

# INVIK & CO. AB

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## INVIK & CO. AB YEAR-END COMMUNIQUÉ 2000

### Administration

The Invik Group consists of the Parent Company, Invik & Co. AB, and a number of operating subsidiaries. The Parent Company is a holding company whose activities include managing a long-term securities portfolio consisting mainly of major investments in a small number of listed companies in which Invik is seeking active participation by way of board representation and other means. The subsidiaries are principally active in Finance and Insurance. In addition there are certain Other Business Activities, primarily a small brewery.

On 31 December 2000, the value of the Group's holdings of listed securities was MSEK 8,392. On 20 February 2001, the value was MSEK 9,152, which gives a premium over the book value of the Group's portfolio of MSEK 6,270 on that date.

The long-term securities portfolio as at 31 December 2000 consisted of shares in Tele2 AB ("Tele2"), Industriförvaltnings AB Kinnevik ("Kinnevik"), Modern Times Group MTG AB ("MTG"), Metro International S.A. ("Metro"), and Millicom International Cellular S.A. ("MIC").

- Tele2 (formerly NetCom), 9,642,608 Series "A" shares and 3,172,196 Series "B" shares, equivalent to 24.0 % of the votes and 8.9 % of the share capital.
- Kinnevik, 6,166,387 Series "A" shares and 2,336,936 Series "B" shares, equivalent to 32.2 % of the votes and 13.5 % of the share capital.
- MTG, 6,381,249 Series "A" shares, equivalent to 25.4 % of the votes and 9.6 % of the share capital.
- Metro, 7,214,582 Series "A" shares, equivalent to 18.9 % of the votes and 9.5 % of the share capital.

- MIC, 940,418 shares and an option on 186,520 shares. The total holding is equivalent to 2.3 % of the votes and share capital.

During Invik's fifteen-year history, the appreciation of its net asset value has corresponded to an annual return of 43 %, calculated on the basis of the company's original net asset value of SEK 4 per share in 1985. This may be compared with an annual return on the "Affärsvärlden" composite index of 18 % over the same period.

The net asset value, calculated as the market value of listed securities plus the book value of other assets less liabilities, was SEK 1,009 per share as at 31 December 2000. The corresponding value at 20 February 2001 was SEK 1,107.

Invik's shares are listed on the OM Stockholm Stock Exchange's "O" list. The share price paid on 31 December 2000 was SEK 770. Calculated from the first day of trading, 1 July 1987, the share price has increased by some 3,400 %, corresponding to an annual average appreciation of 30 %. The share price paid on 20 February 2001 was SEK 745.

### **Consolidated earnings**

Income after financial items, in accordance with the acquisition method, was MSEK 113.2, which may be compared with MSEK 15.2 for the corresponding period in the previous year. Income after tax amounted to MSEK 88.0 (33.1).

The consolidated income above does not include the Parent Company's interest in the earnings of associate companies.

The result according to the equity method is stated in a note.

### **Financial position and investments**

The Group's liquid assets, excluding funds within the banking and insurance operations, i.e. liquid funds and unutilized credit facilities, amounted to MSEK 407.6 as at 31 December 2000, compared with MSEK 170.0 at the previous year-end. Other than this, assets consist principally of listed securities that are immediately realizable. The Group's long-term holdings of listed securities had a total market value of MSEK 8,392.

The Group's net investments in securities during the year amounted to MSEK 512.9. Investments in fixed assets amounted to MSEK 50.6 during the year. The Parent Company's equity ratio was 60 % as at 31 December 2000. If the premium over the book value of the long-term securities portfolio is also included, the equity ratio was 84 %. The corresponding equity ratios for the Group are 29 % and 58 % respectively.

### **Operations and results of subsidiaries and associate companies**

As one stage in the redirection of its business towards consumers and small businesses, Atlantica has changed its name to Moderna Försäkringar AB, with the name Atlantica being used for pleasure boat insurance and Netviq for internet insurance. The transport and marine insurance business was divested during the first

half of the year, and aviation insurance is expected to be divested in the first quarter of 2001. Income after financial net amounted to MSEK 0.4 (loss 32.8).

Banque Invik S.A., the Group's wholly owned bank, progressed well during the year, with improved results in all areas of business. The bank was not affected by the prevailing uncertainty on the stock market, mainly owing to the long-term investment policy of its clients. During the year, the bank successfully concluded financing projects for MSEK 900 on behalf of MTG and MUSD 150 for Tele2, and acted as advisor in connection with Tele2's acquisition of SEC. The volume of managed assets and the number of investors Moderna Fonder's three index funds rose dramatically during the year, partly owing to successful participation in the Premium Pension selection process that took place in the autumn. The bank's income after financial net amounted to MSEK 11.6 (8.4).

Modern Privat Kapitalförvaltning AB markets sophisticated asset management services based on fundamental analysis and a high level of personal service. The assets under management amounted to MSEK 5,500. Income after financial net amounted to MSEK 19.7 (7.6).

Fischer Partners Fondkommission AB, a brokerage in which Invik has a 50 % interest, had a market share of 2,7 % on the OM Stockholm Stock Exchange. The company is at present a market maker for 19 companies on the SBI list. Income after financial net amounted to MSEK 65.5 (29.3). Gamla Stans Bryggeri AB, the Group's brewery, incurred a further operating loss. The business was restructured during the year, primarily involving the closure of the brewery in Gävle.

The associate companies Tele2, Kinnevik, MTG, Metro and MIC are listed on the stock market and publish their own year-end reports.

## **Personnel**

The average number of employees in the Group during the year was 203. At the close of the year the number of employees was 193, of whom 170 were in Sweden.

## **Earnings per share**

Earnings per share amounted to SEK 11.3 (4.4). The total number of shares in issue as at 31 December 2000 was 7,760,000, of which 3,753,333 were Series "A" shares and 4,006,667 Series "B" shares.

## **Parent Company**

Income after financial net amounted to MSEK 97.7 (82.3). Liquid assets as at 31 December 2000 amounted to MSEK 407.6, which may be compared with MSEK 167.0 at the previous year-end. The Parent Company's net investments in shares during the year amounted to MSEK 512.9 and in fixed assets to MSEK 1.0. The average rate of interest paid on the Parent Company's borrowing during the year was 4.7 % (3.9 %).

**Dividend**

The Board proposes that a dividend of SEK 6 (3) per share be paid.

**Annual General Meeting**

The Annual General Meeting will be held at 4.00 p.m. on Thursday, 17 May, 2001 at Gamla Stans Bryggeri, Tullhus 2, Skeppsbron, Stockholm.

**Annual Report**

The Annual Report is expected to be published at the beginning of April 2001 and will be available to the public at the company's offices.

Stockholm, 21 February 2001

The Board

The preliminary publication dates for the interim reports for 2001 are:

- \* Q1 three-month report, 27 April
- \* Q2 half-year report, 8 August
- \* Q3 nine-month report, 26 October

## CONSOLIDATED INCOME STATEMENT

Acquisition method * (SEK million)	1 januari - 31 december	
	2000	1999
Net sales	817,4	708,5
Cost of goods and services supplied	-640,4	-580,5
<b>Gross income</b>	<b>177,0</b>	<b>128,0</b>
Selling and administrative expenses	-329,5	-237,3
Other operating revenues and expenses	5,5	6,6
Dividend income	42,7	53,6
Capital gains on securities sold	213,8	71,3
<b>Operating income</b>	<b>109,5</b>	<b>22,2</b>
Net interest expense and other financial items	3,7	-7,0
<b>Income after financial items <sup>1)</sup></b>	<b>113,2</b>	<b>15,2</b>
Minority share in income for the period	0,3	0,0
Tax paid	-7,0	-3,4
Deferred tax	-18,5	21,3
<b>Net income for the period <sup>2)</sup></b>	<b>88,0</b>	<b>33,1</b>

\*The income statement and balance sheet are prepared according to the earlier accounting principles

<sup>1)</sup> Income after financial items according to the equity method, of which capital gains of MSEK 1,169.7 from Kinnevik and the dilution effect	2 768,5	421,9
<sup>2)</sup> Net income for the period according to the equity method	2 640,8	372,4

## CONSOLIDATED BALANCE SHEET

Acquisition method (SEK million)	as at 31 December	
Assets	2000	1999
<b>Fixed assets</b>		
Intangible assets*	117,1	102,6
Tangible assets	28,5	61,8
Financial assets <sup>3)</sup>	3 268,7	2 625,7
<b>Total fixed assets</b>	<b>3 414,3</b>	<b>2 790,1</b>
<b>Current assets</b>		
Inventories	1,3	6,7
Current receivables	610,2	349,8
Investments	3 719,0	2 098,2
Cash and bank balances	145,2	105,4
<b>Total current assets</b>	<b>4 475,7</b>	<b>2 560,1</b>
<b>Total assets</b>	<b>7 890,0</b>	<b>5 350,2</b>
*of which goodwill from the Group	105,0	86,6
<b>Equity, provisions and liabilities</b>		

<b>Equity</b>		
Restricted equity	1 116,4	1 032,7
Unrestricted equity	1 203,0	1 217,7
<b>Total equity</b> <sup>4)</sup>	2 319,4	2 250,4
<b>Minority interest</b>	3,1	3,3
<b>Provisions</b>	89,8	70,8
<b>Long-term liabilities</b>		
Interest-bearing liabilities	1 361,8	618,1
<b>Current liabilities</b>		
Interest-bearing liabilities	3 525,2	1 961,9
Non-interest-bearing liabilities	590,7	445,7
<b>Total current liabilities</b>	4 115,9	2 407,6
<b>Total liabilities</b>	5 477,7	3 099,8
<b>Total equity, provisions and liabilities</b>	7 890,0	5 350,2
<sup>3)</sup> Financial assets according to the equity method	5 422,3	2 735,7
<sup>4)</sup> Total equity according to the equity method	4 473,0	2 360,4

## **CASH FLOW ANALYSIS**

(SEK million)

	<b>2000</b>	<b>1999</b>
<b>Cash flow from current operations</b>	<b>-68,4</b>	<b>-21,4</b>
Change in working capital	-163,7	36,2
<b>Total cash flow from current operations</b>	<b>-232,1</b>	<b>14,8</b>
Cash flow from investment operations	-448,7	-194,4
Cash flow from financing operations	720,6	189,1
<b>Change in liquid funds</b>	<b>39,8</b>	<b>9,5</b>
Liquid funds at opening of year	105,4	95,9
Liquid funds at close of period	145,2	105,4

## **FINANCIAL HIGHLIGHTS**

	<b>2000-12-31</b>	<b>1999-12-31</b>
Equity, SEK million	2 319	2 250
Balance sheet total, SEK million	7 890	5 350
Net asset value, SEK million	7 829	12 732
Equity ratio I %, after full conversion	29,4	42,1
Equity ratio II %, after full conversion	58,5	80,4
Debt/equity ratio, multiple	2,3	1,3
Data per share, SEK <sup>1)</sup>		
Market price	770	1 010
Net asset value, after full conversion	1 009	1 641
Earnings after taxes	11,3	4,4
Market price/net asset value %	76	62

<sup>1)</sup> The number of outstanding shares, after full conversion, was 7,760,000

## **Definitions**

**Net asset value**

Equity, adjusted for surplus value/deficit in the long-term securities portfolio without regard to tax effects

**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