

**Press release****Folksam invests in Northland**

**Northland has announced today that a long-term financial solution has been proposed involving an injection of USD 335 million into the company through a bonds issue.**

A consortium consisting of Folksam, Metso, Norrskenet and Peab is investing a total of USD 100 million – USD 25 million each – in Northland’s bonds. As a result of this investment, the consortium is entitled to appoint four out of seven board members. The aim is to have a controlling interest in the company and to contribute expertise in restoring confidence in the company.

The investment means that Northland will have a new board of directors. The consortium has proposed that Olav Fjell be made chairman of the board and, when the bond offer has been fully subscribed and approved, it will propose a further three board members.

“Folksam’s financial strength gives us the opportunity to engage in interesting business arrangements on a regular basis,” says Anders Sundström, President and CEO of Folksam. “In the long run, we believe this will be a good deal for our customers.”

The basic requirement for the consortium’s involvement and each party’s investment of USD 25 million is that the bond offer is fully subscribed when the subscription period expires (22:00 CET, 30 May 2013).

**Background to Folksam’s investment in Northland**

In January 2013, Northland announced that it did not have sufficient capital to complete its mining project. Folksam initiated discussions with suppliers, the established mining industry and financiers in order to determine whether a debt restructuring solution might be a possibility. The aim of this solution would be to enable the Northland mining project to be completed and achieve full production capacity.

When Northland applied for debt restructuring, Folksam – along with a group of potential co-financiers – investigated and verified the assumptions in Northland’s business plan. A proposal for debt restructuring was subsequently submitted.

Northland’s restructuring advisor chose not to proceed with this proposal; instead, the decision was made to reach an agreement with a large number of stakeholders on a new bond offer. This offer was not fully subscribed and on 24 May, Northland ceased its mining operations.

During the above-mentioned period, the consortium (Folksam, Metso, Norrskenet and Peab) looked into the possibility of a financing solution that would involve the bond offer being fully subscribed. This solution was supplemented with a requirement for four out of seven seats on the board in order to ensure that Northland adheres to a realistic plan in terms of finances and production.

**For further information:**

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**About Folksam**

Folksam is a customer-owned company. We offer insurance policies and pension investments. Almost one in two Swedes is insured with Folksam, and we are one of the largest asset managers in Sweden. Our vision is that people should feel secure in a sustainable world. Read more at <http://omoss.folksam.se/inenglish>