

Industriförvaltnings AB Kinnevik

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MERGER OF INVIK & CO. AB AND INDUSTRIFÖRVALTNINGS AB KINNEVIK

- Kinnevik to be absorbed by Invik in a statutory merger
- Each Kinnevik A share to be exchanged for 0.35 Invik A shares and each Kinnevik B share to be exchanged for 0.35 Invik B shares
- Current cross-ownership is dissolved and net asset value per share increases through an elimination of Invik's Kinnevik shares and Kinnevik's Invik shares.
- Invik to implement a 10 for 1 stock split in order to increase liquidity
- The merger will not result in any mandatory bids for MTG or Tele2
- The merged company will be traded on the Stockholmsbörsen 'O-list'

The Boards of Directors of Invik & Co. AB ("Invik") and Industriförvaltnings AB Kinnevik ("Kinnevik") today announced that they have jointly agreed upon a plan for the merger of the two companies. The merger is to be executed by means of a statutory merger in accordance with the Swedish Companies Act, whereby Kinnevik will be absorbed into Invik and Kinnevik shareholders will receive new shares in Invik. Each Kinnevik class A share will be exchanged for 0.35 new class A Invik shares and each Kinnevik class B share will be exchanged for 0.35 new Invik class B shares. The intention is that the merged company shall change its name to Investment AB Kinnevik.

The merger will create one of the largest holding companies in Sweden. The combined market capitalization of Invik and Kinnevik was more than SEK 20 billion as at the close of trading on 13 February 2004¹. The merged company will own significant shareholdings in a number of listed companies including Metro International S.A., Millicom International Cellular S.A., Modern Times Group MTG AB, Tele2 AB and Transcom Worldwide S.A.

The merged company will also include the paper production and packaging company Korsnäs AB and the financial services and insurance group Modern Finance Group. On a proforma consolidated basis², the merged Group would have reported a turnover of SEK 6,839 million for the full year 2003 and an operating income of SEK 642 million. The merged entity would also have reported SEK 2,764 million of earnings from associated companies for the same period.

“The merger will create a holding company with a strong financial position and significant ownership in a number of fast-growing publicly listed companies, as well as cash generation from wholly-owned subsidiaries”, commented Kinnevik CEO Vigo Carlund.

“The transaction will concentrate ownership into one entity, which will lead to a simplified structure, from both a management and shareholder perspective. At the same time all cross-held shares will be eliminated, which will increase the net asset value per share. The proposed share split, combined with an increased number of shareholders, should also result in enhanced liquidity, which have been requested by the shareholders”, said Anders Fällman, CEO of Invik.

The Boards of Directors of both companies believe that the exchange ratio is fair. The exchange ratio is primarily based on the share prices of the two companies’ during the period before the announcement of the merger, as well as the Boards’ valuation of the two companies’ assets. The Boards of Directors have separately obtained fairness opinions regarding the exchange ratio. Invik has retained Handelsbanken Capital Markets, while Kinnevik has retained Deloitte and Morgan Stanley.

The merger requires the approval of a qualified majority (2/3 of the votes casts and shares represented) at the Extraordinary General Meetings (“EGM”) to be held on Friday 16 April, 2004. The Boards of Directors in both companies will also recommend to their respective EGMs that shareholders be provided with the opportunity to re-classify class A shares into class B shares, as well as other decisions relating to these issues. Additionally, the Invik Board of Directors will recommend a share split in order to increase liquidity and a new issue of Invik shares to be directed to Kinnevik shareholders. See further below.

To increase liquidity in the trading of the share, the Board of Directors in Invik proposes a 10:1 stock split.

In addition, the Boards of Directors in Kinnevik and Invik will to their respective EGMs propose a possibility for shareholders to, during a limited time period starting on or about May 18, 2004, until on or about June 16, 2004 – i.e. before the merger is executed - re-classify A shares into B shares.

¹ Based on the closing price February 13, 2004

² For pro forma accounting, see appendix

Kinnevik's holding in Invik (5.0% of the shares and 10.2% of the votes) and Invik's holdings in Kinnevik (13.6% of the shares and 35.0% of the votes) will be eliminated as a consequence of the merger. The elimination will increase the net asset value per share in the merged company by approximately 4%.

Following the merger, which is expected to be executed in July 2004 at the earliest, an EGM will appoint the Board of Directors of the merged company. The intention is that Vigo Carlund, currently the CEO of Kinnevik, be appointed as the CEO of the merged company and that Anders Fällman, currently the CEO of Invik, be appointed as the Deputy CEO of the merged entity.

Invik and Kinnevik both have large shareholdings in a number of listed companies including Tele2 AB and Modern Times Group MTG AB. The Swedish Securities Council has stated in its statement 2004:04 that neither Invik or Kinnevik, nor Emesco, which is one of the major shareholders of Kinnevik and Invik, will have any obligations to make a mandatory bid for any of these listed companies based on the implied holdings in these companies following the merger. No mandatory bid requirement will arise regarding Metro, Millicom or Transcom.

As existing large shareholders in Tele2 AB, Kinnevik and Invik will propose a resolution to the Annual General Meeting of shareholders of Tele2 AB in May 2004, that all shareholders be offered the opportunity during a limited period to re-classify their class A shares into class B shares. If such a resolution is passed, it is Kinnevik's and Invik's intention to re-classify some of their joint holding of A shares in Tele2 AB in order to have an aggregated share of voting rights in Tele2 AB that does not exceed 50 %.

A more detailed explanation of the terms of the merger is included in the Appendix to this press release.

Kinnevik and Invik will hold a joint press conference today, Monday 16 January 2004 at 11am at 'Brasserie by the Sea', Tullhus 2, Skeppsbron, Stockholm. A telephone conference call will also be held today at 3:00 pm (CET). Please call +44 (0) 1452 542 300 to participate in this conference.

For further information, please visit www.kinnevik.se or contact:

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Industriförvaltnings AB Kinnevik was established in 1936 as an investment holding company. The Company's objective is to increase shareholder value, primarily through net asset value growth. The business consists of operating companies such as farming company MSLA and cartonboard and paper producer Korsnäs AB, and a portfolio of long-term investments in a select number of listed companies such as Tele2 AB, Modern Times Group MTG AB, Millicom International Cellular S.A., Metro International S.A., Transcom WorldWide S.A. and Invik & Co. AB. Kinnevik plays an active role on the Boards of its subsidiaries and associated companies.

Kinnevik's 'A' and 'B' shares are traded on the Stockholmsbörsen 'A-list'.

The Invik Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or under any of the relevant securities laws of any state or other jurisdiction of the

United States. Neither the U.S. Securities and Exchange Commission nor any U.S. state securities commission has approved of the Invik Shares or determined if this document is accurate or complete. The business combination in the United States is being made pursuant to an exemption from the U.S. tender offer rules provided by Rule 14d-1(c) under the U.S. Securities Exchange Act of 1934, as amended, and pursuant to an exemption from the registration requirements of the U.S. Securities Act of 1933 provided by Rule 802 thereunder.

This business combination is made for the securities of a foreign company. The offer is subject to disclosure requirements of a foreign country that are different from those of the United States. Financial statements included in the document, if any, have been prepared in accordance with foreign accounting standards that may not be comparable to the financial statements of United States companies.

It may be difficult for you to enforce your rights and any claim you may have arising under the federal securities laws, since the issuer is located in a foreign country, and some or all of its officers and directors may be residents of a foreign country. You may not be able to sue a foreign company or its officers or directors in a foreign court for violations of the U.S. securities laws. It may be difficult to compel a foreign company and its affiliates to subject themselves to a U.S. court's judgment.

The Invik Shares are being offered to holders resident in the United States pursuant to the exemption from the registration requirements of the Securities Act provided by Rule 802 thereunder. The Invik Shares may not be offered or sold in the United States except pursuant to an exemption from the Securities Act or in a transaction not subject to the registration requirements of the Securities Act. In particular, the Invik Shares will be "restricted securities" within the meaning of the rules and regulations promulgated under the Securities Act of 1933, as amended, to the same extent and proportion that the Kinnevik Shares held by a Kinnevik Shareholder as of the record date for the Reclassification Offering are "restricted securities".