



The Sixth AP Fund

ANNUAL REPORT 2002



The Swedish pension system

The reformed Swedish pension system is divided into two parts: a direct contribution pension and a premium pension. The Sixth AP Fund (Sjätte AP-fonden) is one of five buffer funds in the new Swedish pension system (see figure 1).

Annual outlays of earnings-related pensions to today's pensioners are financed through fee payments corresponding to 16% of earnings by today's income earners. The size of outlay and contributions varies over time, due to demographic changes and salary increases. The role of the buffer funds is partly to smooth out temporary variations in outlay and contributions, and partly to manage the general pension fund in the buffer so as to generate the highest possible return. Unlike other buffer funds, the Sixth AP Fund does not

have regular flows into or out of the direct-contribution pension system.

The premium pension system is based on the individual's own fund, which is based on a contribution of 2.5% of salary. The premium reserve is managed by private

fund managers and by the Seventh AP Fund.

If a person's direct-contribution pension does not meet a guaranteed minimum level, top-up payments are made in the form of a guaranteed minimum benefit, financed from the State budget.

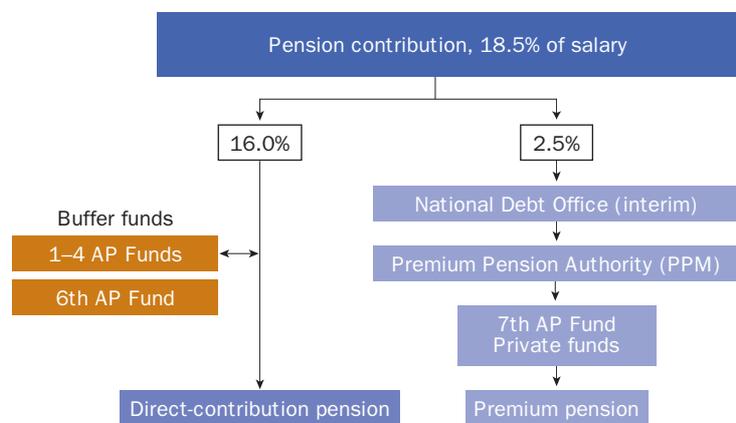


Figure 1. The Swedish national pension system

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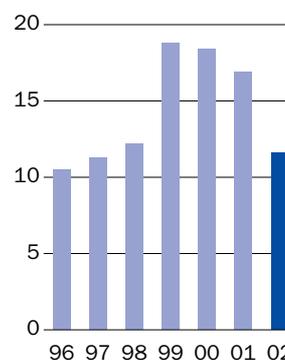
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Year in summary

- The target for 2002 was to exceed the SIX Return Index¹⁾, the comparative index for the Sixth AP Fund.
- The return of the Sixth AP Fund in 2002 was -30.9%, which was 4.8 percentage points better than the comparative index, which had a return of -35.7%.
- The Sixth AP Fund made a loss of SEK 5 107 million (-1 680), of which unrealised market value changes amounted to SEK -3 286 million (-1 959).
- The Sixth AP Fund's fund capital amounted to SEK 11.6 billion (16.7) on 31 December 2002.
- The value of the Investment Operation's portfolios at the end of the year was SEK 5.9 billion (6.0). The return was -21.7% (11.1).
- The value of the Asset Management portfolio at the end of the year was SEK 5.7 billion (10.7). The return was -34.7% (-13.8).
- Large realised business deals during the year included the sale of Nycomed by Nordic Capital and the sale of Småföretags- och Fylkinvest to Aldano. Other significant events were the formation of two new private equity funds: Scandinavian Life Science Venture and Nordico.
- In January 2003 the Sixth AP Fund sold its holding of 25% of the capital in Nordisk Renting to Nordea.

1) The SIX Return Index is adjusted to take into consideration the fact that the Sixth AP Fund is not permitted to invest in foreign companies.

Fund capital (SEK billion)



SIXTH AP FUND IN BRIEF

The role of the Sixth AP Fund is to create a good long-term return and maintain satisfactory risk diversification, by offering small and medium-sized Swedish growth companies sustainable risk capital, and thus contribute to the development of Swedish business.

The Sixth AP Fund is concentrated on private equity and its organisation is focused on creating value through active ownership in private equity funds.

A year of losses despite meeting targets



2002 was one of the worst years ever for equity markets. The global economy was in decline and markets were hit by accounting scandals, a crisis of confidence, the fear of war in the Middle East, and general worries about a drawn-out recession. The world's stock markets fell on a broad front and the SIX Return Index was negative for the third year in a row, ending at -35.7%. The value of the Sixth AP Fund's fund capital has fallen accordingly, amounting to SEK 11.6 billion at the end of the year. This represents a considerable reduction of SEK 5.1 billion, resulting in a yield of -30.9%.

The Sixth AP Fund has a special position within the AP fund system due to its assigned role of investing in the risk capital market for unlisted companies and because, unlike the other AP funds, it cannot invest in foreign shares. This focus affects both the Fund's risk profile and return opportunities.

In 2002 we surpassed our return target by performing better than the SIX Return Index by around five percentage points. The

target was surpassed but, of course, I am not satisfied with developments during the year.

Most of the negative result is due to the performance of the Fund's listed holdings. An erroneous judgement was made regarding the future development of Stockholmsbörsen and the exposure to this stock exchange was too high.

The listed holding in the Fund's Asset Management portfolio made a loss of SEK 3.5 billion, repre-

senting a yield of -34.7%, just one percentage point better than the comparative index.

For the first time since starting up in 1996, Investment Operations' holding in unlisted companies made a loss, SEK 1.3 billion, a yield of -21.7%. The poor results are a direct result of the depreciation of the market value that we were forced to make for our unlisted holding. The drawn-out negative development of the stock market has delayed and complicated opportunities for growth companies to make market breakthroughs with their products and services. Longer lead-times for breakthrough and limited opportunities for exits, both via flotation and sell-offs, have also caused extensive depreciation. However, during the year we identified several new business opportunities, which led to our making new investments totalling SEK 975 million. The overall market value of assets in Investment Operations at the end of the year was SEK 5.9 billion.

SMALLER RISK PROFILE

Our focus in 2002 was mainly on reducing our risk profile. After several years of rising markets with a high-risk profile, we have now reviewed our position and taken the measures necessary to reduce risk while increasing opportunities for strong returns over the long term.

I can reveal that the measures we previously implemented have not been sufficient, in the short term, to achieve positive results in 2002. This target was too high considering the state of the financial markets.

In changing our risk profile we have concentrated on two areas:

- the relative weighting of shares in Asset Management
- our way of working with unlisted companies in our Investment Operations.

During the second half of 2002 we reallocated the portfolio to include a larger proportion of interest-bearing instruments. Our risk profile today is considerably better adapted to the task of administering committed funds for investment in unlisted companies.

“Our focus in 2002 was mainly on reducing our risk profile. After several years of rising markets with a high-risk profile, we have now reviewed our position and taken the measures necessary to reduce risk while increasing opportunities for strong returns over the long term.”

DECENTRALISATION VIA A PART-OWNED MANAGEMENT TEAM

To ensure that investment in unlisted companies is based on healthy businesses with sustainable business models, products and services, we have changed the way we work. Within Investment Operations our focus is on enhancing efficiency and clarifying the Fund's role in relation to other interested parties on the private equity market.

Managing assets in unlisted companies requires large-scale participation in the business, which limits the number of companies an investment manager can be involved with. Similarly, growth companies have great demand for industrial experience combined with strategic and financial skills. By working through part-owned management teams we can reach many more

companies than before and we can also have access to a broader and more efficient skill base through over 230 investment managers. Our assessment is that the expense of this method is counterbalanced by increased opportunity for achieving high return at limited risk. I am convinced that with our part-owned management teams we will increase the efficiency of the invested sum and thus increase opportunities for strong long-term returns.

During the year we also worked to strengthen our already part-owned funds with capital, knowledge and

networks. Part of the focus was on the business processes prior to acquisition and on co-operation with other funds. Other measures included creating completely new teams or building new funds through mergers with various funds that have a similar focus. By developing our part-owned funds we support the creation of strong players in the Swedish private equity market, which increases opportunities for a good return.

SHORTAGE OF CAPITAL IN THE SWEDISH PRIVATE EQUITY MARKET

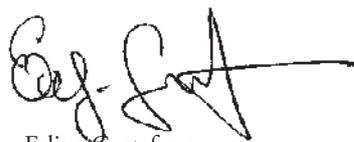
The market in 2002 saw significant reductions in investment in unlisted Swedish companies. The shortage of capital in relation to demand was very noticeable, and new company ideas, development projects

and early-phase start-ups have faced problems finding risk capital.

In the current investment climate extra tough demands are being placed on two key factors behind the creation of growth companies with good profitability: patient ownership and increased demands from owners on the stage-by-stage evaluation of potential in the products and services developed by the company. I believe that the greatly decentralised organisation we have introduced during the year will meet these requirements.

OUTLOOK FOR 2003

We enter 2003 with a more effective organisation and a business model that is well suited to the purpose of the Sixth AP Fund, which is to develop the risk capital market for unlisted shares. The economic climate remains unstable. Business cycle indicators in Europe, especially Germany, are weak and the psychological climate on finance markets is overshadowed by fears of war in the Middle East. Overall, this means that I expect the market for both new investment and exits to remain uncertain throughout the year.



Erling Gustafsson
President

The Swedish risk capital market for unlisted companies

The more established part of the risk capital market for unlisted companies is termed private equity, which is the general term for investment in unlisted companies where the ownership commitment is active and limited in duration. Investment is made in small and medium-sized businesses, fast-growing growth companies in their seed, start-up or expansion phases, and in mature businesses (see figure 2).

CONTINUED NEGATIVE MARKET DEVELOPMENT

The private equity market is strongly linked to the performance of the stock market. In 2002, financial markets were hit by accounting scandals, a crisis of confidence and a general fear of a drawn-out economic recession. World stock markets fell on a broad front. Unlike 2000 and 2001, when the downturn was concentrated in the IT and telecom sectors, other sectors were affected in 2002, including pharmaceuticals, engineering and banking. Stockholmsbörsen had a very negative development and the SAX index finished at -37.4%.

During the year the value performance of the Swedish private equity market was strongly negative. Market worries and negative results at many large companies meant that unlisted growth companies were unable to break through with their products. Longer leadtimes increase the need for long-term risk capital for unlisted growth companies. In the current business climate, however, it is hard to raise new risk capital. Lower value and highly limited opportunities for exits, either via flotation or industrial sell-offs, have caused problems for many risk capital companies. Fewer risk capital companies with lower risk tolerance for investment

presses values down further for new share issues. The market is in a negative spiral because of a shortage of durable risk capital companies with access to patient capital.

SHORTAGE OF CAPITAL IN RELATION TO DEMAND

The market downturn means that new business ideas, development projects and growth-phase start-ups find it hard to raise risk capital. The first half of 2002 saw the amount of new investment in unlisted companies in a growth phase fall by 33% compared with the previous year. The most obvious decline is in the seed phase, where the amount of investment has fallen significantly over the past two years, from 27 investments in Q1 2001 to just five in Q3 2002¹⁾.

There is currently a clear shortage of capital in relation to demand. This is not due to a lack of innovation. Reports by the Swedish Private Equity & Venture Capital Association and Nutek for Q3 2002 indicate that 83% of Swedish risk capital companies believe that there are many good ideas and projects worth investing in. The market climate has meant that the price level for investment has fallen considerably. For players with risk capital there are good opportunities for making long-term investments with attractive return potential.



Figure 2. The capital market

IMMATURE BRANCH UNDERGOING CHANGE

It is estimated that the Swedish private equity market has around SEK 150 billion in capital.

In relation to GNP, Sweden is therefore the European country that invests most in private equity. Sweden's strong position was created at the end of the 1990s when the number of risk capital companies increased strongly as the stock market boomed. Between 1999 and 2000 investments increased from SEK 11.2 billion per year to SEK 19.4 billion per year²⁾. This fast growth led to an unstructured sector with major differences in quality and financial strength among the players. As the economy

nose-dived, many risk capital players in the private equity market were forced out of business or compelled to take short-term positions.

The trend in private equity is that private equity funds are becoming fewer and larger. Market players understand that they need large critical mass, increased capacity and higher competence in order to sustain long-term industrial success. Leadtimes for breakthrough for growth company products vary depending on the general financial climate, which requires a long-term

view. Equally, it can be seen that international private equity investors choose large private equity funds with extensive experience and a strong track record.

Long-term, stable investors are a prerequisite for the supply of capital to Swedish innovation companies and for the efficient functioning of the Swedish private equity market.

1) Riskkapitalbolagens aktiviteter tredje kvartalet 2002 (Activities of risk capital companies, Q3 2002). Swedish Private Equity & Venture Capital Association and Nutek.
 2) Den svenska riskkapitalbranschens utveckling och nuläge 021010 (Development of the Swedish risk capital branch and current position on 10 October 2002), www.vencap.se

The Sixth AP Fund – a significant investor

As one of Sweden's largest private equity players with fund capital of around SEK 11.6 billion, the Sixth AP Fund is a very important investor. Unlike traditional investment banks, traditional risk capital companies and other institutions on the market, the Sixth AP Fund's portfolio consists mainly of ownership shares in private equity funds. Through a refined focus on private equity and an organisation concentrated on creating value through active ownership in private equity funds, the Sixth AP Fund is one of the driving forces in the development of the Swedish market.

The Sixth AP Fund currently has an ownership commitment in 42 different funds.

The long-term assignment from the Swedish State means that the Fund can refrain from the more short-term approach that many players are forced into taking in a shrinking market. The Sixth AP

Fund is a patient investor and it has the financial strength to be the lead investor in private equity funds. The Sixth AP Fund works in a goal-oriented way to make a positive contribution to Swedish business.



Figure 3. The Sixth AP Fund's focus on the capital market

This is the Sixth AP Fund



The role of the Sixth AP Fund is to create good long-term returns and maintain satisfactory risk diversification, by offering small and medium-sized Swedish growth companies sustainable risk capital and thus contribute to the development of Swedish business.

VISION

The vision of the Sixth AP Fund is:

- to provide good long-term returns and generate good pensions
- to be the groundbreaker on the Swedish private equity market
- to be a respected, long-term and industrial, Swedish private equity player.

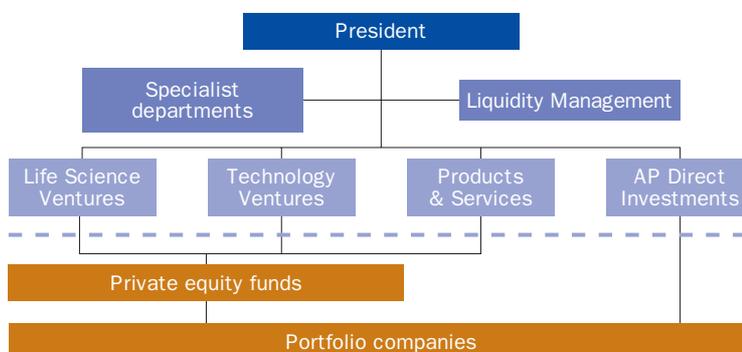


Figure 4. The Sixth AP Fund's organisation from 1 January 2003

RETURN AND ALLOCATION TARGETS

In 2002 the target was for the average return over five years to be higher than the SIX Return Index. The comparative index is adjusted to reflect the fact that the Sixth AP Fund is not permitted to invest in foreign companies.

The Board of the Sixth AP Fund has set new return and allocation targets, which come into effect from 2003. As the Sixth AP Fund becomes exclusively focused on private equity, the Board considers that absolute financial targets, rather than relative targets, are more relevant.

The new return and allocation targets mean that the Sixth AP Fund must generate an average annual return on the Fund's joint assets that is above the absolute return target in a rolling five-year perspective. The absolute return target reflects the return that each type of asset is expected to provide, and thus varies depending on the risk level of the asset. The actual allocation between types of asset will therefore affect the level of the return target. A risk premium model constitutes the calculation base for the absolute return target.

ORGANISATION

The Sixth AP Fund's organisation consists of Investment Operations and several specialist departments. Investment Operations comprise the following portfolios, each of which invests in private equity funds: Life Science Ventures, Technology Ventures and Products & Services.

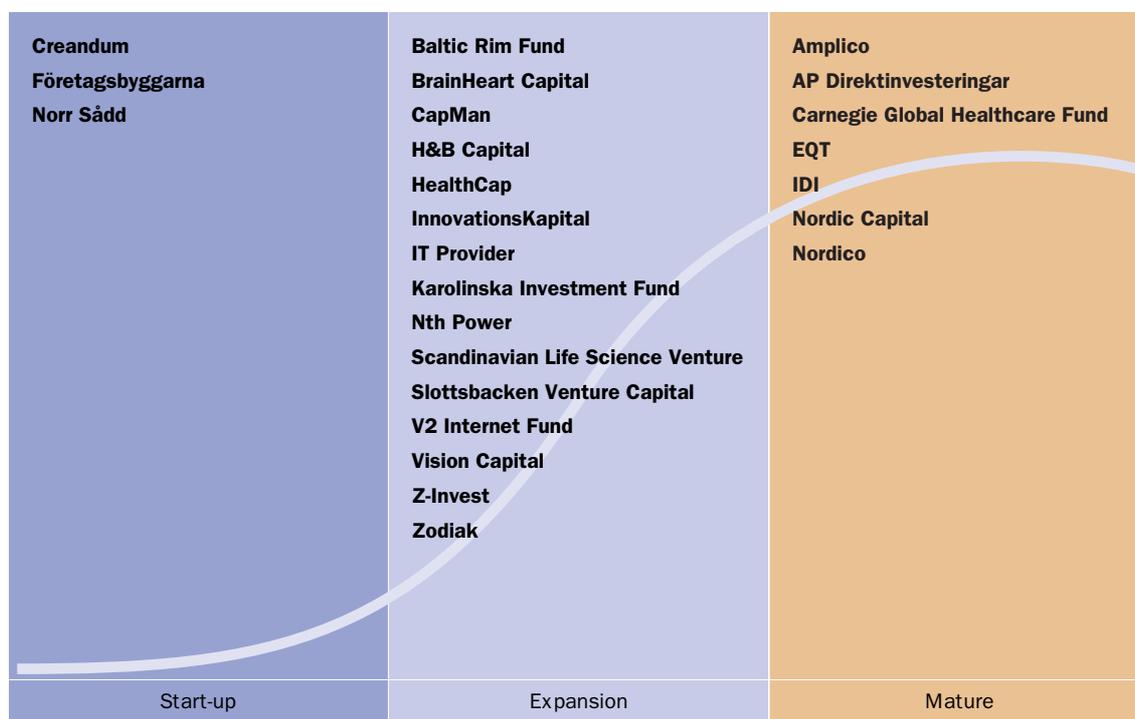


Figure 5. The Sixth AP Fund's investment in management teams within private equity

Investment Operations includes a portfolio with an internal management team, AP Direct Investments, which is responsible for companies where the Fund has a direct ownership commitment (figure 4).

From 1 January 2003, a newly established department, entitled Liquidity Management, is responsible for supplying the liquidity requirements of Investment Operations. Liquidity Management has taken over the responsibilities of the previous investment area entitled Asset Management (Kapitalförvaltningen).

CAPITAL

At the end of the year the market value of the Sixth AP Fund's total assets was SEK 11.6 billion. Of the Fund's capital at the end of the year, SEK 11.6 billion was committed to investment in private equity funds or companies owned directly by the Fund. SEK 4.9 billion of the committed capital remains to be invested.

INVESTMENT RULES

Investment is governed by Swedish law (2000:193) which gives the Sixth AP Fund a mandate to invest

in unlisted Swedish shares, listed shares with ownership of less than 30% of capital and voting rights, interest-bearing instruments and established derivative instruments. There are no restrictions concerning the allocation between types of asset. However, investment is not permitted in foreign companies.

The Sixth AP Fund as investor

Today the Sixth AP Fund is a significant investor in the Swedish private equity market. The size of the fund, its independence, extensive network and long-term approach have created opportunities to take the initiative in sector development. The Sixth AP Fund is an owner via a selection of private equity funds, but it is also the direct owner of a limited number of growth companies.

BUSINESS MODEL

The Sixth AP Fund's business model is based on an organisation that focuses on all the stages of the business process – assessment, investment, refinement and exit of businesses. The Fund's methods

participate directly with considerable commitment in buy-out ventures.

ACTIVE OWNERSHIP IN INVESTMENTS VIA PRIVATE EQUITY FUNDS

As an active owner, the Sixth AP Fund contributes with capital, fi-

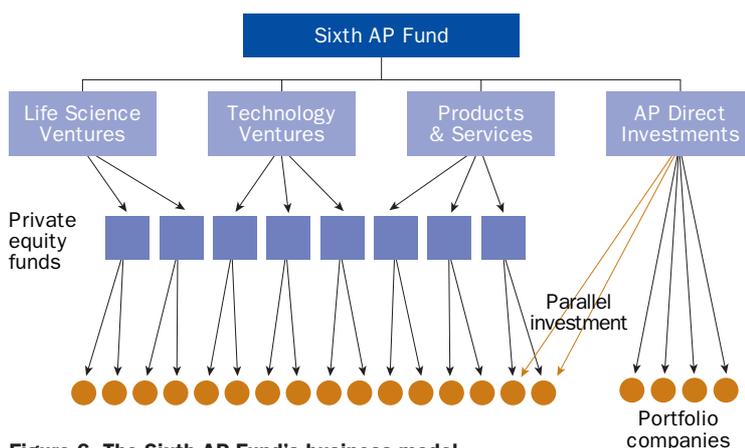


Figure 6. The Sixth AP Fund's business model

give it the opportunity to create added value through active ownership of private equity funds.

Investment is concentrated via private equity funds (see figure 6). This enables the Fund to enhance the efficiency of its active ownership in the private equity market.

In addition, the Sixth AP Fund's portfolio of directly owned investments, AP Direct Investments, provides the opportunity to

nancial and industrial competence, and networks of Board and CEO's groups, companies, entrepreneurs, universities and colleges. The Sixth AP Fund's work as an active owner is structured according to the Fund's business process (see figure 7).

Business flow process

In its business flow process the Sixth AP Fund uses qualitative analysis models to assess the management team of a private equity fund. The Sixth AP Fund actively initiates and identifies new management teams for private equity funds, but it also breaks up teams that lack future potential.

The Fund has taken several initiatives to merge private equity funds so that new market-leading groups are formed. Examples of the latter include the formation of Scandinavian Life Science Venture together with Medicion Valley Capital and Innoventus, and Nordico together with KF, Banc of America Equity Partners and the Fourth AP Fund, among others.

Negotiation process

During the negotiation process the strategy of the Sixth AP Fund is to establish the Fund's vision of market-based prices and influence the terms for ownership of private equity funds. To achieve added value in active ownership the Sixth AP Fund aims to be an owner in both the private equity fund and in the management team (see figure 8).

Ownership process

Active ownership takes the form of representation and work on the board of directors and in commit-



Figure 7. The Sixth AP Fund's business process

tees. In addition the Fund exchanges information and experience among key players in the private equity funds that are part of the Sixth AP Fund's portfolio.

The level of active ownership differs depending on the size of the funds, experience and the investment focus. Among other things, active ownership means that the Fund takes the lead in co-ordination and structure issues on the private equity market. In addition the Fund provides contacts for private equity funds within national and international networks and provides support when appointing board members and senior executives to portfolio companies.

Exit process

Work connected with the disposal of portfolio companies is focused in board and committee meetings. Via its network the Sixth AP Fund is actively involved via its networks in the disposal process.

ACTIVE OWNERSHIP IN DIRECTLY OWNED COMPANIES

Active ownership in the Sixth AP Fund's Direct Investments is car-

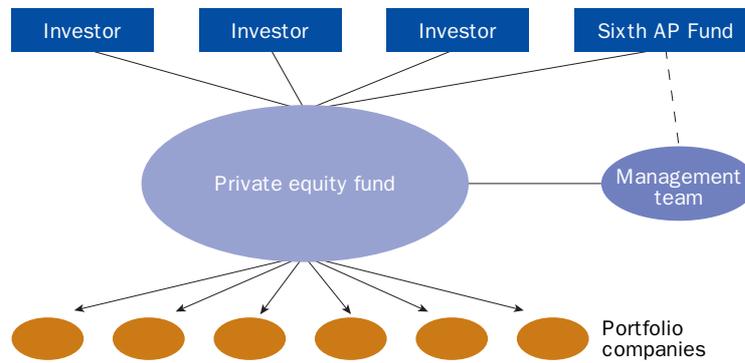


Figure 8. Relationships between investors, management teams, private equity funds and portfolio companies.

ried out via work on the boards and through contacts with company management. Each commitment has a clear ownership agenda with fixed goals.

The Sixth AP Fund's role as active owner in companies it directly owns is mainly concerned with creating value in the business' operations and advising the management of the portfolio companies. The Sixth AP Fund contributes by identifying business models, providing business competence and analytical tools during acquisition, and developing strategies for creating value.

The Sixth AP Fund is a stable and durable player. The time perspective of the Sixth AP Fund's Direct Investments depends on which stage the business is in, but it is usually three to seven years. Investments do not aim to generate short-term financial profit, but to create growth and a long-term good return through active ownership, and successful and competitive businesses.

Portfolio contribution analysis

FUND CAPITAL

The Sixth AP Fund's fund capital consists of the market value of the unlisted and listed shareholdings of the Fund's Investment Operations and Asset Management. Evaluation principles are described in the Accounting Principles on page 30.

On 31 December 2002 the Sixth AP Fund's fund capital amounted to SEK 11.6 billion. Since the Fund was founded in 1996 the fund capital has increased from SEK 10.4 billion to SEK 11.6 billion. That corresponds to an average annual return of 1.9%.

The Sixth AP Fund concentrates its Investment Operations in four portfolios, each of which has a special focus. At the end of 2002 the value of Investment Operations' holding of private equity funds and of companies owned directly by the Fund amounted to SEK 5.9 billion. The Fund owned an interest in around 350 companies, of which the majority were owned by the 42 private equity funds that the Sixth AP Fund invests in. During the year the Sixth AP Fund made additional new investments totalling SEK 975 million.

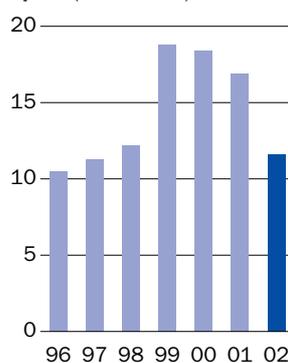
From the exclusively interest-bearing portfolio that the Fund had at start-up, capital was reallocated starting in the autumn of 1998 towards complete exposure to the share market.

In the autumn of 2002 the allocation within Asset Management

was reallocated towards a more interest-bearing holding. This was done to strengthen payment capability for Investment Operations and to adapt the allocation to the Fund's return target for 2003, which is a return target in absolute figures.

The Sixth AP Fund has no requirement to make annual payments in or out to balance the payment flows of Sweden's national

Fund capital (SEK billion)



pension system. This means that profits can be re-invested and that any losses must be covered by the fund capital. The Sixth AP Fund's investments are financed by its own equity, which means a low financial risk for the portfolio. This gives the Sixth AP Fund the strength to be a long-term player.

RESULTS

The results of the Sixth AP Fund consist of changes in value – realised and unrealised – in the Fund's assets, returns in the form of inter-

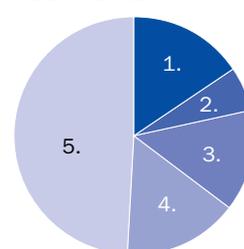
est, coupons, dividends and option premiums, as well as costs consisting of administration costs and fees to external managers.

In 2002 the Sixth AP Fund made a loss of SEK 5 107 million (-1 680) of which unrealised market value changes accounted for SEK -3 286 million (-1 959). The realised loss was SEK 1 519 million (551). The year's loss before costs is divided between SEK 1 276 million (503) for Investment Operations and SEK 3 529 million (-1 911) for Asset Management.

RETURN

The Sixth AP Fund's return is calculated as a time-weighted index (TWR).

Fund capital distribution, 31 Dec 2002



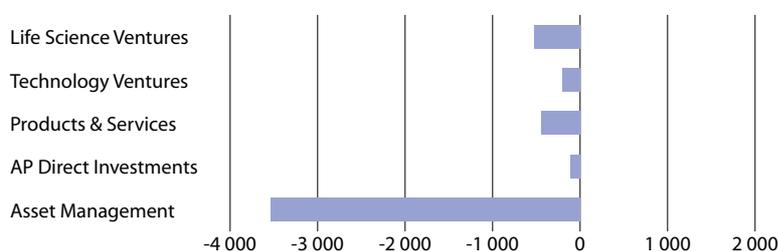
	SEK billion
1. Life Science Ventures	1.8
2. Technology Ventures	0.7
3. Products & Services	1.6
4. AP Direct Investments	1.8
5. Asset Management	5.7
Total fund capital	11.6

The return target for 2002 set by the Sixth AP Fund's Board was that the Fund's investments, over a rolling five-year period, should exceed the Six Return Index. The comparative index is adjusted for the fact that the Sixth AP Fund is not permitted to invest in foreign companies.

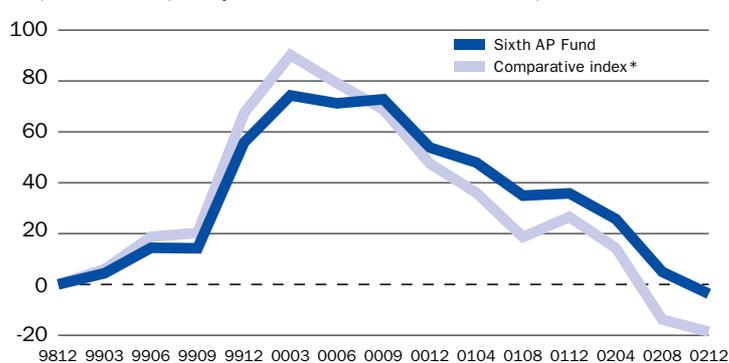
For all investments the return in 2002 was -30.9% (-8.0). This return was 4.8 percentage points above the comparative index. The return for Investment Operations was -21.7% (11.1) and for Asset Management -34.7% (-13.8). The return for Investment Operations was 14.0 percentage points above the comparative index and for Asset Management 1 percentage points above.

During the period 1999 to 2002, when the Fund had full exposure to shares, the Fund's overall return was -3.7%. In the same period the comparative index had a return of -18.6%.

RESULTS 2002 (SEK m)



Returns, 1999-2002, compared with the SIX Return Index, %



* The SIX Return Index is adjusted for the fact that the Sixth AP Fund is not permitted to invest in foreign companies.

Result summary (SEK million)	1996	1997	1998	1999	2000	2001	2002
Investment Operations	0	0	-23	504	624	503	-1 276
Asset Management	124	853	967	6 283	-870	-1 911	-3 529
Administration expenses	-4	-35	-63	-78	-122	-148	-150
Fees to external managers	0	-2	-21	-37	-60	-124	-152
Profit/loss for the year	120	816	860	6 672	-428	-1 680	-5 107

Life Science Ventures



Life Science Ventures invests in private equity funds and companies that focus on pharmaceuticals, biotechnology and medical technology. This area is research-intensive and Life Science Ventures therefore works closely with the science and medical faculties at Sweden's universities.

MARKET TRENDS

Historically, returns on investments in the life science sector have been higher than for the market as a whole, but in the past two years development in the biotechnology sector especially has been very negative. Compared with the rest of Europe, however, the Swedish market has performed relatively well.

The weak development within life science has meant that several private equity funds have been unable to raise additional capital on the market. The consequence has been that investors have refrained

from making new investments while being forced to reduce their ownership in connection with additional investment.

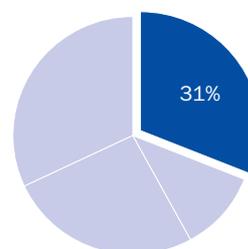
The shortage of risk capital in the life science sector has pushed companies into financial difficulty or meant that they have been unable to raise capital at what they consider to be a reasonable assessment of value.

SCANDINAVIAN LIFE SCIENCE VENTURE

In order to create a competitive and leading private equity fund

Life Science Ventures	2002	2001
Market-valued capital, SEK m	1 830	2 085
Profit/loss, SEK m	-526	217
Return, %	-26.2	14.0
Comparative index, %	-35.7	-14.2

Life Science Ventures' share of Investment Operations' capital



Portfolio manager Lars Ingelmark

within the life science sector of the Nordic market, a new private equity fund was formed in 2002 called Scandinavian Life Science Venture. Most of Life Science Ventures' directly owned portfolio companies were merged with the portfolio companies of Medicon Valley Capital and Innoventus. Scandinavian Life Science Venture is a financially strong entity with a very attractive portfolio of companies in the medical technology, pharmaceutical and biotechnology sectors. The fund has a strong management team comprising most of the former staff at Life Science Ventures, Medicon Valley Capital and Innoventus, plus a couple of new recruits who bring valuable competence and experience of the life science field.

Investors in Scandinavian Life Science Venture, which include the Sixth AP Fund, Danske Bank, the Fourth AP Fund, Skandia, Nordia, BeijerInvest, Sparbanken Finn and Novo Nordisk, have secured SEK 370 million for growth finance and SEK 1 000 million for new investment.

The combination of a strong management team with an industrial background, a diversified and, from a risk point of view, well distributed portfolio of companies, and large financial resources makes Scandinavian Life Science Venture a leading player in the Nordic life science market.

CLEAR POSITION FOR LIFE SCIENCE VENTURES

With the formation of Scandinavian Life Science Venture, Life Science Ventures has further refined its role. Resources are now focused on private equity funds that invest in life science and in a few strategically important companies such as

Biora, Karo Bio and Mölnlycke Health Care.

With this focus Life Science Ventures can actively participate with a limited number of people in the value-creating processes of the funds. The return on investment is therefore judged to be much higher.

RESULTS

The value development of the Life Science Ventures portfolio has been hit hard by the very negative trend in the Swedish and international life science markets.

The market value of the portfolio at the end of the year was SEK 1 830 million. The portfolio made a loss of SEK 526 million, which represents a yield of -26.2%. The return of Life Science Ventures can be compared with the US Russel 2000 HealthCare index, which ended 2002 with a return of -48.4%.

Around half of the reduction in value is related to the listed holdings and the other half to the de-

preciation of the unlisted holdings. Several of the companies in the Life Science Ventures portfolio have strengthened their business positions despite the economic downturn.

OUTLOOK 2003

The continuing harsh market climate means that Life Science Ventures intends to pursue the issues of priority and focus in the portfolio companies even harder in its active ownership. Some of the portfolio companies will probably be wound up during the year, while greater effort will be focused on more promising companies.

Overall, 2003 is expected to be a year of tough priorities although there will also be some interesting investment opportunities. The assessment is that the restructuring of the life science sector, both among private equity funds and companies will accelerate and Life Science Ventures intends to participate actively in this process.

Life Science Ventures portfolio

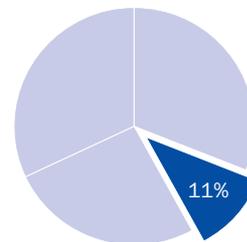
Funds	Share, %	Location	Activity
Carnegie Global Healthcare Fund	17.8	Stockholm	Invests in healthcare and biomedicine
H & B II:s Sweden	15.8	Stockholm	Invests in healthcare and brands
HealthCap	12.1	Stockholm	Invests in biomedicine and biotechnology branch
HealthCap 1999	10.5	Stockholm	Invests in biomedicine and biotechnology branch
HealthCap CoInvest	24.4	Stockholm	Invests in biomedicine and biotechnology branch
Innoventus Life Science I	32.7	Uppsala	Commercialisation of university research
Karolinska Investment Fund	24.2	Stockholm	Invests in research results from Karolinska Institutet
Medicon Valley Capital Two	65.7	Lund	Invests in life science in Öresund region
Medicon Valley Capital	43.8	Lund	Invests in life science in Öresund region
Scandinavian Life Science Venture	98.5	Göteborg	Invests in medical technology, biotechnology and pharmaceuticals
Scandinavian Life Science Venture Two	98.5	Göteborg	Invests in medical technology, biotechnology and pharmaceuticals
Swedestart Life Science	16.3	Stockholm	Invests in unlisted companies active in life science
Company	Share, %	Location	Activity
A+ Science Invest	34.6	Göteborg	Commercialisation of university research
BioInvent International	2.7	Lund	Develops new protein-based pharmaceuticals
Biora	19.9	Malmö	Products for tooth removal treatment
Karo Bio	2.6	Huddinge	Develops nuclear receptors for disease treatment
Mölnlycke Health Care	20.4	Göteborg	Disposable products for surgical and wound care applications
Pyrosequencing	0.4	Uppsala	Develops, produces and markets complete systems for applied genetic analysis
Q-Med	0.2	Uppsala	Develops, produces and markets medicinal implants
Tripep	1.2	Stockholm	Develops pharmaceutical candidates for treatment of HIV, etc.

Technology Ventures



Technology Ventures	2002	2001
Market-valued capital, SEK m	642	621
Profit/loss, SEK m	-201	-145
Return, %	-29.9	-23.2
Comparative index, %	-35.7	-14.2

Technology Ventures' share of Investment Operations' capital



Portfolio manager
Mats Augurell

Technology Ventures invests in private equity funds focused on technology-intensive sectors, mainly specialists in early-phase development active in IT, telecom, media and entertainment. Technology Ventures' strategy is to be the lead investor in partly-owned private equity funds in order to influence the development of the funds and create good returns.

MARKET TRENDS

The Swedish market for technology investment has followed the negative trend of the risk capital market in the US. Figures from US analysts Venture One indicate that the amounts invested in IT and telecom projects fell by around 50% in the US during the first three quarters of 2002 compared with the same period in 2001. Statistics from the Swedish Private Equity & Venture Capital Association suggest a similar trend in Sweden. However, in both Sweden and the US, the IT and telecom sectors

continue to attract more than half of the risk capital in the market.

The downturn has meant continued price reductions for new investments. This is an opportunity for many of the Technology Ventures funds to do good business that matches the Sixth AP Fund's requirements for returns. Equally, there are fewer opportunities for exits of portfolio companies.

Despite the unfavourable trend, interest in Sweden and in Swedish technology is still strong among international players. The Swedish market has become an im-

portant market for new technology and Sweden has a world-leading position within research and technical development in important growth areas. Together with Finland, the US and Israel, Sweden is among the most innovative countries for technology in the world.

STRONG PORTFOLIO, WEAK MARKET

Technology Ventures invests in 18 funds that together own around 130 small and medium-sized companies in technology-intensive sectors. The aim is to be either the lead investor or one of several leading investors in partly-owned private equity funds in order to influence the development of the fund.

The Technology Ventures holding includes CapMan/Swedstart, IT-Provider, BrainHeart Capital

and Slottsbacken, which mainly invest in the expansion phase, and Creandum and Företagsbyggarna, which invest in the start-up phase.

TECHNOLOGY VENTURES LEADS RESTRUCTURING

The weak market for IT-related companies has led to increased consolidation among Swedish private equity funds in the IT sector and made it harder for new funds to get established.

During 2002 Technology Ventures played an active role in the restructuring of the sector. In February CapMan, one of the Nordic region's leading private equity players, acquired Swedestart Management. The Sixth AP Fund has committed SEK 600 million to CapMan's Swedish fund, which means that Technology Ventures will be the lead investor. Technology Ventures is already established as the lead investor in Swedestart's funds. This was the first stage in the restructuring of the Swedish and Nordic IT-related private equity markets.

During the year Technology Ventures joined up with Skandia Liv to start Creandum, an SEK 300 million fund focused on early-phase investment. The development of Creandum's business model has evolved in close co-operation with researchers, institutions and research-intensive businesses. There is major interest in Creandum, from both Swedish and international funds and investors, and it fills a significant gap in the Swedish private equity sector. A partnership has started between Technology Ventures and Företagsbyggarna with a similar focus.

RESULTS

The continued negative trend for high-technology investment had an unfavourable impact on the value of the Technology Ventures portfolio. The market value of the portfolio at the end of the year was SEK 642 million. The loss for the year was SEK 201 million, which represents a return of -29.9%. Over 90% of the loss was due to changed

valuation of the portfolio companies in the private equity funds. Most of the companies in the portfolio have strengthened their business positions despite the downturn.

Technology Ventures' portfolio has performed much better than the technology market in general. Its return can be compared with the Stockholmsbörsen index for information technology, SX45, which had a return of -76% in 2002.

OUTLOOK 2003

Technology Ventures has a strong portfolio and can look confidently to the future. During the year Technology Ventures will continue to actively follow and participate in the restructuring of the IT sector in Sweden and the Nordic region. A key part of the work of Technology Ventures during the coming year will be to continue placing clear demands on the funds' ownership plans and strategies in order to create good returns.

Technology Ventures portfolio

Funds	Share, %	Location	Activity
BrainHeart Capital	23.2	Stockholm	Invests in the telecom sector (mobile internet)
CapMan Equity Sweden	26.0	Stockholm	Invests in products and services based on IT, telecom and media
Creandum ¹⁾			Will invest in companies that are in the early phase within the technology sector and are globally competitive
InnKap 2 Partners	5.4	Göteborg	Invests in companies in the early phase within IT and life science
InnovationsKapital Fond I	31.5	Göteborg	Invests in companies in the early phase within IT and life science
IT Provider Century Fund	32.8	Stockholm	Invests in companies in the early phase within IT, telecom and media
IT Provider Fund IV	25.2	Stockholm	Invests in companies in the early phase within IT, telecom and media
Nth Power Technologies	7.9		Invests in new technology companies within environmental and energy sectors
Slottsbacken Fund Two	25.0	Stockholm	Invests in IT-related growth companies
Slottsbacken Venture Capital	50.0	Stockholm	Invests in newly started companies within IT
Swedestart II	21.1	Stockholm	Invests in newly started companies with unique products
Swedestart Tech	20.6	Stockholm	Invests in newly started and smaller growth companies within IT and telecom
V2 Co-Investment I	50.0	Stockholm	Co-investments in existing portfolio of V2 Internet Fund
V2 Internet Fund	15.9	Lund	Invests in data transfer hardware and software
Vision Capital	6.1		Invests in newly established expanding companies within IT
Vision Capital III	18.8		Invests in newly established expanding companies within IT
Vision Extension	6.2		Invests in newly established expanding companies within IT
Zodiak Venture Capital	9.7	Stockholm	Invests in young technology companies
Companies	Share, %	Location	Activity
Logitall	7.1	Solna	Purchasing portal for IT and IT-related products
MultiQ International	5.6	Malmö	IT products based on flat-screen technology
TDS Todos Data System	31.4	Göteborg	Sales of customised data and telecom solutions

1) Under formation

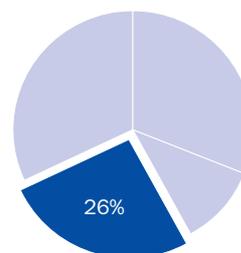
Products & Services



Products & Services	2002	2001 *
Market-valued capital, SEK m	1 544	-
Profit/loss, SEK m	-443	-
Return, %	-22.2	-
Comparative index, %	-35.7	-

* Not comparable due to reallocation between investment areas

Products & Services' share of Investment Operations' capital



Portfolio manager
Per Rinder

Products & Services invests in private equity funds focused on industrial and service companies. These portfolio companies are generally in a phase of expansion or maturity and have considerable development and growth potential.

MARKET TRENDS

For private equity funds the considerable fall in share values in 2002 and the continuing industrial recession meant that planned exits in the form of stock market flotations had to be delayed. While waiting for more stable markets and the return of institutions as net buyers of shares, the funds have been disposing of portfolio companies via industrial sales.

Following a period of falling profits and lower share prices, private equity funds are seeing the need and opportunity for making significant acquisitions to continue

the restructuring of Swedish industry. The market is still hesitant, however, waiting for a new price level to be established.

The large private equity funds, which look largely to international investors to raise capital, have shown that it is possible in the current climate to keep large sums of capital for structural investment in Swedish and Nordic industry. One example is Nordic Capital, which at the end of 2002 started a new fund worth EUR 1 500 million. Products & Services has invested in this fund.

Smaller funds for mainly domestic investors face considerably

greater difficulty in raising new capital. This is accelerating the continued consolidation of smaller and medium-sized funds which invest in industrial and service companies.

The ten largest private equity funds on the Swedish market focused on industrial and service companies have capital of around SEK 90 billion. Products & Services has invested in around half of these funds as well as providing financial and industrial expertise and networks. Products & Services encourages fund managers to build up structural capital, networks and long-term resources for analysing, acquiring, refining and then disposing, at a good profit, portfolio companies.

REFINING ACTIVITIES

Products & Services focuses on being an active owner in private equi-

ty funds. Activities were further refined during the year by merging the Sixth AP Fund's Industrial Ventures with Nordico Invest. A new fund in an in-between segment, Nordico was formed with the Sixth AP Fund as the lead investor. Other investors include KF, Banc of America Equity Partners, the Fourth AP Fund, Förenings-Sparbanken, Sirius International, LRF, Lantmännen and KP Pension & Försäkring. As part of the deal, Products & Services acquired KF's shares in Nordico I and II while transferring some of Industrial Ventures' investments to a new fund, Nordico III.

At the end of the year Products & Services, together with Handelsbanken and Nordea, sold the non-strategic shares in Småföretags- och Fylkinvest to Aldano in a cash deal.

RESULTS

The market value of Products & Services' portfolio at the end of the year amounted to SEK 1 544 mil-

lion. The loss for 2002, which includes realised profits and losses and the re-evaluation of portfolio companies, was SEK 443 million, which represents a return of -22.2%.

Around SEK 1.4 billion, or 90%, of the market value of the Products & Services portfolio is investment in funds. These fund investments made a loss of SEK 184 million, which represents a return of -13.9%. These results, which are in line with the market as a whole, are mainly affected by profit from the sale of Nycomed and major depreciation of some portfolio companies. Other holdings, of which several are being terminated, had a market value at year-end of around SEK 140 million. The loss for these other holdings was SEK 259 million. Half of this loss was due to the sale of shares in Småföretags- och Fylkinvest and SEK 40 million was due to the closure of Netsys.

Despite a tough market climate, several successful industrial exits were completed via the funds

in the Products & Services portfolio. The most significant was Nordic Capital's sale of Nycomed, which gave the Sixth AP Fund a realised profit of SEK 330 million.

During the year Nordico sold Autoadapt to Bruna Independent Living Aids at a profit. Nordico also sold its shares in Spira, Swegro and Flygbussarna at satisfactory margins.

OUTLOOK 2003

The funds that Products & Services invests in will make significant acquisitions in 2003. Several large sales of companies planning stock market launches are waiting for a more stable climate. Structural changes are continuing in the form of industrial sales.

Products & Services intends to participate actively in the ongoing consolidation of the small and medium-sized funds on the Swedish private equity market.

Products & Services portfolio

Funds	Share, %	Location	Activity
Amplico I	93.8	Göteborg	Invests in and restructures companies with profitability problems
Baltic Rim Fund	22.8	Stockholm	Invests in smaller and medium-sized companies
EQT Scandinavia II	2.8	Stockholm	Invests in industrial structural projects
Industrial Development & Investment Equity	14.7	Stockholm	Invests in medium-sized companies
Nordic Capital III	9.4	Stockholm	Invests in industrial structural projects
Nordic Capital IV	7.1	Stockholm	Invests in industrial structural projects
Nordic Capital V	3.3	Stockholm	Invests in industrial structural projects
Nordico I	24.8	Stockholm	Invests in industrial products and services
Nordico II	37.1	Stockholm	Invests in industrial products and services
Nordico III	99.2	Stockholm	Invests in industrial products and services
Northern Europe Private Equity	3.4	Stockholm	Invests in industrial structural projects
Z-Invest	47.5	Östersund	Invests in small and medium-sized companies in the mid-Norrland region
Company	Share, %	Location	Activity
Aspen Invest	35.0	Hindås	Environmentally adapted fuel and chemical products
Ekström Management and Investment	20.0	Umeå	Venture capital company within IT and telecom
Enhancer Consulting	11.1	Stockholm	Consultancy
Götaverken Miljö	100.0	Göteborg	Flue gas treatment and energy recycling
Norr Sædd Holding	33.3	Luleå	Invests in seed companies at universities and colleges in Norrland
Thoreb	30.1	Borgholm	Develops IT solutions for public transport

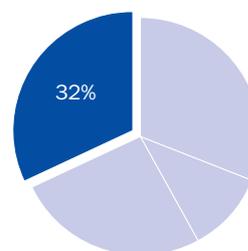
AP Direct Investments



AP Direct Investments	2002	2001 *
Market-valued capital, SEK m	1 837	-
Profit/loss, SEK m	-106	-
Return, %	-6.7	-
Comparative index, %	-35.7	-

* Not comparable due to reallocation between investment areas

AP Direct Investments' share of Investment Operations' capital



Portfolio manager
Urmas Kruusval

Unlike the other business areas of the Sixth AP Fund, AP Direct Investments invests directly in companies. Investments are made in well-established businesses producing products and services which have a strong growth potential due to changed financial or structural conditions.

MARKET TRENDS

Growth in the Nordic market for investment in mature companies has been very strong in recent years. In 1995 the joint value of buy-out business in the Nordic region was around SEK 8 billion. The corresponding figure in 2001 was SEK 70 billion. However, the market contracted in the past year.

INVESTING IN GROWTH COMPANIES

AP Direct Investments looks primarily to make new investment in businesses that are focused on con-

sumer and industrial products and services within the sector of medium-sized buy-outs. The most important selection criteria are that the company is facing an important stage in development, has predictable cash flow and good growth potential. When assessing a possible acquisition the need and prospects for being a strong owner are also considered, together with the possibility of being a driving force in the process of change. Another important factor is being able to identify and evaluate during the investment phase the potential new industrial

structures that can be achieved within three to seven years.

The best situations for AP Direct Investments are companies facing a generation change or management buy-out, or needing expansion capital ahead of a period of growth, whether organic or via acquisition. Furthermore the Fund seeks investment opportunities in sectors where the conditions are right for creating new company constellations. Another category is the acquisition of listed companies that can develop and grow better with a new owner.

AP Direct Investments' staff have many years of experience in management positions in various sectors, and have a good understanding of the entrepreneurial mechanisms that develop and cre-

ate vibrant businesses. In connection with an acquisition a clear agenda is established which is the basis for deciding which competencies are needed by the company and on its board. External board members are recruited from the extensive Sixth AP Fund network.

A PORTFOLIO OF INTERESTING COMPANIES

AP Direct Investments' holding amounts to around SEK 1.8 billion. In 2002 the largest holdings were in Norrporten, Lindab, Nordisk Renting and MBD Invest. The portfolio also includes parallel investments such as Findus and Nybron International Flooring.

REFINING ACTIVITIES

During the year the AP Direct Investments portfolio was refined, partly through the transfer of fund holdings and partly through the sale of small holdings outside the current strategic focus. By transferring responsibility for some funds,

including Nordic Capital and EQT to Products & Services, the previously named Buy-out investment area became fully focused on direct investments in companies.

In 2002 work was concentrated on identifying and assessing new investment opportunities and on analysing and evaluating complementary acquisitions in existing portfolio companies. No new investments were made during the year, mainly due to the business climate. Complementary acquisitions were made in existing portfolio companies.

SIGNIFICANT EVENTS AFTER THE END OF 2002

On 9 January 2003 the Sixth AP Fund sold its 25% holding in Nordisk Renting to Nordea. The sale meant a capital gain for the Fund of around SEK 220 million. The Fund acquired shares in Nordisk Renting at the start of 1998 and the holding has had an annual return of 27%.

RESULTS

The market value of the portfolio at the end of 2002 was SEK 1 837 million. The loss was SEK 106 million, representing a return of -6.7%. The depreciation of a parallel investment was the single largest negative item.

OUTLOOK 2003

During the coming year AP Direct Investments will continue to focus on increasing sales, making complementary acquisitions and improving efficiency. AP Direct Investments is positive about opportunities to acquire new companies and there are good prospects for complementary acquisitions in existing portfolio companies.

AP Direct Investments portfolio

Company	Share, %	Location	Activity
Beijer Alma	3.6	Uppsala	Industrial group focused on manufacturing components
DISAB Vacuum Technology	3.9	Eslöv	Vacuum systems for suction and blowing
Findus	7.9	Bjuv	Production and sale of food items
Kreatel Communications	7.4	Linköping	Develops and sells service solutions within telecom and broadband
Lindab Intressenter	23.8	Båstad	Manufacturing in thin sheet steel of ventilation equipment, doors and roofs
MBD Invest	74.0	Malmö	Sales of car parts to non-branded workshops Nordisk Renting
Nordisk Renting (sold January 2003)	25.0	Stockholm	Property rental solutions
NS Holding (Norrporten)	33.3	Sundsvall	Property rental
Nybron International Flooring	19.8		Floor manufacturer
Tradex Holding	20.0	Kungälv	Supplier within telecom and medical tech sectors
Vitea	33.4	Stockholm	Company healthcare provider

Specialist departments



The Sixth AP Fund has a series of specialist departments that provide support, help the development of the Fund's investment, and safeguard internal controls. The specialist departments participate in various projects throughout all phases of the business process.

LIQUIDITY MANAGEMENT

From 1 January 2003 this unit will take over responsibility from the former investment area, Asset Management (Kapitalförvaltningen).

The Fund's Liquidity Management supplies the liquidity requirements of the investment operation and ensures that good returns are achieved on the capital not yet invested in private equity funds or companies directly owned by the Fund. This responsibility includes

assessing and monitoring external fund managers and ongoing management of the Fund's liquidity.

*Head of Liquidity Management:
Magnus Dahlgren*

RISK MANAGEMENT

The Sixth AP Fund's Risk Management department is responsible for monitoring, measuring and reporting the Fund's risk exposure and return performance. Risk monitoring is based on the results of the Fund's

risk premium model and checks against the guidelines established in the Fund's finance policy. Responsibility also includes ongoing measurement and assessment of the return performance of the Fund's investment in private equity funds via Internal Rate of Return.

Risk Management also forecasts the Fund's ongoing cash flow, i.e. the committed capital, invested capital and paid-back capital – information that is essential for the Fund's liquidity management.

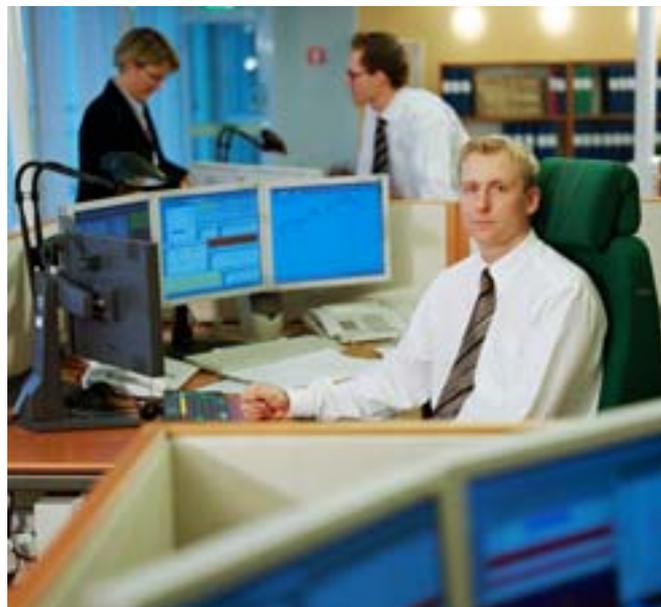
*Head of Risk Management:
Annika Ahl Åkesson*

LEGAL DEPARTMENT

The Sixth AP Fund's legal department is an integrated part of business projects in all phases of the investment process (see business process, figure 7, page 8). The Fund's corporate lawyers have extensive experience of the business terms and structures of the private equity sector and ensure that this experience benefits the Fund's projects. A priority is developing new forms and structures for private equity funds, through which the international contacts of the Fund can supply information from markets outside Sweden.

In business projects the legal department has special responsibility for the management, co-ordination and quality assurance of external legal services.

*Head of Legal Department:
Alexandra Nilsson*



BACK OFFICE

This department is responsible for the Sixth AP Fund's accounts and for internal and external reporting e.g. interim reports and annual accounts. The back office handles the Fund's payments and transfers agreed payments to Risk Management for monitoring of the Fund's liquidity forecasts.

The back office plays a key administrative role in contacts with private equity funds and also has process responsibility for the Sixth AP Fund's administration in the investment process regarding the flow of financial data. The department also has responsibility for operating and maintaining the Fund's IT system.

*Head of Back Office and IT:
Ulrika Drotz Molin*

FUND PROPOSAL DEPARTMENT

In accordance with the Sixth AP Fund's strategy a large portion of capital is invested in private equity funds. The investment is divided among 42 different funds. This department is responsible for the professional management of proposals regarding new funds and for informing the market as to how the Sixth AP Fund works. The department is responsible for proposals until investment is started in a business project in a private equity fund.

The department is also responsible for monitoring the market development of private equity funds.

*Head of Fund Proposal Department:
Cecilia Gross Friberger*

REGIONAL NETWORKS

Since the start of 2002 the Fund has prioritised the establishment of a regional network across Sweden. The network explains to entrepreneurs how they can co-operate with a risk capital fund.

The Sixth AP Fund's strategy is based on active ownership in private equity funds and in a few companies directly owned by the Fund. To ensure a well controlled flow of Direct Investments proposals the department guides proposals for risk capital to suitable partners with whom the Fund works on the market.

*Head of Regional Network:
Susanne Olofsson*

Asset Management

Asset Management (Kapitalförvaltningen) has managed the Sixth AP Fund's assets that have not been invested in private equity funds or in companies directly owned by the Fund. The target of Asset Management was to exceed the SIX Return Index.

Having the SIX Return Index as a target means that capital is normally invested in the shares included in the index. The capital is therefore fully exposed to the stock market. In a weak year such as 2002 this produced poor results.

During the autumn of 2002 the Sixth AP Fund made the assessment that the stock exchange and private equity market would remain under pressure. A major reallocation was therefore carried out to include a significantly larger proportion of interest-bearing instruments than previously. The purpose was to strengthen the payment capability for investment operations and to diversify the portfolio by adding different assets and thus reducing the risk level.

At the start of 2002 companies considered to be valued too highly in relation to growth prospects were replaced with companies with good earnings capability and a high direct return. In general this strategy was successful. Due to this reallocation, the second half of the year was dominated by sales. At the sector level the deviation from index weighting was small, and the differences decreased as the year continued.

RESULTS

2002 was a very weak year for Stockholmsbörsen and the Sixth AP Fund's Asset Management. The SIX Return Index, adjusted for Nokia, fell by -35.7%. Asset Management's return was one percentage point higher at -34.7%. Losses were made as capital was reallocated in interest-bearing instruments. The overall loss of SEK 3 529 million includes realised items of SEK -2 032 million and unrealised items of SEK -1 497 million.

Reduced exposure to the stock market improved the return figures in comparison with the index. The individual share exposure that had the most impact on returns included overweighting in Skandia, Invik, TietoEnator, IFS, IBS and Tele2, while relative returns were most positively affected by overweighting in Hexagon, Volvo, Nibe, Electrolux and Castellum, and an underweighting in ABB.

NEW TARGETS AND METHODS FROM 2003

Starting in 2003 the Sixth AP Fund will have an absolute target for returns instead of the previous target, which was related to the stock exchange's total return index. This means that the return over

five years must exceed risk-free interest plus a risk premium dependent on the risk level of the managed assets.

Starting in 2003 a new specialist department, Liquidity Management, will have responsibility for managing the Fund's liquidity. This department will work both internally and externally and will invest in interest-bearing and share-related instruments, with the latter including active, index-related management, equity funds and hedge funds. The purpose of the interest-bearing portfolio is to balance the risk in the buffer part of the capital and to safeguard capital for future commitments. At the end of the year the new investment focus for 2003 had not yet been fully implemented, which is why the composition of the portfolio deviates from the allocation being sought in 2003. The internal management organisation has been scaled down in connection with this new way of working.

Asset Management	2002	2001
Market-valued capital, SEK m	5 748	10 750
Profit/loss, SEK m	-3 529	-1 911
Return, %	-34.7	-13.8
Comparative index, %	-35.7	-14.2

Risk Management

Business opportunities involve risk. It is easier to control risk once it has been defined, measured and monitored. Risk levels and the management of risk in operations are important policy issues that have top priority for the Sixth AP Fund's Board of Directors. The Fund uses well proven risk models that are regularly reviewed.

FRAMEWORK FOR RISK MANAGEMENT

Risk Management within the Sixth AP Fund is an internal control tool for ensuring that the risk levels set by the Board are maintained and reported clearly.

To support Risk Management and control activities the Board has established a series of policies. These include an ownership policy, finance policy, information security policy, IT policy, human resources policy and a policy for involvement on company boards and investment committees. Financial and operational risk is regulated in the finance policy, which is reviewed regularly and ratified once a year by the Board.

SHARPER FOCUS ON RISK MANAGEMENT

In order to further develop and strengthen the Fund's Risk Management a joint framework for financial risk in listed and unlisted shares is being developed. Work started in the autumn of 2002 and will result in a renewed and large-scale finance policy with associated reporting and assessment tools.

Future capital requirements within investment operations affect opportunities for managing liquid funds and thereby the capital expenses of the Fund. Accurate cash

flow forecasts can be used to control the need for liquid funds and the liquidity risk that both the Sixth AP Fund and its private equity funds are exposed to.

RISK MANAGEMENT AND LISTED HOLDING

Measurable financial risk mainly occurs in the management of listed shareholdings. The defined primary risks are share price, interest rate, counter-party and credit. All of these risk areas are monitored daily and reported to the President.

A large portion of the Fund's portfolio consists of shares. Share price is therefore the predominant risk parameter. Tracking Error and the Sharpe Ratio are also monitored. The share price risk sets the framework for how the Fund's holding per sector can be weighted in relation to the Affärsvärlden general index. Tracking Error is a measurement of active risk and shows how returns vary between the portfolio and the comparative

index over time. The Sharpe ratio shows how a change in risk level will affect returns.

RISK MANAGEMENT FOR UNLISTED HOLDINGS

Risk distribution is achieved for the unlisted portfolio via a thoroughly diversified holding in terms of sector, maturity, geography and external management. It is also important that investment is distributed over time so that the effects of the business cycle can be countered. The Sixth AP Fund's long-term presence in the risk capital market helps to produce a portfolio that is well diversified in terms of time.

Investment in unlisted companies entails significant legal and operational risks. The Fund's legal team has extensive know-how in contract writing concerning the acquisition and sale of unlisted companies and investment in private equity funds. Investment involves extensive legal work and the Fund uses established models to eliminate legal risks. Well established procedures for the Fund's back office are followed in connection with all cash and security paper transactions. These procedures are closely monitored by the Fund's Risk Management department.

Investment operation capital, 31 Dec. 2002, per sector and phase

%	Property/Other financial asset	Products & Services	Life Science	Technology	Total
Seed	0	0	0	0	0%
Start-up	0	0	1	0	1%
Expansion	0	2	18	11	31%
Mature	9	41	11	1	62%
Listed	4	0	2	0	6%
Total	13%	43%	32%	12%	100%

Directors' Report 2002

RESULTS AND RETURN

2002 was a tough year and the Fund made a loss of SEK 5 107 million (-1 680). The comparative index plummeted -35.7%, while the Sixth AP Fund's return was -30.9%, or 4.8 percentage points better than the comparative index.

The return goal for 2002 set by the Board was that the Fund's investments, over a rolling five-year period, should exceed the SIX Return Index. This comparative index is adjusted for the fact that the Fund is not permitted to invest in foreign companies, which primarily means that Nokia is excluded.

Of the overall loss of SEK 5 107 million, SEK -1 276 million (503) was due to Investment Operations and SEK -3 529 million (-1 911) to Asset Management. The return for Investment Operations was -21.7% (11.1) and for Asset Management -34.7% (-13.8), which was 14.0 percentage points

and 1 percentage points respectively above the comparative index.

The results are due to changes in value – realised and unrealised – in the assets of the Fund, returns in the form of interest, coupons, dividends, option premiums, management expenses, and fees to external managers.

The Fund's management expenses in 2002 amounted to SEK 150 million (148). During the year results also included fees of SEK 152 million (124) paid to external managers as remuneration for the management of private equity funds.

The Sixth AP Fund assesses the market value of its investment assets. Listed holdings are assessed at the most recent buy price on the closing date, and unlisted holdings are assessed using EVCA principles (see Accounting Principles on page 30). This means that the Sixth AP Fund reports an unrealised result for changes in value that arise during the financial period. A realised

result occurs on the day that assets are disposed of. This result is based on the sale price and the adjusted acquisition value.

FUND CAPITAL

The Sixth AP Fund's fund capital fell by SEK 5 107 million to SEK 11 621 million during the year.

Since the start of 1996 fund capital has increased by SEK 1.2 billion to SEK 11.6 billion at the end of 2002, which represents an average annual return of 1.9%.

From being invested in a primarily interest-bearing portfolio the capital has been gradually allocated towards full exposure to the share market. Since the end of 1998 the Fund is completely invested in shares and share-related instruments. During the autumn of 2002 the allocation within Asset Management was changed to include a higher proportion of interest-bearing instruments. This was done partly to strengthen payment

Return trend 1999–2002 (%)	1999	2000	2001	2002 *
Investment Operations	33.3	17.0	11.1	-21.7
Asset Management	60.4	-6.3	-13.8	-34.7
Total, Fund	55.8	-1.3	-8.0	-30.9
Comparative fund (SIX Return Index adjusted for Nokia)	67.4	-11.9	-14.2	-35.7

* Return measured as a time-weighted index. Changed calculation method compared with previous year, which means a change of -1.3 percentage points for Investment Operations and 3.2 percentage points for the Fund overall.

Income summary (SEK m)	1996	1997	1998	1999	2000	2001	2002	1996-02
Investment Operations	0	0	-23	504	624	503	-1 276	332
Asset Management	124	853	967	6 283	-870	-1 911	-3 529	1 917
Management expenses	-4	-35	-63	-78	-122	-148	-150	-600
Fees to external managers	0	-2	-21	-37	-60	-124	-152	-396
Profit/loss*	120	816	860	6 672	-428	-1 680	-5 107	1 253

* Market-value profit/loss comprising realised profit, unrealised market-value changes, dividends and expenses.

capability for Investment Operations and partly to adapt the allocation to the Fund's new, absolute return target for 2003.

At the end of 2002 SEK 11.6 billion of the Fund's capital is committed to investment in private equity funds or companies owned directly by the Fund. Of committed capital, SEK 4.9 billion remains to be invested.

INVESTMENT OPERATIONS

The fall of Stockholmsbörsen had a negative impact on values and activity in the Swedish market for unlisted shares.

The development of the market has forced structural changes on the private equity market and large-scale depreciation of portfolio companies has taken place. Overall during the year there was less investment in unlisted Swedish companies compared with the previous year. Only a limited amount of new risk capital was raised on the market and few transactions were completed. New business concepts,

Fund capital (SEK billion)	1996	1997	1998	1999	2000	2001	2002
Investment Operations	-	0.4	0.9	2.6	3.7	6.0	5.9
Asset Management	10.5	10.9	11.3	16.2	14.7	10.7	5.7
Total capital	10.5	11.3	12.2	18.8	18.4	16.7	11.6

The above table refers to the internal portfolio composition. The sub-section amounts are not included in the balance sheet.

development projects and early-phase companies have found it hard to raise risk capital. Even the number of buy-out transactions has been limited.

The Sixth AP Fund conducts investment operations in four portfolios, each with a different area of focus. At the end of 2002 the Fund had holdings in around 350 companies, of which the majority were owned by the 42 private equity funds the Sixth AP Fund invests in. The market value of Investment Operations on 31 December was SEK 5.9 billion (6.0). During the year the Fund made new and complementary investments amounting to SEK 975 million.

LIFE SCIENCE VENTURES

Life Science Ventures invests in private equity funds and companies that focus on pharmaceuticals, biotechnology and medical technology.

The most important event in 2002 was the formation of Scandinavian Life Science Venture, when most of Life Science Ventures' directly owned portfolio companies were merged with the portfolio companies of Medicon Valley Capital and Innoventus.

As a result of this change the number of Sixth AP Fund employees working with the portfolio was reduced significantly during the year.

The market value of the Life Science Ventures portfolio has been hit hard by the very negative trends in the Swedish and international life science markets.

The market value of the portfolio at the end of the year was SEK 1 830 million. During the year Life Science Ventures made new and complementary investments worth SEK 215 million. The portfolio made a loss of SEK 526 million, which represents a yield of -26.2%. The return of Life Science Ventures can be compared with the US Russell 2000 HealthCare index, which ended 2002 with a return of -48.4%.

INVESTMENT OPERATIONS AS OF 31 DEC. 2002

	Capital SEK m*	Loss SEK m**	Return %***	Comparative index****
Life Science Ventures	1 830	-526	-26.2	
Technology Ventures	642	-201	-29.9	
Products & Services	1 544	-443	-22.2	
AP Direct Investments	1 837	-106	-6.7	
Total capital	5 853	-1 276	-21.7	-35.7

* Market value. Assessed using EVCA principles (European Private Equity & Venture Capital Association)

** Market-value profit/loss before expenses comprising realised profit, unrealised market-value changes, dividends and expenses.

*** Return measured as time-weighted index

**** SIX Return Index

Around half of the decrease in value is related to the listed holding and the other half to the depreciation of the unlisted holding.

Life Science Ventures	2002
Committed capital, SEK m	3 248
Market-valued capital, SEK m	1 830
Profit/loss, SEK m	-526
Return, %	-26.2

TECHNOLOGY VENTURES

Technology Ventures invests in IT, telecom, media and entertainment.

In February, one of the Nordic region's leading private equity players, CapMan, acquired Swedestart Management. The Sixth AP Fund has committed SEK 600 million to CapMan's Swedish fund, making it the lead investor. Technology Ventures is already established as the main investor in Swedestart's funds.

During the year Technology Ventures joined up with Skandia Liv to start Creandum, an SEK 300 million fund focused on high-technology Nordic companies.

The market value of the portfolio at the end of the year was SEK 642 million. During the year Technology Ventures made new and complementary investments worth SEK 295 million. The loss for the year was SEK 201 million, which represents a return of -29.9%. Over 90% of the loss was due to the changed valuation of the portfolio companies in the private equity funds. Most of the companies in the portfolio have strengthened

their business positions despite the downturn.

Technology Ventures' portfolio has performed much better than the technology market in general. Its return can be compared with the Stockholmsbörsen index for information technology, SX45, which had a return of -76% in 2002.

Technology Ventures	2002
Committed capital, SEK m	2 575
Market-valued capital, SEK m	642
Profit/loss, SEK m	-201
Return, %	-29.9

PRODUCTS & SERVICES

Products & Services invests primarily in private equity funds focused on industrial and service companies in phases of expansion or maturity and with considerable development and growth potential.

A new risk capital fund, Nordico, was formed in early May through the merger of Nordico Invest with KF and Banc of America Equity Partners as the lead investors, and the Sixth AP Fund's Industrial Ventures. Initially, Nordico has managed capital amounting to around SEK 1.5 billion. The Sixth AP Fund is the lead investor in Nordico and part-owner in NE Advisory AB, the management company.

In the autumn the holding in Småföretags- och Fylkinvest was sold in a cash deal to Aldano at a realised loss of SEK 130 million.

Towards the end of the year Nordic Capital sold its holding in Nycomed. The sale made a realised profit of SEK 330 million for Products & Services. Earnings were also charged with a further SEK -41.5 million for the closing down of Netsys following the request by the company's liquidator of a limited shareholders' contribution to enable the final liquidation of the company. The joint loss for the Fund's involvement in Netsys is estimated at SEK -364 million.

The market value of Products & Services' portfolio at the end of the year amounted to SEK 1 544 million. The loss for 2002, which includes realised profits and losses and the re-evaluation of portfolio companies, was SEK 443 million, which represents a return of -22.2%.

Around SEK 1.4 billion, or 90%, of the market value of the Products & Services portfolio is investment in funds. These fund investments made a loss of SEK 184 million, which represents a return of -13.9%. These results, which are in line with the market as a whole, are mainly affected by profit from the sale of Nycomed and major depreciation of two portfolio companies.

Other holdings, of which several are being terminated, had a market value at year-end of around SEK 140 million. The loss for these other holdings was SEK 259 million.

Products & Services	2002
Committed capital, SEK m	3 610
Market-valued capital, SEK m	1 544
Profit/loss, SEK m	-443
Return, %	-22.2

AP DIRECT INVESTMENTS

AP Direct Investments (AP Direktinvesteringar) invests directly in companies that are in their mature phase of development, where there is a need to change financial or structural conditions. Investments are primarily made through buy-outs of well established companies with strong growth potential in the product and service sectors.

During the year the AP Direct Investments portfolio was refined further. In the autumn the holding in services company Hemfrid was sold. In connection with Nordic Capital's sale of Nycomed, AP Direct Investments also sold its options in Nycomed.

The market value of the portfolio at the end of 2002 was SEK 1 837 million. The portfolio made additional investments of SEK 78 million during the year. The loss was SEK 106 million, representing a return of -6.7%.

AP Direct Investments	2002
Committed capital, SEK m	2 146
Market-valued capital, SEK m	1 837
Profit/loss, SEK m	-106
Return, %	-6.7

ASSET MANAGEMENT

During 2002 Asset Management (Kapitalförvaltningen) was underexposed to the stock market. During the autumn a major reallocation was carried out to include a significantly larger proportion of interest-bearing instruments than previously. The purpose was to strengthen the payment capability for Investment Operations and to diversify the portfolio by adding different assets and thus reducing the risk level.

At the start of 2002 companies considered to be valued too highly in relation to growth prospects were replaced with companies with good earnings potential and a high direct return. Due to this reallocation, the second half of the year was dominated by sales. At the sector level the deviations from the index weighting were small, and the differences decreased as the year continued.

2002 was a very weak year for Stockholmsbörsen and the Sixth AP Fund's Asset Management. The Six Return Index, adjusted for Nokia, fell by -35.7%. Asset Management's return was one percentage point higher at -34.7%. Losses were made as capital was reallocated in interest-bearing instruments. The overall loss of SEK 3 529 million includes realised items of SEK -2 032 million and unrealised items of SEK -1 497 million.

Underexposure to the stock market improved the return figures

in comparison with the index. The individual share exposure that had the most negative impact on returns included overweighting in Skandia, Invik, TietoEnator, IFS, IBS and Tele2, while relative returns were most positively affected by overweighting in Hexagon, Volvo, Nibe, Electrolux and Castellum, and an underweighting in ABB.

Asset Management	2002
Market-valued capital, SEK m	5 748
Profit/loss, SEK m	-3 529
Return, %	-34.7

STAFF

At the end of the year the Fund employed 37 (46) people. Additional details about staff, together with a description of the Fund's rewards scheme, are contained in note 5 on page 31.

EVENTS AFTER THE END OF THE FINANCIAL YEAR

The Sixth AP Fund has reached an agreement with an external manager concerning a customised fund-in-fund solution for part of the Fund's liquid assets.

In early January 2003 the Fund sold its holding (25% of the capital) in Nordisk Renting to Nordea. The deal meant a capital gain for the Fund of around SEK 220 million. The shares in Nordisk renting were originally acquired at the start of 1998 and the sale represents an annual return of 27%.

Income Statement

SEK m	Note	2002	2001
Investment Operations			
Capital gain		260	83
Unrealised loss	1	-1 789	298
Dividend		98	102
Interest income		174	35
Other financial expenses	2	-19	-15
Investment Operations total		-1 276	503
Asset Management			
Capital loss	3	-2 273	-15
Unrealised loss	4	-1 497	-2 257
Dividend		199	315
Interest income		42	46
Asset Management total		-3 529	-1 911
Expenses			
Own management expenses			
Personnel expenses	5	-56	-64
Other management expenses	6	-94	-84
Remuneration to external managers	7	-152	-124
Total expenses		-302	-272
Loss for the year		-5 107	-1 680

Balance Sheet

SEK m	Note	31 Dec 2002	31 Dec 2001
ASSETS			
Investment assets			
Shares and holdings in listed companies	8	2 701	9 944
Shares and holdings in unlisted companies	9	5 342	5 098
Shares and holdings in unlisted subsidiaries	10	763	1 426
Bonds and other interest-bearing assets	11	2 303	1 302
Total investment assets		11 109	17 770
Receivables and other fixed assets			
Inventories and other tangible assets		14	16
Other current receivables		445	2
Liquid assets		919	13
Accrued earnings and deferred expenses	12	111	111
Total receivables and other fixed assets		1 489	142
Total assets		12 598	17 912
FUND CAPITAL AND LIABILITIES			
Fund capital			
Start-up capital		10 366	10 366
Profits brought forward		6 362	8 042
Loss for the year		-5 107	-1 680
Total fund capital		11 621	16 728
Current liabilities			
Accrued expenses		43	36
Other current liabilities	13	934	1 148
Total current liabilities		977	1 184
Total fund capital and liabilities		12 598	17 912
Pledged securities		418	293
Contingent liabilities		17	164
Commitments,			
- Contractual commitments for capital contribution		4 867	2 750

Accounting Principles

The Sixth AP Fund follows the rules laid down in the Swedish Law governing the Sixth AP Fund (Lag (2000:193) om Sjätte AP-fonden) of 1 January 2001. The annual report has been produced in accordance with generally accepted auditing standards in Sweden.

Due to the law governing the Sixth AP Fund, investments shall be market valued in the Fund's accounts.

ACCOUNTING FOR AND VALUING INVESTMENTS IN LISTED SECURITIES

The assets in which funds are placed are taken up in the annual accounts at their market value. The market value is based on listed prices at the close of trading on the closing day.

Purchases and sales of all securities are accounted for on the trading day. This principle includes transactions on the money and bond markets, plus the equity market. Transactions concerning calls, warrants, forwards and swaps are accounted for on the day of the serious risks and rights transfer between parties i.e. on the trading day.

The acquisition value of shares and other securities includes commissions and other direct costs incurred by the purchase.

When calculating capital gains and losses, the average value method has been applied.

Interest-bearing securities are accounted for at the market value with reference to allocation over time of premiums and discounts over the remaining life of the security.

The market value is primarily set to the final buy-rate during the final trading day of the year, secondarily to the final sell-rate.

The positions of derivative instruments are valued at the market value and are reported together with the respective instrument's underlying type of asset.

Changes in values, realised and unrealised, are accounted for in the income statement and are included in the profit/loss for the year.

The capital gain/loss is the difference between sales revenue and acquisition cost. The capital gain/loss concerns profits from sales of invested assets.

ACCOUNTING FOR AND VALUING INVESTMENTS IN UNLISTED SECURITIES

When setting the market value for unlisted securities, the EVCA principle (European Private Equity & Venture Capital Association, www.evca.com) is applied, which normally entails using the acquisition value until a partial sale takes place, a new share issue is made with independent parts at a changed value, or a substantial change occurs which permanently reduces its value.

Purchases and sales of all securities are accounted for on the trading day.

The acquisition value of shares includes direct costs incurred in connection with the purchase.

Convertible loans are included in the item "Shares and holdings in unlisted companies".

Positions in unlisted derivative instruments where a premium has been paid have been entered as a li-

ability. Valuation occurs along with the instruments' underlying asset and is accounted for in the same way.

Changes in values, realised and unrealised, are accounted for in the income statement and are included in the profit/loss for the year.

The capital gain/loss is the difference between sales revenue and acquisition cost. The capital gain/loss concerns profits from sales of invested assets.

GENERAL ACCOUNTING PRINCIPLES

The Group Accounts have not been prepared as the subsidiaries are of little importance with regard to the demand for a correct representation.

Receivables and liabilities in foreign currencies are valued at the closing rate.

Receivables are entered at the amount at which they are expected to be received.

The depreciation period for inventories and other tangible assets is three to five years.

The Fund is exempt from income tax for investments within Sweden.

The Fund's capital comprises the basic capital and booked result. The basic capital comprises a transfer from the 1st-3rd Fund Boards and SEK 366 million remaining from the closing down board for Fund 92-94. There are no demands on the Fund for payments to or from the National Social Insurance Board.

NOTE 1: UNREALISED PROFIT/LOSS

INVESTMENT OPERATIONS

SEK m	2002	2001
Change in value for the period	-1 624	338
Return of previous change in value	-165	-40
Total	-1 789	298

NOTE 2: OTHER FINANCIAL EXPENSES

INVESTMENT OPERATIONS

SEK m	2002	2001
Conditional shareholders' contribution paid	19	15
Total	19	15

NOTE 3: CAPITAL GAIN/LOSS ASSET MANAGEMENT

SEK m	2002	2001
Capital gain, net		
Shares and participations	-	265
Other investment assets	-	2
Total	-	267
Capital loss, net		
Shares and participations	-2 098	-
Derivative instruments	-175	-282
Total	-2 273	-282
Total	-2 273	-15

NOTE 4: UNREALISED PROFIT/LOSS

ASSET MANAGEMENT

SEK m	2002	2001
Unrealised profit, net		
Bonds and other securities	11	78
Total	11	78
Unrealised losses, net		
Shares and participations	-1 508	-2 335
Total	-1 508	-2 335
Total	-1 497	-2 257

NOTE 5: ADMINISTRATION EXPENSES/PERSONNEL

SEK m	2002	2001
Salaries and remuneration		
Chairman	0.1	0.1
President	1.9	1.9
Board, excluding Chairman	0.3	0.3
Senior management team, excluding President	8.3	6.3
Other employees	23.0	24.4
Total	33.6	33.0
Incentive scheme		
Chairman	-	-
President	-	0.9
Senior management team, excluding President	-	1.5
Other employees	-	4.3
Total	-	6.7
Social costs		
Chairman	0.0	0.0
(of which pension costs)	(0.0)	(0.0)
President	1.1	1.6
(of which pension costs)	(0.5)	(0.9)
Board, excluding Chairman	0.1	0.1
(of which pension costs)	(0.0)	(0.0)
Senior management team, excluding President	4.3	4.0
(of which pension costs)	(2.3)	(2.3)
Other employees	12.8	14.2
(of which pension costs)	(7.2)	(6.7)
Total	18.3	19.9
(of which pension costs)	(10.0)	(9.9)
Other staff costs	3.8	4.4
Total	55.7	64.0
Average no. of employees	38.5	43.5
(of whom women)	(17)	(18.5)
No. of employees on 31 December	37	46
(of whom women)	(19)	(20)

The President's employment contract contains certain provisions for retirement benefits and severance pay, including retirement age of 65, the right to severance pay for 18 months, and a period of notice of six months. Settlements will be made for other remuneration.

All employees of the Fund, including the President, are included in an incentive scheme. The scheme is linked to return targets for the entire Fund and the targets for each separate sub-unit. The maximum payment of the incentive scheme is limited to six months' salary if all targets are met. For the incentive scheme to come

into effect the Fund must make a profit after expenses of SEK 100 million. The Fund made a loss in 2002, so no payment from the scheme was made.

No additional payments were made to Board members beyond their normal fees.

During the year the amount of sick leave taken by the Fund's staff was 76 days in total. To protect the integrity of the individual, no division is made in terms of gender or age regarding sick leave statistics.

NOTE 6: OTHER MANAGEMENT EXPENSES

REMUNERATION TO AUDITORS (EXCLUDING VAT)

SEK m	2002	2001
Audit fee		
KPMG	1.1	0.8
Öhrlings PricewaterhouseCoopers	0.1	0.2
Other assignments to auditing firms		
KPMG	0.5	2.2
Öhrlings PricewaterhouseCoopers	0.1	0.4
Total	1.8	3.6

NOTE 7: REMUNERATION TO EXTERNAL MANAGERS

Remuneration to external managers includes expenses for Sixth AP-fonden Syd KB of SEK 2.8 million.

NOTE 8: SHARES AND

HOLDINGS IN LISTED COMPANIES

Company	No. of share	Market value, SEK m	Share capital, %	Voting rights, %
ABB LTD	162 524	4	0.1%	0.1%
Alfa Laval	1 000 121	70	0.9%	0.9%
Autoliv Inc. SDB	45 996	8	0.0%	0.0%
Anoto	404 384	5	0.4%	0.4%
Assa Abloy B	210 491	21	0.1%	0.0%
Atlas Copco A	326 083	55	0.2%	0.2%
Atlas Copco B*	162 414	25		
AstraZeneca	418 178	128	0.0%	0.0%
Ballingslöv	110 500	6	1.0%	1.0%
Beijer Alma B	329 000	13	3.6%	1.7%
Biolnvent International	792 949	10	2.7%	2.7%
Biora	4 715 940	60	19.9%	19.9%
Bure Equity	17 751 980	185	16.3%	16.3%
Capio	201 450	14	0.3%	0.3%
D. Carnegie & Co	229 000	13	0.3%	0.3%
Cardo	180 000	36	0.6%	0.6%
Castellum	738	0	0.0%	0.0%
Drott B	282 723	27	0.3%	0.3%
Electrolux B	575 487	79	0.2%	0.1%
Eniro	107 379	6	0.1%	0.1%
Ericsson B	12 814 324	78	0.1%	0.0%
Europolitan	249 699	10	0.1%	0.1%
FöreningsSparbanken	907 742	93	0.2%	0.2%

Company	No. of share	Market value, SEK m	Share capital, %	Voting rights, %
Hexagon B	190 900	26	1.0%	0.7%
Haldex	380 800	30	1.3%	1.7%
Hennes & Mauritz B	1 178 555	198	0.1%	0.1%
Holmen B	93 756	20	0.1%	0.0%
IBS B	2 641 915	11	3.3%	2.4%
Intrum Justitia	64 400	3	0.1%	0.1%
Industrivärden A	616 438	60	0.3%	0.4%
Investor B	285 474	15	0.0%	0.0%
Karo Bio	313 804	27	2.6%	2.6%
Kinnevik B	200 000	17	0.3%	0.1%
Lannebo Vision Select, fond	106 165	24		
LGP Telecom Holding	325 411	12	1.1%	1.1%
MTG B	137 600	10	0.2%	0.1%
MTV Produktion B	883 550	3	14.6%	6.9%
MultiQ International	1 245 460	2	5.6%	5.6%
Nordea	1 818 280	70	0.1%	0.1%
Nibe Industrier B	195 700	50	3.3%	1.4%
Nolato B	147 660	4	0.6%	0.3%
Observer	447 820	15	0.7%	0.7%
Pandox	123 750	9	0.5%	0.5%
Pergo	977 165	16	1.8%	1.8%
Proffice B	566 700	11	0.9%	0.9%
Pyrosequencing	152 282	1	0.4%	0.4%
Q-Med	53 337	4	0.2%	0.2%
RAM Rational Asset Management, fond	150 000	153		
Sandvik	392 292	76	0.2%	0.2%
SCA B	336 942	99	0.1%	0.1%
Scania A	200 000	33	0.4%	0.2%
Scania B*	621 050	104		
Skandia	623 455	14	0.1%	0.1%
SEB A	410 412	30	0.1%	0.1%
Sectra B	102 950	5	0.3%	0.2%
Securitas B	210 399	22	0.1%	0.0%
SHB A	1 471 893	171	0.2%	0.2%
Skanska B	742 645	38	0.2%	0.1%
SKF B	49 418	11	0.0%	0.0%
SSAB A	113 000	12	0.1%	0.1%
Stora Enso R	104 689	9	0.0%	0.0%
Swedish Match	396 724	27	0.1%	0.1%
Svolder A	637 900	17	14.3%	25.5%
Svolder B*	1 198 100	43		
Tele2 B	391 233	90	0.3%	0.1%
TeliaSonera	6 896 346	224	0.1%	0.1%
Tripep	163 590	1	1.2%	1.2%
WM-data B	2 698 837	20	0.7%	0.4%
Volvo B	386 135	55	0.1%	0.0%
Derivatives		-133		
Total		2 701		

* Voting rights and capital held are part of the A-share listing. Commission for 2002 amounts to around SEK 11.5 million.

NOTE 9: SHARES AND HOLDINGS IN UNLISTED COMPANIES

SEK m	Co. Reg. No.	Registered office	No. of shares	Votes, %	Share capital, %	Acquisition value
Company						
A+ Science Invest AB	556544-2521	Göteborg	13 200 000	34.6*	34.6	43
Aspen Invest AB	556446-5937	Hindås	452	35.0*	35.0	14
CashCap AB	556533-1930	Stockholm	12 062	12.0	12.0	0
Cognition AB	556520-8930	Göteborg	1 300 000	0.8	0.4	0
DISAB Vacuum Technology AB	556421-2941	Esiöv	29 700	3.9	3.9	2
Ekström Management and Investment AB	556540-2889	Umeå	10 160	20.0*	20.0	25
Enhancer Consulting AB	556624-4314	Stockholm	125	11.1	11.1	4
Findus AB	556571-2709	Bjuv	17 733 989	7.9	7.9	120
InnovationsKapital Management i Gbg AB	556541-0064	Göteborg	1 300	13.0	13.0	0
Innoventus AB	556602-2728	Uppsala	1 320	9.0	9.4	0
Innoventus Uppsala Life Science AB	556566-4330	Uppsala	2 500 000	50.0*	50.0	2
Kreatel Communications AB	556518-5831	Linköping	1 090 576	5.6	7.4	22
Lindab Intressenter AB	556606-5446	Båstad	238 610	23.8*	23.8	525
Logitall AB	556493-9535	Solna	869 564	7.1	7.1	20
Medicon Valley Asset Management AB	556581-4307	Lund	2 093	44.3*	44.3	2
Mobilisys AB ¹⁾	556582-0627	Stockholm	238 000	17.0	17.0	26
MVC Holding AB	556623-1816	Göteborg	66 667	66.6*	66.6	0
Mölnlycke Health Care AB	556547-5489	Göteborg	16 819 590	20.4*	20.4	324
NE Advisory AB	556577-4493	Stockholm	18 422	18.4	18.4	0
Nordisk Renting AB	556066-2578	Stockholm	324 000	25.0*	25.0	420
Norr Sådd Holding AB	556599-8233	Luleå	25 670	33.3*	33.3	5
NS Holding AB	556594-3999	Sundsvall	1 000 799	33.3*	33.3	735
Nybron International Flooring			1 981 027	19.8	19.8	128
PolyPlank AB	556489-7998	Kalmar	634 980	10.5	10.5	16
Simpleworld AB ¹⁾	556399-2790	Stockholm	30 000	8.4	8.4	3
SLS Venture GP AB	556628-4641	Göteborg	7 110	87.0*	87.0	6
SLS Venture Two GP AB	556628-4674	Göteborg	1 586	65.1*	65.1	1
TDS Todos Data System AB	556343-7218	Göteborg	1 169 112	31.5*	31.4	40
Textile Solutions GTS AB ¹⁾	556572-0322	Göteborg	182 200	6.1	6.1	4
Thoreb AB	556201-1949	Borgholm	1 246	30.1*	30.1	20
Tradex Holding AB	556523-6881	Kungälv	2 690 559	20.0*	20.0	85
Vitea AB	556573-3812	Stockholm	111 524	33.4*	33.4	46
Volcano Communications Technologies AB	556551-3503	Västra Frölunda	750	4.8	4.8	5
Z-Invest AB	556206-2371	Östersund	263 889	47.5*	47.5	39
Total, companies						2 682

Continued on next page

NOTE 9 CONTINUED: SHARES AND HOLDINGS IN UNLISTED COMPANIES

SEK m	Co. Reg. No.	Registered office	Share capital, %	Acquisition value
Funds				
Amplico I KB	969656-4088	Göteborg	93.8*	48
Baltic Rim Fund Ltd			22.8*	46
BrainHeart Capital KB	969674-4102	Stockholm	23.2*	158
CapMan Equity Sweden KB	969683-1321	Stockholm	96.5*	96
EQT Scandinavia II			2.8	190
H&B II:s Sweden KB	969664-6570	Stockholm	15.8	82
HealthCap 1999 KB	969656-1647	Stockholm	10.5	152
HealthCap CoInvest KB	969625-6255	Stockholm	24.4*	94
HealthCap KB	969614-4162	Stockholm	12.1	34
Industrial Development & Investment Equity KB	969640-9631	Stockholm	14.7	116
InnKap 2 Partners KB	969661-4735	Göteborg	5.4	11
InnovationsKapital Fond I AB	556541-0056	Göteborg	31.5*	50
Innoventus Life Science I KB	969677-8530	Uppsala	32.7*	18
IT Provider Century Fund KB	969673-0853	Stockholm	98.5*	74
Karolinska Investment Fund KB	969665-3444	Stockholm	24.2*	60
Medicon Valley Capital KB	969657-5886	Lund	43.8*	75
Nordic Capital III Ltd			9.4	209
Nordico I KB	969660-1518	Stockholm	37.1*	29
Nordico II KB	969660-1500	Stockholm	37.1*	29
Nordico III KB	969680-3007	Stockholm	99.2*	424
Northern Europe Private Equity KB	969670-3405	Stockholm	3.4	372
Scandinavian Life Science Venture KB	969680-2991	Göteborg	98.5*	528
Scandinavian Life Science Venture Two KB	969680-5291	Göteborg	98.5*	3
Slottsbacken Fund Two KB	969660-9875	Stockholm	35.8*	29
Slottsbacken Venture Capital AB	556531-2245	Stockholm	50.0*	1
Slottsbacken Venture Capital KB	969626-1313	Stockholm	49.5*	118
Swedestart II KB	969648-6431	Stockholm	21.1*	33
Swedestart Life Science KB	969675-2337	Stockholm	16.3	12
Swedestart Tech KB	969674-7725	Stockholm	20.6*	20
V2 Co-Investment I KB	969677-6989	Stockholm	50.0*	6
V2 Internet Fund KB	969665-1281	Lund	15.9	45
Zodiak Venture Capital KB	969656-0151	Stockholm	9.7	28
Total, funds				3 190
Total acquisition value				5 872
Total market value				5 342

* Associated company

1) The company has been declared bankrupt

NOTE 10: SHARES AND HOLDINGS IN UNLISTED SUBSIDIARIES

SEK m	Co. Reg. No.	Registered Office	No. of shares	Votes, %	Share capital, %	Acquisition value
AP Riskkapital AB	556536-4139	Göteborg	30 000	100.0	100.0	253
Aumar AB	556631-5932	Göteborg	1 000	100.0	100.0	2
Auvimo AB	556587-9565	Göteborg	1 000	100.0	100.0	0
Auvimo KB	969621-7729	Göteborg			100.0	70
Creandum AB	556544-8791	Göteborg	1 000	100.0	100.0	0
Ferox Syd AB	556591-2259	Malmö	1 110	100.0	100.0	10
Fyrfond AB	556591-7027	Göteborg	1 000	100.0	100.0	0
Fyrfond KB	969661-3109	Göteborg			100.0	225
Förvaltnings AB Casum	556543-7315	Göteborg	37 500	100.0	100.0	4
Götaverken Miljö AB	556312-2968	Göteborg	168 182	100.0	100.0	39
GötaNord AB	556606-8481	Göteborg				
Flebu Ticon AS	NO940592909	Norge				
Healthcare Göteborg AB	556572-2088	Göteborg	1 000	100.0	100.0	0
Healthcare Göteborg KB	969654-8396	Göteborg			100.0	50
Ilö Förvaltnings AB	556542-6151	Göteborg	1 000	100.0	100.0	0
NetSys Software Group AB ¹⁾	556253-4015	Göteborg				
Industrial Equity (I.E.) AB	556599-9702	Göteborg	1 000	100.0	100.0	0
MBD Invest AB	556601-9757	Malmö	41 213	74.0	74.0	124
Netsys Technology Group Holding AB	556550-2191	Göteborg	100 000	100.0	100.0	135
NetSys Technology Group AB ²⁾	556308-5066	Mölnådal				
Scandinavian Life Science Ventures AB	556587-9771	Stockholm	1 000	100.0	100.0	0
Sjätte AP-fonden Syd KB	969667-4309	Malmö			100.0	26
Unionskapital Management i Kalmar AB	556556-8333	Kalmar	1 000	100.0	100.0	0
Total acquisition value						938
Total market value						763

1) The company has been declared bankrupt
 2) The company is in liquidation

NOTE 11: BONDS AND OTHER INTEREST-BEARING SECURITIES

SEK m	2002	2001
Day loans	2 160	1 150
Loans to subsidiaries	–	17
Loans to unlisted companies	7	0
Pledged assets	65	66
Other instruments, listed	71	69
Total	2 303	1 302

Call options issued (SEK m)

Shares	Exercise date	Exercise value including liability premium	Acquisition value on underlying share
Baltic Rim Fund	2003-12-31	0.2	0.2
MultiQ International	2003-05-31	1.1	0.8
Mölnlycke Health Care	2003-12-31	8.1	14.5
Total		9.4	15.5

NOTE 12: PREPAID EXPENSES AND ACCRUED INCOME

SEK m	2002	2001
Accrued interest income	15	15
Accrued dividend	88	90
Other prepaid expenses and income	8	6
Total	111	111

NOTE 13: OTHER CURRENT LIABILITIES

SEK m	2002	2001
Loans from subsidiaries	306	236
Debts to credit institutions, business that was not liquid on the closing day	18	199
Other liabilities credit institutions	600	600
Others	10	113
Total	934	1 148

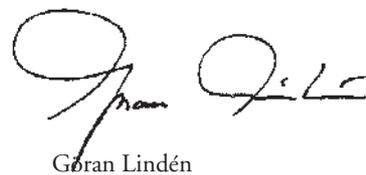
Göteborg
20 February 2003



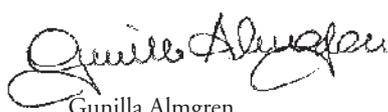
Eva-Britt Gustafsson



Jan-Olle Folkesson
Chairman of the Board



Göran Lindén
Vice chairman



Gunilla Almgren



Erling Gustafsson
President



Göran Axell

Auditors' Report

Co.Reg.No. 855104-0721

We have audited the annual report and accounts, as well as the board's management of the Fund for 2002. The board is responsible for the accounts and its administration. Our responsibility is to express an opinion on the annual 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 are free from ma-

terial 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 in order to be able to determine the reliability of the annual accounts. We believe that our audit provides a reasonable basis for our opinion set out below.

The annual report has been prepared in accordance with the Law regulating the Sixth AP Fund

and thereby gives an accurate picture of the Fund's results and position in accordance with generally accepted auditing standards in Sweden.

The audit has not given rise to any qualifications regarding the annual report, nor to the income statements and balance sheets contained therein, accounts or stock-taking or any other management activity concerned.

We recommend that the income statements and balance sheet be adopted.

Göteborg
20 February 2002



Anders Bäckström
Authorised Public Accountant
Appointed by the Swedish government



Göran Jacobsson
Authorised Public Accountant
Appointed by the Swedish government

Board, President and Auditors

JAN-OLLE FOLKESSON

Chairman of the board

Born 1939

Elected 1996

Other assignments: Desam Fashion Group AB, CBN Chamber Business Network AB, Sporthaus Moxter AB, Svensk Snabbmat AB, TDS Todos Data System AB, S-C gruppen AB, Västsvenska Kulturfonden and Handels Forskningsstiftelse.

Board member of LightLab AB, Ask Mr Nilsson, Platzer Fastighets AB, Sahlgrenska Academy, Handelshögskolan advisory board and IT-universitetet IT advisory board.

GÖRAN LINDÉN

Vice chairman

Born 1944

Elected 1996

Other assignments: Chairman of Inspanet AB, Arca Systems AB, Flodins Filter, Alterum AB, Gurlitta AB, ACT International AB and Procordia's pension fund. Board member of Cycleurope AB, Castellum AB, Wicander Förvaltnings AB, Pricer AB and Alpha Sweden AB.

EVA-BRITT GUSTAFSSON

Born 1950

Elected 1996

Other assignments: President of Venantius AB and its subsidiaries. Chairman of Specialfastigheter Sverige AB. Board member of Statens Ban- och Väginvest AB, Kammarkollegiets Fonddelegation and Hermes Kreditförsäkring Skandinavien AB. Deputy of Botniaban AB.



GÖRAN AXELL

Born 1936

Elected 1996

No other assignments.

GUNILLA ALMGREN

Born 1955

Elected 1996

CEO of REGAB Reglerarmatur AB.

Other assignments:

First deputy Chairman of Företagarnas riksorganisation. Board member of FöreningsSparbanken in Göteborg, Almi Väst AB and the Institute of Chalmer's University of Technology.

ERLING GUSTAFSSON

President

Born 1958

Joined the Fund in 1997

Other assignments:

Board member of Bure Equity AB, SLS Venture Two GP AB, NE Advisory AB and IFK Göteborg.

AUDITORS

Anders Bäckström

Authorised Public Accountant

KPMG

Göran Jacobsson

Authorised Public Accountant

Öhrlings PricewaterhouseCoopers

Senior Management team



1. ERLING GUSTAFSSON

President
Born 1958
Joined the Fund in 1997
Economics graduate
Previous employment:
Vice president of Sixth AP Fund, Finance manager of Sixth AP Fund, Finance manager of AB Framtiden, head of administration at Securum Väst AB, Finance director of Componenta AB, Finance director of BPA group, auditor at KPMG.
Board assignments:
Board member of Bure Equity AB, SLS Venture Two GP AB, NE Advisory AB and IFK Göteborg.

2. PER RINDER

Head of Products & Services
Born 1948
Joined the Fund in 2002
Law graduate, reporting clerk to court of appeal
Previous employment:
Head of Base Industries, Nordea Securities, head of business development at Castellum and corporate lawyer at Boliden.
Board assignments:
Board member of Malmö Bildetaljer Invest AB, Götaverken Miljö AB and NE Advisory AB.

3. MATS AUGURELL

Head of Technology Ventures
Born 1958
Joined the Fund in 2000
Bsc Business Administration
Previous employment:
CEO of Guide IT Management, member of Guide Group management team
Board assignments:
Board member of TDS Todos Data System AB and Slottsbacken Venture Capital AB.
Chairman/Board member of Investment committee/Advisory board of BrainHeart (chairman), IT-Provider (board member), CapMan (board member), Swedestart (board member) and Vision Capital (board member).

4. LARS INGELMARK

Head of Life Science Ventures
Born 1949
Joined the Fund in 1998
Medical graduate, IFL diploma in marketing
Previous employment:
Various roles in Group management teams at Kabi, Kabi-Pharmacia and Pharmacia & Upjohn including Vice President, division manager pharmaceuticals, regional manager Asia, head of Group staff and

Senior Vice President Corporate Projects. Board member and later chairman of the Swedish Pharmaceutical Industry Association and member of the European board.
Board assignments:
Chairman of Scandinavian Life Science Venture and Svensk Våtmarksfond, Board member of Biora AB, Karo Bio AB, Capio AB, Mölnlycke Health Care AB, A Carlsson Research AB, A+ Science Invest AB, Camurus AB, Clinical Data Care in Lund AB, Innoventus AB, Karolinska Investment Fund, Cefar Medical AB, etc.

5. URMAS KRUSVAL

Head of AP Direct Investments
Born 1951
Joined the Fund in 2000
Economics graduate
Previous employment:
CEO of AB Volvo-finans, CEO assignments within regional aircraft and technology sectors.
Board assignments:
Board member of Malmö Bildetaljer Invest AB, Trifolium Data AB and Tidningskompaniet AB, deputy board member of Lindab AB and Lindab Intressenter AB.

6. STEFAN HOLMGREN

Chief Financial Officer
Born 1961
Joined the Fund in 2000
Lawyer
Previous employment:
Head of SEB Commercial Banking Marketing Sverige, Chef Commercial Banking UK/London, Enskilda Corporate and acting regional manager S-E-Banken Västsverige.
Board assignments:
Chairman of Götaverken Miljö AB, board member of Enhancer Consulting AB, Riskkapitalbolaget Amplico and Göteborgs Kungliga Segelsällskap (GKSS).

Portfolio Holding as at 31 December 2002

LIFE SCIENCE VENTURES PORTFOLIO

Funds	Share, %	Location	Activity
Carnegie Global Healthcare Fund	17.8	Stockholm	Invests in healthcare and biomedicine
H & B II:s Sweden	15.8	Stockholm	Invests in healthcare and brands
HealthCap	12.1	Stockholm	Invests in biomedicine and biotechnology branch
HealthCap 1999	10.5	Stockholm	Invests in biomedicine and biotechnology branch
HealthCap CoInvest	24.4	Stockholm	Invests in biomedicine and biotechnology branch
Innoventus Life Science I	32.7	Uppsala	Commercialisation of university research
Karolinska Investment Fund	24.2	Stockholm	Invests in research results from Karolinska Institutet
Medicon Valley Capital Two	65.7	Lund	Invests in life science in Öresund region
Medicon Valley Capital	43.8	Lund	Invests in life science in Öresund region
Scandinavian Life Science Venture	98.5	Göteborg	Invests in medical technology, biotechnology and pharmaceuticals
Scandinavian Life Science Venture Two	98.5	Göteborg	Invests in medical technology, biotechnology and pharmaceuticals
Swedestart Life Science	16.3	Stockholm	Invests in unlisted companies active in life science

Company	Share, %	Location	Activity
A+ Science Invest	34.6	Göteborg	Commercialisation of university research
BiolInvent International	2.7	Lund	Develops new protein-based pharmaceuticals
Biora	19.9	Malmö	Products for tooth removal treatment
Karo Bio	2.6	Huddinge	Develops nuclear receptors for disease treatment
Mölnlycke Health Care	20.4	Göteborg	Disposable products for surgical and wound care applications
Pyrosequencing	0.4	Uppsala	Develops, produces and markets complete systems for applied genetic analysis
Q-Med	0.2	Uppsala	Develops, produces and markets medicinal implants
Tripep	1.2	Stockholm	Develops pharmaceutical candidates for treatment of HIV, etc.

TECHNOLOGY VENTURES PORTFOLIO

Funds	Share, %	Location	Activity
BrainHeart Capital	23.2	Stockholm	Invests in the telecom sector (mobile internet)
CapMan Equity Sweden	26.0	Stockholm	Invests in products and services based on IT, telecom and media
Creandum ¹⁾			Will invest in companies that are in the early phase within the technology sector and are globally competitive
InnKap 2 Partners	5.4	Göteborg	Invests in companies in the early phase within IT and life science
InnovationsKapital Fond I	31.5	Göteborg	Invests in companies in the early phase within IT and life science
IT Provider Century Fund	32.8	Stockholm	Invests in companies in the early phase within IT, telecom and media
IT Provider Fund IV	25.2	Stockholm	Invests in companies in the early phase within IT, telecom and media
Nth Power Technologies	7.9		Invests in new technology companies within environmental and energy sectors
Slottsbacken Fund Two	25.0	Stockholm	Invests in IT-related growth companies
Slottsbacken Venture Capital	50.0	Stockholm	Invests in newly started companies within IT
Swedestart II	21.1	Stockholm	Invests in newly started companies with unique products
Swedestart Tech	20.6	Stockholm	Invests in newly started and smaller growth companies within IT and telecom
V2 Co-Investment I	50.0	Stockholm	Co-investments in existing portfolio of V2 Internet Fund
V2 Internet Fund	15.9	Lund	Invests in data transfer hardware and software
Vision Capital	6.1		Invests in newly established expanding companies within IT
Vision Capital III	18.8		Invests in newly established expanding companies within IT
Vision Extension	6.2		Invests in newly established expanding companies within IT
Zodiak Venture Capital	9.7	Stockholm	Invests in young technology companies
Companies	Share, %	Location	Activity
Logitall	7.1	Solna	Purchasing portal for IT and IT-related products
MultiQ International	5.6	Malmö	IT products based on flat-screen technology
TDS Todos Data System	31.4	Göteborg	Sales of customised data and telecom solutions

1) Under formation.

Continued on next page

PRODUCTS & SERVICES PORTFOLIO

Funds	Share, %	Location	Activity
Amplico I	93.8	Göteborg	Invests in and restructures companies with profitability problems
Baltic Rim Fund	22.8	Stockholm	Invests in smaller and medium-sized companies
EQT Scandinavia II	2.8	Stockholm	Invests in industrial structural projects
Industrial Development & Investment Equity	14.7	Stockholm	Invests in medium-sized companies
Nordic Capital III	9.4	Stockholm	Invests in industrial structural projects
Nordic Capital IV	7.1	Stockholm	Invests in industrial structural projects
Nordic Capital V	3.3	Stockholm	Invests in industrial structural projects
Nordico I	24.8	Stockholm	Invests in industrial products and services
Nordico II	37.1	Stockholm	Invests in industrial products and services
Nordico III	99.2	Stockholm	Invests in industrial products and services
Northern Europe Private Equity	3.4	Stockholm	Invests in industrial structural projects
Z-Invest	47.5	Östersund	Invests in small and medium-sized companies in the mid-Norrland region

Company	Share, %	Location	Activity
Aspen Invest	35.0	Hindås	Environmentally adapted fuel and chemical products
Ekström Management and Investment	20.0	Umeå	Venture capital company within IT and telecom
Enhancer Consulting	11.1	Stockholm	Consultancy
Götaverken Miljö	100.0	Göteborg	Flue gas treatment and energy recycling
Norr Sådd Holding	33.3	Luleå	Invests in seed companies at universities and colleges in Norrland
Thoreb	30.1	Borgholm	Develops IT solutions for public transport

AP DIRECT INVESTMENTS PORTFOLIO

Company	Share, %	Location	Activity
Beijer Alma	3.6	Uppsala	Industrial group focused on manufacturing components
DISAB Vacuum Technology	3.9	Eslöv	Vacuum systems for suction and blowing
Findus	7.9	Bjuv	Production and sale of food items
Kreatel Communications	7.4	Linköping	Develops and sells service solutions within telecom and broadband
Lindab Intressenter	23.8	Båstad	Manufacturing in thin sheet steel of ventilation equipment, doors and roofs
MBD Invest	74.0	Malmö	Sales of car parts to non-branded workshops Nordisk Renting
Nordisk Renting (sålt januari 2003)	25.0	Stockholm	Property rental solutions
NS Holding (Norrporten)	33.3	Sundsvall	Property rental
Nybron International Flooring	19.8		Floor manufacturer
Tradex Holding	20.0	Kungälv	Supplier within telecom and medical tech sectors
Vitea	33.4	Stockholm	Company healthcare provider

Glossary

The following glossary lists a number of common terms used on the venture provides capital market. The glossary is by no means complete, but provides summary guidance to the annual report.

BUY-OUT

Investment in unlisted companies' shareholders' equity, in the form of share purchases or the acquisition of parts of the company along with the management.

COMMITTED CAPITAL

The capital committed by the Sixth AP Fund as risk capital to various funds and companies over a fixed period.

COMPARISON INDEX

SIX Return Index adjusted for foreign shares, mainly Nokia.

EVCA

(European Private Equity & Venture Capital Association) A European organisation that makes recommendations regarding the reporting and valuation of the holdings in private equity funds.

EXPANSION

A term used to define a company in early expansion or growth phase.

FUND CAPITAL

The starting capital that was allocated to the Sixth AP Fund at the beginning together with profit brought forward and profit/loss for the year. Corresponds to shareholders' equity in a limited company.

INDUSTRIAL SALES

Sales from one industrial party to another industrial party.

IRR

(Internal Rate of Return.) Describes the financial yield of an investment in terms of interest.

LIFE SCIENCE

A combined term for the pharmaceutical, biotechnology and medical sectors.

LISTED COMPANIES

Companies registered at an authorised stock exchange.

MANAGEMENT BUY-OUT

The existing management team buys the company from its owners.

MANAGEMENT TEAM

Company or group of people who on behalf of a fund manage the fund's holding in portfolio companies.

MARKET-VALUED CAPITAL

Listed securities assessed at market value on the closing date and unlisted securities assessed using EVCA principles (see Accounting Principles, page 30).

MATURE

Term used to describe a company that has passed its first phase of growth and begun to stabilise or consolidate.

MEZZANINE

A form of financing which, in terms of security, stands between traditional bank financing and risk capital supplied by owners.

PARALLEL INVESTMENT

Investment directly in a portfolio company in which the Sixth AP Fund has already invested via a private equity fund.

PORTFOLIO COMPANY

A company in which a private equity fund invests.

PRIVATE EQUITY

Investing in unlisted companies' shareholders' equity with active owner commitment over a limited period of time.

PRIVATE EQUITY FUND

A company whose core operations are investments in other companies and realising the value increases of these.

RESULTS

The total of changes in value – realised and unrealised – of assets, returns in the form of interest, coupons, dividends and option premiums minus management expenses and fees to external managers.

RETURN

Measured as a time-weighted index (TWR).

RISK CAPITAL

Investment in a company's shareholders' equity.

START-UP

The first development phase of a company.

UNLISTED COMPANIES

Companies not registered at an authorised stock exchange.



THE SIXTH AP FUND

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