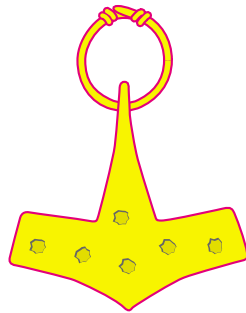


INVIK & CO. AB



**ANNUAL REPORT
1999**

Notes on and around the name Invik

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 the Inuit, Inupiak, Inuktitut, Inuttut, Inuvialukton, and Inuinagtun. Invik means the people 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 referred to dwellings along a creek, bay or inlet, and the people who live 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).

FINANCIAL INFORMATION

Invik & Co. AB publishes financial information according to the following schedule:

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

MILLENNIUM

700,000 people poured into the Skeppsbron area of Stockholm's Old Town, crowded the roads around Slussen and the ferry docks at Stadsgården, perched on Katarinavägen and Norrbro, and milled around Kungsträdgården and the Grand Hôtel.

The fireworks display on New Year's Eve was seen by one million people in Stockholm. The display was the climax of five days of festivities, called Årtusendets fest (The Party of the Millennium), which turned out to be Sweden's biggest festival ever.

The promoters were Industriförvaltnings AB Kinnevik, Modern Times Group MTG AB, NetCom AB, and Invik & Co. AB. The official invitation came from the newspaper Metro.

The celebration began on 27 December, with Historical Days in the Old Town, and continued through New Year's. Hundreds of thousands of people enjoyed markets, handicrafts, sailing, entertainment and cultural events, games, gambling and amusements, and samples of food and drink. They rediscovered how it had been in the Old Town over the centuries. Above all, they eagerly followed the millennium celebrations' most popular performance: Historiens ljus (Light of History), with the popular Swedish author Herman Lindqvist as guide. Some 25,000 people came to the premiere, and 50,000 the next day. On the following two days, 80,000 people attended, although most of the audience could experience only a fraction of this multimedia extravaganza that quickly transported spectators from the dawn of Swedish history to modern day. The main stages were at Norrström and Norrbro, but the Royal Palace, Riksdagen (House of Parliament), and the Opera served as imposing backdrops playing themselves. Film, music, light, explosions, and bonfires recreated Swedish history right where it had happened.

As the last performance ended on New Year's Eve afternoon, with the entire Swedish royal family in attendance, preparations for the gigantic New Year's celebrations began. At 9:00 PM, the fires were lit. Millennium celebrations around the world were projected on giant TV screens. From 11 PM, the water was illuminated, and artists began performing on the floating stage beside the schooner "af Chapman", which now serves as a youth hostel. ABBA's Björn and Benny were honored by distinguished Swedish performers such as Tommy Körberg, Helene Sjöholm, and Anders and Karin Glenmark. And it was there that the biggest reunion of all the millennium parties around the world took place this historic night: The Swedish rock group Europe retook the stage and performed its notably fitting 1980s hit "The Final Countdown".



King Carl XVI Gustaf, with his family, came out onto the Logårds steps of the castle and toasted in the new millennium. Then one million Celebrants saw the biggest, most magnificent and powerful fireworks display ever seen in Stockholm or this part of the world.

On TV3, those who wanted to could continue to follow New Year's celebrations in time zone after time zone, in a marathon 26-hour broadcast.

The millennium celebration turned out to be the popular festival it was intended to be, but with many more participants than anyone dared to expect. And none of this would have been possible without the 2,000 millennium hosts and other volunteers who helped with everything – from security to fire safety, acting and even selling champagne.



INVIK & CO. AB

ANNUAL REPORT 1999

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MANAGING DIRECTOR'S STATEMENT

NET ASSET VALUE AND INCOME

During Invik & Co.'s fourteen-year history, the growth in net asset value has been equivalent to an annual return of 51 %, calculated on the basis of the net asset value of SEK four per share which originally (1985) existed in the company. This can be compared with an annual return, according to Affärsvärlden's composite index, of 20 % during the same period.

Invik's net asset value defined as equity adjusted for the surplus value in the publicly-traded securities in the long-term securities portfolio, before tax, increased during 1999 by 101 % to SEK 12,733 million or SEK 1,641 per share. The surplus value of the securities portfolio, the so-called hidden reserve, amounted as at December 31 to SEK 10,482 million, an increase of 142 %.

The increase in the net asset value is explained by the notable price development of all of the shares in the long-term portfolio and primarily in Modern Times Group MTG AB and NetCom AB. These two holdings have increased Invik's net asset value by SEK 4,939 million.

The consolidated operating income after financial items in accordance with the acquisition method was SEK 15.2 million. Profit after tax in accordance with the same accounting principles was SEK 33.2 million, equivalent to SEK 4.39 per share, compared with SEK 461.6 million and SEK 60.20 per share for the previous year.

BUSINESS EVENTS IN 1999

The Annual General Meeting of Industriförvaltnings AB Kinnevik, resolved to make a non-cash dividend of shares in Invik. Invik's portion, as shareowner in Kinnevik, was further paid to Invik's own shareholders, who received one new share in Invik for every 100 shares in Invik. This dividend was not taxable income for the shareholders.

Profit in the Invik-owned Banque Invik S.A. developed well during the year. Private banking and corporate finance have significantly increased their commission revenues, interest margins and the volume of managed assets. There has been a good growth in the number of customers. The bank launched three index funds during the year under the name "Moderna Fonder", one share index fund, "Sverige Topp 30", and two interest funds. The index funds have a low transaction cost profile and are distributed mainly via Internet, www.modernafonder.com. Customer growth has been positive during the year.

The asset management company, Myrberg & Partners, was acquired during the year, and its name changed to Modern Privat Kapitalförvaltning MPK AB. The company offers qualified asset management based on fundamental analysis and personal service. Amongst the company's customers are private individuals, companies, foundations and religious organizations. Total managed assets amounted to SEK 3,500 million at date of acquisition and approximately SEK 5,300 million at year-end.

Fischer Partners Fondkommission AB, which is owned 50 % by Invik, offers analysis-based trading to both Swedish and international institutions as well as private individuals. The company's share of trade on the Swedish stock market amounted to 3.3 % during the year.

Atlantica continues its investments in insurance for private individuals, organizations and smaller companies. An agreement has been made with the Finnish insurance company Sampo about the sale of marine cargo, marine hull and part of the industrial insurance portfolio. Increased investments have taken place regarding Internet based insurance under the name www.netviq.se. Customer growth within the home, property and holiday home sectors has been good. A licence has also been received for an Internet based life insurance company, www.netviqliv.se, with such products as sickness, accident and life insurance. The operations are expected to get underway during the first half of 2000.

OBJECTIVE

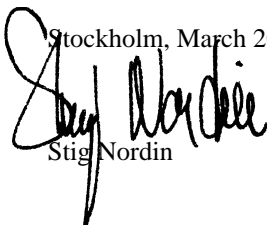
The objective of Invik's operations is to obtain more than satisfactory increase in net asset value without regard to short-term effects on operating income. Growth of net asset value will be achieved via an effective management of major investments in a small number of listed companies, as well as investments in and development of small and medium-sized subsidiaries and associated companies within, primarily, finance and insurance.

To a great extent Invik shares ownership and therefore also tradition with Kinnevik. The basic values are freedom of action, independence and the insight that convention may often be right in principle but is almost always misguided in practice. While the company's focus and methods are long-term, price is an important factor in buying and selling and therefore the timing of individual transactions may be extremely opportunistic and often contrarian in nature.

The Parent Company is to have a small but efficient administration. Administrative tasks shall, as much as possible, be taken care of by each respective subsidiary. The Parent Company's management shall concentrate on the guidance and control of the operations and provide information to the Board, shareholders and financial market.

OUTLOOK

Invik's net asset value and stock exchange value have developed favourably during recent years. One reason for this positive development is the favourable price trend in Invik's long-term securities portfolio. The securities portfolio consists primarily of holdings in companies active in high growth markets. We deem the operations within finance and insurance as very interesting for the future. We have reason to look forward to the future with great confidence.

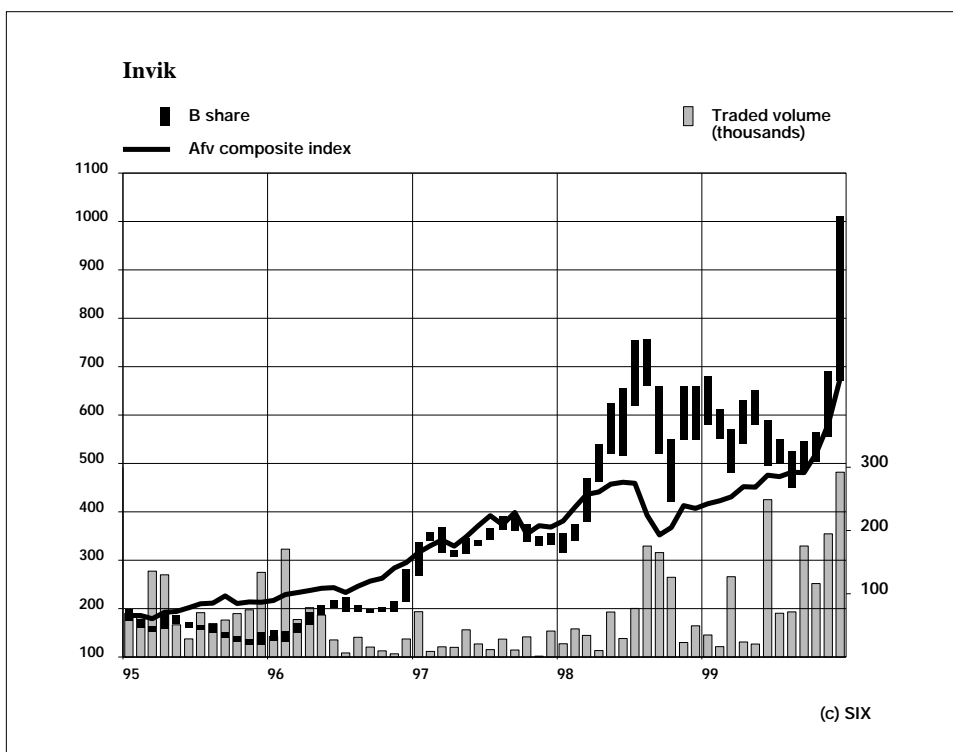
Stockholm, March 2000

Stig Nordin

THE INVIK SHARE

At the beginning of 1999 the market price of the Invik share was SEK 660. The share price rose during the year to SEK 1,010, an increase of 53 % since the end of the previous year.

The Invik share is listed on the Stockholm Stock Exchange O List. The buying price as at 31 December 1999 was SEK 1,010. Based on the first day of trading which was 1 July 1987, the increase in the share price has been slightly more than 4,400 %, which represents a yearly average increase of 36 %.

Invik's Articles of Association stipulate that the company's operations shall be primarily aimed at generating profit for the shareholders. This includes, in addition to yield from dividend, appreciation in the value of the company. From the point of view of return, appreciation in value is the most important factor. In this context, it is the company's policy to make only minor cash payments on an on-going basis. In the years when substantial capital gains are reported, bonuses may be distributed.



Highest and lowest prices paid by month for the Invik share from 1995 to 1999, and the composite index and traded volume for the same period.

The Annual General Meeting of shareholders on 20 May 1999, resolved to make a non-cash dividend of one share in Invik & Co. AB for every 100 shares in Invik & Co. AB class A, and class B respectively, in the form of dividend in kind from Kinnevik. This dividend was not taxable income for Invik's shareholders.

The convertible debenture, which was taken up in 1998, was converted in its entirety in May 1999. The number of outstanding shares amounts to 7,760,000, divided between 3,753,333 class A shares and 4,006,667 class B shares.

OWNERSHIP STRUCTURE

Owner	Class		Percentage of	
	A shares	B shares	Equity	Votes
Investment AB Ementa	796,561	0	10.3	19.2
Jan Hugo Stenbeck	484,894	4,556	6.3	11.7
Kinnevik incl subsidiaries	338,948	9,228	4.5	8.2
Afti AB	244,132	57,208	3.9	6.0
Sapere Aude Trust	223,156	0	2.9	5.4
Sjätte Allmänna Pensionsfonden	202,252	125,960	4.2	5.2
Banco Fonder	151,391	11,068	2.1	3.7
WASA	72,045	85,022	2.0	1.9
Björn and Marie Wissén	67,622	44,852	1.4	1.7
MSF-Mutual Funds USA	0	686,663	8.8	1.7
Other shareholders	1,172,332	2,982,110	53.6	35.3
	3,753,333	4,006,667	100.0	100.0

The number of shares held by the ten largest shareholders in Invik, proportion of shares and votes as recorded in the VPC share register of 31 December 1999.

HISTORICAL BACKGROUND

Invik has had its current business orientation since the beginning of 1985. The formation of the company took place following the split of the operations of Industriförvaltnings AB Kinnevik at the time, into one part for long-term industrial management and corporate development, and one part to be engaged in capital and finance market activities. The latter part was assigned to Invik – at the time a wholly-owned subsidiary of Kinnevik – at which time the shareholders of Kinnevik were invited to subscribe for shares in the company.

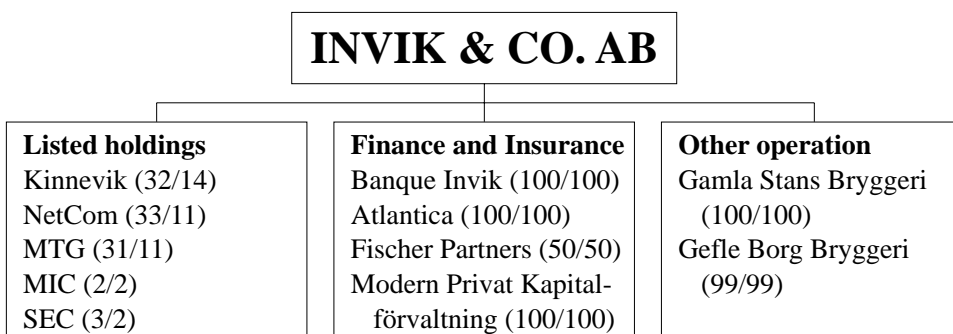
Before the offer to Kinnevik's shareholders, mutual option agreements were drawn up between Invik and Kinnevik and Kinnevik granted a long-term loan of SEK 400 million. The option agreements with Kinnevik were wound up in 1995 and the remaining financial relations between the companies were dissolved during the current year.

OPERATIONS AND ORGANIZATION

The Invik Group consists of the Parent Company Invik & Co. AB as well as a number of operating subsidiaries. The Parent Company is a holding company, which, amongst other things, manages a long-term securities portfolio. The subsidiaries are primarily active in the areas of Finance and Insurance. In addition, there is some Other operation, mainly a small brewery operation.

The long-term securities portfolio consists of substantial investments in a small number of listed companies in which Invik seeks to exert influence by means, amongst other things, of board representation.

The over-all structure of the Group is shown in the figure below:



Figures in brackets denote votes/equity in the various companies as at 31 December 1999.

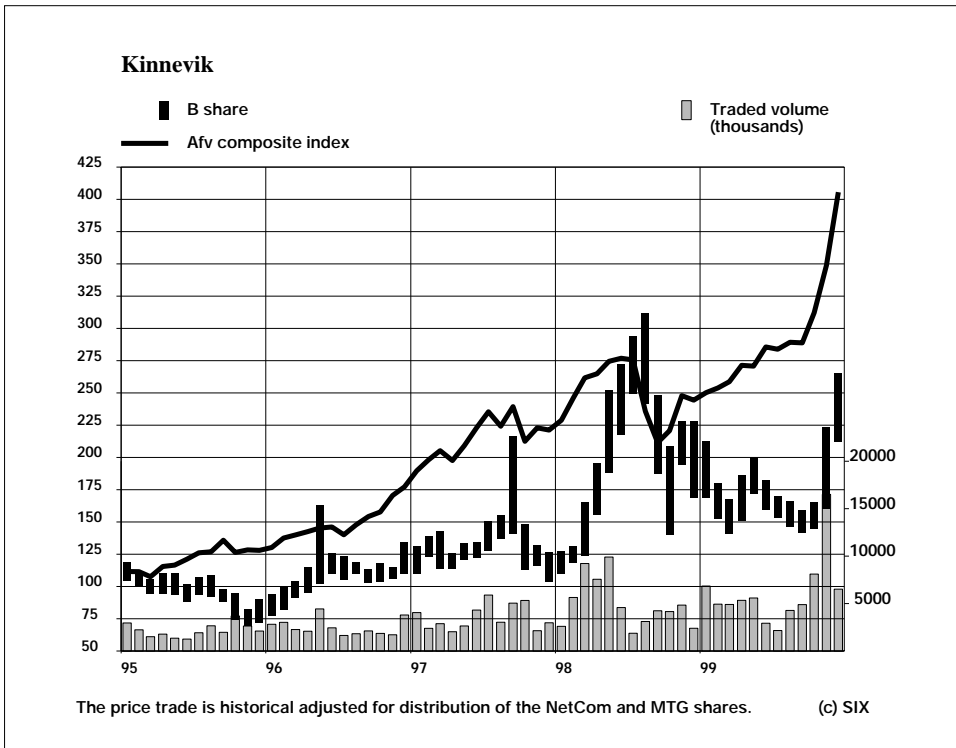
LISTED HOLDINGS

INDUSTRIFÖRVALTNINGS AB KINNEVIK

The market value of Invik's shareholdings in Kinnevik amounted as at 31 December 1999 to SEK 2,189 million. The holding is equivalent to 32.2 % of the number of votes and 13.5 % of the equity. At 22 February 2000 the market value was SEK 2,608 million. The share is listed on the Stockholm Stock Exchange A list.

Industriförvaltnings AB Kinnevik is, historically speaking, Invik's most important investment. During the first 15 years, the Kinnevik share, via price increases and dividends, including subscription offers, has yielded an average effective return of 39 % per year.

The value of Kinnevik's holdings in listed shares amounted at year-end to SEK 26,955 million. The shareholdings consist primarily of shares in Millicom International Cellular S.A. ("MIC"), 34 % of equity, and Société Européenne de Communication S.A. ("SEC"), 41 % of equity.



Highest and lowest prices paid by month for the Kinnevik share from 1995 to 1999, and the composite index and traded volume for the same period.

Korsnäs is Kinnevik's largest business area and has its manufacturing business concentrated at Gävle with an annual capacity of 660,000 tons. The entire production of sulphate pulp is processed into paperboard, paper sack and kraft paper as well as fluff pulp. Paperboard has grown to be the largest product area, in which paperboard is used in packaging for liquids and the white top kraft board is used for the surfaces of corrugated board packaging.

Korsnäs' net sales amounted to SEK 4,984 million (5,026) and operating income to SEK 503 million (630). Profit was affected by low prices and cost levels that were too high. The sales volume could, however, be kept at normal levels.

Growth for the customer services company Transcom continues to be strong. During the year there have been further new offices opened in Norrköping and in Helsinki, Finland. At the end of 1999 the number of employees amounted to 2,006 with operations in Sweden, Norway, Denmark and Finland.

Kinnevik continues its tradition of developing and engaging itself in new business areas. Amongst these can be mentioned Acando AB, Cherryföretagen AB, Goodguy Svenska AB and Viking Telecom AB.

Net sales in Kinnevik amounted to SEK 6,877 million (6,683). Profit after financial items amounted to SEK 635 million (532).

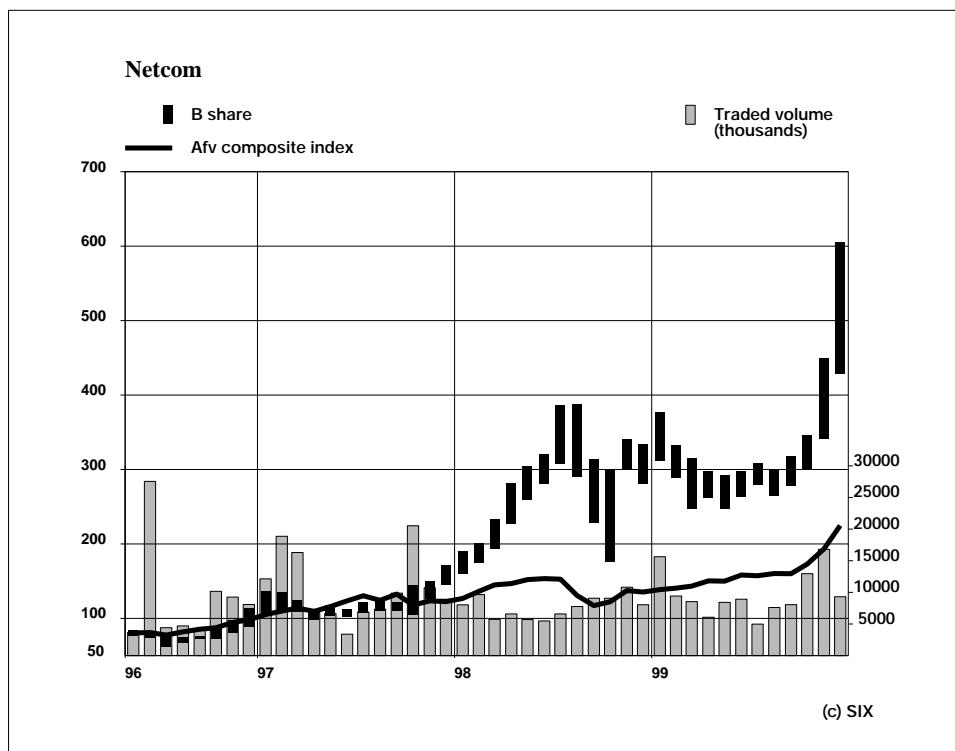
NETCOM AB

The market value of Invik's shareholdings in NetCom amounted to SEK 6,851 million as at 31 December 1999. The shareholdings are equivalent to 32.7 % of the votes and 11.1 % of the equity. On 22 February 2000 the market value was SEK 8,146 million. In 1996 Industriförvaltnings AB Kinnevik distributed the shares in NetCom to its shareholders. The share is listed on the Stockholm Stock Exchange O List and on Nasdaq in New York.

NetCom is the leading supplier of telecommunications services in the Nordic Region, the Baltic countries and Poland. The Group has continued strong growth in its operations. Net sales increased during the year by 37 % to SEK 8,193 million.

The total customer base for the mobile telephony brand names Comviq and Tele2.Mobil increased in Sweden during the year by 28 % to 1,641,000. Within fixed telephony, with the brand name Tele2, the number of customers increased to a total of 1,448,000, with a 23 % increase in Sweden to 852,000, a 54 % increase in Denmark to 421,000 and a 121 % increase in Norway to 289,000.

In November 1999 NetCom confirmed that it had sold its 24.8 % holding in the Norwegian mobile operator NetCom ASA to Société Européenne de Communication S.A. ("SEC") in exchange for newly issued shares in SEC. After the transaction NetCom's shareholding in SEC amounts to 17.8 % of the equity.



Highest and lowest prices paid by month for the NetCom share from 14 May 1996 to December 1999, and the composite index and traded volume for the same period.

The operating income after depreciation improved by 113 % to SEK 1,142 million (518). Profit after financial items amounted to SEK 4,179 million (232), of which SEK 3,245 million refers to capital gains from sales of shares in NetCom ASA.

MODERN TIMES GROUP MTG AB

The market value of Invik's shareholding in MTG as at 31 December 1999 amounted to SEK 2,669 million. The shareholding is equivalent to 9.8 % of the equity and 24.3 % of the votes after full conversion of the outstanding convertible debenture loan. On 22 February 2000 the market value was SEK 2,425 million. The share is listed on the Stockholm Stock Exchange O list and on Nasdaq in New York.

Twelve years ago Industriförvaltnings AB Kinnevik established the first commercial TV channel in Sweden and Scandinavia. This was the beginning of what is today the Modern Times Group MTG AB. Shares in MTG were distributed to Kinnevik's shareholders in 1997. MTG has been a leader in breaking the monopoly and oligopoly

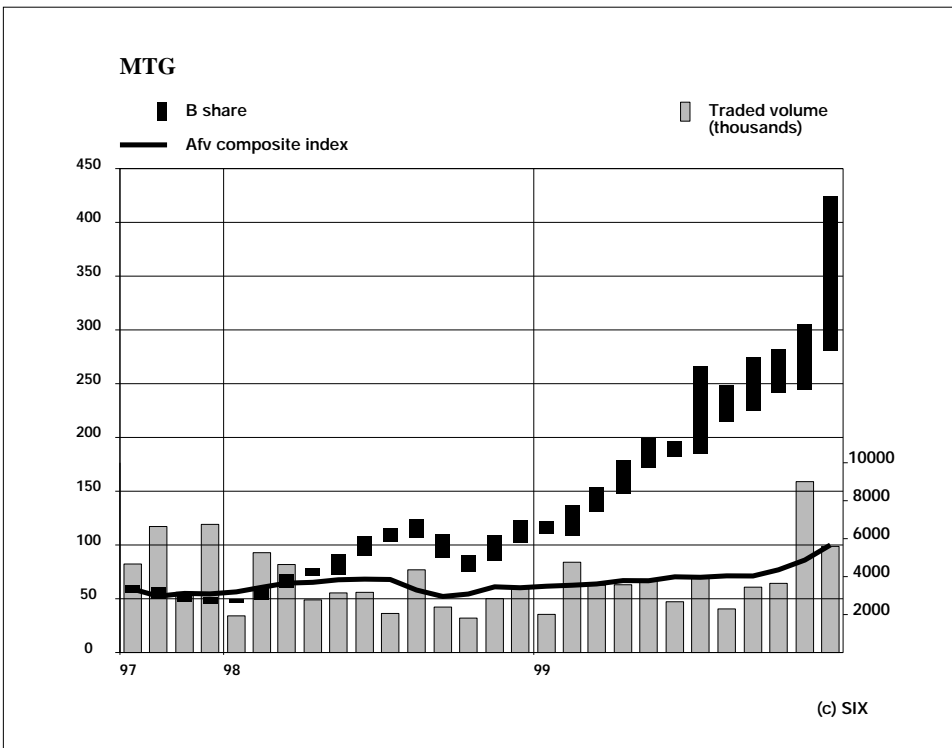
within the media sector and is today established as one of the largest media companies in Scandinavia and the Baltic countries.

MTG's operative structure consists of six business areas: Broadcasting, Radio, Publishing, Metro International, Electronic Retailing and Media Services.

The business area Broadcasting offers 17 TV channels in seven countries and distributes a further eleven channels owned by other companies in these countries. TV3, the leading channel, is sent as a local channel in Sweden, Norway, Denmark, Estonia, Latvia and Lithuania. During the year TV8 was acquired in Sweden.

The newspaper Metro, within MTG's core geographic areas, the Nordic region and the Baltic countries, is included in the business area Publishing. The newspaper is distributed in Stockholm, Göteborg, Malmö and Helsinki. The last two distribution locations were added during 1999.

Metro International accounts for the further geographical expansion of the Metro concept. After the first launching outside of Sweden, in Prague in 1997 and Budapest in 1998, eight cities in Holland were added to the list. Distribution contracts have also been signed for distribution in Santiago, Chile; Philadelphia, USA; Newcastle, UK



Highest and lowest prices paid by month for the MTG share from 18 September 1997 to December 1999, and the composite index and traded volume for the same period.

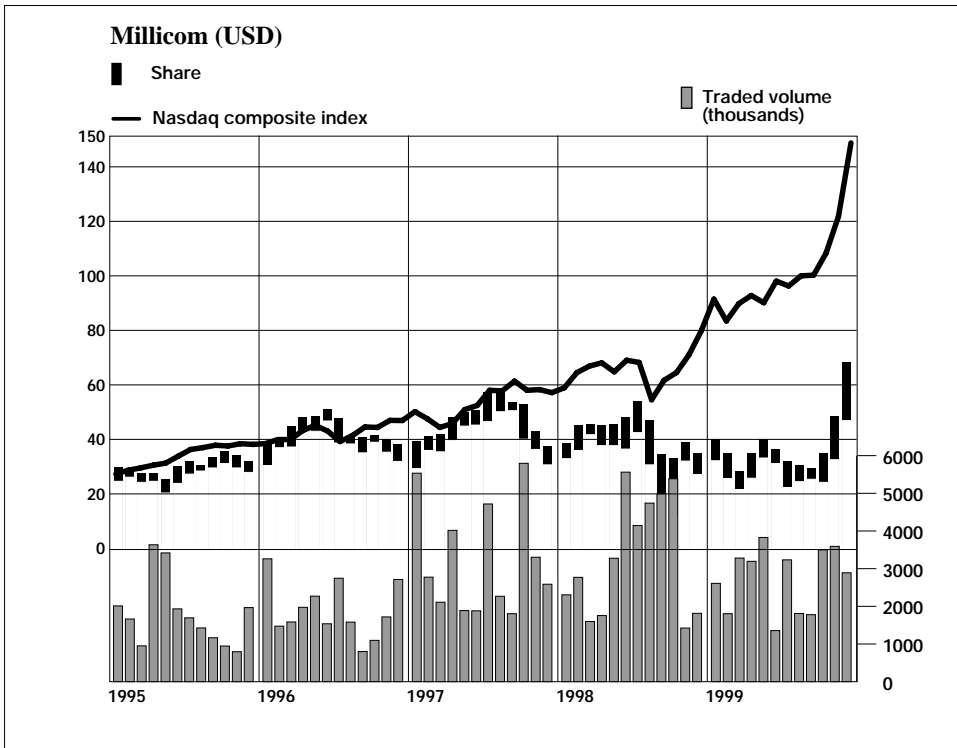
and Zurich, Switzerland. Distribution commenced in all of these locations in January 2000.

The Internet portal “everyday.com” was launched during the year in Sweden, France and Holland. The company is owned together with NetCom AB, which is the leading Internet operator in the Nordic region. Activities outside MTG’s and NetCom’s core business areas are operated by Société Européenne de Communication S.A. (“SEC”) on the basis of franchise agreements.

The net sales in MTG during 1999 increased by 23 % to SEK 4,789 million. Earnings after financial items amounted to SEK 231 million, an improvement by SEK 123 million, excluding capital gains during 1998.

MILlicom INTERNATIONAL CELLULAR S.A.

The market value of Invik’s shareholding as at 31 December 1999 amounted to SEK 502 million. The shareholding is equivalent to 2.3 % of the votes and equity. As at 22 February 2000 the market value was SEK 615 million. The share is listed on Nasdaq in New York and the Luxembourg Stock Exchange.



Highest and lowest prices paid by month for the MIC share from 1995 to 1999, and the composite index and traded volume for the same period.

MIC is today one of the world's leading operators of mobile telephony services with activities in Asia, Latin America, Russia and Africa. The company's operations are found mainly in growth markets where access to land-based telephony services is insufficient. The time requirements and costs to establish land-based telephony in these countries are significantly higher than with the establishment of mobile telephony.

MIC is currently part owner in 30 companies in 19 countries which, taken together, represent a market of 465 million people. The total number of subscribers in these companies increased by 53 % to 2,110,548 during 1999. During the year, operations were started in Senegal by SENTEL (GSM 900 licence), a company which is 75 % owned by MIC. MIC increased its ownership in Comcel in Guatemala in October from 47 % to 55 %. During 1999 MIC established operations for wireless broadband transmission in England.

During the spring of 1998, MIC and Kinnevik combined their telecommunications operations in Europe into a joint company, Société Européenne de Communication S.A. ("SEC"). MIC owns, thereafter, 35 % of the shares in SEC.

Net sales amounted to USD 552 million (459). The operating income before depreciation amounted to USD 143 million (211). The company's profit after net financial items amounted to USD -5 million (75).

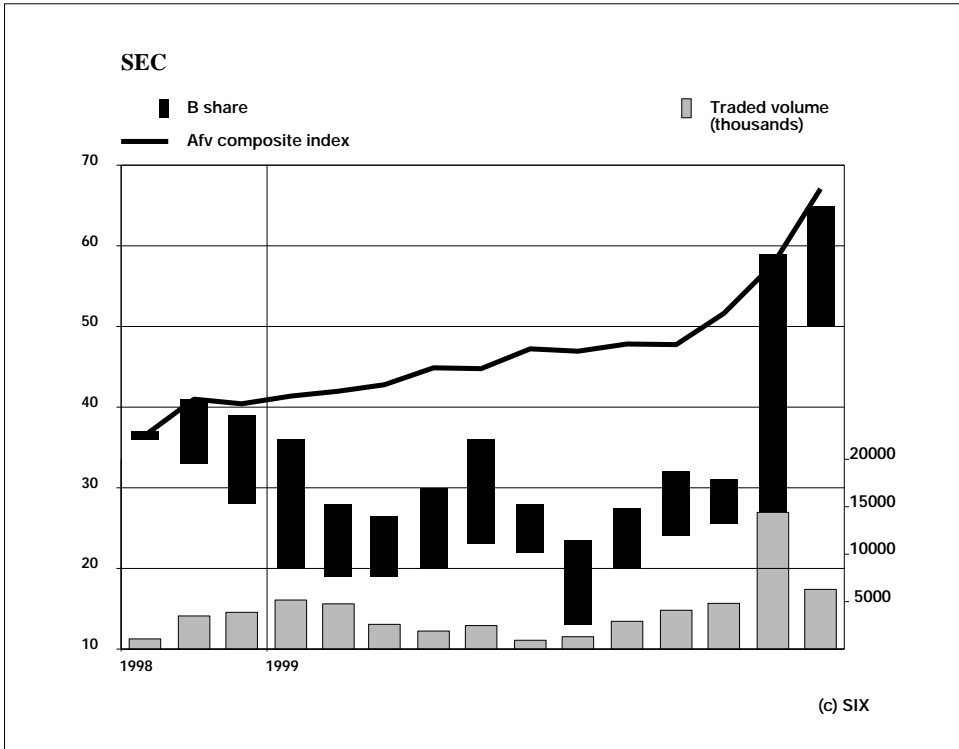
SOCIÉTÉ EUROPÉENNE DE COMMUNICATION S.A.

The market value of Invik's shareholding in SEC amounted as at 31 December 1999 to SEK 760 million. The holding is equivalent to 2.5 % of the votes and 2.3 % of the equity. As at 22 February 2000 the market value of the holding was SEK 813 million. During the spring of 1998 Kinnevik and MIC combined their telecommunications operations in Europe into a joint company, Société Européenne de Communication S.A. ("SEC"). SEC is listed on the Stockholm Stock Exchange O list, Nasdaq in New York and the Luxembourg Stock Exchange.

SEC consists primarily of Tele2 Europe, whose operations include national and international fixed telephony services. Operations started at the end of October 1997 in Holland, during 1998 in Germany and Switzerland. During 1999 operations began in Austria, France, Italy and Luxembourg. The company also has a licence in Ireland. The number of subscribers as at December 31, 1999 amounted to 3,008,537 (792,494) which is an increase of 280 %. Of these subscribers 77,364 (36,506) are within the mobile telephony company Tango in Luxembourg.

Also included in SEC is Transcom International, 3C Communications and the customer service company Transcom Europe.

Net sales amounted to DEM 607 million (117) and result after net financial income amounted to DEM -466 million (-158).



Highest and lowest prices paid by month for the SEC share from October 1998 to December 1999, and the composite index and traded volume for the same period.

FINANCE AND INSURANCE

BANQUE INVIK S.A.

Banque Invik S.A., with its headquarters in Luxembourg, has been operating banking activities since 1989 and is a wholly-owned subsidiary of Invik. The operations take place partly at the registered office in Luxembourg and partly at the Stockholm branch, which was established in 1996.

The business concept is to be a private bank with the continental European tradition for such institutions as the model. The bank offers qualified advisory services regarding asset management to wealthy private individuals. Furthermore, Banque Invik offers financial advisory services to companies, provides credit card services and operates fund management.

Banque Invik carries on foreign exchange and securities trading operations for its clients without taking any positions of its own. The bank's financial advisory services are aimed at investments with low, well-calculated risks. The credit policy applied in granting loans is very restrictive.

Provision of credit cards is a combination of financing and payment services. Banque Invik is a member of the VISA and Mastercard/Eurocard organizations in Europe. The bank's credit card services are primarily aimed at wealthy private individuals, both its own private banking customers and other banks' customers.

Within asset management, Banque Invik markets, since 1993, a number of funds, which are managed by external fund managers under the collective name Master Portfolio. Varying amounts of liquid funds and bond investments are also included in the Master Portfolio.

In January 1999 Banque Invik launched "The Modern Funds SICAV", a Luxembourg registered umbrella fund with a variety of index funds. In Sweden the company's three index funds are marketed under the name "Moderna Fonder". Investors in Moderna Fonder are offered the possibility to save in three different index funds; one share index fund ("Sverige Topp 30"), one short interest index fund ("Sverige Ränta") and a long interest index fund ("Sverige Obligation"). During the year The Modern Funds expanded with eight new index funds, which follow the larger stock exchanges in Europe, the short-term Euro interest rate and the Euro bond market. In the same manner as the index funds in Sweden, these index funds are distributed as a cost-effective form of savings to investors in Western Europe.

Banque Invik has also launched the Luxembourg registered fund Our Fund, which invests in the six listed companies which are included in the informal group of companies in which Invik is included, the so-called Our Group. The listed companies in which Our Fund, according to a predetermined formula, is allowed to invest, are

NetCom AB, Millicom International Cellular S.A., Société Européenne de Communication S.A, Modern Times Group MTG AB, Industriförvaltnings AB Kinnevik as well as Invik & Co. AB.

1999 was Banque Invik's tenth year of operations and it was yet another year of growth and improved profit. Gross revenue increased by 28 % via an increase of net interest income of 20 % and an increase in commission revenue by 30 %. The entire bank's operating areas contributed to the increase in volume. The balance sheet increased by 25 % to SEK 1.9 billion. In addition, the bank's customers have deposits under the bank's management amounting to SEK 3.2 billion, an increase from SEK 1.6 billion over last year.

Commission revenue from financial advisory services to companies increased during the year. During the year financing projects totaling approximately MEUR 160 have been successfully completed for SEC as well as refinancing projects totaling SEK 800 million for MTG. Revenues within this area naturally vary between years, but a general increase in volume is expected.

The bank's operating income was SEK 8.4 million, compared with SEK 5.7 million last year.

Banque Invik's income statements in summary and key ratios for the period 1997-1999 (SEK million):

	1997	1998	1999
Operating income	2.0	5.7	8.4
Net income for the year	0.4	2.1	0.8
Solvency ratio (%)	247	205	145
Liquidity ratio (%)	61	59	55
Number of employees	26	28	30

FÖRSÄKRINGS AB ATLANTICA

Invik owns 100 % of the shares in Försäkrings AB Atlantica. The company was founded in 1916.

Atlantica entered an agreement, at the end of the year, with Sampo's wholly-owned subsidiary Industriförsäkring AB, for the sale of marine cargo, marine hull, and part of the industrial insurance portfolio. The transaction involved SEK 200 million in annual premium income. The transfer is expected to take place during the second quarter of 2000. This sale is a part of Atlantica's strategic focus on insurance for consumers, organizations and smaller companies.

Atlantica has insurance operations within the areas of industrial, aviation and consumer insurance.

During 1999 further investments were made in consumer insurance. The sister company “netviq” is the market leader within Internet insurance. Furthermore, during the summer of 1999, netviq Norge launched yacht insurance on the Internet. Via a cooperation agreement with the marketing company Bilspport & MC a new motor insurance concept was launched for veteran cars and motor cycles. At the end of the year the portfolio amounted to slightly more than SEK 25 million in annual premium volume. A licence has been granted for an Internet based life insurance company, www.netviqliv.se, with such products as sickness, accident and life insurances. Operations are estimated to commence during the first half of 2000.

Atlantica’s income statements in summary and key ratios for the period 1997-1999 (SEK million):

	1997	1998	1999
Premiums earned	405.5	443.3	467.2
Technical operating income	1.1	-26.6	-44.5
Income before taxes	17.2	-12.2	-32.8
Operating expenses ratio (%)	24.6	27.4	27.7
Claims expenses ratio, gross (%)	102.1	173.0	111.7
Consolidation ratio (%)	125	218	264
Number of employees	82	82	77

FISCHER PARTNERS FONDKOMMISSION AB

Fischer Partners Fondkommission AB is owned 50 % by Invik.

Fischer Partners operates brokerage, corporate finance and asset management services.

Fischer had a 3.3 % (2.1) share of the turnover on the Stockholm Stock Exchange during the year. Fischer’s customers on the share trading side are primarily foreign and Swedish institutions. The company is currently market maker in 14 SBI companies.

Asset management includes partly discretionary management, with a total amount managed of approximately SEK 2,000 million. Fischer also manages two funds, the newly listed fund Farsalos, which increased by 52 % during the year, and the Stock Picking Fund, which was started at the end of the year.

Profit before appropriations and tax amounted to SEK 28.6 million (12.4).

MODERN PRIVAT KAPITALFÖRVALTNING MPK AB

Modern Privat Kapitalförvaltning MPK AB offers asset management services based on qualified fundamental analysis and a high level of personal service. The company also executes new share issues. MPK manages slightly more than SEK 6 billion and has 1,200 customers. Amongst its customers are private individuals, companies, trusts and religious organizations. The new share issue department works with ownership diffusion and market listing of privately owned companies.

The sister company Aktie-Ansvar operates one share fund, Ansvar Aktiefond Sverige – value growth during the year of 59.1 % – and an interest rate fund, Ansvar Avkastningsfond. The fund company has 4,500 customers and a fund total of SEK 750 million. The share fund has an ethical nature and offers the possibility of savings for the benefit of charitable organizations, for example local church congregations and denominations.

Earnings after financial items for the period May – December amounted to SEK 7.6 million.

OTHER OPERATION

GAMLA STANS BRYGGERI AB

The brewery and restaurant operations are run under the name Gamla Stans Bryggeri AB.

The breweries and restaurants are located in one of the customs houses at Skeppsbron in Gamla Stan. The combination of brewery, bar and restaurant is the first of its kind in Sweden.

Gefle Borg Bryggeri AB (99 %) produces mainly Färsköl for Gamla Stans Bryggeri.

Operating results continue to be negative. During the year the operations have been reorganized and expense levels reduced.

FINANCIAL HIGHLIGHTS

The Invik Group's assets consist to a large extent of publicly traded securities. Consequently, the Invik share should be valued based on the net asset value and its variations.

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

	1995	1996	1997	1998	1999
Income statement items (SEK million)					
Net sales	595	636	552	639	709
Result after financial items	465	-2	101	447	15
Net income for the year	359	9	97	462	33
Balance sheet items (SEK million)					
Equity	750	738	1,265	2,102	2,250
Balance sheet total	2,586	3,639	3,483	4,714	5,350
Net asset value (SEK million)	1,186	1,862	3,056	6,343	12,733
Key ratios					
Equity ratio I (%), after full conv.	29.8	20.9	36.3	48.4	42,1
Equity ratio II (%), after full conv.	39.9	39.6	57.9	74.3	80,4
Debt/equity ratio (multiple)	2.3	3.8	1.6	1.2	1,3
Proportion of risk-bearing capital (%)	34.6	23.8	39.4	46.6	43,4
Data per share (SEK)¹					
Market price, Dec 31	161	300	355	660	1,010
Net asset value, Dec 31, after full conv.	234	367	452	840	1,641
Equity, Dec 31, after full conv.	148	145	187	271	290
Earnings after taxes	70.82	1.75	16.40	60.20	4.39
Dividend	1.00	1.00	2.00	2.00	3.00 ⁴
	+ 2.00 ²			+ 5.33 ³	

¹ The number of outstanding shares was 5,070,000 for the years 1993-1996. On 1 January 1999 the number of outstanding shares was 7,760,000. The average number for 1999 was 7,547,000.

² Dividend 1995 includes bonus.

³ For 1998 the dividend consisted of a cash dividend of SEK two (2) together with a dividend of one new share in Invik for each 100 old shares with a value of SEK 5.33.

⁴ For 1999 the proposed dividend is stated.

Definitions

Equity ratio I	Equity, plus minority interest, divided by the balance sheet total.
Equity ratio II	Net asset value, plus minority interest, divided by the balance sheet total, adjusted for surplus value/deficit in holdings of publicly traded securities.
Debt/equity ratio	Debts, minus liquid assets, divided by equity.
Net asset value	Equity, adjusted for surplus value/deficit in the long-term securities portfolio without regard to tax effects.
Earnings after taxes	Net profit for the year divided by the average number of outstanding shares.
Proportion of risk-bearing capital	Equity, plus deferred tax liability, plus minority interest, divided by the balance sheet total.

NET ASSET VALUE CALCULATION

Invik's net asset value is calculated as the Group's equity adjusted for surplus value/ deficit in holdings of publicly traded securities. The market value of other holdings is assumed to be equivalent to the book value.

The net asset value as at 31 December 1999 was SEK 12,733 million, corresponding to SEK 1,641 per share, after full conversion and before deferred tax. The deferred tax on the surplus value on the listed holdings is about 28 %.

SEK million	Market value	Book value	Net asset value
Invik			
Recorded equity			2,250
Kinnevik	2,189	-814	1,375
NetCom	6,851	-968	5,883
MTG	2,669	-235	2,434
MIC	589	-93	496
SEC	765	-470	295
Net asset value before tax			12,733*

* SEK 1,641 per share, after full conversion

The net asset value as at 31 December 1999 is based on the following share prices:

Kinnevik A	255.0 SEK	Kinnevik B	264.0 SEK
NetCom A	590.0 SEK	NetCom B	598.0 SEK
MTG A	420.0 SEK	MTG B	422.0 SEK
SEC A	58.0 SEK		
MIC	534.0 SEK	(Exchange rate SEK 8.56 per USD)	

The net asset value as at 22 February 2000 was SEK 1,855 per share.

ADMINISTRATION REPORT

OBJECTIVE

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

During Invik's fourteen-year history the appreciation of the net asset value has been equivalent to an annual return of 51 %, calculated on the basis of the net asset value of SEK four per share that originally (1985) existed in the company. This can be compared with an annual return, according to Affärsvärlden's composite index, of 20 % during the same period.

ORGANIZATION

The Invik Group consists of the Parent Company Invik & Co. AB as well as a number of operating subsidiaries. The Parent Company is a holding company, which, amongst other things, manages a long-term securities portfolio. The long-term securities portfolio consists primarily of larger investments in a small number of publicly-traded companies in which Invik seeks to exert influence, including board representation. The subsidiaries are primarily active within the areas of Finance and Insurance. There is also some Other operation, a small brewery operation.

OPERATIONS IN 1999

The convertible debenture loan issued in 1998 was converted in its entirety on 12 May 1999, after which the total number of outstanding shares amount to 7,760,000, divided between 2,753,333 class A shares and 4,006,667 class B shares.

At the ordinary Annual General Meeting of Kinnevik it was decided to make a dividend in kind of shares in Invik & Co. AB. At Invik's Annual General Meeting on 20 May 1999 it was decided to make a further dividend of the shares received on the basis of one new class A share for every 100 class A shares and one new class B share for every 100 class B shares. This dividend was not taxable income for Invik's shareholders.

On 4 August 1999 the asset management company Myrberg & Partner AB was acquired, and its name changed to Modern Privat Kapitalförvaltning MPK AB. The company offers qualified asset management based on fundamental analysis and high personal service. The total capital managed at year-end amount to SEK 5,300 million.

For an account of the operations in the subsidiaries and associated companies refer to the respective companies descriptions in the annual report.

THE LONG-TERM SECURITIES PORTFOLIO

The market value of the long-term securities portfolio amounted as at accounting year-end to SEK 13,059 million (6,649). The acquisition value amounted to SEK 2,577 million (2,407).

The long-term securities portfolio as at December 31, 1999 consists of shares in NetCom AB ("NetCom"), Industriförvaltnings AB Kinnevik ("Kinnevik"), Modern Times Group MTG AB ("MTG"), Millicom International Cellular S.A. ("MIC") and Société Européenne de Communication S.A. ("SEC").

- NetCom, 8,405,792 class A shares and 3,163,166 class B shares, equivalent to 32.7 % of the votes and 11.1 % of the equity.
- Kinnevik, 6,166,387 class A shares and 2,336,936 class B shares, equivalent to 32.2 % of the votes and 13.5 % of the equity.
- MTG, 5,940,787 class A shares and 411,710 class B shares, equivalent to 24.3 % (30.6 %) of the votes and 9.8 % (10.6 %) of the equity, after and before conversion of the convertible debenture loan respectively.
- MIC, 940,418 shares and one option equivalent to 186,520 shares. The total holding is equivalent to 2.3 % of the votes and the equity.
- SEC, 13,112,528 class A shares, equivalent to 2.5 % of the votes and 2.3 % of the equity.

CONSOLIDATED INCOME

The consolidated income after financial items according to the acquisition method was SEK 15.2 million (446.8). Profit after tax amounted to SEK 33.1 million (461.6).

The consolidated income mentioned above does not include the profit participation in the Parent Company's associated companies.

The Board of Directors believes, with the support of the company's auditors and established practice, that the acquisition method, with the supplementary information regarding surplus values in the securities portfolio, provides a better reflection of Invik's development.

The consolidated income in accordance with the equity method is shown in note 1.

FINANCIAL POSITION

The Group's liquidity reserve (excluding funds in the banking and insurance operations) that is liquid funds and unutilized credits amounted at year-end to SEK 140 million (69.4). In addition, assets consisted largely of securities in listed companies, that are realizable.

EARNINGS PER SHARE

The earnings per share amounted to SEK 4.39 (60.20) after full conversion.

PARENT COMPANY

Income after financial items amounted to SEK 82.3 million (516.5). Income after tax amounted to SEK 152.4 million (465.8).

PERSONNEL, SALARIES AND REMUNERATION

The average number of employees in the Parent Company during the year increased to 1 (0). Remuneration to the Board of Directors and the Parent Company's Managing Director amounted to SEK 3.0 million (0.9).

Salaries and remuneration to other employees in the Parent Company amounted to SEK 2.6 million (0).

For further information see note 28.

WORK OF THE BOARD

Invik & Co AB's Board of Directors has held five minuted meetings during 1999.

The Board has adopted a working plan for the work of the Board and an instruction for the Managing Director.

PROPOSED ALLOCATION OF INCOME

The Group's unrestricted equity is SEK 1,217.8 million, after deduction of proposed allocations to restricted reserves.

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

	SEK
retained earnings	1,020,309,738
net income for the year	152,402,399
	<hr/>
	1,172,712,137

The Board of Directors and the Managing Director propose that the profits at the disposal of the Annual General Meeting be allocated as follows:

	SEK
Dividend to the shareholders	
SEK 3 per share	23,280,000
to be carried forward	1,149,432,132
	<hr/>
	1,172,712,137

CONSOLIDATED INCOME STATEMENT

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

	Note 1	1999	1998
Net sales	Note 2	708.5	638.8
Cost of goods and services supplied		-580.5	-523.2
Gross income		128.0	115.6
Selling expenses		-94.4	-101.9
Administrative expenses		-142.9	-94.7
Other operating revenue		8.5	1.8
Other operating expenses		-1.9	-8.4
Capital gains, shares	Note 3	71.3	149.1
Dividend income		53.6	409.9
Operating income	Note 4, 28	22.2	471.4
Result from financial items			
Interest income and similar items	Note 6	17.8	17.6
Interest expenses and similar items	Note 7	-24.8	-42.2
Income after financial items	Note 8	15.2	446.8
Minority share in income for the year		0.1	0.2
Tax on income for the year	Note 9	17.9	14.6
NET INCOME FOR THE YEAR		33.2	461.6

CONSOLIDATED

CASH FLOW ANALYSIS INDIRECT METHOD

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

	1999	1998
Cash flow from current operations		
Operating income	-102.7	-87.6
Adjustments		
Provisions	34.5	28.2
Dividends from associated companies	53.6	48.2
Translation differences	3.5	0.6
Interest and similar items	-7.0	-24.6
Paid income tax	-3.4	-1.1
Minority shares in the net income for the year	0.1	0.2
	-21.4	-36.1
<i>Change in working capital</i>		
Change in inventory	-1.4	-1.8
Change in current receivables	42.3	-173.0
Change in short-term investments	-504.8	-353.7
Change in short-term liabilities	500.1	326.0
Cash flow from current operations	14.8	-238.6
Investment operations		
Acquisition of intangible and tangible assets	-70.6	-16.4
Acquisition of financial assets	-392.6	-551.5
Sale of intangible and tangible assets	0.6	0.7
Sale of financial assets	268.2	400.2
Reduction in long-term receivables	0.0	10.8
Cash flow from investment operations	-194.4	-156.2
Financing activities		
New share issue	179.0	379.0
Change in minority interest	1.2	1.8
Increase in long-term liabilities	65.8	-22.2
Dividend	-56.9	-13.5
Cash flow from financing activities	189.1	345.1
Change in liquid funds	9.5	-49.7
Liquid funds at the beginning of the year	95.9	145.6
Liquid funds at year-end	105.4	95.9

CONSOLIDATED BALANCE SHEET

as at 31 December (SEK million)

Assets		1999	1998
Fixed assets			
Intangible assets			
Capitalized development costs	Note 10	16.0	3.7
Goodwill	Note 11	86.6	46.0
Total intangible assets		102.6	49.7
Tangible assets			
Land and buildings	Note 12	25.6	26.4
Machinery	Note 13	13.5	16.6
Equipment	Note 14	22.7	24.9
Total tangible assets		61.8	67.9
Financial assets			
Shares in associated companies	Note 16	2,048.0	1,955.9
Other securities held as fixed assets	Note 17	577.7	488.9
Total financial assets		2,625.7	2,444.8
Total fixed assets		2,790.1	2,562.4

INVIK & CO.

		1999	1998
Current assets			
Inventories	Note 18	6.7	5.3
Current receivables			
Accounts receivable – trade		36.8	41.3
Receivables from associated companies		23.1	42.0
Other receivables	Note 19	223.9	245.6
Prepaid expenses and accrued income	Note 20	66.1	66.9
Total current receivables		349.9	395.8
Investments			
Lending in banking business		984.7	657.6
Investment assets	Note 21	1,113.4	997.3
Total investments		2,098.1	1,654.9
Cash and bank balances		105.4	95.9
Total current assets		2,560.1	2,151.9
TOTAL ASSETS		5,350.2	4,714.3

Equity, Provisions and Liabilities		1999	1998
Equity	Note 22		
Restricted equity			
Share capital		7.8	7.1
Share premium reserve		990.2	811.9
Restricted reserves		34.7	75.5
Total restricted equity		1,032.7	894.5
Unrestricted equity			
Unrestricted reserves		1,184.6	745.7
Net income for the year		33.2	461.6
Total unrestricted equity		1,217.8	1,207.3
Total equity		2,250.5	2,101.8
Minority interest		3.3	2.1
Provisions			
Provisions for pensions and similar commitments		0.2	0.2
Provisions for deferred tax liability	Note 23	70.6	91.3
Total provisions		70.8	91.5
Liabilities			
Long-term liabilities			
Bank overdraft facilities	Note 24	139.0	1.0
Liabilities to credit institutions	Note 29	479.1	374.8
Liabilities to associated companies	Note 25	0.0	176.5
Total long-term liabilities		618.1	552.3

		1999	1998
Current liabilities			
Liabilities to credit institutions	Note 29	170.9	45.0
Accounts payable – trade		9.2	10.0
Borrowing in banking business		1,502.1	1,249.1
Actuarial insurance liabilities		232.4	193.5
Liabilities to associated companies	Note 25	288.7	326.4
Other liabilities	Note 26	150.2	107.2
Accrued expenses and prepaid income	Note 27	54.0	35.4
Total current liabilities		2,407.5	1,966.6
Total liabilities		3,025.6	2,518.9
TOTAL EQUITY, PROVISIONS AND LIABILITIES			
		5,350.2	4,714.3
Pledged assets and contingent liabilities			
Pledged assets	Note 29		
Pledged shares		769.9	752.1
Corporate mortgage		10.3	10.3
Total pledged assets		780.2	762.4
Contingent liabilities			
Guarantees for group companies		20.1	15.3
Other contingent liabilities		49.4	123.9
Total contingent liabilities		69.5	139.2
Commitments outside the balance sheet			
Unused part of credit limit		971.4	680.1

INCOME STATEMENT PARENT COMPANY

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

		1999	1998
Net sales		12.7	8.2
Cost of goods sold and services provided		-12.2	-11.3
Gross income		0.5	-3.1
Selling expenses		–	–
Administrative expenses		-34.8	-19.7
Operating income	Note 4, 28	-34.3	-22.8
Result from financial items			
Capital gains, shares	Note 3	71.3	146.7
Dividend from associated companies		53.6	417.2
Result from other securities and receivables in the Group	Note 5	9.2	10.4
Interest income and similar items	Note 6	3.2	0.7
Interest expenses and similar items	Note 7	-20.7	-35.7
Income after financial items		82.3	516.5
Group contributions, given		-4.6	-74.6
Recovered write-downs of shares and receivables		59.8	–
Tax on income for the year	Note 9	14.9	23.9
NET INCOME FOR THE YEAR		152.4	465.8

CASH FLOW ANALYSIS PARENT COMPANY

INDIRECT METHOD

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

	1999	1998
Cash flow from current operations		
Operating income	-34.3	-22.8
Adjustments		
Provisions	6.3	6.1
Dividends from associated companies	53.6	55.5
Interest and similar items	-8.3	-24.6
	17.3	14.2
<i>Change in working capital</i>		
Change in current receivables	-121.6	-36.9
Change in short-term investments	0.0	6.8
Change in short-term liabilities	-31.8	-280.3
Cash flow from current operations	-136.1	-296.2
Investment operations		
Acquisition of intangible and tangible assets	-1.9	-0.1
Acquisition of financial assets	-287.1	-612.9
Sale of intangible and tangible assets	0.2	0.0
Sale of financial assets	268.1	459.9
Reduction in long-term receivables	0.0	46.3
Cash flow from investment operations	-20.7	-106.8
Financing activities		
New share issue	179.0	379.0
Change in long-term liabilities	31.8	31.1
Dividend	-56.9	-13.5
Cash flow from financing activities	153.9	396.6
Change in liquid funds	-2.9	-6.4
Liquid funds at the beginning of the year	2.9	9.3
Liquid funds at year-end	0.0	2.9

BALANCE SHEET PARENT COMPANY

as at 31 December (SEK million)

Assets		1999	1998
Fixed assets			
Intangible assets			
Capitalized development costs	Note 10	0.5	1.5
Tangible assets			
Land and buildings	Note 12	2.1	2.2
Equipment	Note 14	4.2	7.7
Total tangible assets		6.3	9.9
Financial assets			
Shares in group companies	Note 15	400.3	333.3
Shares in associated companies	Note 16	1,987.8	1,895.7
Other securities held as fixed assets	Note 17	377.8	438.7
Total financial assets		2,765.9	2,667.7
Total fixed assets		2,772.7	2,679.1

INVIK & CO.

		1999	1998
Current assets			
Current receivables			
Accounts receivable – trade		0.9	–
Receivables from group companies		215.1	37.3
Receivables from associated companies		13.1	20.9
Other receivables	Note 19	9.3	5.3
Prepaid expenses and accrued income	Note 20	0.8	0.5
Total current receivables		239.2	64.0
Cash and bank balances		0.0	2.9
Total current assets		239.2	66.9
TOTAL ASSETS		3,011.9	2,746.0

Equity, Provisions and Liabilities		1999	1998
Equity	Note 22		
Restricted equity			
Share capital		7.8	7.1
Share premium reserve		990.2	811.9
Restricted reserves		59.2	59.2
Total restricted equity		1,057.2	878.2
Unrestricted equity			
Profit brought forward		1,020.3	694.0
Net income for the year		152.4	465.8
Total unrestricted equity		1,172.7	1,159.8
Total equity		2,229.9	2,038.0
Provisions			
Provisions for deferred tax liability	Note 23	19.1	7.5
Liabilities			
Long-term liabilities			
Bank overdraft facilities	Note 24	138.0	—
Liabilities to credit institutions	Note 29	470.0	365.0
Liabilities to group companies		0.1	34.8
Liabilities to associated companies	Note 25	0.0	176.5
Total long-term liabilities		608.1	576.3

		1999	1998
Current liabilities			
Liabilities to credit institutions	Note 29	45.0	45.0
Accounts payable – trade		0.9	1.2
Liabilities to group companies		100.3	73.6
Liabilities to associated companies		0.6	0.6
Other liabilities	Note 26	1.3	0.7
Accrued expenses and prepaid income	Note 27	6.7	3.1
Total current liabilities		154.8	124.2
Total liabilities		762.9	700.5
TOTAL EQUITY, PROVISIONS AND LIABILITIES			
		3,011.9	2,746.0
Pledged assets and contingent liabilities			
Pledged assets			
Pledged shares	Note 29	706.8	752.1
Contingent liabilities			
Guarantees for group companies		20.1	15.3
Other contingent liabilities		0.7	0.4
Total contingent liabilities		20.8	15.7

NOTES TO THE FINANCIAL STATEMENTS

Parent Company and Group
(SEK million)

ACCOUNTING PRINCIPLES

General

The consolidated accounts for Invik & Co. AB and its subsidiaries have been prepared in accordance with the Annual Accounts Act, observing the recommendations of the Swedish Financial Accounting Standards Council.

Valuation principles

When recording receivables and payables, provision for loss risk has been made on the basis of individual assessment.

Receivables and payables in foreign currency have been translated at the closing day rate. The difference between the acquisition rate and closing day rate is taken up as income. In the cases where hedging measures have been taken, the value recorded is based on the rate applicable to the hedging instrument.

Inventories are recorded at the lower of cost or market. Necessary provision for obsolescence is made.

Depreciation according to plan on assets is based on the estimated economic life and the following periods are applied:

	Group	Parent Company
Goodwill	10 years	–
Capitalized development costs	5 years	5 years
Machinery and equipment	3–5 years	5 years
Buildings	20–50 years	20 years

Consolidated accounts

The consolidated balance sheet includes the companies in which the Parent Company Invik & Co. AB directly or indirectly holds more than 50 % of the votes.

The consolidated accounts have been prepared in accordance with the acquisition accounting method, in which reported acquired adjusted equity at the time of acquisition is eliminated against the acquisition value of the subsidiaries' shares. When translating the accounts of subsidiaries the current rate method has been used. Exchange rate differences that arise when using this method of translation are reported directly in equity.

Note 1 Consolidated accounts according to the equity method

Associated companies

Holdings in associated companies are reported in accordance with the equity method. Associated companies are defined as companies in which the Group holds a minimum of 20 % and a maximum of 50 % of the votes.

In accordance with the equity method the Group's book value for shares in associated companies is equivalent to the Group's participation in the associated companies' equity together with any residual surplus or deficit value arising from the acquisition value calculation.

In the consolidated income statement "Participations in associated companies' income" is the result of the Group's share of the associated company's reported income after financial items adjusted for any amortization/dissolution of acquired surplus or deficit value.

The Group's participation in the associated companies' reported taxes is included in the Group's tax expenses and minority shares in associated companies' income are included in the Group's minority shares.

Surplus values, referring to the listed associated companies, are amortized over 20 years, due to these companies' long-term investments. Surplus values in other associated companies are amortized over 5 years.

The dilution effects through issues/conversions, that alter the Group's share of equity is described in the consolidated income statement "Participation in associated companies' income".

INCOME STATEMENT

for the period 1 January – 31 December

	1999	1998
Net sales	708.5	638.8
Cost of goods and services supplied	-580.5	-523.2
Gross income	128.0	115.6
Selling and administrative expenses	-237.3	-196.6
Other operating revenue and expenses	6.6	-6.6
Capital gains on securities sold	3.4	134.4
Participations in associated companies' income before tax*	533.7	62.2
Operating income	434.4	109.0
Net interest expense and other financial items	-12.5	-24.6
Income after financial items	421.9	84.4
Minority share in income for the year	1.6	1.6
Tax paid	-27.6	-15.7
Deferred tax	-23.5	-6.4
NET INCOME FOR THE YEAR	372.4	63.9

* of which dilution effects due to emissions

- -2.9

BALANCE SHEET as at 31 December

	1999	1998
Assets		
Financial assets	Note 16 2,735.7	2,251.3
Other fixed assets*	164.4	117.6
Investments	2,098.2	1,654.9
Cash and bank balances	105.4	95.9
Other current assets	356.5	401.1
TOTAL ASSETS	5,460.2	4,520.8
* of which goodwill from the Group	86.6	45.9

Equity, Provisions and Liabilities

Equity	Note 22 2,360.4	1,908.3
Minority interest	3.3	2.1
Provisions	70.8	91.5
Long-term interest-bearing liabilities	618.1	552.3
Current interest-bearing liabilities	1,961.9	1,611.8
Current non-interest-bearing liabilities	445.7	354.8
TOTAL EQUITY, PROVISIONS AND LIABILITIES	5,460.2	4,520.8

Note 2 Net sales per line of business

	Group	
	1999	1998
Management	4.9	0.9
Finance and insurance	662.7	584.0
Brewery operations	19.8	23.8
Other	21.1	30.1
	708.5	638.8
Geographical allocation		
Luxembourg	147.3	129.9
Sweden	561.2	508.9
	708.5	638.8

Note 3 Capital gains, shares

	Group		Parent Company	
	1999	1998	1999	1998
Industriförvaltnings AB Kinnevik	21.2	69.5	21.2	69.5
NetCom AB	19.9	48.9	19.9	48.9
Modern Times Group MTG AB	35.3	25.8	35.3	25.8
Société Européenne de Communication S.A.	-11.9	2.4	-11.9	2.4
Other	6.8	2.5	6.8	0.1
	71.3	149.1	71.3	146.7

Note 4 Depreciation of intangible and tangible fixed assets

	Group		Parent Company	
	1999	1998	1999	1998
Capitalized development costs	5.0	2.1	1.0	1.0
Goodwill	11.0	8.6	–	–
Land and buildings	0.8	0.3	0.1	0.1
Machinery	3.1	2.9	–	–
Equipment	8.2	14.3	5.1	5.0
	28.1	28.2	6.2	6.1

Distribution of depreciation

Cost of services and goods supplied	9.4	9.4	5.1	5.1
Selling expenses	9.2	8.8	–	–
Administrative expenses	6.7	7.9	1.1	1.0
Other operating expenses	0.8	–	–	–
Other interest expenses	2.0	2.1	–	–
	28.1	28.2	6.2	6.1

Note 5 Result from other securities and receivables in the Group

	Parent Company	
	1999	1998
Interest income	9.2	10.4

Note 6 Interest income and similar items

	Group		Parent Company	
	1999	1998	1999	1998
Interest income	12.0	14.9	3.2	0.7
Capital gains	0.2	–	–	–
Property management	1.4	1.5	–	–
Exchange gains	4.2	1.2	–	–
	17.8	17.6	3.2	0.7

Note 7 Interest expenses and similar items

	Group		Parent Company	
	1999	1998	1999	1998
Interest expenses	20.6	38.2	19.4	35.0
Write-down of bond and interest receivable	0.4	0.3	–	–
Administration costs	2.3	2.4	–	–
Other costs	1.5	1.3	1.3	0.7
	24.8	42.2	20.7	35.7

Note 8 Income after financial items per line of business

	Group	
	1999	1998
Management	64.7	491.5
Finance and insurance	-31.5	-18.3
Brewery operations	-17.9	-26.7
Other	-0.1	0.3
	15.2	446.8

Note 9 Tax on income for the year

	Group		Parent Company	
	1999	1998	1999	1998
Distribution of tax				
Tax paid	-3.4	-1.1	–	–
Deferred tax	21.3	15.7	14.9	23.9
	17.9	14.6	14.9	23.9

Note 10 Capitalized development costs

	Group		Parent Company	
	1999	1998	1999	1998
Accumulated acquisition value				
Opening acquisition value	10.0	9.8	5.0	5.0
Additional capitalization	17.4	0.1	–	–
Exchange translation difference for the year	-0.1	0.1	–	–
	27.3	10.0	5.0	5.0
Accumulated depreciation				
Opening depreciation	6.3	4.2	3.5	2.5
Depreciation for the year	5.0	2.1	1.0	1.0
	11.3	6.3	4.5	3.5
Closing residual value according to plan	16.0	3.7	0.5	1.5

Note 11 Goodwill

	Group	
	1999	1998
Accumulated acquisition value		
Opening acquisition value	78.2	76.0
Additional capitalization	41.6	1.8
Acquisition of subsidiaries	12.1	–
Exchange translation difference for the year	-0.4	0.4
	131.5	78.2
Accumulated depreciation		
Opening depreciation	32.2	23.6
Acquisition of subsidiaries	1.8	–
Depreciation for the year	11.2	8.4
Exchange translation difference for the year	-0.3	0.2
	44.9	32.2
Closing residual value according to plan	86.6	46.0

Note 12 Land and buildings

	Group		Parent Company	
	1999	1998	1999	1998
Accumulated acquisition value				
Opening acquisition value	30.7	31.0	2.7	2.7
New acquisitions	0.0	-0.3	–	–
	30.7	30.7	2.7	2.7
Accumulated depreciation				
Opening depreciation	4.3	4.0	0.5	0.3
Depreciation for the year	0.8	0.3	0.1	0.2
	5.1	4.3	0.6	0.5
Closing residual value according to plan	25.6	26.4	2.1	2.2

Tax assessment value in Sweden: SEK 18.4 million

Note 13 Machinery

	Group	
	1999	1998
Accumulated acquisition value		
Opening acquisition value	22.8	16.7
New acquisitions	0.6	6.4
Disposals and scrapping of assets	-0.6	-0.3
	22.8	22.8
Accumulated depreciation		
Opening depreciation	6.2	3.3
Disposals and retirement of assets	-0.5	—
Depreciation for the year	3.6	2.9
	9.3	6.2
Closing residual value according to plan	13.5	16.6

Note 14 Equipment

	Group		Parent Company	
	1999	1998	1999	1998
Accumulated acquisition value				
Opening acquisition value	78.4	74.2	25.0	24.9
New acquisitions	10.9	7.2	1.9	0.1
Acquisition of subsidiaries	3.6	—	—	—
Disposals and retirement of assets	-4.9	-4.6	-0.3	—
Exchange translation difference for the year	-1.9	1.6	—	—
	86.1	78.4	26.6	25.0
Accumulated depreciation				
Opening depreciation	53.5	43.5	17.3	12.3
Disposals and retirement of assets	-4.4	-4.3	-0.1	—
Acquisition of subsidiaries	1.6	—	—	—
Depreciation for the year	14.0	13.3	5.2	5.0
Exchange translation difference for the year	-1.3	1.0	—	—
	63.4	53.5	22.4	17.3
Closing residual value according to plan	22.7	24.9	4.2	7.7

Note 15 Shares in group companies

	Reg No	Domicile	No of shares	Partic. as %	Nominal value	Book value
Swedish companies						
Försäkrings AB						
Atlantica ¹⁾	557200-4330	Göteborg	1,229,675	48.9	12.3	179.1
Atlantica Bilspport & MC						
Specialförsäkringar AB	556563-2774	Stockholm	1,000	100.0	0.1	0.1
Bryggvik AB ²⁾	556024-5341	Fagersta	20,000	100.0	2.0	2.4
e-Village AB	556050-1644	Stockholm	5,000	100.0	0.5	0.6
Invik Trading AB	556264-5274	Stockholm	1,000	100.0	0.1	0.0
Krogvik AB	556248-7966	Stockholm	10,000	100.0	0.1	0.2
Moderna Fonder AB	556569-7702	Stockholm	1,000	100.0	0.1	0.1
Modern Privat Kapitalförv.						
MPK Holding AB	556544-8023	Stockholm	1,000,000	100.0	10.0	50.1
NC Intressenter AB	556519-8719	Stockholm	11,550	46.2	1.2	4.5
netviq AB	556266-5801	Stockholm	1,000	100.0	0.1	0.1
Netviq Helpline AB	556569-7686	Stockholm	1,000	100.0	0.1	0.1
Assuransinvest AIA AB ³⁾	556051-6238	Stockholm	295,384	100.0	29.5	13.8
Total Swedish companies					56.1	251.1
Foreign companies						
Banque Invik S.A.		Luxembourg	360,000	100.0	LUF 450.0	104.3
Invik International S.A.		Luxembourg	500,000	100.0	USD 1.0	44.9
Total foreign companies						149.2
Total Parent Company						400.3
^{1) Subsidiary}						
Europa 1992 AB	556102-2781	Stockholm	100,000	100.0	100.0	100.1
^{2) Subsidiaries}						
Gamla Stans Bryggeri AB	556503-2884	Stockholm	1,000	100.0	0.1	0.1
Gefle Borg Bryggeri AB	556489-9689	Gävle	1,736,000	99.0	1.7	0.0
^{3) Subsidiaries}						
Försäkrings AB Atlantica	557200-4330	Göteborg	1,282,285	51.0	12.8	73.1
Erasmus AB	556079-1427	Göteborg	1,000	100.0	0.1	0.1
Holdings of shares in group companies						
Opening balance as at 1 January 1999						294.7
Shareholder's contribution						40.3
Acquired shares						59.0
Recovered write-downs of shares						6.3
Closing balance as at 31 December 1999						400.3

Note 16 Shares in associated companies

	Reg No	Domicile	Number of shares	Share of votes %	Share of equity %
Parent Company					
Industriförvaltnings AB Kinnevik	556001-9035	Fagersta	8,503,323	32.2	13.5
Modern Times Group MTG AB	556309-9158	Stockholm	6,352,497	30.6	10.6
NetCom AB	556410-8917	Stockholm	11,568,958	32.7	11.1
Fischer Partners Holding AB	556563-3715	Stockholm	240,000	50.0	50.0

	Book value	Value of equity in the Group	Market value
Industriförvaltnings AB Kinnevik	814.3	751.1	2,189
Modern Times Group MTG AB	235.3	126.5	2,669
NetCom AB	967.9 *	1,240.0	6,851
Fischer Partners Holding AB	30.5	40.3	–
	2,048.0	2,157.9	11,709

* incl Atlantica's holding of 600,000 B shares with a book value of SEK 100.0 million.

Holdings of shares in associated companies

Opening balance as at 1 January 1999	1,955.9	1,762.4
Acquired shares	164.2	18.7
Sold shares	-72.1	0.0
Exchange translation difference	–	-35.9
Net change in share of equity	–	412.7
Closing balance as at 31 December 1999	2,048.0	2,157.9

Note 17 Other securities held as fixed assets

	No of shares	Nom value	Book value	Market value
Parent Company				
Moderna Fonder Sverige Topp 30	22,000	–	2.2	3.7
Société Européenne de Communication S.A., Luxembourg	7,731,704	–	324.6	448.4
Gamla Stans Millenium Evenemang KB	–	–	1.0	–
Option Millicom International Cellular S.A., Luxembourg	–	–	50.0	87.0
Total Parent Company			377.8	539.1

Subsidiaries

Invik International S.A.				
Millicom International				
Cellular S.A., Luxembourg	940,418	USD 1.9	43.4	502.4
Société Européenne de Communication S.A., Luxembourg	5,380,824	–	145.4	312.1
NC Intressenter				
Option, purchase of 500,000				
NetCom B shares	–	–	6.6	–
Other subsidiaries, shares	–	–	4.5	–
Total Group			577.7	1,353.6

Holdings of other securities held as fixed assets

Opening balance as at 1 January 1999	488.9
Acquired participations	151.9
Sold participations	-63.1
Closing balance as at 31 December 1999	577.7

Note 18 Inventories

	Group	
	1999	1998
Finished goods	4.7	2.2
Raw materials	2.0	3.1
	6.7	5.3

Note 19 Other current receivables

	Group		Parent Company	
	1999	1998	1999	1998
Receivables from insurance companies	167.5	226.0	–	–
Liquid assets of funds	18.4	–	–	–
Other current receivables	38.0	19.6	9.3	5.3
	223.9	245.6	9.3	5.3

Note 20 Prepaid expenses and accrued income

	Group		Parent Company	
	1999	1998	1999	1998
Credit card costs	19.9	35.5	–	–
Other prepaid expenses	5.4	6.7	0.8	0.5
Accrued income	40.8	24.7	–	–
	66.1	66.9	0.8	0.5

Note 21 Short-term investment assets

	Group	
	Book value	Market value
Shares and convertible debts	0.3	–
Bonds	124.0	55.9
Interbank market	989.0	934.9
Lending market	0.1	6.5
	1,113.4	997.3

Note 22 Equity

Group	Share capital	Restricted reserves	Unrestricted equity	Total equity
Opening balance according to adopted annual report	7.1	887.4	1,207.3	2,101.8
New issue, amount issued	0.7	178.3		179.0
Dividend			-56.9	-56.9
Transfers between restricted and unrestricted equity		-30.8	30.8	0.0
Net income for the year			33.2	33.2
Exchange translation difference for the year		-10.0	3.4	-6.6
Closing balance	7.8	1,024.9	1,217.8	2,250.5

Application effects according to the equity method

Restricted reserves	0.0	0.0
Unrestricted reserves	-229.4	-229.4
Net income for the year	339.3	339.3
		2,360.4

Parent Company	Share capital	Share premium reserve	Statutory reserve	Profit brought forward	Total equity
Opening balance	7.1	811.9	59.2	1,077.2	1,955.4
New issue, amount issued	0.7	178.3			179.0
Appropriation of profits as resolved by Annual General Meeting					
Dividend				-56.9	-56.9
Net income for the year				152.4	152.4
Closing balance	7.8	990.2	59.2	1,172.7	2,229.9

Invik & Co. AB's share capital as at 31 December 1999 consisted of 7,760,000 shares with a nominal value of SEK 1 per share. One class A share confers 10 votes and one class B share 1 vote.

Share classes	Number of shares	Nominal amount
Class A shares	3,753,333	3.8
Class B shares	4,006,667	4.0
	7,760,000	7.8

Note 23 Provisions for deferred tax

	Group		Parent Company	
	1999	1998	1999	1998
Shares in associated companies	36.6	51.5	36.6	51.5
Untaxed reserves	29.7	35.4	–	–
Acquired surplus values in real property	4.3	4.4	–	–
Group contributions	–		-17.5	-44.0
	70.6	91.3	19.1	7.5

Note 24 Overdraft facilities

	Group		Parent Company	
	1999	1998	1999	1998
Credit limit granted	159.0	37.0	158.0	36.0
Unutilized portion	-20.0	-36.0	-20.0	-36.0
Amount of credit utilized	139.0	1.0	138.0	0.0

Note 25 Long-term debt to associated companies

The convertible debenture, which was taken up on 14 May 1998, was converted in its entirety on 12 May 1999.

Note 26 Other current liabilities

	Group		Parent Company	
	1999	1998	1999	1998
Liabilities to insurance companies	66.6	74.0	–	–
Advances from policy-holders	30.8	8.1	–	–
Liabilities to policy-holders	14.8	8.4	–	–
Other current liabilities	38.0	16.7	1.3	0.7
	150.2	107.2	1.3	0.7

Note 27 Accrued expenses and prepaid income

	Group		Parent Company	
	1999	1998	1999	1998
Accrued interest expenses	43.4	23.0	6.3	3.0
Other accrued expenses	10.6	10.9	0.4	0.1
Prepaid income	0.0	1.5	–	–
	54.0	35.4	6.7	3.1

Note 28 Employees and personnel costs and auditors' costs

	1999	whereof women	1998	whereof women
Parent Company				
Sweden	1	–	0	–
Subsidiaries				
Sweden	167	63	171	62
Luxembourg	20	12	19	11
Total Group	188	75	190	73

Salaries, other remuneration and social insurance costs

	Salaries and remuneration		Social insurance costs	
	1999	1998	1999	1998
Parent Company	5.7	0.9	2.7	—
of which pension costs			0.8	—
Subsidiaries	71.5	65.2	30.3	25.1
of which pension costs			9.7	6.3
Total Group	77.2	66.1	33.0	25.1
of which pension costs			10.5 ¹⁾	6.3 ¹⁾

¹⁾ of the Group's pension costs 1.7 (1.2) refer to the group Board of Directors and Managing Director.

Salaries and other remuneration by country, board members and Managing Director and other employees

	Board and Managing Director		Other employees	
	1999	1998	1999	1998
Parent Company				
Sweden	3.0	0.9	2.6	—
Subsidiaries				
Sweden	5.8	2.4	53.8	52.5
Luxembourg	1.4	2.9	10.5	7.4
Total Group	10.2	6.2	66.9	59.9

The chairman of the Board and other board members receive no fees or benefits other than resolved at the Annual General Meeting of shareholders, amounting to SEK 710,000, of which the chairman received SEK 150,000.

As regards the Parent Company, its Managing Director does not receive any director's fee in the company. The Managing Director received during 1999 salary and benefits amounting to SEK 3,047,829. For the Managing Director there is a pension commitment within the scope of the general pension plan; in excess of this there are no other pension commitments.

Auditors' costs

	Group		Parent Company	
	1999	1998	1999	1998
Öhrlings PricewaterhouseCoopers				
Audit fees	1.4	1.1	0.4	0.2
Other costs	2.5	2.3	0.4	0.4
Other				
Other costs	0.1	0.1	0.0	0.1
	4.0	3.5	0.8	0.7

Note 29 Pledged assets

	Group		Parent Company	
	1999	1998	1999	1998
Pledged shares for				
Long-term liabilities to credit institutions	572.9¹⁾	746.2 ²⁾	517.8¹⁾	746.2 ²⁾
Current liabilities to credit institutions	197.0³⁾	5.9 ⁴⁾	189.0³⁾	5.9 ⁴⁾
	769.9	752.1	706.8	752.1

Liability

1) 470.0

2) 365.0

3) 209.3

4) 2.9

Stockholm, 23 February 2000

Jan Hugo Stenbeck
Chairman

Anders Björkman

Johan Björkman

Rickard von Horn

Johan Klingspor

Wilhelm Klingspor

Stig Nordin
Managing Director

AUDITOR'S REPORT

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

We have audited the annual accounts, the consolidated accounts, the accounting records and the administration of the Board of Directors and the Managing Director of Invik & Co. AB for the year 1999. These accounts and the administration of the company are the responsibility of the Board of Directors and the Managing Director. Our responsibility is to express an opinion on the annual accounts, the consolidated accounts and the administration based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Sweden. Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual accounts and the consolidated accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and their application by the Board of Directors and the Managing Director, as well as evaluating the overall presentation of information in the annual accounts and the consolidated accounts. As a basis for our opinion concerning discharge from liability, we examined significant decisions, actions taken and circumstances of the company in order to be able to determine the liability, if any, to the company of any Board Member or the Managing Director. We also examined whether any Board Member or the Managing Director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association. We believe that our audit provides a reasonable basis for our opinion set out below.

The annual accounts and the consolidated accounts have been prepared in accordance with the Annual Accounts Act and, thereby, give a true and fair view of the Company's and the Group's financial position and results of operations in accordance with generally accepted accounting principles in Sweden.

We recommend to the General Meeting of shareholders that the income statements and balance sheets of the Parent Company and the Group be adopted, that the profit for the Parent Company be dealt with in accordance with the proposal in the administration report and that the Members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Stockholm, 24 February 2000

Bertil Edlund

Authorized Public Accountant

Pål Wingren

Authorized Public Accountant

BOARD OF DIRECTORS

Honorary member

Bo von Horn (b 1923).

Directors

Jan Hugo Stenbeck Chairman of the Board (b 1942). Member of the Board since 1985.

Anders Björkman (b 1959). Member of the Board since 1999.

Johan Björkman (b 1944). Member of the Board since 1998.

Rickard von Horn (b 1954). Member of the Board since 1994.

Johan Klingspor (b 1953). Member of the Board since 1997.

Wilhelm Klingspor (b 1962). Member of the Board since 1991.

Deputy Director

Cristina Stenbeck (b 1977). Deputy member since 1997.

BOARD OF DIRECTORS, MANAGING DIRECTOR AND SECRETARY



*From left to right: Thomas Jönsson, Rickard von Horn, Stig Nordin, Jan Hugo Stenbeck,
Wilhelm Klingspor and Anders Björkman.*

Not present: Johan Björkman, Johan Klingspor and Cristina Stenbeck.

MANAGEMENT

Stig Nordin

Managing Director since 1999.

Thomas Jönsson

Deputy Managing Director since 1999.

AUDITORS

Auditors

Bertil Edlund

Authorized Public Accountant (b 1933).
Auditor since 1985.

Pål Wingren

Authorized Public Accountant (b 1949).
Auditor since 1985.

Deputy Auditors

Gunnar Källhed

Authorized Public Accountant (b 1954).
Deputy Auditor since 1998.

Ulf Pettersson

Authorized Public Accountant (b 1959).
Deputy Auditor since 1994.



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