liv AB and Modern Re S.A., all wholly owned subsidiaries of the Invik Group.

Moderna Försäkringar has been transformed in recent years from a widely diversified insurance company with its emphasis on industrial and marine insurance to a niche company focusing on insurance for private individuals, organisations and small firms. Consequently, Moderna Försäkringar and its sister companies write insurance in the pleasure boat, consumer, life, special motor and corporate sectors.

Moderna Försäkringar reported strong growth in 2002 with more than 35,000 new clients. Moderna Försäkringar noted a positive trend in the result of its insurance operations despite decreased income from investments. Both the claims cost and total cost ratios fell during the year. Gross premium revenue was 37 % higher in 2002 than in 2001. An explicit focus on profitable customer segments for new sales, coupled with measures to improve the profitability of the existing portfolio and increases in premiums gave rise to a radical improvement in the profitability of the insurance business. During the year the Norwegian pleasure boat insurance business was sold to Norska Sjö AS, and Safe International Försäkrings AB's consumer insurance portfolio was acquired.

In 2002 Moderna Försäkringar began to offer capital and pension insurance products together with Modern Privat Kapitalförvaltning and Modern Funds, which are proving to be successful.

The division incurred a loss of SEK 2.9 (income 0.6) million on its run-off activities, those parts of the insurance business that are being phased out.

The reinsurance business acquired in 2001 within Modern Re S.A. noted a favourable claims cost trend during the year and reported pre-tax income of SEK 7.0 (0.5) million. Modern Re's capital has been covered by use of a comprehensive retro-reinsurance placed with international re-insurers with an A-rating or better.

## INVIK & CO.

Summary ratios for the non-life insurance business for 2000-2002 (SEK million):

	<b>2000</b>	<b>2001</b>	<b>2002</b>
Premium revenue	301.3 *	344.5 *	447.4 *
Non-life insurance technical result	-40.6	0.2	11.3
Income before tax	0.4	8.4	10.8
Operating cost ratio, %	28.5	29.5	22.7
Gross claims ratio, %	93.6	44.3	59.0
Solvency ratio, %	279	199	104
Number of employees	59	46	43

\* Excluding run-off

Summary result of insurance operations for 2000-2002 (SEK million):

	<b>2000</b>	<b>2001</b>	<b>2002</b>
Net turnover	402.6	345.7	491.4
Loss after financial net, including Group adjustments	-39.0	-7.5	-2.8

### ASSET MANAGEMENT

Modern Privat Kapitalförvaltning MPK Holding AB, a wholly owned subsidiary of Invik & Co. AB, is the parent company of the MPK group which is engaged in asset management, fund management and financial advisory services. MPK's total assets under management amounted to some SEK 5,000 million at the end of the year. More than 7,500 clients make use of MPK's discretionary and fund management services.

Modern Privat Kapital Förvaltning MPK AB offers asset management services based on sophisticated fundamental analysis. The company's approach is characterised by a high degree of personal service. Clients include private individuals, companies, foundations and religious groups. The company has reported a strong track record over a number of years.

Aktie-Ansvar AB is engaged in mutual fund management through Ansvar Aktiefond Sverige, Ansvar Avkastningsfond, Aktie-Ansvar Europa, FondSelect and the Graal hedge fund. The fund company has some 5,600 clients and some SEK 1,500 million of funds under management. The company was awarded the Best Fund Manager of the Year Award for 2002 by Dagens Industri and Morningstar.

With the object of improving the efficiency of the Invik Group's asset management activities, the asset management businesses formerly conducted through Fischer

## **INVIK & CO.**

Partners Fondkommission and Banque Invik have been taken over by MPK. The consulting activities conducted through OP Financial Services AB were divested during the year and some of the administrative activities were transferred at the end of the year to Banque Invik.

The prolonged and steep decline on the stock market has had an adverse effect on MPK and its result before tax was a loss of SEK 0.2 (income of 0.5) million.

Asset Management's summary result, including write-downs and depreciation at Group level for 2000-2002 (SEK million):

	<b>2000</b>	<b>2001</b>	<b>2002</b>
Net turnover	79.8	80.3	68.1
Income/loss after financial net including Group adjustments	16.2	-5.2	-100.1
Number of employees	24	34	34

### **SECURITIES TRADING**

Fischer Partners Fondkommission AB, a wholly owned subsidiary of Invik & Co. AB, is engaged in stockbroking and securities trading. The company is a leading player in electronic stockbroking and is a member of the Stockholm, Helsinki and Copenhagen stock markets. Fischer Partner's share of Stockholmsbörsen's turnover was 4.07 % during the year (3.30) while in December 2002 it was 5.03 % (1.99). Its share of the Helsinki and Copenhagen stock markets' business was some 2.5 %, while its share of the Oslo market was still only moderate in 2002. Fischer Partner's clients are mainly Swedish and foreign institutions and active private investors.

Fischer Partners Fondkommission AB reported a pre-tax loss of SEK 43.2 (income 15.1) million for 2002. After adjustment for non-recurring items affecting comparability relating to sold or discontinued activities, the pre-tax result was a loss of SEK 9.6 million.

Securities trading incurred a loss after financial items, including Group adjustments, of SEK 67.6 (income 4.1) million.

## INVIK & CO.

Summary result of stockbroking and securities trading for 2000-2002 (SEK million):

	<b>2000</b>	<b>2001</b>	<b>2002</b>
Net turnover	338.0	201.9	149.2
Income/loss after financial net including Group adjustments	65.4	15.1	-67.6
Number of employees	69	73	62

## OTHER ACTIVITIES

Other activities consist of a brewery and a restaurant. The brewing activities are conducted by Gamla Stans Bryggeri and the restaurant, which is called Pontus by the Sea, is managed in co-operation with Pontus in the Green House. The brewery and the restaurant are both located in one of the old customs buildings on Skeppsbron in Gamla Stan, Stockholm. Gamla Stans Bryggeri AB is still incurring operating losses.

Summary result for Other operations for 2001-2002 (SEK million):

	<b>2000</b>	<b>2001</b>	<b>2002</b>
Net turnover	42.6	26.3	2.7
Loss after financial items	-23.5	-7.2	-10.0
Number of employees	40	31	7

# ADMINISTRATION REPORT

## OBJECTIVE

The object of Invik's business activities is to generate a more than satisfactory sustainable increase in net asset value, regardless of the short-term effects on operating income.

During Invik's seventeen-year history, the appreciation in the net asset value (excluding dividends) has been equivalent to an annual return of 30 %, 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, according to the Affärsvärlden General Index, of 11 % during the same period.

## ORGANISATION

Invik & Co. AB (publ) is an investment holding 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, consisting primarily of large holdings in a small number of listed companies. The subsidiaries are primarily active in the areas of banking, insurance, asset management and securities trading.

## OPERATIONS IN 2002

It was with great sorrow that the Board of Invik & Co. AB announced that Jan Hugo Stenbeck, the company's founder and chairman, passed away on 19 August 2002.

On 22 August 2002 a resolution was passed by the Board appointing Johan Björkman as Chairman of the Board.

Invik's president Thomas Jönsson, resigned on 13 November 2002, whereupon Anders Fällman was appointed acting president. Anders Fällman was appointed president on 10 December 2002 with effect from 1 January 2003.

During the year, the asset management operations, which had previously been conducted through several different operative units, were integrated within Modern Privat Kapitalförvaltning.

On 1 November 2002, Moderna Försäkringar acquired a home and householders' insurance portfolio from Safe International Försäkrings AB, which significantly strengthened Moderna Försäkringar's consumer insurance portfolio. The Norwegian pleasure boat insurance business was sold to Norska Sjö AS in 2002.

## THE LONG-TERM SECURITIES PORTFOLIO

The closing market value of the long-term securities portfolio amounted to SEK 4,196 (7,712) million. The acquisition value amounted to SEK 2,965 (2,996) million. The long-term securities portfolio consisted as at 31 December 2001 of the following 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 series A shares and 2,825,579 series B shares, corresponding to 29.7 % of the votes and 8.6 % of the capital.
- Kinnevik, 6,281,387 series A shares and 2,286,936 series B shares, corresponding to 32.7 % of the votes and 13.6 % of the capital.
- MTG, 6,181,249 series A shares, corresponding to 30.0 % of the votes and 9.3 % of the capital. 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 series A shares, corresponding to 12.9 % of the votes and 6.6 % of the capital. After full conversion of convertible loan stock, this corresponds to 11.4 % of the votes and 5.4 % of the capital.
- Transcom, 7,152,046 series A shares and 1,351,277 series B shares, corresponding to 21.8 % of the votes and 13.1 % of the capital. After full conversion of convertible loan stock, this corresponds to 17.6 % of the votes and 11.7 % of the capital.
- MIC, 940,418 shares, corresponding to 1.9 % of the votes and capital.

#### **CONSOLIDATED RESULT**

The consolidated result after financial net in accordance with the acquisition method was a loss of SEK 487.5 (income of 7.8) million. After tax, the loss amounted to SEK 455.3 (income of 38.0) million. Goodwill arising on consolidation and attributable to the asset management business has been written down by SEK 96.7 million.

The consolidated loss above does not include the parent company's interest in the earnings of associated companies. The consolidated result in accordance with the equity interest method is shown in Note 30.

The Board considers, on the basis of established practice, that the acquisition method, together with supplementary information on the premiums over the book value of the securities portfolio, more accurately reflects Invik's situation.

#### **FINANCIAL POSITION**

The Group's liquidity reserve (excluding funds in the banking and insurance operations), i.e. liquid funds and approved but undrawn credits, amounted at year-end to SEK 197.1 million, which may be compared with SEK 104.5 million at the end of 2001. In addition, the assets consisted largely of securities in listed companies that are immediately realizable on the stock market. The Group's long-term holdings of listed securities had a total market value of SEK 4,196 (7,712) million on 31 December 2002.



## INVIK & CO.

The Group's net sales of securities during the year amounted to SEK 246.4 million. In 2001, net investments in securities amounted to SEK 231.0 million. Investments in intangible and tangible fixed assets during the year amounted to SEK 48.3 (56.5) million.

The Group's closing equity ratio was 24.1 % (27.1). Taking the premium over the book value of the portfolio of listed securities into account, the equity ratio was 34.6 % (52.7).

### PROSPECTS FOR THE FUTURE

The core business of Invik is to own and administer the long-term securities portfolio. Invik shall have a cash flow that is generated from the Modern Finance Group.

The focus in 2003 is on taking the measures to generate an increasing cash flow from Modern Finance Group within the context of the restructuring started at the end of 2002.

### EARNINGS PER SHARE

The loss per share amounted to SEK 58.70 (income 4.90). The total number of shares in issue at 31 December 2002 amounted to 7,760,000, of which 3,753,333 were series A shares and 4,006,667 were series B shares.

### KEY RATIOS

The Invik Group's assets largely consist of listed securities. It is therefore natural to value shares in Invik on the basis of their underlying asset value and changes in it.

The key ratios below are based on the consolidated accounts in accordance with the acquisition method.

	1998	1999	2000	2001	2002
<b>Income statement (SEK million)</b>					
Net turnover	639	709	817	856	983
Income/loss after financial net	447	15	113	8	-487
Net income/loss for the year	462	33	88	38	-455
<b>Balance sheet (SEK million)</b>					
Equity	2,102	2,250	2,319	2,319	1,834
Balance sheet total	4,714	5,350	7,890	8,568	7,619
<b>Asset value (SEK million)</b>	6,343	12,733	7,829	6,960	3,065
<b>Key ratios</b>					
Equity ratio I (%)	48.4	42.1	29.4	27.1	24.1
Equity ratio II (%)	74.3	80.4	58.4	52.7	34.6
Debt-equity ratio (multiple)	1.2	1.3	2.1	2.4	2.7
Risk capital ratio (%)	46.6	43.4	30.6	28.6	25.2

# INVIK & CO.

	1998	1999	2000	2001	2002
<b>Data per share (SEK million)</b>					
Listed price 31/12	660	1,010	770	579	259
Asset value 31/12	840	1,641	1,009	897	395
Equity 31/12	271	290	299	299	236
Income/loss after tax	60.20	4.39	11.34	4.90	-58.70
Dividend	7.33 <sup>1</sup>	3.00	6.00	3.00	3.00 <sup>2</sup>

<sup>1</sup> For 1998, the dividend amounted to SEK 2 in cash, together with one new share for every 100 shares in Invik already owned, which was worth SEK 5.33 per share.

<sup>2</sup> For 2002 the proposed dividend is stated.

## **Definitions**

<b>Asset value</b>	Equity after adjustment for premium over/discount under book value of listed securities without taking tax effects into account.
<b>Equity ratio I</b>	Equity including minority interests divided by balance sheet total.
<b>Equity ratio II</b>	Asset value divided by balance sheet total after adjustment for premium over/discount under book value of listed securities.
<b>Debt-equity ratio</b>	Interest-bearing liabilities divided by equity (including minority interests in equity).
<b>Risk capital ratio</b>	Sum of equity (including minority interests in equity) and deferred tax liability divided by balance sheet total
<b>Earnings per share</b>	The year's income/loss divided the average number of shares in issue.

## **CALCULATION OF ASSET VALUE**

Invik's asset value is defined as the consolidated equity adjusted for premiums over/discounts the book value of the portfolio of listed securities. The market value of the other holdings is assumed to equal the book value.

The closing asset value amounted to SEK 3,065 million, which corresponds to SEK 395 per share, before deferred tax. Deferred tax on the premium over the book value of the listed holdings is some 28 %.

SEK million	Market value	Book value	Asset value
Stated equity			1,834
Kinnevik	721	830	-109
Tele2	2,887	1,559	1,328
MTG	448	258	190
MIC	15	44	-29
Metro	39	180	-142
Transcom	88	94	-7
<b>Asset value before tax</b>			<b>3,065</b>
Asset value before tax per share (SEK)			395

## INVIK & CO.

The closing asset value is based on the following listed prices (latest transaction price) (SEK):

Kinnevik A	83.00	Kinnevik B	87.00
Tele2 A	226.00	Tele2 B	230.50
MTG A	72.50	MTG B	70.50
Metro A	5.40		
Transcom A	10.00	Transcom B	12.00
MIC	15.70	(Translation rate: USD 1 = SEK 8.825)	

The asset value on 12 February 2003 amounted to SEK 409 per share.

### PARENT COMPANY

The loss after financial items amounted to SEK 377.9 (income of 97.7) million. Closing liquid reserves amounted to SEK 181.2 million, which may be compared with SEK 104.5 million at the end of 2001. The parent company's net sales of shares during the year amounted to SEK 212.3 million, while in 2001 net investments in shares amounted to SEK 413.0 million. The year's fixed capital expenditure amounted to SEK 2.7 (0.1) million.

On 31 December 2002, the parent company's liabilities to credit institutions amounted to SEK 1,736.3 (1,772.5) million, of which SEK 1,311.3 million were current liabilities.

The parent company's closing equity ratio was 46.6 % (52.1). If account is taken of the premium over the book value of the long-term portfolio of equities, the equity ratio was 59.5 %.

The average cost of interest paid by the parent company during the year was 5.0 % (4.7).

### PERSONNEL, SALARIES AND OTHER REMUNERATION

The average number of employees in the parent company during the year was 4 (5), while the average number of employees in the Group was 222. At the end of the year, the average number of employees was 216, of whom 191 were in Sweden. The fees paid to the Board and the parent company's former presidents amounted to SEK 10.8 (10.9) million.

Salaries and other remuneration paid to other employees of the parent company amounted to SEK 6.1 (4.8) million.

For further information see Note 27.

### WORK OF THE BOARD

Invik & Co. AB's Board held nine minuted meetings in 2002. The Board has adopted a set of procedures for its activities and an instruction for the president. The control functions incumbent on the Board are handled by the Board as a whole. Each year, the company's auditors report to the Board on their examination and express their judgement of the internal control system.

### PROPOSED TREATMENT OF EARNINGS

The Group's unrestricted equity amounts to SEK 672.5 million after deduction of the proposed transfers to restricted reserve.

The following amounts are at the disposal of the Annual General Meeting:

	SEK
Retained earnings	1,168,274,166
Net loss for the year	<u>-336,575,711</u>
	831,698,455

The Board and the president propose that the unappropriated earnings at the disposal of the Annual General Meeting be dealt with as follows:

	SEK
Dividend to shareholders SEK 3 per share	23,280,000
To be carried forward	<u>808,418,455</u>
	831,698,455

# CONSOLIDATED INCOME STATEMENT

for the period 1 January – 31 December (SEK million)

		2002	2001
Net turnover	Note 2	983.3	856.4
Cost of services provided and goods sold		–571.5	–569.7
<b>Gross income</b>		<b>411.8</b>	<b>286.7</b>
Selling expenses		–170.7	–106.9
Administrative expenses		–456.2	–268.3
Other operating revenues		5.1	24.9
Other operating expenses		–1.7	–2.6
Income from stocks and other securities	Note 4	–184.6	27.5
Dividend revenues		17.1	106.0
<b>Operating income/loss</b>	Notes 3, 8, 28, 29	<b>–379.2</b>	<b>67.3</b>
<b>Income/loss from financial items</b>			
Interest income and similar items	Note 5	22.7	34.5
Interest expenses and similar items	Note 6	–131.0	–94.0
<b>Income/loss after financial items</b>	Note 2	<b>–487.5</b>	<b>7.8</b>
Tax on income/loss for the year	Note 7	30.6	29.2
Minority share in income/loss for the year		1.6	1.0
<b>NET INCOME/LOSS FOR THE YEAR</b>		<b>–455.3</b>	<b>38.0</b>
Earnings/loss per share, SEK		–58.70	4.90
Number of shares in issue 1 January		7,760,000	7,760,000
Number of shares in issue 31 December		7,760,000	7,760,000

# CONSOLIDATED CASH FLOW ANALYSIS INDIRECT METHOD for the period 1 January – 31 December (SEK million)

	2002	2001
<b>Operations</b>		
Operating income/loss	-379.2	67.3
Adjustments		
Depreciations, write-downs and retirements	136.6	40.7
Dividends from associated companies, non-cash	–	-93.5
Income from/loss on stocks and other securities	184.6	-27.5
Exchange rate differences	-6.3	-2.7
Interest and similar items	-108.3	-59.5
Paid income tax	-12.0	-12.7
Minority shares in the net income for the year	1.6	1.0
	-183.0	-86.9
<i>Change in working capital</i>		
Change in inventories, goods and securities	-11.2	-16.8
Change in current receivables	143.4	55.5
Change in current investments	393.7	-80.4
Change in current liabilities	-425.9	7.5
<b>Cash flow from current operations</b>	<b>-83.0</b>	<b>-121.1</b>
<b>Investment activities</b>		
Acquisition of intangible and tangible fixed assets	-48.3	-66.6
Acquisition of financial fixed assets	-111.6	-179.3
Sales of intangible and tangible fixed assets	0.0	1.2
Sales of financial fixed assets	358.1	72.9
<b>Cash flow from investment activities</b>	<b>198.2</b>	<b>-171.8</b>
<b>Financing activities</b>		
Change in minority interest	-1.6	0.9
Increase in long-term liabilities	7.2	296.2
Dividend	-23.3	-46.5
<b>Cash flow from financial activities</b>	<b>-17.7</b>	<b>442.9</b>
Change in cash and cash equivalents	97.5	150.0
Exchange rate differences, cash and cash equivalents	–	2.6
Cash and cash equivalents at beginning of year	297.8	145.2
<b>Cash and cash equivalents at end of the year</b>	<b>395.3</b>	<b>297.8</b>

# CONSOLIDATED BALANCE SHEET

as at 31 December (SEK million)

<b>Assets</b>		<b>2002</b>	<b>2001</b>
<b>Fixed assets</b>			
<b>Intangible assets</b>			
Goodwill	Note 8	53.0	129.9
Other intangible assets	Note 9	4.6	6.9
Total intangible assets		57.6	136.8
<b>Tangible assets</b>			
Buildings	Note 10	4.6	3.2
Machinery	Note 11	—	1.4
Equipment	Note 12	20.5	29.4
Total tangible assets		25.1	34.0
<b>Financial assets</b>			
Shares in associated companies	Note 14	2,927.8	2,901.1
Other securities held as fixed assets	Note 15	136.3	595.7
Total financial assets		3,064.1	3,496.8
<b>Total fixed assets</b>		<b>3,146.8</b>	<b>3,667.6</b>
<b>Current assets</b>			
Inventories and securities	Note 16	29.3	18.1
<b>Current receivables</b>			
Accounts receivable		20.9	14.3
Receivable from associated companies		20.4	131.1
Other receivables	Note 17	218.2	248.5
Prepaid expenses and accrued income	Note 18	184.8	173.8
Total current receivables		424.3	567.7
<b>Investments</b>			
Lending in banking business		2,069.8	2,239.3
Investment assets		1,553.5	1,777.7
Total investments	Note 19	3,623.3	4,017.0
Cash and cash equivalents		395.3	297.8
<b>Total current assets</b>		<b>4,472.2</b>	<b>4,900.6</b>
<b>TOTAL ASSETS</b>		<b>7,619.0</b>	<b>8,568.2</b>

<b>Equity, Provisions and Liabilities</b>		<b>2002</b>	<b>2001</b>
<b>Equity</b>			
<b>Restricted equity</b>			
Share capital		7.8	7.8
Statutory reserves		1,153.7	1,122.4
		1,161.5	1,130.2
<b>Non-restricted equity</b>			
Non-restricted reserves		1,127.8	1,150.6
Net income/loss for the year		−455.3	38.0
		672.5	1,188.6
<b>Total equity</b>	Note 20	1,834.0	2,318.8
Minority interest		0.6	2.2
<b>Provisions</b>			
Provisions for pensions		0.1	0.2
Provisions for deferred taxes	Note 7	83.6	127.6
<b>Total provisions</b>		83.7	127.8
<b>Liabilities</b>			
<b>Long-term liabilities</b>			
Liabilities to credit institutions		460.0	1,080.0
Total long-term liabilities		460.0	1,080.0
<b>Current liabilities</b>			
Bank overdraft facilities	Note 21	549.3	500.0
Other liabilities to credit institutions		1,005.2	427.3
Accounts payable		13.5	11.8
Borrowing in banking business		2,977.3	3,463.1
Actuarial insurance liabilities		351.9	274.8
Liabilities to associated companies		3.9	3.8
Other liabilities	Note 22	274.7	235.6
Accrued expenses and prepaid income	Note 23	64.9	123.0
Total current liabilities		5,240.7	5,039.4
<b>Total liabilities</b>		5,700.7	6,119.4
<b>TOTAL EQUITY, PROVISIONS AND LIABILITIES</b>		<b>7,619.0</b>	<b>8,568.2</b>
Pledged assets	Note 24	3,477.4	3,493.1
Contingent liabilities	Note 25	146.8	127.3
Off balance sheet commitments	Note 26	1,754.7	2,084.1



# INCOME STATEMENT PARENT COMPANY

for the period 1 January – 31 December (SEK million)

		2002	2001
Net turnover		7.1	9.9
Cost of goods sold		–1.3	–1.2
<b>Gross income</b>		5.8	8.7
Administrative expenses		–57.9	–55.9
<b>Operating loss</b>	Note 3, 27, 28	–52.1	–47.2
<b>Income/loss from financial items</b>			
Income/loss from stocks and other securities	Note 4	–244.0	27.5
Dividend from associated companies		17.1	106.0
Interest income and similar items	Note 5	18.7	18.6
Interest expenses and similar items	Note 6	–117.6	–85.9
<b>Income/loss after financial items</b>		–377.9	19.0
Group contributions		–	–16.4
Tax on income for the year	Note 7	41.3	28.2
<b>NET INCOME/LOSS FOR THE YEAR</b>		<b>–336.6</b>	<b>30.8</b>

# CASH FLOW ANALYSIS PARENT COMPANY

## INDIRECT METHOD

for the period 1 January – 31 December (SEK million)

	2002	2001
<b>Operations</b>		
Operating loss	–52.1	–47.2
Adjustments		
Depreciations and retirements	0.9	0.5
Dividends from associated companies	17.1	12.5
Interest and similar items	–98.9	–67.3
	–133.0	–101.5
<i>Change in working capital</i>		
Change in intra-group transactions	131.0	45.4
Change in current receivables	–10.9	77.2
Change in current liabilities	3.5	5.1
<b>Cash flow from current operations</b>	<b>–9.4</b>	<b>26.2</b>
<b>Investment activities</b>		
Acquisition intangible and tangible fixed assets	–2.7	–0.1
Acquisition financial fixed assets	–128.7	–456.5
Sales of financial fixed assets	341.1	43.5
<b>Cash flow from investment activities</b>	<b>209.7</b>	<b>–413.1</b>
<b>Financing activities</b>		
Change in long-term liabilities	–36.2	446.5
Dividend	–23.3	–46.5
<b>Cash flow from financing activities</b>	<b>–59.5</b>	<b>400.0</b>
Change in cash and cash equivalents	140.8	13.1
Cash and cash equivalents at beginning of year	31.8	18.7
<b>Cash and cash equivalents at end of year</b>	<b>172.6</b>	<b>31.8</b>

# BALANCE SHEET PARENT COMPANY

as at 31 December (SEK million)

<b>Assets</b>		<b>2002</b>	<b>2001</b>
<b>Fixed assets</b>			
<b>Tangible assets</b>			
Buildings	Note 10	4.2	1.8
Equipment	Note 12	1.2	1.8
Total tangible assets		5.4	3.6
<b>Financial assets</b>			
Shares in subsidiary companies	Note 13	910.5	908.8
Shares in associated companies	Note 14	2,654.6	2,634.1
Other securities held as fixed assets	Note 15	21.4	494.7
Deferred tax receivables	Note 7	41.9	0.6
Total financial assets		3,628.4	4,038.2
<b>Total fixed assets</b>		<b>3,633.8</b>	<b>4,041.8</b>
<b>Current assets</b>			
<b>Current receivables</b>			
Accounts receivable		—	1.3
Receivables from Group companies		202.9	212.5
Receivable from associated companies		—	13.5
Other receivables	Note 17	40.0	15.2
Prepaid expenses and accrued income	Note 18	2.5	1.6
Total receivables		245.4	244.1
Cash and cash equivalents		172.6	31.8
<b>Total current assets</b>		<b>418.0</b>	<b>275.9</b>
<b>TOTAL ASSETS</b>		<b>4,051.8</b>	<b>4,317.7</b>

<b>Equity and Liabilities</b>		<b>2002</b>	<b>2001</b>
<b>Equity</b>			
<b>Restricted equity</b>			
Share capital		7.8	7.8
Share premium reserve		990.2	990.2
Statutory reserves		159.2	59.2
		1,057.2	1,057.2
<b>Non-restricted equity</b>			
Retained earnings		1,168.2	1,163.0
Net income/loss for the year		-336.6	30.8
		831.6	1,193.8
<b>Total equity</b>	Note 20	1,888.8	2,251.0
<b>Liabilities</b>			
<b>Long-term liabilities</b>			
Liabilities to credit institutions		425.0	1,045.0
Total long-term liabilities		425.0	1,045.0
<b>Current liabilities</b>			
Bank overdraft facilities	Note 21	549.3	500.0
Other liabilities to credit institutions		762.0	227.5
Accounts payable		0.7	0.4
Liabilities to Group companies		403.4	274.4
Liabilities to associated companies		0.0	1.0
Other liabilities	Note 22	15.1	1.2
Accrued expenses and prepaid income	Note 23	7.5	17.2
Total current liabilities		1,738.0	1,021.7
<b>Total liabilities</b>		2,163.0	2,066.7
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,051.8</b>	<b>4,317.7</b>
Pledged assets	Note 24	2,339.6	1,679.2
Contingent liabilities	Note 25	68.8	57.1

# NOTES TO THE FINANCIAL STATEMENTS

Parent company and Group  
(SEK million)

## **Note 1 Accounting and valuation principles**

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### **General**

This annual report is made up in accordance with the Annual Accounts Act, recommendations issued by the Swedish Financial Accounting Standards Council and the statements issued by the Acute Group, except that income from associated companies is calculated using the purchase value method, which involves the application of the accounting and valuation principles presented below. The Board considers that this, read in conjunction with the supplementary information about the premium over the book value of the securities portfolio, more accurately reflects the Group's position and progress, and that this annual report complies with generally accepted practice for investment companies. Consolidated financial statements with a complete income statement and balance sheet made up using the equity interest method are provided in Note 30.

In 2002, seven new recommendations issued by the Swedish Financial Accounting Standards Council came into effect. The application of the new accounting recommendation has to some extent resulted in a change in the accounting principles applied by Invik and augmented information requirements, but the effects on the figures in the income statements and balance sheets are limited.

### **Principles of consolidation**

The consolidated financial statements relate to the parent company and all companies in which the parent company controls more than 50 % of the votes or otherwise exercises control.

The consolidated financial statements are made up in accordance with the purchase method in accordance with the recommendations in the Annual Accounts Act and recommendations issued by the Swedish Financial Accounting Standards Council. This means that the value in the parent company's books for shares in subsidiary companies is netted off against the acquisition value of the subsidiaries, i.e. their equity (include the capital interest in untaxed reserves) that, after a market valuation of these companies' net assets at the time of the respective acquisition. Consequently, only the proportion of each subsidiary's equity that was generated after the acquisition is included in the consolidated equity. The difference between the acquisition value of the

subsidiary companies' shares and the market value of the assets and liabilities in the companies' accounts at the time of acquisition, which is not due to differences between market and book values of net assets, is stated as goodwill and depreciated on a straight line basis over ten years.

The quoted price method is used for translating the income statements and balance sheets of autonomous foreign businesses into Swedish kronor. The accounts of businesses that are integrated into the parent company are translated using the monetary method. The quoted price method means that all assets, provisions and liabilities are translated at closing date exchange rates and that all income statement items are translated at average rates. Currency differences arising are taken direct to equity. In principle, the monetary method involves the translation of monetary assets and liabilities at closing date exchange rates and of non-monetary items and the corresponding items in the income statement at investment date exchange rates.

### Valuation principles

Holdings of securities are stated at their acquisition value. Their value is written down in the event of a permanent decline in their value.

Receivables and liabilities are valued after provisions have been made for risk of loss, based on individual review.

Receivables and liabilities denominated in foreign currencies are translated at closing date exchange rates, the difference between the acquisition value and the closing date value being taken into the result. If currencies have been hedged, the valuation is based on the hedging rate.

Inventories are valued at the lower of acquisition value and actual value. Provisions for obsolescence are made when necessary.

Intangible and tangible fixed assets are stated at acquisition value after deduction of accumulated depreciation according to plan. Depreciation is provided on a straight-line basis over the estimated useful lifetime of the assets at rates shown in the table below. In the event of an indication that an asset has declined in value its book value is reappraised. If the book value of an asset exceeds its estimated recoverable value the asset is immediately written down to its recoverable value.

	<b>Group</b>	<b>Parent company</b>
Goodwill	10 years	–
Other intangible fixed assets	5 years	–
Machinery and equipment	3-5 years	5 years
Buildings	20-50 years	20 years

### **Recognition of revenue**

Revenue from service operations is recognized when the customer has received the service, and after the deduction of discounts and elimination of intra-group revenue. Dividends are recognized in revenue when the right to receive dividend is considered to be secure.

### **Tax**

The parent company and the Group apply the Swedish Financial Accounting Standards Council's Recommendation RR9 Income tax. The total tax charged against the year's result consists of actual tax and deferred tax. Taxes are taken into the income statement except when the underlying transaction is taken direct against equity, in which case the related tax effect is stated in equity. Actual tax is the tax that is to be paid or received in respect of the year in question together with an adjustment to the actual tax relating to earlier periods. Deferred tax is estimated using the balance sheet method on the basis of periodisation differences between the book and fiscal values of assets and liabilities. The amounts are calculated on the basis of how the periodisation differences are expected to be leveled out by the application of tax rates and rules that have been approved or announced as of the closing date. Periodisation differences attributable to shares in subsidiary companies are not taken into account in those cases where the periodisation differences are not expected to give rise to taxation within the foreseeable future. Untaxed reserves in the consolidated financial statements are divided into a deferred tax liability and restricted equity. Deferred tax receivables in deductible periodisation differences and loss allowances are stated only to the extent that it is likely that they will give rise to lower tax payments in the future.

### **Associated companies**

Holdings in associated companies are stated in the balance sheet using the acquisition value method and in accordance with the equity interest method in Note 30. Associated companies are companies in which the Group controls a minimum of 20 % and a maximum of 50 % of the votes.

According to the equity interest method, the book value in the consolidated accounts of shares in associated companies corresponds to the Group's share of the associated company's equity and any residual value on excess value and deficit arising out of the acquisition calculations. In the consolidated income statement, "Interest in earnings of associated companies" consists of the Group's interest in the associated company's stated result after financial net and after adjustment for any depreciation or reversal of acquired excess value or deficit. The Group's interest in the stated taxes of associated companies is included in the Group's tax expense and minority interests in the earnings of associated companies are stated in the consolidated accounts under minority interests. Goodwill in respect of listed associated companies is depreciated over 20 years given the long-term character of these companies' investments.

Goodwill arising on other associated companies is depreciated over five years. The dilution effect of issues and conversions that cause a change in the Group's equity interest is also stated in the consolidated income statement under "Interest in earnings of associated companies".

### Exchange rates

At translation of foreign subsidiaries' and associated companies' income statements and balance sheets into Swedish kronor, the following currency rates have been used:

Currency	Closing day rate		Average rate	
	2002	2001	2002	2001
EUR	9.1925	9.4190	9.1698	9.2519
USD	8.8250	10.6675	9.8287	10.3308

### Note 2 Net turnover and income/loss after financial items by business area and geographical market

	Net turnover		Income/loss after financial items	
	2002	2001	2002	2001
Portfolio management	9.8	11.6	-330.3	8.3
Banking	295.5	336.1	23.4	15.4
Insurance	491.4	345.7	-2.8	-7.5
Asset management	68.1	80.3	-100.1	-5.2
Securities trading	149.2	62.7	-67.7	4.0
Other	2.7	25.3	-10.0	-7.2
Group adjustments	-33.4	-5.3	-	-
	983.3	856.4	-487.5	7.8

The parent company's write-down in the value of shares in subsidiaries is netted off at Group level and has no effect on Portfolio Management's result.

### Geographical breakdown

Luxembourg	300.8	299.2	7.4	-8.1
Sweden	682.5	557.2	-494.9	15.9
	983.3	856.4	-487.5	7.8



**Note 3 Depreciation of intangible and tangible fixed assets**

	<b>Group</b>		<b>Parent company</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
Goodwill	<b>16.8</b>	20.9	–	–
Other intangible fixed assets	<b>4.1</b>	5.4	–	–
Buildings and land	<b>0.5</b>	0.3	<b>0.3</b>	0.1
Machinery	<b>0.7</b>	1.4	–	–
Equipment	<b>14.7</b>	12.7	<b>0.3</b>	0.4
	<b>36.8</b>	40.7	<b>0.6</b>	0.5
<b>Distribution of depreciation</b>				
Cost of services and goods supplied	<b>2.9</b>	3.7	<b>0.3</b>	0.1
Selling expenses	<b>12.9</b>	11.6	–	–
Administrative expenses	<b>18.4</b>	22.8	<b>0.3</b>	0.4
Other interest expenses	<b>2.6</b>	2.6	–	–
	<b>36.8</b>	40.7	<b>0.6</b>	0.5

**Note 4 Income/loss from stocks and other securities**

	<b>Group</b>		<b>Parent company</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
Capital gains	<b>59.9</b>	27.5	<b>59.9</b>	27.5
Capital losses	<b>–151.8</b>	–	<b>–151.8</b>	–
Write-downs	<b>–92.7</b>	–	<b>–152.1</b>	–
	<b>–184.6</b>	27.5	<b>–244.0</b>	27.5

**Note 5 Interest income and similar items**

	<b>Group</b>		<b>Parent company</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
Interest income	<b>15.8</b>	15.9	<b>12.7</b>	16.6
Exchange rate differences	<b>2.2</b>	4.8	<b>6.0</b>	0.9
Capital gains	<b>3.2</b>	12.9	–	–
Other financial income	<b>1.5</b>	0.9	–	1.1
	<b>22.7</b>	34.5	<b>18.7</b>	18.6
Of which income from Group companies			<b>17.4</b>	12.0

**Note 6 Interest expenses and similar items**

	<b>Group</b>		<b>Parent company</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
Interest expenses	<b>93.0</b>	78.6	<b>99.6</b>	82.2
Exchange rate differences	<b>12.4</b>	7.3	<b>5.3</b>	0.3
Write-downs	<b>19.5</b>	1.8	<b>9.7</b>	–
Other financial expenses	<b>6.1</b>	6.3	<b>3.0</b>	3.4
	<b>131.0</b>	94.0	<b>117.6</b>	85.9
Of which expense to Group companies			<b>12.7</b>	3.9

**Note 7 Tax on income/loss for the year and deferred tax liabilities**

	<b>Group</b>		<b>Parent company</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
<b>Distribution of tax</b>				
Current tax	<b>–12.0</b>	–12.7	–	–
Deferred tax	<b>42.6</b>	41.9	<b>41.2</b>	28.2
	<b>30.6</b>	29.2	<b>41.2</b>	28.2
Stated income/loss before tax	<b>–487.5</b>	7.8	<b>–377.9</b>	2.6
Income tax at statutory rate, 28 %	<b>136.5</b>	–2.2	<b>105.8</b>	–0.7
Tax expenses for previous years	<b>–3.4</b>	–	–	–
Unstated deferred tax receivables				
Income from stocks and other securities	<b>–51.7</b>	–	<b>–68.3</b>	–
Operating deficit	<b>–5.0</b>	–	–	–
Tax effects of non-deductible expenses				
Depreciation of goodwill	<b>–4.1</b>	–	–	–
Write-down goodwill	<b>–27.2</b>	–	–	–
Other expenses	<b>–13.1</b>	–5.7	<b>–1.0</b>	0.9
Tax effect of non-taxable income				
Dividend income, etc	<b>4.8</b>	29.8	<b>4.8</b>	29.8
Effect of foreign tax rates	<b>–6.2</b>	13.2	–	–
Tax on income/loss for the year as stated in the income statement	<b>30.6</b>	29.2	<b>41.3</b>	28.2

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**Provisions for deferred tax**

Shares in associated companies	<b>54.3</b>	55.6	<b>36.1</b>	37.5
Untaxed reserves	<b>115.8</b>	110.1	–	–
Total deferred tax liabilities	<b>170.1</b>	165.7	<b>36.1</b>	37.5
Holdings of securities	<b>1.6</b>	–	–	–
Accounts receivable	<b>5.4</b>	–	–	–
Tax loss carry forwards	<b>79.6</b>	38.1	<b>78.0</b>	38.1
Total deferred tax receivables	<b>86.6</b>	38.1	<b>78.0</b>	38.1
Total net deferred tax liabilities	<b>83.5</b>	127.6	<b>–41.9</b>	–0.6

**Note 8 Goodwill**

	<b>Group</b>	
	<b>2002</b>	<b>2001</b>
<b>Accumulated acquisition value</b>		
Opening acquisition value	<b>211.7</b>	165.9
Investments	<b>36.6</b>	46.8
Sales and retirements	<b>–5.6</b>	–1.0
	<b>242.7</b>	211.7
<b>Accumulated depreciation</b>		
Opening depreciation	<b>81.8</b>	60.9
Sales and retirements	<b>–5.6</b>	–
Depreciation for the year	<b>16.9</b>	20.9
Write-downs for the year	<b>96.6</b>	–
	<b>189.7</b>	81.8

Closing residual value according to plan   **53.0**      129.9

Write-downs are stated as an administrative expenses in the income statement. Of the year's write-downs, SEK 95.4 million relate to the asset management business and SEK 1.2 million to the insurance business.

**Note 9 Other intangible fixed assets**

	<b>Group</b>		<b>Parent company</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
<b>Accumulated acquisition value</b>				
Opening acquisition value	29.7	29.5	5.0	5.0
Investments	1.8	–	–	–
Sales and retirements	–6.9	–	–5.0	–
Translations differences	–	0.2	–	–
	24.6	29.7	0.0	5.0
<b>Accumulated depreciation</b>				
Opening depreciation	22.8	17.4	5.0	5.0
Sales and retirements	–6.9	–	–5.0	–
Depreciation for the year	4.1	5.4	–	–
	20.0	22.8	0.0	5.0
Closing residual value according to plan	4.6	6.9	0.0	0.0

Other intangible fixed assets consist of computer software, licenses and capitalized development expenses.

**Note 10 Buildings**

	<b>Group</b>		<b>Parent company</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
<b>Accumulated acquisition value</b>				
Opening acquisition value	4.9	4.9	2.7	2.7
Investments	2.6	–	2.6	–
Sales and retirements	–1.8	–	–	–
	5.7	4.9	5.3	2.7
<b>Accumulated depreciation</b>				
Opening depreciation	1.7	1.4	0.9	0.8
Sales and retirements	–1.0	–	–	–
Depreciation for the year	0.4	0.3	0.2	0.1
	1.1	1.7	1.1	0.9
Closing residual value according to plan	4.6	3.2	4.2	1.8

The tax assessment value of buildings in Sweden amounts to SEK 0.4 (0.4) million.

**Note 11 Machinery**

	<b>Group</b>	
	<b>2002</b>	<b>2001</b>
<b>Accumulated acquisition value</b>		
Opening acquisition value	<b>8.4</b>	8.2
Investments	–	0.2
Sales and retirements	<b>–8.4</b>	–
	<b>0.0</b>	8.4
<b>Accumulated depreciation</b>		
Opening depreciation	<b>7.0</b>	5.6
Sales and retirements	<b>–7.7</b>	–
Depreciation for the year	<b>0.7</b>	1.4
	<b>0.0</b>	7.0
Closing residual value according to plan	<b>0.0</b>	1.4

**Note 12 Equipment**

	<b>Group</b>		<b>Parent company</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
<b>Accumulated acquisition value</b>				
Opening acquisition value	<b>128.3</b>	91.7	<b>27.5</b>	27.4
Investments	<b>7.3</b>	9.4	–	0.1
Via acquisition of subsidiaries	–	29.1	–	–
Sales and retirements	<b>–20.2</b>	–2.3	<b>–0.5</b>	–
Translation differences	–	0.4	–	–
	<b>115.4</b>	128.3	<b>27.0</b>	27.5
<b>Accumulated depreciation</b>				
Opening depreciation	<b>98.9</b>	69.3	<b>25.7</b>	25.3
Via acquisition of subsidiaries	–	19.0	–	–
Sales and retirements	<b>–18.7</b>	–2.1	<b>–0.2</b>	–
Depreciation for the year	<b>14.7</b>	12.7	<b>0.3</b>	0.4
	<b>94.9</b>	98.9	<b>25.8</b>	25.7
Closing residual value according to plan	<b>20.5</b>	29.4	<b>1.2</b>	1.8

**Note 13 Shares in subsidiary companies**

	Reg No	Domicile	Holding %	No of shares	Book value
<b>Swedish companies</b>					
America Cup Café AB	556569-7686	Stockholm	100.0	1,000	0.1
Assuransinvest AIA AB <sup>1)</sup>	556051-6238	Stockholm	100.0	295,384	89.8
Bryggvik AB <sup>2)</sup>	556024-5341	Fagersta	100.0	20,000	2.4
e-Village Nordic AB	556050-1644	Stockholm	100.0	5,000	0.6
Fischer Partners Holding AB <sup>3)</sup>	556563-3715	Stockholm	100.0	480,000	110.6
Invik Trading AB	556264-5274	Stockholm	100.0	1,000	0.1
Krogvik AB	556248-7966	Stockholm	100.0	10,000	0.1
MF Bilsport & MC					
Specialförsäkring AB	556563-2774	Stockholm	100.0	1,000	1.5
Modern Finance Group AB	556594-1787	Stockholm	100.0	1,000	0.2
Modern Privat Kapitalförvaltning					
MPK Holding AB <sup>4)</sup>	556544-8023	Stockholm	100.0	2,000,000	60.1
Moderna Fonder AB	5565769-7702	Stockholm	100.0	1,000	0.1
Moderna Försäkringar AB <sup>5)</sup>	557200-4330	Gothenburg	100.0	2,514,285	275.6
Moderna Försäkringar					
Liv AB <sup>6)</sup>	516401-6718	Stockholm	100.0	13,000	43.0
NC Intressenter AB	556519-8719	Stockholm	42.2	10,540	9.9
netviq AB	556266-5801	Stockholm	100.0	1,000	0.1
Total Swedish companies					594.2
<b>Foreign companies</b>					
Banque Invik S.A. <sup>7)</sup>		Luxembourg	100.0	360,000	104.3
Invik International S.A.		Luxembourg	100.0	500,000	44.9
Modern Life S.A.		Luxembourg	93.8	18,750	17.7
Modern Re S.A.		Luxembourg	100.0	50,000	149.4
Total foreign companies					316.3
<b>Total parent company</b>					<b>910.5</b>
<b>Subsidiary</b>					
<sup>1)</sup> Erasmus AB	556079-1427	Göteborg	100.0	1,000	0.1
<b><sup>2)</sup> Subsidiaries</b>					
Gamla Stans Bryggeri AB	556503-2884	Stockholm	100.0	1,000	0.1
Gefle Borg Bryggeri AB	556489-9689	Gävle	99.0	1,736,000	0.0
<b><sup>3)</sup> Subsidiary</b>					
Fischer Partners					
Fondkommission AB	556242-7277	Stockholm	100.0	480,000	54.0
<b><sup>4)</sup> Subsidiaries</b>					
Aktie-Ansvar AB	556098-2232	Stockholm	100.0	10,000	19.0
Modern Privat					
Kapitalförvaltning MPK AB	556544-8015	Stockholm	100.0	50,000	62.9
OP Financial Services AB	556550-4296	Stockholm	100.0	4,000	1.9

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<b>Subsidiary</b>					
5) Atlantica AB	556593-7439	Stockholm	100.0	1,000	0.1
<b>Subsidiary</b>					
6) Modern Life S.A.		Luxembourg	6.2	1,250	5.81
<b>7) Subsidiaries</b>					
Inlux Netherlands B.V.		The Netherlands	100.0		0.2
Inlux Norge AS		Norway	100.0		0.1
Modern Funds Management Cy S.A.		Luxembourg	100.0		1.1
Modern Treuhand S.A.		Luxembourg	99.9		0.3

## **Holdings of shares in subsidiaries**

Opening balance, 1 January 2002	908.8
Shareholders' contribution	5.3
Acquired shares	38.2
Transferred from Other securities held as fixed assets	17.7
Write-downs	-59.5
Closing balance, 31 December 2002	910.5

## **Note 14 Shares in associated companies**

	Reg No	Domicile	Percentage of capital votes		No of shares	Market value	Book value
Parent company							
Industriförvaltnings AB							
Kinnevik	556001-9035	Fagersta	13.6	32.7	8,568,323	721	829.7
Metro International S.A.		Luxembourg	6.6	12.9	7,222,082	39	180.5
Modern Times Group							
MTG AB	556309-9158	Stockholm	9.3	30.0	6,181,249	448	258.2
Tele2 AB	556410-8917	Stockholm	7.9	28.2	11,649,469	2,643	1,291.7
Transcom WorldWide S.A.		Luxembourg	13.1	21.8	8,503,323	88	94.5
Total parent company						3,939	2,654.6
Tele2 AB	556410-8917	Stockholm	0.7	1.5	1,067,897	244	267.2
Modernac S.A.		Luxembourg	49.0	49.0	6,370	–	6.0
Total Group						4,183	2,927.8
Other securities held as fixed assets							
Opening balance, 1 January 2002							2,901.1
Acquired shares							98.7
Shares sold							–72.0
Closing balance, 31 December 2002							2,927.8

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The Group's total interest in the capital and votes of Tele2 AB amounted to 8.6 % and 29.7 % respectively. The market values of the listed shareholdings are based on the prices paid 30 December 2002. The equity and net income for the year, as well as the Group's interest in the capital of each associated company, is presented in accordance with the equity interest method in Note 30 on the consolidated financial statements.

### **Note 15 Other securities held as fixed assets**

	Reg No	Domicile	Percentage of capital votes		shares	Market value	Book value
<b>Parent company</b>							
Moderna Fonder							
Sverige Topp 30		Stockholm	–	–	22,000	1.5	2.2
Modern Funds S.A.		Luxembourg	–	–	53,997	3.7	4.5
Radio Components							
Sweden AB	556573-3846	Stockholm	13.6	13.1	174,855	–	1.8
XSource Corporation Inc.		Delaware, USA	4.3	4.3	646,548	–	12.8
<b>Total parent company</b>							<b>21.4</b>
<b>Subsidiary</b>							
Invik International S.A.							
Millicom International							
Cellular S.A.		Luxembourg	1.9	1.9	940,418	5.8	43.6
NC Intressenter AB							
Shares and options,							
Tele2 B	556410-8917	Stockholm		–	–	–	66.6
Subsidiary companies' other holdings							
Shares				–	–	–	4.8
<b>Total Group</b>							<b>136.3</b>
<b>Holdings of other securities held as fixed assets</b>							
Opening balance, 1 January 2002							595.7
Participations acquired							13.0
Participations sold							–361.1
Transferred to Shares in subsidiary companies							–17.7
Write-downs							–92.6
Translation differences							–1.0
Closing balance, 31 December 2002							136.3

The market values of the listed shareholdings are based on the prices paid 30 December 2002.



**Note 16 Inventories and securities**

	<b>Group</b>	
	<b>2002</b>	<b>2001</b>
Finished goods	–	1.1
Raw materials	<b>0.8</b>	–
Securities	<b>28.5</b>	17.0
	<b>29.3</b>	18.1

**Note 17 Other current receivables**

	<b>Group</b>		<b>Parent company</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
Receivables from insurance companies	<b>119.3</b>	183.7	–	–
Fund sales in course of settlement	<b>27.1</b>	–	–	–
Other current receivables	<b>71.8</b>	64.8	<b>40.0</b>	15.2
	<b>218.2</b>	248.5	<b>40.0</b>	15.2

**Note 18 Prepaid expenses and accrued income**

	<b>Group</b>		<b>Parent company</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
Credit card expenses	<b>101.9</b>	80.9	–	–
Prepaid commissions	<b>18.2</b>	11.5	–	–
Other prepaid expenses	<b>23.9</b>	12.5	<b>1.4</b>	1.6
Accrued income	<b>40.8</b>	68.9	<b>1.1</b>	–
	<b>184.8</b>	173.8	<b>2.5</b>	1.6

**Note 19 Short-term investment assets**

	<b>Group</b>	
	<b>2002</b>	<b>2001</b>
Interbank market	<b>1,568.5</b>	2,861.7
Lending market	<b>1,771.9</b>	1,007.3
Fixed income securities	<b>228.3</b>	121.8
Shares and convertible loans	<b>54.6</b>	26.2
	<b>3,623.3</b>	4,017.0

**Note 20 Equity**

<b>Group</b>	<b>Share capital</b>	<b>Re-stricted reserves</b>	<b>Non-restricted reserves</b>	<b>Total equity</b>
Opening balance, 1 January 2001	7.8	1,108.6	1,203.0	2,319.4
Dividend			–46.5	–46.5
Transfers between restricted and non-restricted capital		3.5	–3.5	
Exchange rate differences		10.3	–2.4	7.9
Net income for the year			38.0	38.0
<b>Equity, 31 December 2001</b>	<b>7.8</b>	<b>1,122.4</b>	<b>1,188.6</b>	<b>2,318.8</b>
Opening balance, 1 January 200	7.8	1,122.4	1,188.6	2,318.8
Dividend			–23.3	–23.3
Transfer between restricted and non-restricted capital		39.8	–39.8	
Exchange rate differences		–8.5	2.3	–6.2
Net loss			–455.3	–455.3
<b>Equity, 31 December 2002</b>	<b>7.8</b>	<b>1,153.7</b>	<b>672.5</b>	<b>1,834.0</b>

Accumulated currency differences that have been taken direct against equity amounted to SEK 25.0 (31.2) million.

<b>Parent company</b>	<b>Share capital</b>	<b>Premium reserve</b>	<b>Statutory reserve</b>	<b>Non-restricted equity</b>	<b>Total equity</b>
Opening balance, 1 January 2001	7.8	990.2	59.2	1,207.9	2,265.1
Dividend				–46.5	–46.5
Group contribution				1.6	1.6
Net income for the year				30.8	30.8
<b>Equity, 31 December 2001</b>	<b>7.8</b>	<b>990.2</b>	<b>59.2</b>	<b>1,193.8</b>	<b>2,251.0</b>
Opening balance, 1 January 2002	7.8	990.2	59.2	1,193.8	2,251.0
Dividend				–23.3	–23.3
Group contribution				–2.3	–2.3
Net loss for the year				–336.6	–336.6
<b>Equity, 31 December 2002</b>	<b>7.8</b>	<b>990.2</b>	<b>59.2</b>	<b>831.6</b>	<b>1,888.8</b>

As of 31 December 2002, the share capital consisted of 7,760,000 shares, each having a per value of SEK 1, of which 3,753,333 were series A shares and 4,006,667 were series B shares. Each series A share carries ten votes and each series B share one vote.

**Note 21 Bank overdraft facilities**

	<b>Group</b>		<b>Parent company</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
Credit limits granted	<b>573.0</b>	575.5	<b>558.0</b>	558.0
Undrawn facility	<b>-23.7</b>	-75.5	<b>-8.7</b>	-58.00
Drawn credit	<b>549.3</b>	500.0	<b>549.3</b>	500.0

**Note 22 Other current liabilities**

	<b>Group</b>		<b>Parent company</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
Liabilities to insurance companies	<b>106.8</b>	102.9	-	-
Advances from policy-holders	<b>44.6</b>	28.6	-	-
Fund liabilities in course of settlement	<b>15.6</b>	0.7	-	-
Other current liabilities	<b>107.7</b>	103.4	<b>15.1</b>	1.2
	<b>274.7</b>	235.6	<b>15.1</b>	1.2

**Note 23 Accrued expenses and prepaid income**

	<b>Group</b>		<b>Parent company</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
Accrued interest expenses	<b>10.0</b>	76.6	<b>6.5</b>	16.0
Other accrued expenses	<b>41.8</b>	34.4	<b>1.0</b>	1.2
Prepaid commission	<b>12.9</b>	12.0	-	-
Prepaid income	<b>0.2</b>	-	-	-
	<b>64.9</b>	123.0	<b>7.5</b>	17.2

**Note 24 Pledged assets**

	<b>Group</b>		<b>Parent company</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
<b>For own liabilities</b>				
In respect of Liabilities to credit institutions				
Shares in associated companies	<b>649.1</b>	987.7	<b>600.1</b>	201.1
In respect of Current liabilities to credit institutions				
Shares in associated companies	<b>1,739.5</b>	1,510.8	<b>1,739.5</b>	1,478.2
Customers' repledged securities	<b>211.8</b>	337.5	-	-

**INVIK & CO.**

**For own contingent liabilities**

In respect of Securities clearing				
Lending to credit institutions	<b>138.0</b>	155.2	–	–
Customers' repledged securities	<b>23.3</b>	–	–	–

**For other commitments**

In respect of Borrowed securities				
Lending to credit institutions	<b>91.6</b>	94.6	–	–
Customers' repledged securities	<b>624.1</b>	407.3	–	–

	<b>3,477.4</b>	3,493.1	<b>2,339.6</b>	1,679.2
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**Note 25 Contingent liabilities**

	<b>Group</b>		<b>Parent company</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
Guarantees for Group companies	<b>68.8</b>	33.0	<b>68.8</b>	33.0
Securities clearing agreements	<b>36.0</b>	70.2	–	–
Other contingent liabilities	<b>42.0</b>	24.1	–	24.1
	<b>146.8</b>	127.3	<b>68.8</b>	57.1

**Note 26 Off balance sheet commitments**

	<b>Group</b>	
	<b>2002</b>	<b>2001</b>
Unutilized part of credit card limit	<b>1,400.6</b>	1,683.2
Borrowed securities	<b>354.1</b>	400.9
	<b>1,754.7</b>	2,084.1

**Note 27 Average number of employees, wages, salaries and other remuneration and payroll charges**

	<b>2002</b>		<b>2001</b>	
	<b>No of</b>	<b>whereof</b>	<b>No of</b>	<b>whereof</b>
	<b>employees</b>	<b>male</b>	<b>employees</b>	<b>male</b>
<b>Parent company</b>				
Sweden	<b>4</b>	<b>50 %</b>	5	80 %
<b>Subsidiaries</b>				
Sweden	<b>192</b>	<b>66 %</b>	222	64 %
Luxembourg	<b>26</b>	<b>46 %</b>	25	48 %
<b>Total Group</b>	<b>222</b>	<b>64 %</b>	252	94 %

**Salaries and other remuneration and social insurance costs**

	<b>2002</b>	<b>Social</b>	<b>2001</b>	<b>Social</b>
	<b>Salaries</b>	<b>insurance</b>	<b>Salaries</b>	<b>insurance</b>
	<b>and other</b>	<b>costs</b>	<b>and other</b>	<b>costs</b>
	<b>remuneration</b>	<b>costs</b>	<b>remuneration</b>	<b>costs</b>
<b>Parent company</b>	<b>16.9</b>	<b>8.6</b>	15.7	8.3
of which pension expenses		<b>(3.0)</b>		(3.1)
<b>Subsidiaries</b>	<b>121.9</b>	<b>49.9</b>	99.6	37.2
of which pension expenses		<b>(15.0)</b>		(9.8)
<b>Total Group</b>	<b>138.8</b>	<b>58.5</b>	115.3	45.5
of which pension expenses		<b>(18.0)</b>		(12.9)

Of the parent company's pension expenses, SEK 1.8 (1.8) million relate to the Group's Board and President. The corresponding amount at Group level is SEK 4.5 (4.3) million.

**Salaries and other remuneration by country, Board members, President, Vice President and other employees**

	<b>2002</b>	<b>Other</b>	<b>2001</b>	<b>Other</b>
	<b>Board,</b>	<b>employees</b>	<b>Board,</b>	<b>employees</b>
	<b>President</b>		<b>President</b>	
	<b>and VP</b>		<b>and VP</b>	
<b>Parent company</b>				
Sweden	<b>10.8</b>	<b>6.1</b>	10.9	4.8
<b>Subsidiary companies</b>				
Sweden	<b>8.9</b>	<b>84.3</b>	13.1	70.2
Luxembourg	<b>9.0</b>	<b>19.7</b>	4.1	12.2
<b>Group total</b>	<b>28.7</b>	<b>110.1</b>	28.1	87.2

The Chairman and other members of the Board receive no fees or benefits over and above those decided upon by the AGM, which amount to SEK 1,430,000, of which the Chairman received SEK 250,000.

Invik's present President took up his appointment on 1 January 2003 and drew no salary from Invik & Co. AB in 2002. The former President received a salary and other benefits in 2002 of SEK 5,006,339. The age of retirement for the President is 65 and pension is provided within the framework of the general pension plan. Over and above this there are no pension commitments. The President is entitled to 12 months' notice of termination of his contract.

**Note 28 Remuneration of auditors**

	<b>Group</b>		<b>Parent company</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
For auditing				
Öhrlings PricewaterhouseCoopers	<b>2.7</b>	2.3	<b>0.3</b>	0.3
Other	<b>0.2</b>	0.2	–	0.1
Contracts other than auditing				
Öhrlings PricewaterhouseCoopers	<b>1.2</b>	1.0	<b>0.4</b>	0.2
	<b>4.1</b>	3.5	<b>0.7</b>	0.6

**Note 29 Related party transactions**

<b>Related party</b>	<b>Relationship</b>
Emesco AB (Emesco)	Parties that are related to Invik own shares in Emesco that give a significant influence over Emesco.
Industriförvaltnings AB Kinnevik (Kinnevik)	An associate company of Invik, see Note 14.
Inlux S.A. (Inlux)	Parties that are related to Invik own shares in Inlux that give a significant influence over Inlux.
Metro International S.A. (Metro)	An associate company of Invik, see Note 14.
Millicom International Cellular S.A. (MIC)	Parties that are related to Invik own shares in MIC that give a significant influence over MIC.
Modern Times Group MTG AB (MTG)	An associate company of Invik, see Note 14.
The Jan Hugo Stenbecks estate (JHS)	JHS owns shares in Invik that give significant influence over Invik.
Tele2 AB (Tele2)	An associate company of Invik, see Note 14.
Transcom WorldWide S.A. (Transcom)	An associate company of Invik, see Note 14.
XSource Corporation Inc. (XSource)	Parties that are related to Invik own shares in XSource that give a significant influence over XSource.

All transactions with related parties have taken place on an arms-length basis. In the case of acquisitions and divestments, negotiations on the final price were based on outside valuations. In connection with all contracts relating to goods and services, prices are compared with relevant prices on the market from independent suppliers in order to ensure that all contracts are entered into on arms-length conditions.

**Business agreements with related parties**

- Invik rents office premises and buys travel services from Kinnevik and buys debt collection and related services from CIS Credit International Services AB, a subsidiary of Kinnevik.
- Until December 2002, Invik was a partner in the Collect loyalty program provided by Kinnevik's subsidiary, Worldwide Loyalty BV.
- Invik buys telephony from Tele2 in Sweden and Luxembourg.
- Invik buys customer-relationship services from Transcom.
- Invik sells banking, insurance, financing and other administrative services to Inlux, Kinnevik, Metro, Millicom, MTG, Tele2, and Transcom.
- Together with related companies, Invik has participated in the sponsoring of "Victory Challenge", the America's Cup challenger.

**Acquisitions from and divestments to related parties in 2002**

- On 6 February 2002, Invik purchased 65,000 series A shares in Kinnevik from Jan Hugo Stenbeck for SEK 10.0 million, which corresponded to the listed price of SEK 154 per share at that time.
- On 27 March 2002, Invik purchased 26,997 series A shares in Tele2 from Emesco for SEK 7.6 million, which corresponded to the listed price of SEK 280 per share at that time.
- On 27 March 2002, Invik sold 25,600 series B shares in Tele2 to Emesco for SEK 7.6 million, which corresponded to the listed price of SEK 295 per share at that time.
- On 31 May 2002, Invik purchased 200,000 series B shares in MTG for SEK 34.4 million, which corresponded to the listed price of SEK 172 per share at that time.
- On 31 May 2002, Invik sold 200,000 series A shares in MTG to Kinnevik for SEK 32.8 million, which corresponded to the listed price of SEK 164 per share at that time.
- On 1 October 2002, Invik sold 100,000 series B shares in Tele2 to Kinnevik for SEK 13.7 million, which corresponded to the listed price of SEK 137 at that time.

### Financial loan transactions with related parties

- Xsource Corporation has issued a debenture loan to Invik for SEK 6.0 million including accrued interest. The loan, which pays interest of 10 % a year, is stated under Other receivables in Invik's balance sheet.

The table below shows Invik's turnover, purchases, receivables from and liabilities to related parties for the 2002 fiscal year. Deposits and lending in Banque Invik's banking business are not stated separately for related parties

	Group	Parent company
Net turnover	2002	2002
Industriförvaltnings AB Kinnevik	49.4	–
Inlux S.A.	4.4	–
Metro International S.A.	6.0	–
Millicom International Cellular S.A.	12.9	–
Modern Times Group MTG AB	3.4	–
Tele2 AB	146.5	–
Transcom WorldWide S.A.	1.3	–
	223.9	–
	Group	Parent company
Costs	2002	2002
Industriförvaltnings AB Kinnevik	–7.3	–1.3
Metro International S.A.	–0.5	–
Millicom International Cellular S.A.	–8.6	–
Modern Times Group MTG AB	–0.1	–
Tele2 AB	–116.0	–
Transcom WorldWide S.A.	–3.4	–
	–135.9	–1.3
	Group	Parent company
Receivables	2002	2002
Industriförvaltnings AB Kinnevik	0.2	–
Metro International S.A.	0.1	–
Transcom WorldWide S.A.	0.1	–
	0.4	–



**INVIK & CO.**

	<b>Group</b>	<b>Parent company</b>
<b>Liabilities</b>	<b>2002</b>	<b>2002</b>
Modern Times Group MTG AB	<b>3.8</b>	–
Tele2 AB	<b>0.1</b>	–
	<b>3.9</b>	–

**Note 30 Consolidated financial statements using the equity interest method**

The consolidated financial statements using the equity interest method include, apart from the parent company and all companies over which the parent company has control, the following associated companies.

	<b>Equity</b>	<b>Net result for the year</b>	<b>% of capital</b>	<b>% of votes</b>	<b>No of shares</b>	<b>Equity interest value</b>	<b>Market value</b>	<b>Book value</b>
Industriförvaltnings AB								
Kinnevik	8,221	–4,110	13.6	32.7	8,568,323	880	721	829.7
Metro International S.A.	–4,393	–845	6.6	12.9	7,222,082	0	39	180.5
Modern Times Group								
MTG AB	1,885	–67	9.3	30.0	6,181,249	296	448	258.2
Tele2 AB	28,728	223	8.6	29.7	12,717,366	2,799	2,887	1,558.9
Transcom								
WorldWide S.A.	716	22	13.1	21.8	8,503,323	69	88	94.5
Modernac S.A.	12	0	49.0	49.0	6,370	6	–	6.0
<b>Total</b>						<b>4,050</b>	<b>4,183</b>	<b>2,927.8</b>

The market values of the listed shareholdings are based on the prices paid 30 December 2002. The company registration numbers of these associated companies are provided in Note 14.

## INCOME STATEMENT 1 January-31 December

	2002	2001
Net turnover	983.3	856.4
Cost of services provided and goods sold	-571.5	-569.7
<b>Gross income</b>	<b>411.8</b>	286.7
Selling and administrative expenses	-626.9	-375.2
Other operating revenue and expenses	3.4	22.3
Capital gains/losses on sales of securities	-227.0	9.4
Interest in earnings of associated companies before tax	-522.5	-153.7
<b>Operating loss</b>	<b>-961.2</b>	-210.5
Net interest and other financial items	-108.3	-59.5
<b>Loss after financial items</b>	<b>-1,069.5</b>	-270.0
Tax paid	-75.4	-28.7
Deferred tax	23.2	226.8
Minority share in income for the year	-0.2	1.1
<b>NET LOSS FOR THE YEAR</b>	<b>-1,121.9</b>	-70.8

## BALANCE SHEET AS AT 31 December

<b>Assets</b>	2002	2001
Financial fixed assets	4,186.1	5,515.3
Other fixed assets	82.7	170.8
Short-term investments	3,581.5	4,017.0
Cash and cash equivalents	395.2	297.8
Other current assets	495.4	585.9
<b>TOTAL ASSETS</b>	<b>8,740.9</b>	10,586.8
<b>Equity, provisions and liabilities</b>		
Equity	2,955.9	4,337.3
Minority interest	0.6	2.2
Provisions	83.7	127.8
Long-term interest-bearing liabilities	460.0	1,580.0
Current interest-bearing liabilities	4,535.7	3,894.2
Current interest-free liabilities	705.0	645.3
<b>TOTAL EQUITY, PROVISIONS AND LIABILITIES</b>	<b>8,740.9</b>	10,586.8

**EQUITY ACCORDING TO THE EQUITY INTEREST METHOD**

	<b>Share capital</b>	<b>Re- stricted reserves</b>	<b>Non- restricted reserves</b>	<b>Net result for the year</b>	<b>Equity</b>
Equity, 31 December 2001					
purchase value method	7.8	1,122.4	1,150.6	38.0	2,318.8
Equity interest reserve		2,552.8			2,552.8
Non-restricted reserves			-425.5		-425.5
Net result for the year				-108.8	-108.8
Equity, 31 December 2001					
equity interest method	7.8	3,675.2	725.1	-70.8	4,337.3
Equity 31 December 2002					
purchase value method	7.8	1,153.7	1,127.8	-455.3	1,834.0
Equity interest method		1,327.7			1,327.7
Non-restricted reserves			460.8		460.8
Net result for the year				-666.6	-666.6
<b>Equity 31 December 2002</b>					
<b>equity interest method</b>	<b>7.8</b>	<b>2,481.4</b>	<b>1,588.6</b>	<b>-1,121.9</b>	<b>2,955.9</b>

Stockholm 2003-03-17

Johan Björkman  
*Chairman*

Rickard von Horn

Lars-Johan Jarnheimer

Johan Klingspor

Wilhelm Klingspor

Cristina Stenbeck

Pelle Törnberg

Anders Fällman  
*President*

# AUDITOR'S REPORT

**To the Annual General Meeting of the shareholders of  
INVIK & CO. AB (publ), Reg No 556047-9742**

We have examined the annual report, the consolidated financial statements, the accounting records and the administration by the Board and President of Invik & Co. AB for 2002. The Board and the President have responsibility for the accounting records and the administration. Our responsibility is to express our opinion on the annual report, the consolidated financial statements and the administration on the basis of our audit.

Our audit has been performed in accordance with generally accepted auditing standards in Sweden. These standards require that we plan and carry out the audit to obtain reasonable assurance that the annual report and the consolidated financial statement are free of material error. An audit involves examining, on a test basis, evidence supporting the amounts and other disclosures in the accounts. An audit also includes assessing the accounting principles used and their application by the Board and the President as well as evaluating the totality of the information in the annual report and the consolidated financial statements. As a basis for our opinion of the discharge from liability, we have examined significant decisions, measures taken and circumstances of the company in order to determine whether any member of the Board or the President have in any other way contravened the Swedish Companies Act, the Annual Accounts Act or the company's articles. We consider that our audit provides reasonable grounds for our opinion set out below.

The annual report and the consolidated financial statements have been made up in accordance with the Annual Accounts Act and thus provide a true and fair picture of the company's and the group's result and financial position in accordance with generally accepted accounting standards in Sweden.

We recommend that the Annual General Meeting adopt the parent company and consolidated income statements and balance sheets, deal with the parent company's unappropriated earnings in accordance with the proposal in the report of the directors, and discharge the Board and the President from liability for the fiscal year.

Stockholm 2003-03-17

Pål Wingren

*Authorized public accountant*

Ulf Pettersson

*Authorized public accountant*

## BOARD OF DIRECTORS

### Honorary member

Bo von Horn

Landowner. Born 1923

### Directors

Johan Björkman

Chairman. M.A. (Econ). Born 1944. Member since 1998. Other board appointments: Chairman of 3rd AP Fund, Ljungberg Gruppen AB, Nordstjernan AB, and Skanditek Industriförvaltning AB. Member: BZ Gruppe Holding AG, AB Persson Invest and other companies.

Rickard von Horn

Graduate engineer. Born 1954. Member since 1994. Other board appointments: Viking Telecom AB.

Lars-Johan Jarnheimer

Born 1960. Member since 2001. President and CEO Tele2 AB. Other board appointments: Modern Times Group MTG AB, Millicom International Cellular S.A. and Arvid Nordquist HAB.

Johan Klingspor

Ll. B. Master forest ranger. Born 1953. Member since 1997.

Wilhelm Klingspor

Master forest ranger. Born 1962. Member since 1991. Other board appointments: Industrieförvaltnings AB Kinnevik.

Pelle Törnberg

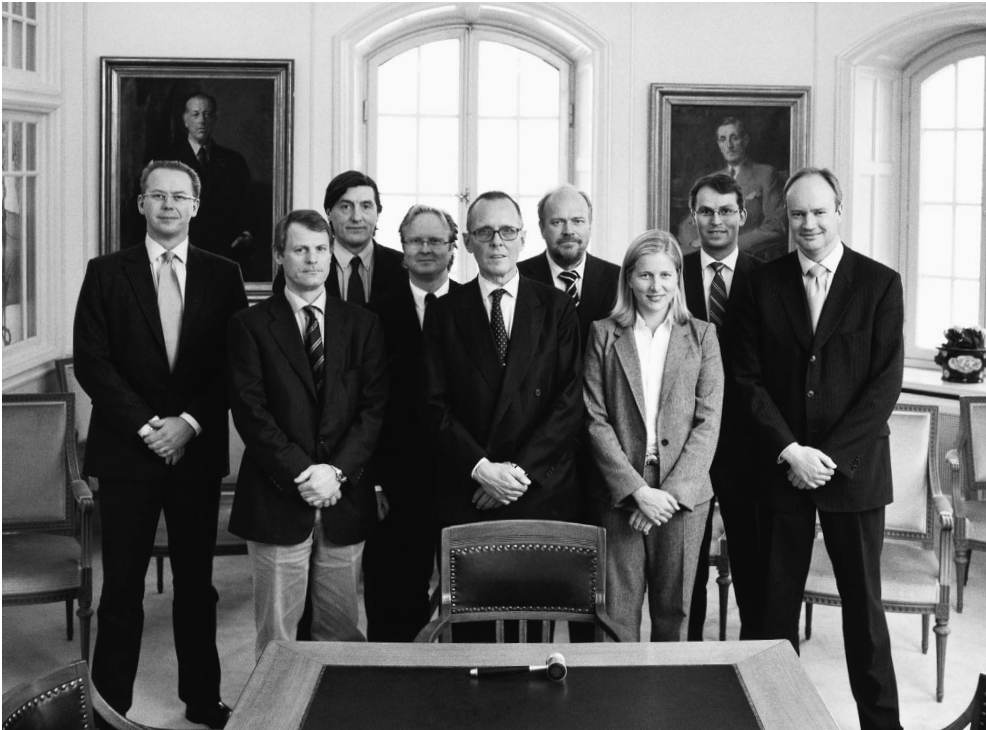
Born 1956. Member since 2001. President and CEO Metro International. S. A. Other board appointments: Chairman Modern Times Group MTG AB. Member: Tele2 AB, P4 Radio Hele Norge ASA and Millicom International Cellular S.A.

### Deputy Director

Cristina Stenbeck

Born 1977. Deputy member since 1997. Other board appointments: Chairman Emesco AB and Société Européenne de Communication S.A. and deputy chairman Metro International S.A.

BOARD OF DIRECTORS, MANAGING DIRECTOR AND DEPUTY MANAGING DIRECTOR



*From left: Håkan Axelsson, Richard von Horn, Johan Klingspor, Lars-Johan Jarnheimer, Johan Björkman, Pelle Törnberg, Cristina Stenbeck, Wilhelm Klingspor and Anders Fällman.*

## MANAGEMENT

Anders Fällman

President since January 2003.

Håkan Axelsson

Vice president since April 2001.

## AUDITORS

### Auditors

Pål Wingren

Authorized public accountant. Born 1949.  
Auditor since 1985.

Ulf Pettersson

Authorized public accountant. Born 1959.  
Auditor since 2001.

### Deputy Auditors

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Authorized public accountant. Born 1954.  
Deputy auditor since 1998.

Magnus Svensson

Authorized public accountant. Born 1969.  
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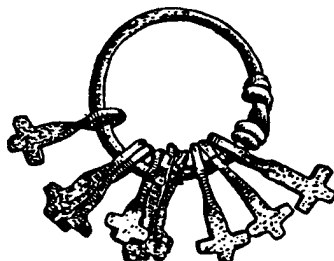
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*Thor's hammers made of iron from Innvik in Nordfjord, Norway. The Viking age.\**

### **Connections...**

*Thor, the god of thunder, protected mankind from violence and the 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, but it is also the name of a particular arctic town in the Northwest Territories.*

*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. The Sanskrit word vis derives from the same root meaning home or dwelling. The word is also related to the Latin vicus, meaning a neighbourhood or town quarter, and from this Latin origin derives English words such as the word vicinity. In Old Norse vik refers to dwellings along a creek, bay or inlet, and the people who lived in these became known as Vikingar or Vikings. The word was also used in Old English or Anglo-Saxon as wic or wik originally meaning camp, but later becoming the word for town. It appears in Dutch in a similar way as wijk meaning neighbourhood in a town.*

*The widespread use of vik (also spelled wick, wijk and wich) can be seen in many town names that have one of these forms of vik as a suffix: Anvik, Noorvik (Alaska); Inuvik, Aklavik (Canada); Gactwick, Norwich (England); Rikswijk, Waalwijk (Netherlands); Vikevik, Narvik (Norway); Prestwick (Scotland); Studsvik, Valvik (Sweden).*

\*Bergen University Museum

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