

16 February 2004

APPENDIX TO RELEASE REGARDING THE RECOMMENDED STATUTORY MERGER BETWEEN INVIK AND KINNEVIK

The Boards of Directors of Invik & Co. AB ("Invik") and Industriförvaltnings AB Kinnevik ("Kinnevik") today announced a scheme for the merger of the two companies. Invik will absorb Kinnevik in a statutory merger in accordance with the Swedish Companies Act, by means of each Kinnevik share being exchanged for new Invik shares. Each Kinnevik class A share will be exchanged for 0.35 new Invik class A shares and each Kinnevik class B share will be exchanged for 0.35 new Invik class B shares. The intention is that merged company will be named Investment AB Kinnevik.

THE MERGED COMPANY

The merger will create one of Sweden's largest holding companies. The company will own significant shareholdings in a number of publicly listed companies including Metro International S.A., Millicom International Cellular S.A., Modern Times Group MTG AB, Tele2 AB and Transcom WorldWide S.A.

Listed holdings	No. of shares	Votes	Capital
Tele2	41,827,175	54.9% ¹	28.4%
Metro	209,309,317	35.7%	39.8%
MTG	9,935,011	47.2%	15.0%
Transcom	14,915,022	31.5%	21.2%
Millicom (incl. convertibles)	7,385,634	32.4%	32.4%
Cherryföretagen	8,780,749	26.4%	28.7%
Viking Telecom	4,657,000	23.6%	23.6%
AcandoFrontec	5,935,580	7.5%	10.7%
P4	4,026,820	12.5%	12.5%

The merged company will also include the paper production and packaging company, Korsnäs AB, and the financial services and insurance group, Modern Finance Group. On a pro forma consolidated basis, the merged company would have reported SEK 6,839 million of turnover for the full year 2003, earnings before interest and taxes (EBIT) of SEK 642 million. The merged company would also have reported SEK 2,746 million of earnings from associated companies during the same period.

¹ The votes in Tele2 are stated before any reclassification of shares in Tele2. The intention of Kinnevik and Invik, if such a re-classification is made possible by the Tele2 AGM, is to re-classify some of their A-shares in Tele2 in order to have a combined post-merger share of voting rights in Tele2 that does not exceed 50%. See further "Certain issues regarding associated companies".

BACKGROUND AND REASONS FOR THE MERGER

The Boards of Directors of Invik and Kinnevik have investigated the consequences of a merger, and found that a simplified shareholder structure and a dissolved cross-holding between the two companies would be beneficial for the shareholders of both companies. The Boards believe that the implementation of the proposed merger plan would have the following positive effects for the shareholders of Invik and Kinnevik:

- A merger will improve the transparency and clarify the shareholder structure. The merged company will be easier to analyse and value than the present two companies with cross-holdings of shares and significant shareholdings in the same listed companies. This will likely increase the interest in the merged company's shares.
- The liquidity of trading in the shares of the merged company is expected to increase, since the merger creates a company with a larger market capitalisation and a more diversified shareholder structure. Invik's Board of Directors will also propose to the Extraordinary General Meeting ("EGM") of shareholders, that a ten for one share split be implemented during the first half of 2004 before the merger is executed. The proposal is intended to create further liquidity in the trading of the shares of the merged company.
- Kinnevik today holds 5.0% of the shares in Invik, while Invik holds 13.6 % of the shares in Kinnevik.² The merger will eliminate these cross-holdings³, which will increase the net asset value per share by approximately 4 %.
- The merged company will continue to be listed on Stockholmsbörsen's 'O-list'.

Limited synergies are expected to be realised through the merger.

THE STRUCTURE OF THE TRANSACTION

The Boards of Directors of the two companies recommend that the merger be executed by means of a statutory merger in accordance with the Swedish Companies Act.

The two companies' shareholders are treated equally in a merger, which is something that the Boards consider to be natural in a merger of this kind. The shareholders of each company will have an equal influence on the approval of the merger. The merger proposal will be submitted for shareholder approval at especially called EGMs for both companies. A qualified majority of two thirds of the votes as well as the shares represented at the meeting is required in order to approve the merger.

THE EXCHANGE RATIO

² Kinnevik holds 391,430 Invik shares, representing 5.0% of the capital and 10.2% of the votes (391,430 A-shares and no B-shares). Invik holds 8,568,323 Kinnevik shares, representing 13.6% of the capital and 35,0% of the votes (6,281,387 A-shares and 2,286,936 B-shares). No shares have been acquired during the last six - months.

³ The cross-holding will be eliminated by means of the Kinnevik shares currently held by Invik ceasing to exist following the merger and the Invik shares currently held by Kinnevik, which will be acquired by Invik through the merger, being legally redeemed and eliminated after the merger.

The Boards of Directors of both companies have taken a number of considerations into account when deciding on a fair exchange ratio. The most important factors have been the prices of both company's shares during the period prior to the announcement of the merger as well as the Boards' estimation of the net asset values of both companies. Both Boards believe the exchange ratio to be fair, and this view is supported by expert fairness opinions.

Invik's Board of Directors has received a fairness opinion regarding the exchange ratio from Handelsbanken Capital Markets and Kinnevik's Board has received fairness opinions from Deloitte and Morgan Stanley. Handelsbanken Capital Markets has verified that the exchange ratio is fair for Invik's shareholders and Deloitte and Morgan Stanley have verified that the ratio is fair for Kinnevik's shareholders. Handelsbanken Capital Markets, Corporate Finance, is acting as financial advisor to Invik on the execution and administration of the recommended merger.

Each Kinnevik class A share will be exchanged for 0.35 Invik class A shares and each Kinnevik class B share will be exchanged for 0.35 Invik class B shares. The exchange ratio will be adjusted accordingly on the basis of the completion of Invik's proposed ten for one share split. Please read "Share split in Invik and adjusted exchange ratio" below for further details.

The fact that the exchange ratio has been decided by taking into account circumstances other than the last share prices for each company, as described above, implies a slight discrepancy to the share prices over certain periods will arise for Kinnevik shareholders. The exchange ratio corresponds to a discount of 0.47% and premium of 0.72% for Kinnevik B share holders, compared to the volume weighted average prices for both companies' shares during the last 10 and 30 trading days prior to the announcement of the merger respectively, i.e. including February 13, 2004. The discounts for Kinnevik A share holders for the corresponding periods are 1.19% and 1.24%. In all cases, the share prices are adjusted for the companies' proposed dividends for 2003, which will be paid to the shareholders prior to the execution of the merger in July 2004. Compared to the last paid share prices on Friday February 13, 2004, the premium for B-shares in Kinnevik is 2.99%. On this date, there was no trading in either company's A-shares. The last day on which Kinnevik's A-shares were traded was Monday, February 9, 2004, and the last day on which Invik's A-shares were traded was Thursday, February 12, 2004. Calculated on the basis of the prices paid for A-shares on Monday February 9, and adjusted for proposed dividends, the discount is 1.03%. Regarding the A-shares, it should be noted that the liquidity of the A-shares in both companies, but particularly so for Invik, is low, which normally causes the A-share to be traded at lower prices than the B-share. This may lead to a slight difference in premiums between the A- and B-shares. Practical as well as market reasons, however, speak for using the same exchange ratio for A-shares and B-shares.

The Boards of Directors of Invik and Kinnevik will propose to their respective EGMs that class A shareholders be offered the possibility to reclassify class A shares into class B shares. It will be proposed that this possibility will be available for a limited time period, between on or about May 18 2004 and on or about June 16 2004, prior to the execution of the merger.

CONDITIONS FOR THE MERGER

The merger is conditional upon:

1. that the EGMs of both Invik and Kinnevik approve the merger plan with a two thirds majority of votes cast as well as of shares represented at the meeting, and that the Invik EGM approves the issue of new shares as well as the necessary amendments to the articles of association of the company to enable the execution of the merger;
2. that all necessary approvals from authorities have been obtained at terms reasonably acceptable for Kinnevik and Invik according to each Board of Director's respective assessment.

BOARD RECOMMENDATION

The Boards of Directors of Invik and Kinnevik believe that a merger would be beneficial for both companies and their shareholders, and that the exchange ratio is fair. Consequently, each respective Board of Directors unanimously recommends to the shareholders of each respective company that they vote to approve the merger plan at the EGMs scheduled for Friday 16 April, 2004.

All members of each respective Board, as well as each company's CEO, have participated in the preparation of the merger plan and the decision to recommend approval of the merger plan to the respective shareholders of each company.⁴

Shareholders in Invik representing more than 61% of the votes and 31% of the capital, and shareholders in Kinnevik representing more than 63% of the votes and 22% of the capital, have expressed their support for the merger, and their intention to approve the merger plan at the EGMs, including the proposal to re-classify A-shares to B-shares in both companies, as well as the proposed share split in Invik.

APPROVAL AND EXECUTION

EGMs will be held by Invik and Kinnevik on Friday 16 April, 2004, at which Kinnevik and Invik's shareholders will independently decide on the recommended merger and provision of the opportunity for shareholders for a limited time to reclassify class A shares into class B shares. In addition, Invik shareholders will decide on the proposed share split and the new issue of shares and any other such matters as may arise from these decisions.

In addition to approval at the EGMs, Kinnevik will also undertake the necessary proceedings with its creditors to enable the merger to be executed. The merger process is expected to be completed within 4 months after the EGMs. Kinnevik shareholders will automatically

⁴ Of these, Cristina Stenbeck, Wilhelm Klingspor are members in both companies' Boards of Directors. Anders Fällman, CEO in Invik, is a member of the Board of Kinnevik. Of the members of Invik's Board, Rickard von Horn and Johan Klingspor have significant shareholdings in Kinnevik. Of the members of Kinnevik's Board, Edvard von Horn has a significant shareholding in Invik. As will be further elaborated in the notices to the EGMs of both companies, the Boards wish to call attention to these circumstances and that an approval by the EGM of the merger plan constitutes a ratification of the described administration of the merger plan.

receive the newly issued Invik shares after the registration of the merger by the necessary authorities. Kinnevik and Invik shares will therefore continue to be listed on Stockholmsbörsen's A-list and O-list respectively until the day on which the merger is registered, at which point the Kinnevik shares will be exchanged for new Invik shares and the Kinnevik share will be de-listed from the A-list.

Only whole shares in Invik will be paid to Kinnevik shareholders. Merger proceeds will not be issued for Kinnevik shares currently held by Invik. Invik and Kinnevik will therefore retain Handelsbanken Capital Markets to, for each series of shares, aggregate all such Kinnevik shares, or parts thereof, that do not entitle the holder to one new Invik share as merger proceeds ("Fractions"). The total number of Invik shares of each series of shares corresponding to such Fractions⁵ ("Odd shares") will then be sold by Handelsbanken Capital Markets on the Stockholmsbörsen. This sale shall be made as soon as possible after the registration of the merger. The proceeds from this sale of Odd shares will then be paid to each owner of Fractions, in proportion to the value of Fractions previously held.

The merger will result in Kinnevik being dissolved. Kinnevik's assets and liabilities will be passed on to Invik when the Patent and Registration Authority registers the merger. This registration is estimated to occur in July 2004 at the earliest. The two companies will announce the exact date for the registration in due time prior to the registration.

The last day of trading for both classes of the Kinnevik share will be three days prior to the registration of the merger. The first day of trading of both classes of the newly issued shares in the merged company is estimated to be on the day of the registration of the merger.

Kinnevik's shareholders will consequently be unable to trade both classes of the Kinnevik share during a period of two days when the exchange is administered, which is preliminarily anticipated to be between July 26, 2004 and July 27, 2004.

The Kinnevik shares will be de-listed in connection with the exchange into Invik shares.

After the merger, the Invik share will continue to be listed on the O-list.

THE MERGED COMPANY

On completion of the merger, an EGM will be called to, among other things, elect a new Board of Directors. This meeting is expected to take place in August 2004.

The principal shareholders of Invik and Kinnevik have declared that they have the following view on the merged company's business.

Business

The long-term goal will remain to enhance shareholder value. The business will principally consist of the long-term management and development of operating companies, as well as of a portfolio of long-term investments in a select number of listed companies.

⁵ Should the aggregate number of Fractions according to the above not equal an equal amount of shares in each series of shares, Invik will provide the corresponding amount in cash, i.e. at the most an amount corresponding to the average proceeds from the sale of one A-share and one B-share, at the sale of Odd shares described above.

Key management

The intention is to propose the appointment of Vigo Carlund, presently the President and CEO of Kinnevik, as the President and CEO of the merged company, and the appointment of Anders Fällman, presently President and CEO of Invik, as the Vice President and Deputy CEO of the merged company.

The company's holding of its own shares

After the merger, the merged company will hold the 391,430 Invik shares that are presently owned by Kinnevik. The Boards of the two companies recommend that these shares be redeemed and consequently cease to exist. A resolution with this effect will be proposed to the first Annual General Meeting ("AGM") of shareholders of the merged company in 2005.

Dividend policy

The new shares entitle holders to dividends for 2004 and subsequent years. The dividend payable for 2004 will be proposed by the Board of Directors of the merged company, elected at an EGM in August 2004, to its AGM in 2005. The main owners believe that the cash flow from subsidiaries, together with dividends received, will provide the possibility to keep the same dividend structure as Kinnevik has today. The owners believe that the merged company shall seek a balance between distributed dividends and re-invested capital.

The name of the merged company

It will be proposed to an EGM of the merged company, which is expected to be held in August 2004, that Invik shall change its name to Investment AB Kinnevik.

SHARE AND SHAREHOLDERS

Following the merger and the elimination of cross-holdings, but before the Invik share split and the effects of the voluntary re-classification of class A shares in either company into class B shares, the total number of shares in the merged company will be 5,614,845 class A shares and 20,783,348 class B shares, amounting to a total of 26,398,193 shares. For a step-by-step calculation of the number of shares, please refer to sub-appendix I.

After the merger and elimination of cross-held shares, but before any re-classification of A shares into B shares, the largest shareholders in the merged company would be (as per December 31, 2004).

Shareholders in the merged company	A-shares	B-shares	Total number of shares	Votes	Capital
Emesco Group	2,268,147	0	2,268,147	29.5%	8.6%
Jan H Stenbeck estate	975,400	0	975,400	12.7%	3.7%
Klingspor family	699,239	225,759	924,998	9.4%	3.5%
Morgan Stanley*	365,665	175,796	541,461	5.0%	2.1%
SEB / SEB Trygg Liv funds*	4,409	2,760,965	2,765,374	3.6%	10.5%
von Horn family	236,827	29,085	265,912	3.1%	1.0%
Sapere Aude Trust	224,563	0	224,563	2.9%	0.9%
Robur	16,958	1,514,706	1,531,664	2.2%	5.8%
Nordea / Nordea funds*	106,951	456,366	563,317	2.0%	2.1%
Korsnäs Trusts	132,447	43,719	176,166	1.8%	0.7%
Fourth AP fund	0	983,710	983,710	1.3%	3.7%
Hugo Stenbeck Trust	83,956	17,000	100,956	1.1%	0.4%
Other shareholders	500,285	14,576,243	15,076,528	25.4%	57.1%
Total	5,614,845	20,783,348	26,398,193	100.0%	100.0%
Invik shareholders, excl Kinnevik	3,017,269	4,351,301	7,368,570	44.9%	27.9%
Former Kinnevik shareholders, excl Invik	2,597,576	16,432,047	19,029,623	55.1%	72.1%
Total	5,614,845	20,783,348	26,398,193	100.0%	100.0%

* For own account and for others.

INVIK SHARE SPLIT AND ADJUSTED EXCHANGE RATIO

The Invik Board of Directors will recommend to the EGM to be held on 16 April 2004 that each current Invik share be split into ten Invik shares. It is intended that the share split be completed before the merger and would therefore lead to a recalculation of the exchange ratio. After such re-calculation, each Kinnevik class A and class B share would be exchanged for 3.5 Invik class A shares and 3.5 Invik class B shares respectively.

CERTAIN ISSUES REGARDING ASSOCIATE COMPANIES

Both Invik and Kinnevik are significant shareholders in a number of listed companies including Tele2 and MTG. The Swedish Securities Council has stated in its statement

2004:04 that, according to the take-over regulations of The Swedish Industry and Commerce Stock Exchange Committee, neither Invik nor Emesco, which is one of the major shareholders in Kinnevik and Invik, will have any obligation to make mandatory bids for any of these listed companies based on the implied holdings in these companies following the merger. Neither will any bid requirement arise regarding the companies Metro, Millicom or Transcom.

Additionally, Kinnevik and Invik will propose a resolution to the Annual General Meeting of shareholders of Tele2 that all shareholders be offered the opportunity during a limited period to re-classify their class A shares into class B shares. The intention of the resolution is to enable Kinnevik and Invik to re-classify some of the Tele2 shares held in order to have a combined share of voting rights in Tele2 AB that does not exceed 50 %.

PROVIDING MERGER DOCUMENTATION AND OTHER INFORMATION TO SHAREHOLDERS

The Boards of Kinnevik and Invik have drawn up the merger documentation, which has been revised and commented on in accordance with the Companies Act by the auditors of each company. The merger documentation contains a detailed account of the two companies' findings on the appropriateness of the merger as well as of how the structure of the merger has been decided. The merger documentation, with appendices and the auditors' statements, will be available on or after March 16 2004 from Kinnevik (tel: +46-(0)8 562 000 00) and Invik (+46-(0)8 562 000 20).

No less than two weeks before the EGMs to be held on April 16 2004, an information memorandum will be distributed to all shareholders with known addresses in Invik and Kinnevik. This document is being jointly produced by both companies' Boards of Directors and is intended to provide the necessary information for each company's shareholders in advance of the EGMs.

In accordance with the Financial Instruments Trading Act, a prospectus regarding any new issue of shares must be published, as well as approved and registered at the Swedish Financial Supervisory Authority. The above-mentioned information memorandum will therefore meet the requirements of such a prospectus and will be registered with the Swedish Financial Supervisory Authority.

Invik and Kinnevik will, where applicable, follow The Swedish Industry and Commerce Stock Exchange Committee's regulations regarding public take-overs, as well as The Swedish Securities Council's rulings on the interpretation and applicability of those regulations.

TIME SCHEDULE

February 15	Invik and Kinnevik Boards of Directors decide on common merger documentation
April 2 (at latest)	Information memorandum made public and distributed to Invik and Kinnevik shareholders
April 16	Invik and Kinnevik EGMs. Decisions on resolutions: <ul style="list-style-type: none"> - Approval of the merger plan - Approval of providing opportunity for the holders of Invik and Kinnevik class A shares, during a limited time period, to re-classify class A shares into class B shares - Approval to issue Invik shares as merger proceeds to Kinnevik shareholders - Approval to split each existing Invik class A and class B share into ten shares of the corresponding class, affecting the exchange ratio accordingly
April 28	First day of trading in Invik shares following the share split. The exchange ratio will thus be 3.5.
May 11 (approx.)	Patent and Registration Authority announces notice to creditors of Kinnevik
May 13	Invik and Kinnevik AGMs
May 18 – June 16 (approx.)	Time period for registration for re-classification of Kinnevik and Invik class A shares into class B shares in each company
July 10 (approx.)	Last day for Kinnevik's creditors to challenge the merger
July 16 (approx.)	Merger is approved by the Patent and Registration Authority
July 23 (approx.)	Last day of trading of Kinnevik shares
July 28 (approx.)	First day of trading of shares in merged company ⁶
August 4 (approx.)	Former shareholders in Kinnevik receive notification from VPC of holdings of shares in merged company
August 9	Distribution of cash proceeds from sale of Fractions
August	EGM for the merged company to appoint Board of Directors and change name to Investment AB Kinnevik

⁶ Fractions of shares in Invik, which arise as a consequence of the exchange of Kinnevik shares into Invik shares, will be aggregated into whole shares and sold on the Stockholmsbörsen, and the proceeds distributed proportionally back to the holders of these fractions.

THE MERGED COMPANY – UNAUDITED PRO FORMA STATEMENT

The unaudited pro forma statements described below have been prepared in order to illustrate the merged group's financial position and results after the merger is completed. The pro forma balance sheet has been prepared as if the merger was carried out on December 31, 2003, and the pro forma profit and loss account as if the merger was carried out on January 1, 2003, with the assumptions stated below. Furthermore, Kinnevik's sale of forestland to Bergvik Skog AB is assumed to have taken place on December 31, 2003, for the balance sheet and on January 1, 2003, for the profit and loss account. It is also assumed that both Invik and Kinnevik have reclassified enough A shares in Tele2 AB to result in a combined ownership that does not exceed 50% of the voting rights at the mentioned dates, and that Tele2, as a consequence, is not accounted for as a subsidiary.

The pro forma statements are based on the audited annual reports of both Kinnevik and Invik for the full year 2003. These accounts were prepared in accordance with the Swedish Annual Accounts Act and by applying the recommendations of The Swedish Financial Accounting Council. The merger is accounted for using the purchase method of accounting and Kinnevik has been identified as the acquiring company.

Consequently, the principles of accounting for a reverse acquisition are applied. This means that Kinnevik is regarded as acquiring Invik even though the latter company formally is the acquiring company and remains after the merger.

The acquisition price paid for Kinnevik is the value of the newly issued shares in the merged company that are being offered to Kinnevik shareholders by Invik. This valuation is based on a set exchange ratio; one (1) share in Kinnevik entitles the holder to receive 0.35 new shares in Invik, which is equivalent to 2.85 Kinnevik shares for each Invik share when considered as a reverse acquisition. The true value of the compensation is dependent on the share price of Kinnevik at the time of the merger. As a consequence, when preparing the consolidated accounts for the merged group, Kinnevik will allocate new acquisition values for the assets and liabilities of Invik, based on an acquisition price not yet known.

The preliminary acquisition analysis that has been prepared on a pro forma basis is based on the closing price of the Kinnevik class B share on February 13, 2004, of SEK 240.00. This results in an acquisition price of SEK 5,083 million and an adjustment to the book value of shares in associate companies of SEK 1,493 million. The market value of publicly listed shares amounted to SEK 25,489 million as at February 13, 2004 and the book value of these shares, after adjustments, was SEK 16,089 million as at December 31, 2003. These amounts include the value of Kinnevik's holding of Millicom convertibles, with a market value of SEK 696 million as per February 13, 2004 and a book-value of SEK 512 million as per December 31, 2004. The value adjustment of the book value of publicly listed assets of SEK 1,493 million, results in an adjustment of interest in earnings in remaining associate companies, after elimination of cross-held shares, due to additional annual goodwill amortizations of SEK 128 million for an amortisation period of 10 years. Additional interest in earnings in associate companies of SEK 28 million and shares of associated companies' tax costs of SEK 12 million are also included.

Kinnevik's sales of forestland to Bergvik Skog AB have resulted in a SEK 2,402 million reduction in fixed assets, a SEK 475 million (capital gain) increase in equity, as well as a SEK 2,877 million reduction in interest-bearing liabilities in the pro forma balance sheet. A SEK 142 million increase in the cost of goods sold and a SEK 142 million reduction of

interest expenses are recorded. The capital gain of SEK 475 million is not included in the pro forma profit and loss account.

The pro forma statement has also been adjusted for cross-ownership and inter-company items, which lower the asset value by SEK 1,709 million, liabilities by SEK 78 million and equity by SEK 1,631 million. The interest in earnings from associate companies decrease by SEK 402 million and tax costs increase by SEK 55 million as a consequence of adjustments of Invik's interest of Kinnevik's and other associate companies' earnings. Effects of possible synergies, cost reductions or restructuring costs have not been included in the statement.

The final acquisition analysis might deviate from the one used in the pro forma statements.

It should be noted that the merged company has so far not been functioning as a single unit. The merged company intends to report consolidated statements for the merged company with effect from the third quarter of 2004. The information given below does not necessarily reflect the result and the financial position that Kinnevik or Invik would have achieved if they had run their operations as a single unit during the indicated periods. Neither does the information necessarily provide any indication of the merged group's future results. The pro forma statement should be read together with other information provided in this merger documentation as well as the audited annual accounts and notes to the accounts of each company.

PRO FORMA STATEMENTS

Pro forma income statement, 2003, MSEK	Invik	Kinnevik	Merger	Adjustments for Bergvik	Cross-ownership, internal eliminations	New Group	New group excl Bank, Insurance, Securities Trading & Asset Management	Bank, Insurance, Securities Trading & Asset Management
Net turnover	1 186	5 660			-7	6 839	5 646	1 193
Cost of sales	-841	-4 357		-142		-5 340	-4 484	-856
Gross income	345	1 303	0	-142	-7	1 499	1 162	337
Selling, administration, research and development expenses	-391	-532			7	-916	-587	-329
Income from corporate development	-	193				193	193	0
Other operating income	129	181				310	173	137
Other operating expenses	-15	-429				-444	-431	-13
Operating income	68	716	0	-142	0	642	510	132
Interest in earnings of associated companies	591	2 675	-100		-402	2 764	2 764	
Income from other securities	-28	277				249	249	
Income from sales of securities	48	62				110	110	
Net financial items	-77	-405		142		-340	-338	-2
Income after financial items	602	3 325	-100	0	-402	3 425	3 295	130
Taxes	149	403	-12		-55	485	431	54
Minority share in income	0	3				3	3	
Net income	751	3 731	-112	0	-457	3 913	3 729	184

Pro forma balance sheet December 31, 2003, MSEK	Invik	Kinnevik	Merger	Adjustments for Bergvik	Cross-ownership, internal eliminations	New Group	New group excl Bank, Insurance, Securities Trading & Asset Management	Bank, Insurance, Securities Trading & Asset Management
Goodwill	39	21				60	22	38
Other intangible assets	2	0				2	0	2
Machinery, equipment, property etc	25	6 816		-2 562		4 279	4 261	18
Shares in subsidiary companies			0			0	0	
Shares in associated and other companies	4 515	11 406	1 493	173	-1 631	15 956	15 945	11
Other long-term interest bearing receivables	0	964			-78	886	886	0
Other long-term non-interest bearing receivables	115	55				170	55	115
Total fixed assets	4 696	19 262	1 493	-2 389	-1 709	21 353	21 169	184
Inventories	15	975		-13		977	962	15
Short-term non-interest bearing liabilities	493	916				1 409	923	486
Intergroup receivables						0		207
Short-term investments	4 549	12				4 561	18	4 543
Cash and cash equivalents	756	215	-30			941	187	754
Total current assets	5 813	2 118	-30	-13	0	7 888	2 090	6 005
Total assets	10 509	21 380	1 463	-2 402	-1 709	29 241	23 259	6 189
Restricted equity	2 792	4 010	1 463		-1 631	6 634	5 821	813
Unrestricted equity	798	7 505		475		8 778	8 767	11
Total equity	3 590	11 515	1 463	475	-1 631	15 412	14 588	824
Minority interest in equity	0	0				0	0	0
Provisions for pensions	2	614				616	614	2
Provision for deferred tax liability	40	818				858	814	44
Other provisions	0	191				191	191	0
Total provisions	42	1 623	0	0	0	1 665	1 619	46
Long-term interest bearing liabilities	1 406	7 380		-2 877		5 909	5 909	0
Long-term non-interest bearing liabilities	0	4				4	4	0
Total long-term liabilities	1 406	7 384	0	-2 877	0	5 913	5 913	0
Short-term interest bearing liabilities	4 242	0			-78	4 164	52	4 112
Intergroup liabilities						0	207	0
Short-term non-interest bearing liabilities	1 229	858				2 087	880	1 207
Total short-term liabilities	5 471	858	0	0	-78	6 251	1 139	5 319
Total equity and liabilities	10 509	21 380	1 463	-2 402	-1 709	29 241	23 259	6 189

Key ratios








Debt/equity ratio	1,6	0,7			0,7		0,5	5,0
Equity ratio I	34%	54%			53%		63%	13%
Equity ratio II	51%	66%			64%		73%	13%
Net debt / equity	-345	-6 803			-4 301		-5 691	1 390

Sub-appendix I

CALCULATION OF NUMBER OF SHARES FOLLOWING THE MERGER

Described below is the number of shares after the merger. The calculation does not include the proposed share split in Invik, which will increase the numbers of shares by ten times. Taking the effects of the share split into account but excluding the shares that the merged company will own in Invik, the total number of shares in the merged company will be 263,981,930.

The calculation does not take into account the consequences of a possible re-classification of Kinnevik and Invik class A-shares into class B shares prior to the merger, which would reduce the number of class A shares in the merged company. The final numbers of class A and class B shares respectively might therefore deviate from the example given below. However, the total numbers of outstanding shares will not be affected by such re-classification.

Number of shares before merger	Kinnevik		Number of shares before merger	Invik
A-shares	13 703 034		A-shares	3 408 699
B-shares	49 235 643		B-shares	4 351 301
Total number of shares	62 938 677		Total number of shares	7 760 000
Less: Invik's current holding of Kinnevik shares				
A-shares	6 281 387			
B-shares	2 286 936			
Total number of shares	8 568 323			
Sum: Number of Kinnevik shares not currently owned by Invik			Added: newly issued Invik shares at the merger	
A-shares	7 421 647	Exchange ratio	A-shares	2 597 576
B-shares	46 948 707	0,35	B-shares	16 432 047
Total number of shares	54 370 354	0,35	Total number of shares	19 029 623
			Sum: total Invik shares post-merger	
			A-shares	6 006 275
			B-shares	20 783 348
			Total number of shares	26 789 623
				
			Less: acquired own Invik shares	
			A-shares	391 430
			B-shares	0
			Total number of shares	391 430
				
			Total: number of Invik share after merger and elimination	
			A-shares	5 614 845
			B-shares	20 783 348
			Share after merger	26 398 193

Sub-appendix II

FACTS REGARDING THE MERGER PROCEDURE

- Regulations regarding mergers are found in section 14 of the Swedish Companies Act
- A merger through absorption means that a company's assets and liabilities are taken over by another company, after which the first company is dissolved without liquidation. In many cases, tax regulations complicated mergers between not wholly-owned companies until 1999
- The structure of the merger – absorption - means that the acquiring company (Invik) absorbs the target company (Kinnevik) by taking over the target company's (Kinnevik) assets and liabilities
- Shareholders in the dissolved company receive compensation in the form of shares in the acquiring company or cash compensation for fractional shares
- The merger procedure begins by the Boards of Directors drawing up common merger documentation in which, among other things, the compensation offered to the target company's shareholders is stated. The companies' auditors should revise and comment on the merger documentation
- The merger documentation is thereafter handed over to the Patent and Registration Authority for registration. The registration should then be announced
- A general meeting of shareholders in the acquiring company and – if requested by owners of at least 5 % - in the target company, should take place not earlier than one month from the date of the announcement of the merger, to decide on the approval of the merger documentation
- A qualified majority of two thirds of the votes as well as the shares represented at the meeting is required at the separate general meetings for both companies in order to approve the merger. In Kinnevik's case, the requirements are stipulated in the Companies Act, section 14, paragraph 10. In Invik's case, the requirement is derived from the conditions of the merger. If it had not been for these conditions, the same majority requirement should apply at Invik's EGM if shareholders representing at least 5 % of the votes so requested
- Once the merger documentation has been approved by the general meetings, the creditors of Kinnevik are informed of the decision. The creditors in the acquiring company (Invik) do not have to be informed if the auditors (as in this case) in their audit do not identify any potential infringement to the acquiring company's creditors
- Creditors who have been informed according to the previous point and who wish to object to the merger, should be given appropriate time to do this. If this occurs, the company can still secure the completion of the merger if the creditors are provided with full compensation or if sufficient collateral for the claims is presented. A similar procedure occurs when companies decide on the redemption of their own shares, which is a common procedure on the Swedish stock market
- The merger procedure is assumed to be completed by the registration of Patent and Registration Authority within four months after the EGMs' approval of the merger plan. Until then, the Invik share and the Kinnevik shares shall remain separately listed
- When the merger is registered, the absorbed company is dissolved and the merger proceeds are distributed (newly issued Invik shares)