

# *Investment AB Kinnevik*

*Skoppsbron 18  
P.O. Box 2094  
SE-103 13 Stockholm, Sweden  
[www.kinnevik.se](http://www.kinnevik.se)*



*(Publ) Reg no 556047-9742  
Phone +46 8 562 000 00  
Fax +46 8 20 37 74*

FOR IMMEDIATE RELEASE

14 April 2005

## **NOTICE OF ANNUAL GENERAL MEETING**

**The shareholders of Investment AB Kinnevik (publ) are hereby invited to the Annual General Meeting on Thursday 12 May 2005 at 9.30 a.m. CET at the cinema Skandia, Drottninggatan 82, in Stockholm.**

### **NOTIFICATION**

Shareholders who wish to participate at the Annual General Meeting shall

- have their names entered in the register of shareholders maintained by VPC AB (the Swedish Securities Register Center) on 2 May 2005, and
- notify the company of their intention to participate by no later than 3.00 p.m on Friday, 6 May 2005. The notification can be made on the company's website, [www.kinnevik.se](http://www.kinnevik.se), by telephone +46-433-747 56 or in writing to the company:

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When giving notice of participation, the shareholder should state name, personal identification number (or company registration number), address, telephone number, shareholdings and any advisors attending. Shareholders who wish to be represented by a representative shall submit a written power of attorney giving authorisation to a specific person together with the notice of participation. Written notifications should be marked "AGM".

Shareholders whose shares are registered in the names of nominees must temporarily re-register the shares in their own name in order to be entitled to participate in the Meeting. Shareholders wishing to re-register must inform the nominee well in advance of 2 May 2005.

### **PROPOSED AGENDA**

1. Election of Chairman of the Meeting.
2. Preparation and approval of the voting list.
3. Approval of the agenda.

4. Election of one or two persons to check and verify the minutes.
5. Determination of whether the Meeting has been duly convened.
6. Presentation of the annual report and auditors' report and of the consolidated financial statements and the auditors' report on the consolidated financial statements.
7. Decision on the adoption of the income statement and balance sheet and of the consolidated income statement and the consolidated balance sheet.
8. Decision on the proposed treatment of the company's unappropriated earnings or accumulated loss as stated in the adopted balance sheet.
9. Decision on the discharge of liability of the members of the Board of Directors and the Managing Directors.
10. Determination of the number of members and deputy members of the Board of Directors and the number of auditors and deputy auditors.
11. Determination of the fees of the members of the Board of Directors and the auditors.
12. Election of the members and deputy members of the Board of Directors.
13. Election of auditor.
14. Approval of the procedure of the Nomination Group for the election of members of the Board of Directors.
15. Decision on repurchase of own shares as a result of the non-cash dividend.
16. Decision on redemption of shares.
17. Approval of incentive program for Invik & Co. AB (publ).
18. Closure of the Meeting.

#### **DIVIDENDS (item 8)**

The Board of Directors proposes that the Meeting resolves on cash dividends for the fiscal year 2004 corresponding to SEK 0.25 per share. The Board of Directors further proposes that the record date for the cash dividend shall be Tuesday 17 May 2005.

Further, the Board of Directors proposes that the Meeting resolves to effect a non-cash dividend of all shares in Invik & Co. AB (publ) ("Invik") under essentially the following terms and conditions. The Board of Directors proposes that shareholders should receive one (1) Class A share in Invik for each ten (10) Class A shares held in Investment AB Kinnevik (publ) ("Kinnevik"), and one (1) Class B share in Invik for each ten (10) Class B shares held in Kinnevik. As a result of the non-cash dividend, the unrestricted shareholders' equity in Kinnevik will be reduced by at most SEK 1.5 billion. The record date for the non-cash dividend is proposed to be 30 August 2005, under the condition that, Stockholmsbörsen has approved Invik for listing at least ten business days earlier, and, if required, the Swedish Financial Supervisory Authority has reviewed and registered the listing prospectus. If such approval has not been given and such possible registration has not been carried out, the record date should be ten business days following such approval and such possible registration instead, however, not later than 1 December 2005. The Board of Directors also proposes that the Meeting authorises the Board of Directors to determine any additional terms and conditions required for execution of the non-cash dividend.

## **BOARD OF DIRECTORS (items 10-12)**

The Nomination Group proposes that, until the end of the next Annual General Meeting, Pehr G Gyllenhammar, Edvard von Horn, Wilhelm Klingspor, Erik Mitteregger, Stig Nordin and Cristina Stenbeck shall be re-elected Board members. The Nomination Group proposes that the Chairman of the Board of Directors shall be Pehr G Gyllenhammar. Furthermore, it is proposed that an Audit Committee and a Remuneration Committee be appointed among the members of the Board of Directors at the Constituent Board Meeting.

The Nomination Group proposes that the Meeting resolves that the fee of the members of the Board of Directors for the period until the end of the next Annual General Meeting shall be a total of SEK 3,825,000, whereof SEK 2,000,000 shall be allocated to the Chairman, SEK 350,000 to each of the other members of the Board of Directors respectively and a total of SEK 75,000 be allocated for the work of the members within the committees of the Board of Directors.

The above proposal is supported by shareholders representing more than 50 percent of the votes in the company including, inter alia Alecta, Emesco AB, Fjärde AP-fonden, SEB Fonder and SEB Trygg Liv.

## **AUDITOR (item 13)**

It is proposed that the accounting firm Ernst & Young AB is re-appointed as auditor, with Erik Åström as auditor in charge for a period of four years.

## **NOMINATION GROUP (item 14)**

The Board of Directors proposes that the Meeting approves the following procedure for the Nomination Group for the election of members of the Board of Directors. The work of preparing a proposal of members to the Board of Directors for the Annual General Meeting of 2006 shall be executed by a Nomination Group. The Nomination Group will be formed during the autumn of 2005, in consultation with at least three of the major shareholders and Cristina Stenbeck will act as convenor of the Group. The composition of the Group will be communicated in the interim report for the third quarter of 2005.

## **REPURCHASE OF THE COMPANY'S OWN SHARES AS A RESULT OF THE NON-CASH DIVIDEND (item 15)**

The Board of Directors proposes that the Meeting resolves, during the period until the next Annual General Meeting, to repurchase two (2) Class A shares and seven (7) Class B shares. The share purchase shall be effected on Stockholmsbörsen and only at a price within the at the time applicable registered quotation, meaning the interval between the highest buying-rate and the lowest selling-rate. The purpose of the repurchase is to enable distribution of the non-cash dividend in accordance with the proposal set out in item 8 above by ensuring that the number of Class A shares and Class B shares in the company carrying dividend rights is a number evenly divisible by ten.

## **REDUCTION OF SHARE CAPITAL (item 16)**

The Board of Directors proposes that the Meeting decides on a reduction of the share capital by not more than SEK 391,430.90 by way of retirement without repayment of shares repurchased in accordance with the proposal set out in item 15 above and the 3,914,300

Class A shares held by the company as a result of the merger between the company and Industriförvaltnings AB Kinnevik (publ). The objective of the reduction is that the reduction amount shall be transferred to the company's reserves.

#### **APPROVAL OF INCENTIVE PROGRAM FOR INVIK & CO. AB (PUBL) (item 17)**

The Board of Directors proposes that the Meeting approves an incentive program in Invik, meaning an issue of a subordinated debenture with 1,390,000 detachable warrants that each entitle to subscription of one (1) new Class B share in Invik. If all warrants are exercised for subscription of Class B shares, Invik's share capital will increase by SEK 6,950,000, which corresponds to a dilution effect of 5 per cent of the share capital and 2 per cent of the votes on a fully diluted basis. Given full conversion of the convertible bond issued by Invik to Investment AB Kinnevik, the dilution effect on a full dilution basis corresponds to 4.3 per cent of the share capital and 1.8 per cent of the votes.

In deviation from the shareholders' preferential right, Invik Trading AB (wholly owned subsidiary to Invik) is entitled to subscribe for the debenture, with a right and an obligation for Invik Trading AB to detach the warrants and transfer them on market terms to certain employees in the group. Employees will be offered to acquire warrants in accordance with the following principles: Category I – CEO a maximum of 247,111 warrants, Category II – larger business area managers (approximately 4 individuals) a maximum of 123,555 warrants respectively, Category III – smaller business area managers (approximately 3 individuals) a maximum of 61,777 warrants respectively, Category IV - other key employees (approximately 20 individuals) a maximum of 30,888 warrants respectively. It should be noted that the number of warrants indicated above corresponds to the maximum allocation for each category and, thus, the individual allocation may vary. An employee, who has not been offered the maximum allocation, may be offered an additional number of warrants, however, never an amount exceeding the maximum allocation for each category. The market value of the warrants will be established based on the Black & Scholes valuation model.

Subscription of Class B shares by virtue of the warrants can take place during the period 4 June 2005 - 12 May 2008. The price, at which subscription of new Class B shares can be made, shall correspond to an amount of 115 per cent of the market value of the share.

The reason for deviation from the shareholders' preferential rights is that the Board of Directors considers that the employee's personal investment will strengthen the feeling of loyalty and the conditions for Invik's continued demands for profitability and create a possibility for the employees to share in the group's development. The incentive program will constitute a competitive incentive for senior executives and a motivation-increasing offer for other key employees in the group.

Invik is a subsidiary of Kinnevik, which means that the issue of the debenture with detachable warrants must be approved by the Annual General Meeting in Kinnevik.

For the shareholders' information, the Board of Directors of Invik is considering to encourage participation in the program by committing to give a cash bonus that will be paid three years following the acquisition of warrants, provided that certain future performance requirements linked to the average operating profit during 2005 through 2007 are fulfilled. The cash bonus will only be paid if the warrants and/or Class B shares acquired by warrants being held by the warrant holder at the relevant time and that he/she is still employed within Invik group. The cash bonus may amount to a maximum of the difference between the total price paid by the warrant holder and 6 per cent of the total value of the underlying Class B shares calculated at the time of the acquisition of the warrants.

## OTHER INFORMATION

Resolutions according to the proposals in items 15 and 16 must be supported by shareholders representing at least 2/3 of the shares and number of votes represented at the General Meeting and resolution according to the proposal in item 17 must be supported by shareholders representing at least 9/10 of the shares and number of votes represented at the General Meeting. Further information about the proposal on non-cash dividend is found in the information brochure, which will be sent to the company's shareholders prior to the General Meeting. The brochure will also be made available on the company's website [www.kinnevik.se](http://www.kinnevik.se). From 28 April 2005, the Board of Directors complete proposals according to the above will be made available at the company's premises at Skeppsbron 18 in Stockholm and on the company's website, [www.kinnevik.se](http://www.kinnevik.se). Shareholders who wish to receive those documents may notify the company, whereupon the documents will be sent by mail or email.

Stockholm in April 2005

THE BOARD OF DIRECTORS

**For further information, please visit [www.kinnevik.se](http://www.kinnevik.se) or contact:**

|                                    |                      |
|------------------------------------|----------------------|
| Vigo Carlund, President & CEO      | +46 (0) 8 562 000 00 |
| Henrik Persson, Investor Relations | +46 (0) 8 562 000 87 |

*Investment AB Kinnevik is an investment company. The Company's objective is to increase shareholder value, primarily through net asset value growth. The Group consists of the Parent Company Investment AB Kinnevik and a number of operating subsidiaries. The Parent Company manages a portfolio of long-term investments in a number of listed companies such as Tele2, Modern Times Group MTG, Millicom International Cellular, Metro International and Transcom WorldWide. Kinnevik plays an active role on the Boards of its subsidiaries and associated companies.*

*The Group's subsidiaries are principally active in farming through Mellersta Sveriges Lantbruk, cartonboard and paper production through Korsnäs, and banking, insurance, securities broking and trading, and asset management through Invik & Co.*

*Kinnevik's 'A' and 'B' shares are traded on the Stockholmsbörsen 'O-list' with the ticker codes 'KINVA' and 'KINVB'.*