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# The merger between Kinnevik & Invik



Vigo Carlund  
*CEO Industriförvaltnings AB Kinnevik*



Anders Fällman  
*CEO Invik & Co. AB*





# Overview of merger

- Shareholders in Kinnevik receive 0.35 Invik shares per Kinnevik share
  - Kinnevik A-shares exchanged for Invik A-shares
  - Kinnevik B-shares exchanged for Invik B-shares
  - Possibility to re-classify A-shares to B-shares before the merger
- Invik share split will ten-fold number of shares to increase liquidity
- Kinnevik shareholders will own 72% of the merged company and Invik shareholders will own 28%
- Elimination of cross-ownership
- The merger will not result in mandatory bids for any portfolio company
- New company will be listed on the O-list and is intended to be renamed Investment AB Kinnevik



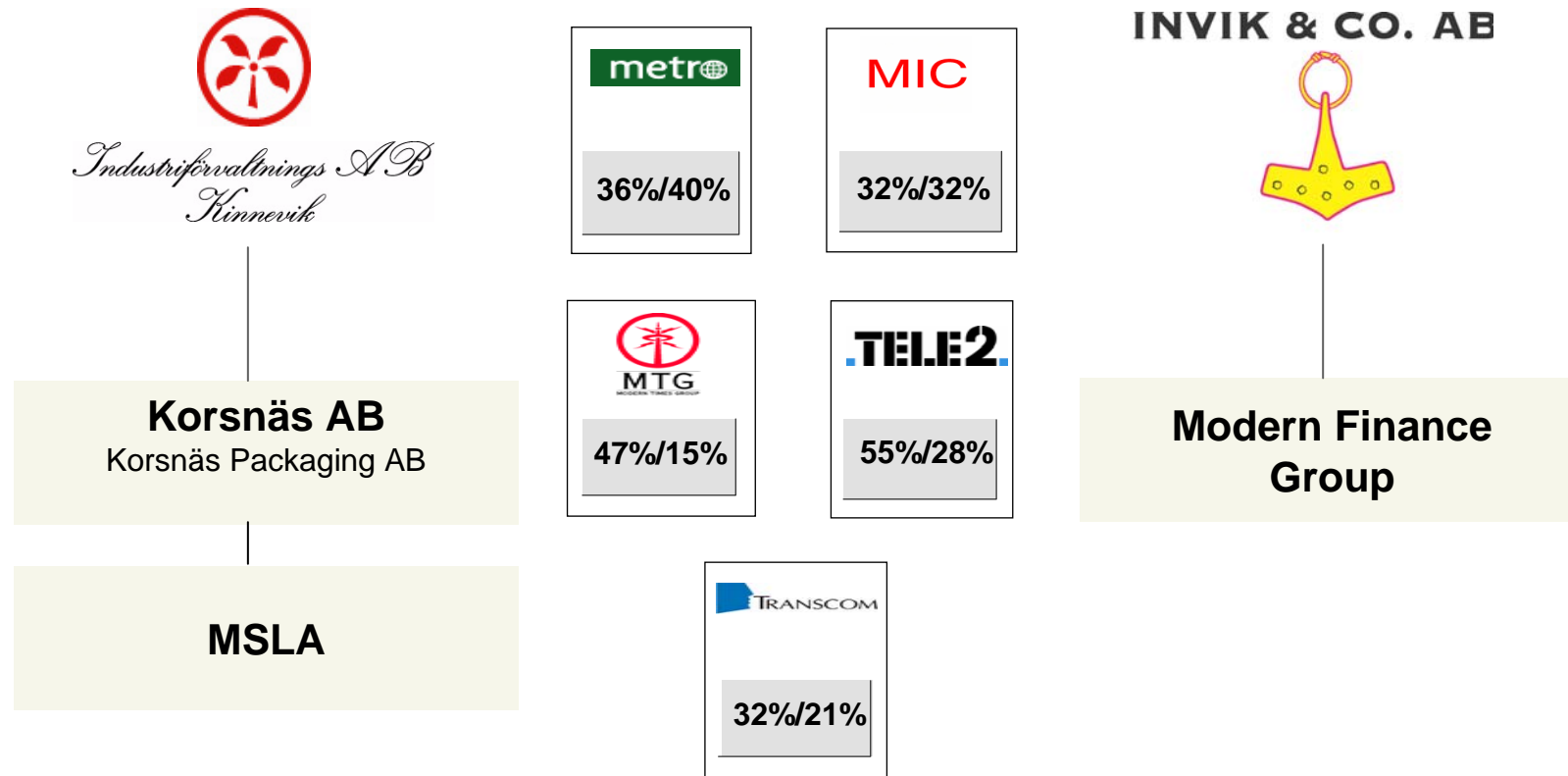
# Value creation



- The merged company combines a portfolio of fast growing listed companies, cash generating wholly-owned operating subsidiaries and a strong balance sheet
- The merger and the share split will increase liquidity and broaden shareholder base of the new company
- The elimination of the cross ownership will result in approximately 4% increase in Net Asset Value per share for the new company



# The merging companies



Ownership described in voting/economic interest. The ownership in Tele2 is described before re-classification of A-shares to B-shares



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# The merged company



- The merger will create one of Sweden's largest and most dynamic investment companies
- The merged company will have close to SEK 40 billion of assets
- The merged company will have significant holdings in Metro, Millicom, MTG, Tele2 and Transcom – with an aggregate market value of more than SEK 25 billion
- The merged company will operate the wholly owned subsidiaries Korsnäs, MSLA and the companies within Modern Finance Group



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FISCHER PARTNERS  
FONDKOMMISSION AB





# Assets



Listed assets	A-shares held	B-shares held	# of shares	Votes	Capital
Tele2	16 260 667	25 566 508	41 827 175	54,9%*	28,4%
Metro	94 087 102	115 222 215	209 309 317	35,7%	39,8%
MTG	9 710 886	224 125	9 935 011	47,2%	15,0%
Transcom	11 384 743	3 530 279	14 915 022	31,5%	21,1%
Millicom (incl convertibles held)	0	7 385 634	7 385 634	32,4%	32,4%
Cherryföretagen	1 402 500	7 378 249	8 780 749	26,4%	28,7%
Viking Telecom	0	4 657 000	4 657 000	23,6%	23,6%
AcandoFrontec	0	5 935 580	5 935 580	7,5%	10,7%
P4 Hele Norge	0	4 026 820	4 026 820	12,5%	12,5%

- No mandatory bid triggered in portfolio companies
- In addition, the merged company will hold wholly-owned subsidiaries, mainly Korsnäs and Modern Finance Group

\* Prior to any reclassification of A-shares. Kinnevik and Invik plan to suggest to the Board of Tele2 a possibility for all share holders to reclassify A-shares in Tele2 to B-shares, and then reclassify the number of A-shares necessary to keep the aggregate share of the votes below 50 %.





# Management & Board



- Kinnevik and Invik will continue to operate as independent companies, with separate Boards of Directors until the merger is executed in July 2004
- The new management structure will be:
  - CEO: Vigo Carlund
  - Deputy CEO: Anders Fällman
  - CFO: Mikael Larsson
- The new Board of Directors will be elected by an Extraordinary General Meeting following the completion of the merger



# Strategy

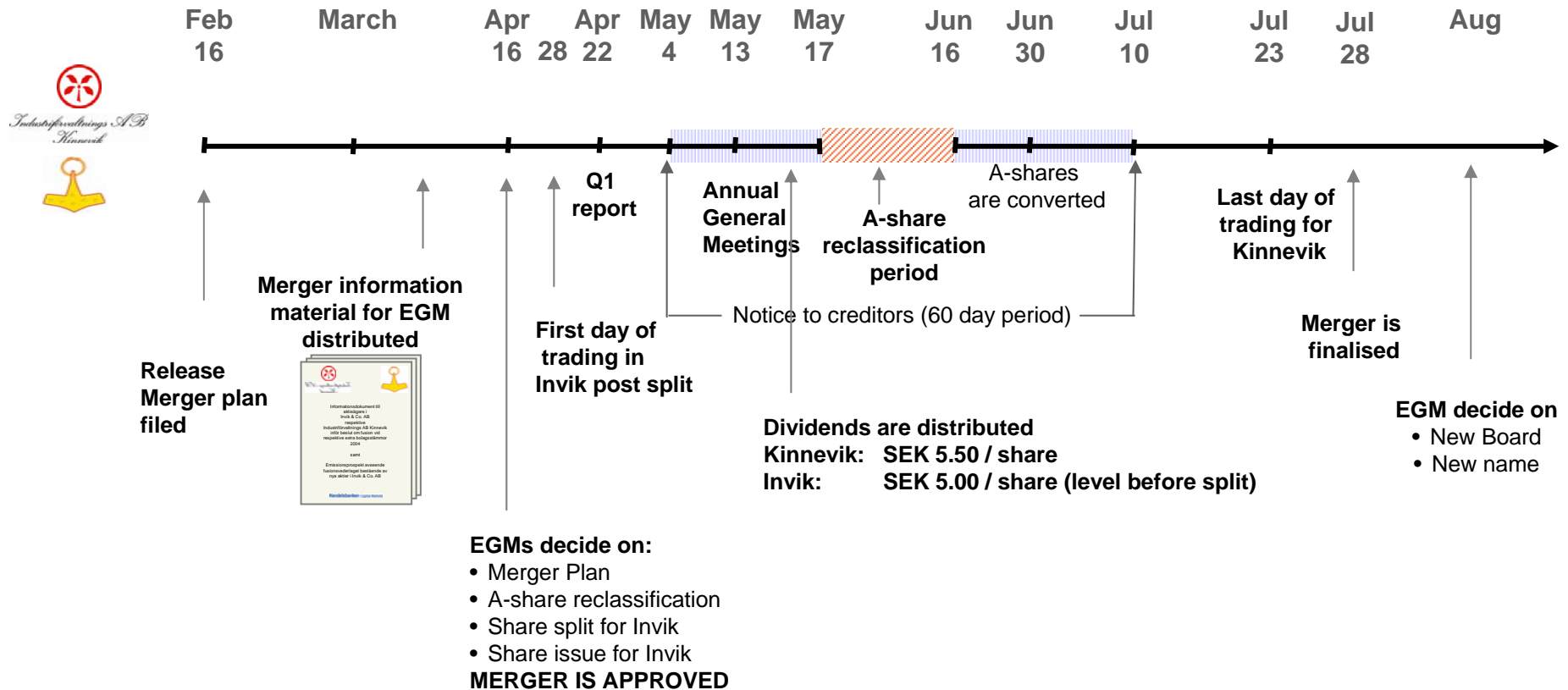


- Business as usual
- The merger will not result in any significant changes in the long-term strategy
- The main objective remains to create shareholder value through active ownership





# Time schedule





# Number of shares



<b>Kinnevik shareholders</b>	<b>A-shares</b>	<b>B-shares</b>	<b>Total</b>
Invik	6 281 387	2 286 936	8 568 323
Other	7 421 647	46 948 707	54 370 354
<b>Total before merger</b>	<b>13 703 034</b>	<b>49 235 643</b>	<b>62 938 677</b>
Acquired Kinnevik shares	7 421 647	46 948 707	54 370 354
Exchange ratio	0,35000	0,35000	
Invik shares issued	2 597 576	16 432 047	19 029 623

<b>Invik shareholders</b>	<b>A-shares</b>	<b>B-shares</b>	<b>Total</b>
Kinnevik	391 430		391 430
Other	3 017 269	4 351 301	7 368 570
<b>Total before merger</b>	<b>3 408 699</b>	<b>4 351 301</b>	<b>7 760 000</b>
Newly issued shares	+ 2 597 576	+ 16 432 047	+ 19 029 623
<b>Total shares post-merger</b>	<b>6 006 275</b>	<b>20 783 348</b>	<b>26 789 623</b>
Less: Invik shares acquired	-391 430		
<b>Total shares post-merger</b>	<b>5 614 845</b>	<b>20 783 348</b>	<b>26 398 193</b>

- The current cross-ownership will be dissolved through the merger
- The net effect is that NAV / share increases by ~ 4 %.
  - Equals ~ SEK 40 for Invik owners.
  - Equals ~ SEK 14 for Kinnevik owners.

NB. The number of A-shares post-merger may be lower than illustrated due to potential reclassification to B-shares. The total number of shares is not affected by any reclassification.



# Shareholder structure



Shareholders after merger	A-shares	B-shares	Total number of shares	Votes	Capital
Emesco Group	2 268 147	0	2 268 147	29,5%	8,6%
Jan H Stenbeck estate	975 400	0	975 400	12,7%	3,7%
Klingspor family	699 239	225 759	924 998	9,4%	3,5%
Morgan Stanley	365 665	175 796	541 461	5,0%	2,1%
SEB / SEB Trygg Liv funds	4 409	2 760 965	2 765 374	3,6%	10,5%
von Horn family	236 827	29 085	265 912	3,1%	1,0%
Sapere Aude Trust	224 563	0	224 563	2,9%	0,9%
Robur	16 958	1 514 706	1 531 664	2,2%	5,8%
Nordea / Nordea funds	106 951	456 366	563 317	2,0%	2,1%
Korsnäs Trusts	132 447	43 719	176 166	1,8%	0,7%
Fourth AP fund	0	983 710	983 710	1,3%	3,7%
Hugo Stenbeck Trust	83 956	17 000	100 956	1,1%	0,4%
Other shareholders	500 285	14 576 243	15 076 527	25,4%	57,1%
<b>Total</b>	<b>5 614 845</b>	<b>20 783 348</b>	<b>26 398 193</b>	<b>100,0%</b>	<b>100,0%</b>
Invik shareholders, excl Kinnevik	3 017 269	4 351 301	7 368 570	44,9%	27,9%
Former Kinnevik shareholders, excl Invik	2 597 576	16 432 047	19 029 623	55,1%	72,1%
<b>Total</b>	<b>5 614 845</b>	<b>20 783 348</b>	<b>26 398 193</b>	<b>100,0%</b>	<b>100,0%</b>

- If approved at the EGM, shareholders in Invik and Kinnevik will be offered to re-classify A-shares into B-shares prior to the merger. If A-shares are reclassified, the number of A-shares illustrated above will be lower and the number of B-shares higher but the total number of shares will not be affected



# Fair exchange ratio

- Outstanding shares in Kinnevik will be exchanged with newly issued Invik shares
  - One A-share in Kinnevik = 0.35 A-shares in Invik
  - One B-share in Kinnevik = 0.35 B-shares in Invik
- The two Boards believe that the exchange ratio is fair for both shareholder groups as a whole
  - Exchange ratio based on the share price of the two companies over various periods as well as the net asset values of the companies
  - The exchange ratio has been verified as fair by Handelsbanken, Deloitte and Morgan Stanley



# Summary



- Fair for shareholders of both companies
- The merger will enhance net asset value per share, increase liquidity and broaden the shareholder base
- The new company combines a portfolio of fast growing listed companies, cash generating operating subsidiaries and a strong balance sheet
- The merger will not result in any significant changes in the long-term strategy - the objective remains to create shareholder value through active ownership





*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.*

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