

## Press Release

Stockholm, March 27, 2007

### **Information about Investor's interests in EQT Partners AB and EQT's funds that was provided at today's Annual General Meeting**

Investor co-founded EQT in 1994 with AEA and SEB. Key persons in the newly started company came mainly from Investor. These persons have had an ownership stake in the advisory company EQT Partners AB since 2001. The advisory company EQT Partners AB is an operating company with 130 employees that advises EQT's 11 funds on the companies that are to be acquired and sold, and how the companies are to be developed. The funds pay fees of about 1.5 percent, of which part is paid to EQT Partners AB for the advisory services the company provides. During the past five years, these fees paid to EQT Partners AB have generated an annual surplus of approximately SEK 30 million.

As a founder and sponsor (which means that Investor, as an anchor investor, guarantees to provide a relatively high percentage of the capital commitments for each fund), Investor has negotiated to receive carried interest and part of the surplus from management fees. These agreements are separate from Investor's ownership stake in EQT Partners AB. Investor's reduced stake in EQT Partners AB has no effect on the carried interest or surplus Investor receives from current funds. These agreements are negotiated before each fund is established.

#### **Carried interest**

The principle of carried interest is based on the conviction that economic incentives for key persons have a positive impact on the outcome of fund activities and therefore create value for the investors. Within the private equity industry, it is customary for the investors in funds, after they have received an annual return of 8 percent on fund investments, to share any "surplus return" with key persons that have had a positive impact on the outcome of the fund's activities, provided they have invested themselves in the fund. A common model is based on distributing 80 percent of net realized profits to the investors in the funds, while the remaining 20 percent is distributed among key fund principals.

In EQT's funds, a portion of this 20 percent has been distributed to Investor. In EQT's first fund, EQT I, Investor was a significant guarantor for the other investors and was entitled to *Our press releases can be accessed at [www.investorab.com](http://www.investorab.com) on the Internet.*

*Investor is the largest industrial holding company in the Nordic region. For almost a century, our business concept has been to generate attractive long-term returns by investing in companies with solid potential for value creation and applying our experience, knowledge and network to make them best-in-class. Investor is a leading shareholder in a number of multinational companies, including Ericsson, SEB and Atlas Copco. Investor also conducts private equity activities in the United States, Northern Europe and Asia.*

40 percent of the carried interest. In funds established later, this portion has decreased as the funds have grown in size, as Investor's share of the funds have decreased, and as EQT has become less dependent on Investor's network and name. Despite this, Investor's share of the carried interest was 25 percent in EQT V.

**Surplus from management fees**

The investors in EQT's funds pay an average fund fee of 1.5%, exactly as in they do in all funds. The fee covers management costs (legal fees, costs for deals that were not carried out, payroll expenses, business travel expenses, etc.) for the activities. Any surplus is currently shared between Investor and EQT. The distribution of the surplus is agreed on by the parties and has varied between 0 percent and 50 percent for Investor. In EQT V, Investor receives 50 percent of the surplus. The surplus represents a small portion of Investor's income from EQT's funds.

**Investor's return on EQT's funds, 1994-2006, in SEK billion**

Invested	Value of divested holdings	Carried interest and surplus from management fees	Market value of remaining holdings
12.8	11.7	3.0	8.9

**Other relations between Investor and EQT**

- Investor's board and management, as well as former board and management members, have the possibility to invest in EQT's funds on the same terms and conditions as external investors, at their own risk and with their own money.
  - Since 2006, not Investor's CEO.
- Anders Scharp has a board seat in one EQT holding (Nederman) for which he receives a board fee and has the right to invest in the company.
- Anders Scharp, Sune Carlsson and Peter Wallenberg are industrial advisers to EQT's funds and receive an annual fee ranging between EUR 15,000 and EUR 25,000.
- Claes Dahlbäck, former chairman and CEO of Investor, is chairman of EQT's funds, for which he is paid an annual fee. Claes Dahlbäck has also invested in the funds and receives part of the carried interest. This information has been disclosed in previous annual reports.

**For further information:**

Oscar Stege Unger, Acting Head of Corporate Communications and Head of Investor Relations: +46 8 614 2059, mobile +46 70 624 2059