

## Press Release

11 February 2009

# Altor and Bure Acquire Carnegie from the National Debt Office

Altor Fund III and Bure Equity AB have signed an agreement to acquire Carnegie Investment Bank AB ("Carnegie" or the "Company"), a leading independent Nordic investment bank, from the Swedish National Debt Office (the "National Debt Office").

- The strategic objective of Carnegie is to be the leading independent investment bank in the Nordic region
- The new owners will continue Carnegie's traditional focus on client driven fee and commission based business, building on Carnegie's long standing capital markets and advisory franchise
- The total purchase consideration consists of a cash payment of SEK 1,402 million for all shares in Carnegie, with an additional earn-out structure whereby any upside from certain credit positions is shared. This additional payment will amount to at least SEK 250 million
- As a result of the recapitalisation of Carnegie by the National Debt Office, the Company has a strong financial position with SEK 2.7 billion in shareholders' equity and a tier 1 capital quotient of 3.0 as of 31 December 2008
- The new owners will support and complete the ongoing implementation of a rigorous compliance framework, effective risk management processes, efficient internal systems, and work closely with the Swedish Financial Supervisory Authority (the "FSA") to ensure full compliance with the regulatory requirements
- A new partnership structure will be introduced whereby a broad group of key employees will become co-owners in the Company. This will promote long-term value creation and further align the interests of shareholders, customers and employees

Altor and Bure have also entered into a separate agreement with the National Debt Office to acquire all shares in Max Matthiessen Holding AB ("Max Matthiessen"), the leading Swedish independent adviser within pension insurance, life insurance and long-term savings. Please refer to the separate press release for further details.



*“Having worked with Carnegie for many years, we have always been impressed with the strength of its franchise and quality of its people. For Altor and Bure this is an opportunity to provide the foundation for Carnegie to regain and further enhance its position as the leading independent investment bank in the Nordic region. Given the issues that the Company has faced and the difficult near-term market outlook there are no doubt challenges ahead, but we represent long-term owners who can provide Carnegie the support needed to build a strong and sustainable franchise”,* said Harald Mix, Managing Partner at Altor Equity Partners.

*“We would like to thank the employees for remaining committed to, and clients for remaining supportive of, Carnegie during a difficult time for the Company. Together, the board, management and employees will put emphasis on the core business, to serve our clients with high quality independent advice and flawless execution. That way we can ensure that Carnegie remains a top ranked institution”,* said Patrik Tigerschiöld, Chairman of Bure.

Carnegie will be acquired through a holding company owned 65% by Altor and 35% by Bure. It is intended that a broad group of key employees will become co-owners in Carnegie.

The cash consideration to acquire all of the shares in Carnegie from the National Debt Office is SEK 1,402 million; SEK 877 million to be paid upon closing of the transaction and SEK 525 million to be paid with interest on or before 30 April 2010. In addition, Altor and Bure have agreed an earn-out structure with the National Debt Office whereby any upside from certain credit positions is shared between Altor and Bure and the National Debt Office. This additional payment will amount to at least SEK 250 million.

In order to ensure a smooth transition process, Harald Mix, Managing Partner at Altor Equity Partners, and Patrik Tigerschiöld, Chairman of the Board of Bure, will be invited to attend Carnegie Board meetings. A new Board of Directors will be formed at closing of the transaction and will include Harald Mix, Patrik Tigerschiöld, Fredrik Strömholm, Björn Björnsson and Arne Liljedahl.

Securities & Investment Banking, Asset Management and Private Banking will form three distinct business areas with clear local responsibility for revenues and costs. Furthermore, a rigorous compliance framework, effective credit processes and efficient internal systems will be implemented to ensure that Carnegie operates well within regulatory guidelines and market practice in the future.

Carnegie’s focus going forward will be on client driven business, such as full service equities research and brokerage, corporate finance advisory, asset management and private wealth management, rather than balance sheet driven business, such as proprietary trading and equity finance. Consequently, Altor and Bure will continue the strategic realignment started by Carnegie’s management and the National Debt Office to reduce the risk profile of the Company.



As a result of this strategic realignment, the balance sheet of Carnegie was reduced from SEK 45.1 billion at the end of Q2 2008 to SEK 14.8 billion at the end of Q4 2008, and the key tier 1 capital quotient was strengthened to 3.0 as of 31 December 2008. The National Debt Office has converted substantially all of its outstanding debt to Carnegie into equity as of 31 December 2008.

As part of the operational measures being implemented, Altor and Bure have ensured that significant liquidity headroom is in place for Carnegie to operate effectively under the revised business model, well above regulatory requirements in order for the Company to regain the trust of existing and new customers in the marketplace.

Altor and Bure will also put in place an appropriate and transparent incentive program that will be based on management and employee ownership, long-term profit generation, appropriate levels of risk taking and building of sustainable franchise value for the benefit of all stakeholders.

The transaction is expected to close within three months subject to customary conditions, including clearance from the FSA and competition authorities.

Financial advisers to Altor and Bure are Morgan Stanley, Lenner & Partners and PricewaterhouseCoopers. Legal adviser to Altor and Bure is Linklaters.

The National Debt Office will hold a press conference at 10.00 CET at Carnegie's offices on Västra Trädgårdsgatan 15. Harald Mix and Patrik Tigerschiöld will be present to answer questions. A webcast of the press conference will be available on the Carnegie website [www.carnegie.se](http://www.carnegie.se).

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## **About Altor**

*The Altor funds are private equity funds comprising the "Altor 2003 Fund", with committed capital of EUR 650 million, the "Altor Fund II", with committed capital of EUR 1,150 million and "Altor Fund III", with committed capital of EUR 2,000 million. Altor is advised by Altor Equity Partners. Altor invests in companies in the Nordic region with a focus on value creation through growth initiatives, strategic development and operational improvements. Funds advised by Altor currently have 22 portfolio companies with combined revenues of EUR 13.4 billion and a total of 34,000 employees. For more information, please visit [www.althor.com](http://www.althor.com).*

## **About Bure**

*Bure Equity AB is a listed investment company whose primary emphasis is on long-term ownership in unlisted companies with a strong and stable earnings capacity. Bure was founded in 1992, listed on the OMX Stockholm Stock Exchange in 1993 and has a current market capitalisation of SEK 1.2 billion. Bure has significant experience in investing in professional services companies. The current portfolio consists of four investments: Mercuri International, EnergoRetea, Scandinavian Retail Center and Celemi. For further information, please visit [www.bure.se](http://www.bure.se).*

## **About Carnegie**

*Founded in 1803, Carnegie is headquartered in Stockholm with offices across the Nordic region, as well as in London, New York and Luxembourg. The Company has market leading positions in equities research and brokerage, corporate finance advisory, asset management and private wealth management. Carnegie's customers include institutional investors, corporates, financial institutions, private equity firms, governments and high net worth individuals. In 2008 Carnegie had revenues of SEK 2.7 billion and as of 31 December 2008 assets of SEK 14.8 billion. Assets under management amounted to SEK 134 billion and the number of employees was approximately 800 as of 31 December 2008. For further information, please visit [www.carnegie.se](http://www.carnegie.se).*

