

## Hakon Invest announces mandatory offer for Hemtex AB (publ)

As previously announced on April 24, 2009, Hakon Invest AB ("Hakon Invest") has acquired 2,394,000 shares in Hemtex AB ("Hemtex"), corresponding to 8.2 per cent of shares and votes in Hemtex and thereafter owns 34.6 per cent of the shares and votes in Hemtex. As a consequence hereof, Hakon Invest is announcing a cash offer (the "Offer") to the other shareholders in Hemtex in compliance with Swedish rules for mandatory offers. Hemtex is listed on NASDAQ OMX Stockholm ("NASDAQ OMX") in the segment Mid Cap.

- Hakon Invest is offering SEK 23 cash per share together with an add-on premium of SEK 4 per share which will be payable if Hakon Invest in the Offer reaches a shareholding exceeding 50% of the shares and votes in Hemtex.
- The cash consideration of SEK 23 per share offered represents a premium of 22.0 per cent on the volume-weighted average share price during the 30 business days before April 24 when Hakon Invest came into mandatory bid position. Compared with the volume-weighted average share price during the period January 1– April 23 2009 the consideration represents a bid premium of 34.9 per cent. Based on the closing price on 23 April, 2009, the last trading day before Hakon Invest came into mandatory bid position, the premium is 2.2 per cent.
- The cash consideration of SEK 27 per share (which includes the add-on premium) represents a premium of 43.3 per cent on the volume-weighted average share price during the 30 business days before April 24 when Hakon Invest came into mandatory bid position. Compared with the volume-weighted average share price during the period January 1– April 23, 2009, it represents a bid premium of 58.3 percent. Based on the closing price on April 23, 2009, last trading day before Hakon Invest came into mandatory bid position, the premium is 20.0 per cent.
- The Offer Document is expected to be published on May 26, 2009. The acceptance period is expected to be running during the period May 28–June 22, 2009. The settlement date is expected to be completed on or about June 29, 2009.

*"Hakon Invest is a long-term and active owner in Hemtex. We have faith in Hemtex's potential to continue to grow in a positive direction with long-term improvements to sales and earnings. There are current measures on-going within Hemtex in order to improve profitability and customer offering. The weakened economic situation means that we do not expect any significant improvements in the short term", says Claes-Göran Sylvén, CEO of Hakon Invest.*

*"Hakon Invest has increased its ownership in Hemtex and thus exceeded the level of 30 per cent which means we have to make a bid for the remaining shares in Hemtex. In light of the recent share price development of Hemtex we believe that our offer is competitive. We want to increase our ownership in Hemtex, but whatever the outcome in this offer, we will remain as a long-term and responsible owner in Hemtex", Claes-Göran Sylvén continues.*

**Background and reasons**

Hemtex is the leading home textile chain in the Nordic region, with stores in Sweden, Finland, Denmark, Norway, Estonia, and Poland. Under a common brand, the stores sell products for the home, with a focus on home textiles.

Hakon Invest has been a shareholder in Hemtex since February 2008. Through the purchase of 8.2 per cent of the shares in Hemtex, Hakon Invest's ownership increased from 26.4 per cent to 34.6 per cent of the shares and the votes, which prompted the mandatory offer according to chapter 3, §1 in the Swedish Act (2006:451) on Public Takeovers.

During recent years, Hemtex has had a gradually deteriorating sales and profitability development, which according to Hakon Invest's assessment is primarily due to a far too short-term outlook. Recurrent sales in combination with a market communication focused on product and price has given negative consequences as well as restricted efficiency in the supply chain. Furthermore, the general weakened economic situation has also had its effect on Hemtex. Hakon Invest supports the strategic direction that the company has outlined which includes a strengthening of the customer offering through inspiration, assortment development and value-for-money in addition to a more efficient run store operations.

Hakon Invest is going to as a continued principal shareholder be a driving force in the development of the operations. Hakon Invest believes it is an advantage to be active and responsible in this process from a majority position and is therefore prepared to offer the other shareholders a special add-on premium in the case that Hakon Invest achieves a majority position in Hemtex.

**Hemtex's rights issue**

Hemtex is currently carrying out a share issue with preferential rights for existing shareholders. The share issue amounts to SEK 164.3 million before transaction costs. A group of shareholders in Hemtex, including Hakon Invest, has committed to subscribe for its pro rata shareholding, corresponding to in total approximately 58 percent of all new issued shares. In addition, Hakon Invest has agreed to subscribe for the remaining part of the rights issue should the other shareholders be unwilling to subscribe.

The Offer comprises also the newly issued shares. The last day for subscription of shares in the new issue is May 13, 2009. Newly issued shares in Hemtex are expected to be registered at Euroclear Sweden AB well before the end of the acceptance period in Hakon Invest's offer. If the registration would be delayed, the Offer will comprise also the right to receive interim shares ("BTAs") which are registered at Euroclear Sweden AB.

Hemtex's new share issue in progress will continue, unaffected by the Offer.

**Hakon Invest's ownership in Hemtex**

Hakon Invest owns as of April 28, 2009, 10,149,138 shares in Hemtex, corresponding to 34.6 percent of capital and votes. As of April 24, 2009, Hakon Invest acquired 2,394,000 shares of these shares representing 8.2 per cent of the shares and the votes in Hemtex, at a price of SEK 23 per share. Hakon Invest has not acquired any shares in Hemtex during the last six months.

In addition Hakon Invest holds 7,755,138 subscription rights in Hemtex which was received in connection to Hemtex decision on a new issue. The subscription rights entitle subscription for 3,102,055 shares at a price of SEK 14 per share.

Hemtex ongoing rights issue means that the number of shares in Hemtex will increase from 29,337,400 to 41,072,360.

Calculated on the basis of the Hakon Invest's current holdings in Hemtex, Hakon Invest's ownership will be reduced from 34.6 per cent to 32.3 per cent, as Hakon Invest owns fewer subscriptions rights than shares.

Hakon Invest is committed to the subscription for shares corresponding to 26.4 percent of the rights issue. In total, the subscription commitment from current shareholders amount to 58 percent. In addition, Hakon Invest will guarantee the subscription of the shares not subscribed for in the new issue, a maximum 42 percent of new shares.

	Pre- rights issue	Post right issue <sup>1</sup>
Number of shares	10,149,138	13,251,193
Ownership	34.6%	32.3%

**The Offer**

Hakon Invest offers a consideration of SEK 23 per share in cash and an add-on premium of SEK 4 per share which will be payable if Hakon Invest, through the Offer, and together with the shares Hakon Invest owns today and including shares subscribed for in Hemtex's new share issue, receives an ownership in Hemtex of more than 50 per cent of the shares and the votes in Hemtex.

At the price of SEK 23 per Hemtex share, the Offer values all shares in Hemtex at a total of approximately SEK 945 million, and at a price of SEK 27 approximately SEK 1,109 million,

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<sup>1</sup> Provided that Hakon Invest is not required to complete its commitment for the remaining portion not subscribed by other shareholders in the new issue of Hemtex

including additional shares after full subscription of the new issue in Hemtex<sup>2</sup>. Commissions will not be paid.

The cash consideration of SEK 23 per share offered represents a premium of 22.0 per cent on the volume-weighted average share price during the 30 business days before April 24 when Hakon Invest came into mandatory bid position. Compared with the volume-weighted average share price during the period January 1– April 23, 2009, the consideration represents a bid premium of 34.9 per cent. Based on the closing price on 23 April, 2009, the last trading day before Hakon Invest came into mandatory bid position, the premium is 2.2 per cent.

The cash consideration of SEK 27 per share (which includes the add-on premium) represents a premium of 43.3 per cent on the volume-weighted average share price during the 30 business days before April 24, 2009 when Hakon Invest came into mandatory bid position. Compared with the volume-weighted average share price during the period January 1– April 23, 2009 it represents a bid premium of 58.3 percent. Based on the closing price on April 23, 2009, last trading day before Hakon Invest came into mandatory bid position the premium is 20.0 per cent.

Since the value of Hemtex warrants issued and employee stock options are negligible the warrants and stock options are not part of the Offer.

#### **Terms of the Offer**

Completion of the Offer is conditional upon all permissions, approvals, decisions, and other actions of governmental authorities and the like, including by competition authorities, required for the Offer and the acquisition of Hemtex having been obtained in each individual case on terms acceptable to Hakon Invest.

#### **Applicable law and disputes**

Hakon Invest has on 28 April, 2009, in accordance with the Swedish Act on Public Takeover Offers (Sw. lag (2006:451) om offentliga uppköpserbjudanden på aktiemarknaden) contractually agreed with NASDAQ OMX, and hereby undertakes to the shareholders of the Hemtex, to comply with the NASDAQ OMX Rules Concerning Public Takeover Bids in the Stock Market (the "Takeover Rules") and the Swedish Securities Council's rulings regarding interpretation and application of the Takeover Rules (including its rulings with respect to the rules on public offers for the acquisition of shares issued by the Swedish Industry and Commerce Stock Exchange Committee (Sw. Näringslivets Börskommitté)) and to submit to any sanctions imposed by NASDAQ OMX upon breach of the Takeover Rules. Hakon Invest has on 28 April, 2009 informed the Swedish Financial Supervisory Authority about the Offer and about the above undertaking towards NASDAQ OMX.

Any dispute arising out of the Offer shall be settled exclusively by Swedish courts applying Swedish law, with the city court of Stockholm as the court of first instance.

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<sup>2</sup> Including the shares which will be added after full subscription in the share issue, the number of shares in Hemtex will amount in total to 41,072,360

**Compulsory redemption and delisting**

If the Offer wins acceptance to such an extent that Hakon Invest controls more than 90% of the number of shares in the Company, Hakon Invest intends to invoke compulsory redemption of the remaining outstanding shares as per the applicable rules in the Companies Act and to work to delist the Hemtex share on NASDAQ OMX.

**Financing for the Offer**

The acquisition of shares in Hemtex pursuant to the Offer will be funded by Hakon Invest's own cash funds.

**Tentative schedule**

Estimated date of publication of the Offer Document:	May 26, 2009
Acceptance period:	May 27–22 June, 2009
Settlement for consideration is expected to begin:	June 29, 2009

Hakon Invest retains the right to extend the tender period for the Offer. If the tender period is extended, settlement will not be delayed for the consideration to be paid to those who accepted the Offer during the ordinary tender period. However, settlement will not begin until all permissions, approvals, and decisions of governmental authorities and the like required for the Offer have been obtained on terms acceptable to Hakon Invest.

**Financial information**

Hemtex has announced that the Company will submit its year-end report for the fiscal year 2008/2009 on June 11, 2009.

**Advisers**

Erneholm & Haskel and Handelsbanken Capital Markets are financial advisers to Hakon Invest in conjunction with this Offer. Linklaters Advokatbyrå are legal advisers to Hakon Invest in conjunction with this Offer.

Solna, Sweden, April 28, 2009

Hakon Invest AB (publ)

Board of Directors

**For more information, contact:**

CEO  
Claes-Göran Sylvén  
tel +46-8-55 33 99 66

SVP Investments & Portfolio Companies  
Stein Petter Ski  
tel +46-8-55 33 99 44

IR Manager  
Pernilla Grennfelt  
tel +46-8-55 33 99 55

## Appendix

### **About Hakon Invest**

Hakon Invest makes long-term investments in retail companies with a geographic focus on the Nordic and Baltic regions. Our vision, with ownership in ICA AB as a base, is to be the Nordic and Baltic regions' leading development partner for companies in the retail sector. The 40% holding in ICA AB forms the basis of our ownership philosophy and operations. Through active and responsible ownership we contribute to the creation of value growth in ICA and develop our portfolio companies, all of which are independent companies responsible for their own earnings and profitability. The portfolio also includes shares in Forma Publishing Group, Kjell & Company, Hemma, Cervera, inkClub and Hemtex. Added value is created for Hakon Invest's shareholders through value growth in the investments combined with a good dividend yield.

Hakon Invest has been listed on Nasdaq OMX Stockholm since December 2005 and is quoted on the Mid Cap segment. ICA-handlarnas Förbund is the majority shareholder with 67% of the shares. Other shareholders number approximately 12,500. The head office is in Solna, outside Stockholm.

### **Forward-looking statements**

This press release contains forward-looking statements. These statements as they appear throughout this press release are not guarantees of future performance and are subject to inherent risks and uncertainties. Forward-looking statements may be identified by the fact that they do not relate strictly to historical or current facts and include, without limitation, words such as "may," "will," "expects," "believes," "anticipates," "plans," "intends," "estimates," "projects," "targets," "forecasts," "seeks," "could," or the negative of such terms, and other variations on such terms or comparable terminology. Forward-looking statements include, but are not limited to, statements about the expected future business of Hemtex resulting from and following the Offer. These statements reflect Hakon Invest's management's current expectations based upon information currently available to them and are subject to various assumptions, as well as risks and uncertainties that may be outside of their control, including but not limited to the effect of changes in general economic conditions, the level of interest rates, fluctuations in product demand, competition, technological change, employee relations, planning and property regulations, natural disasters and the potential need for increased capital expenditure (such as resulting from increased demand, new business opportunities and deployment of new technologies). Actual results could differ materially from those expressed or implied in such forward-looking statements. Any such forward-looking statements speak only as of the date on which they are made and neither Hakon Invest nor Hemtex undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise.

**Offer Restrictions**

The Offer pursuant to the terms and conditions presented in this press release is not being made to persons whose participation in the Offer requires that an additional offer document is prepared or registration effected or that any other measures are taken in addition to those required under Swedish law.

This press release and any related offer documentation are not being distributed and must not be mailed or otherwise distributed or sent in or into any country in which the distribution or offering would require any such additional measures to be taken or would be in conflict with any law or regulation in such country – any such action will not be permitted or sanctioned by Hakon Invest. Any purported acceptance of the Offer resulting directly or indirectly from a violation of these restrictions may be disregarded.

The Offer is not being made, directly or indirectly, by use of mail or any other means or instrumentality (including, without limitation, facsimile transmission, electronic mail, telex, telephone and the internet) in or into the United States, Australia, Canada, Japan or South Africa, and the Offer cannot be accepted by any such use, means, instrumentality or facility of, or from within the United States, Australia, Canada, Japan or South Africa. Accordingly, this press release and any related offer documentation are not being and should not be mailed or otherwise distributed, forwarded or sent in or into the United States, Australia, Canada, Japan or South Africa.

Hakon Invest will not deliver any consideration from the Offer into the United States, Australia, Canada, Japan or South Africa.

This press release is not being, and must not be, sent to shareholders with registered addresses in the United States, Australia, Canada, Japan or South Africa. Banks, brokers, dealers and other nominees holding shares for persons in the United States, Australia, Canada, Japan or South Africa must not forward this press release or any other document received in connection with the Offer to such persons.