

## PRESS RELEASE

Stockholm June 8, 2010

### **HQ strengthens its capital base by selling HQ Fonder to Öresund for SEK 850 million**

**HQ simultaneously withdraws the proposed rights issue of SEK 559 million and cancels the extraordinary general meeting of June 28, 2010. Instead HQ intends to conduct a rights issue of up to SEK 1,000 million to make possible a re-purchase of HQ Fonder and assure financial stability**

- In order to be able to expeditiously conduct an accelerated closure of the Trading operations there is a requirement to immediately strengthen the capital base. Thus far during the second quarter of 2010, the loss within the Trading operations amounts to SEK 297 million. The cost of conducting the accelerated closure is believed to have increased, and will arise earlier, than in HQ's estimate as of May 26, 2010.
- HQ AB (publ) ("HQ" or the "Company") has therefore decided to sell its subsidiary HQ Fonder Sverige AB ("HQ Fonder") to Investment AB Öresund (publ) ("Öresund") to immediately strengthen its capital base, in order to increase flexibility until a rights issue is conducted. The sale shall be approved by an extraordinary general meeting. HQ has an option that allows it to re-purchase HQ Fonder at similar terms.
- The acquisition price amounts to SEK 850 million, which will strengthen HQ's Tier 1 capital by approximately SEK 700 million. This will immediately create the financial conditions to conduct the previously announced accelerated closure of HQ's Trading operations with freedom of action.
- The sale of HQ Fonder will strengthen HQ's Tier 1 capital ratio pro forma per March 31, 2010 from 15.5 percent to 26.9 percent and its capital adequacy from 17.5 percent to 28.9 percent.<sup>1</sup>
- The proposed rights issue of SEK 559 million is hereby withdrawn and the extraordinary general meeting of June 28, 2010 is therefore cancelled. The board intends instead to decide – on condition of approval by the later extraordinary general meeting – on a issue of up to SEK 1,000 million in common stock with preferential rights for existing shareholders (the "Rights Issue"), with a customary issue discount.

---

<sup>1</sup> Pro forma figures are based on the capital situation per March 31, 2010 adjusted for the sale of HQ Fonder and trading losses thus far during the second quarter of SEK 297 million.

- The Rights Issue is being conducted in order to enable a re-purchase of HQ Fonder and assure financial stability.
- The board will announce an extraordinary general meeting to seek approval for the transfer of HQ Fonder and approval for the Rights Issue. It is intended that the extraordinary general meeting be held in September 2010.
- The Rights Issue is already largely secured through separate subscription obligations and guarantee undertakings from Öresund, Mats Qviberg (including family) and Sten Dybeck (including family) up to an amount of SEK 715 million. These shareholders, which together own 35.6 percent of the total number of issued shares in HQ, have also committed to voting in favour of the Rights Issue at the extraordinary general meeting.

### **Background and reasons**

On May 26, 2010, HQ announced a rights issue of SEK 559 million to strengthen its capital base due to estimated losses in conjunction with the intended accelerated closure of the Trading operations. The magnitude of the losses in conjunction with the closure has been difficult to assess. Thus far during the second quarter, the loss within the Trading operations amounts to SEK 297 million. The cost of conducting the accelerated closure is believed to have increased, and will arise earlier, than in HQ's estimate as of May 26, 2010.

In accordance with the applicable capital adequacy regulations, HQ must *inter alia* always meet a particular capital requirement. The planned accelerated closure could mean the occurrence of a shortfall in the capital base until receipt of the settlement for the rights issue. In order to immediately strengthen the Company's capital base, the board has therefore decided to sell the subsidiary HQ Fonder to Öresund for SEK 850 million. Öresund will take over HQ Fonder on June 8, 2010. HQ has an option that allows HQ to re-purchase HQ Fonder, at similar terms to the sale. The option can be exercised from June 8, 2010 up to and including March 31, 2011. The re-purchase price amounts to SEK 850 million plus HQ Fonder's accumulated net profit from July 1, 2010. The board of HQ will commission an independent valuation opinion regarding the purchase settlement for HQ Fonder, a so-called "fairness opinion", that will be presented at the extraordinary general meeting.

The sale of HQ Fonder will strengthen HQ's Tier 1 capital ratio pro forma per March 31, 2010 from 15.5 percent to 26.9 percent and its capital adequacy from 17.5 percent to 28.9 percent.<sup>2</sup>

The sale of HQ Fonder generates a capital gain for the HQ group of SEK 244 million, corresponding to 8.7 SEK per share. The sale also leads to that HQ's profit per share decreases by 2.4 SEK, based on the twelve-month period from April 1, 2009 – March 31, 2010.

The board of HQ has also decided to withdraw the proposed rights issue of SEK 559 million that was announced on May 26, 2010 and cancel the extraordinary general meeting of June 28, 2010. HQ intends to instead conduct an issue of common stock with preferential rights for existing shareholders of up to SEK 1,000 million, before issue related costs.

The Rights Issue is being conducted in order to make possible a re-purchase of HQ Fonder and to assure financial stability.

### **HQ Fonder in brief**

HQ Fonder is a leading independent Swedish mutual fund company with operations comprising the management and sale of mutual fund units in Sweden. In addition, sales take place through HQ Private Banking and via external distributors in Sweden and abroad. The company has a stable fund management organisation with longstanding experience and good performance. The fund management is primarily focused on Swedish equities and fixed income and equities in different emerging markets. Established cooperation with HQ Bank regarding, for example, distribution will continue as previously.

---

<sup>2</sup> Pro forma figures are based on the capital situation per March 31, 2010 adjusted for the sale of HQ Fonder and trading losses thus far during the second quarter of SEK 297 million.

Assets under management per March 31, 2010 was SEK 29.9 billion distributed among approximately 23,000 directly registered clients, which corresponds to 32 percent of total assets under management in HQ. HQ Fonder manages a total of 25 mutual funds, of which 19 in HQ Fonder Sverige AB, and of these are four so called exchange-traded funds. The remaining six funds are administered by SEB Fund Services S.A. in Luxembourg. The company has 28 employees.

HQ Fonder reported during the twelve-month period April 1, 2009–March 31, 2010 revenues of SEK 170 million (excluding non-recurring effects of SEK 40 million) and operating profit of SEK 89 million (excluding non-recurring effects of SEK 40 million), which corresponds to 21 percent of the revenues and 38 percent of the operating profit of HQ excluding the Trading operations. Shareholders' equity in HQ Fonder as of March 31, 2010 was SEK 140 million.

#### **Indicative terms for the Rights Issue**

The board of HQ intends to decide – on condition of approval by the extra extraordinary general meeting – on a rights issue of common stock of up to SEK 1,000 million. Shareholders of HQ will have preferential rights to subscribe for the new shares in relation to the number of existing shares they own at a customary issue discount. The magnitude of the increase in share capital, the number of common shares to be issued and the subscription price for the new shares in the Rights Issue are expected to be announced by the board not later than two days before the date of the extraordinary general meeting.

The new common stock will confer the same rights as the existing common stock, including the right to future dividends and other distributions decided upon or paid out subsequent to the allocation and registration of the new common stock.

#### **Subscription obligations and issue guarantees**

The Rights Issue is already largely secured through separate subscription obligations and guarantee undertakings by some of the Company's largest shareholders Öresund, Mats Qviberg (including family), and Sten Dybeck (including family) up to an amount of SEK 715 million. These shareholders, which together own 35.6 percent of the total number of issued shares in HQ, have also committed to voting in favour of the Rights Issue at the extraordinary general meeting. The subscription obligations and issue guarantees are subject to the customary terms and conditions for this type of transaction. Considering its current ownership of HQ, Öresund intends to seek dispensation from the compulsory bid obligation that may arise if Öresund's ownership in HQ exceeds 30 percent of the votes due to its guarantee undertaking.

#### **Extraordinary general meeting**

It is intended that the board's decision to sell HQ Fonder and decision to conduct the Rights Issue and necessary changes to the articles of association as a consequence of the Rights Issue be approved by an extraordinary general meeting. It is intended that the extraordinary general meeting be held in September 2010.

The shareholders Öresund, Mats Qviberg (including family) and Sten Dybeck (including family), that together hold 35.6 percent of both capital and votes in the Company have committed to voting in favour of approval of the board's decision regarding the Rights Issue etc at the extraordinary general meeting.

**Miscellaneous**

Lenner & Partners and HQ Bank Corporate Finance are financial advisors and Setterwalls Advokatbyrå and Bergh & Co are legal advisors to HQ.

For further information:

Mats Qviberg, Chairman HQ, tel: +46 (0)8 696 17 00

Stefan Dahlbo, Acting President and CEO HQ, tel: +46 (0)8 696 17 00

Mikael Nachemson, Chairman HQ Bank, tel: +46 (0)8 696 17 00

Media enquiries:

Erik Amcoff, Head of Corporate Communications HQ, tel +46 (0)730 891 761

*HQ Bank explores, innovates and performs in order to improve wealth and deliver financial success.  
HQ Bank conducts business operations in the areas of Asset Management, Private Banking and Investment  
Banking.*

*HQ Bank is represented in six locations in Sweden and its head office is in Stockholm.  
The parent company HQ AB is listed on the Swedish Mid Cap list of the OMX Nordic Exchange Stockholm  
(HQ).*

<p><b>The above information is information that HQ AB (publ) is obliged to publish in accordance with the Swedish Securities Market Act and/or the Swedish Financial Instruments Trading Act. This information was disclosed to the market for publication at 08.00 on June 08, 2010.</b></p>
---