



Consortium acquires Fortum Distribution AB

A Consortium consisting of Borealis Infrastructure, Third Swedish National Pension Fund (AP3), Folksam with subsidiaries and First Swedish National Pension Fund (AP1) ("The Consortium") have today signed an agreement to acquire Fortum Distribution AB, Fortum Corporation's electricity distribution networks in Sweden.

Kerstin Hessius, AP3 CEO, said:

"This infrastructure investment is an excellent fit for the AP3 portfolio. We have been working on the transaction for more than 18 months and are delighted to have reached this successful deal. As a large pension fund with a long-term investment horizon, AP3 and our consortium partners provide a fitting owner for the electricity grid."

Fortum Distribution is the second largest player in the electricity distribution market in Sweden. The company provides 906.000 customers with electricity, representing a market share of approximately 17 per cent.

With the acquisition, Fortum Distribution AB will have new long term and stable owners. The Consortium will continue to develop the Swedish electricity grid in order to safeguard a reliable and qualitative electricity distribution for the best of the customers.

The ownership shares in the Consortium are: Borealis Infrastructure 50.0 per cent, AP3 20.0 per cent, Folksam with subsidiaries 17.5 per cent and AP1 12.5 per cent.

Completion of the transaction is expected during the second quarter of 2015. The acquisition is subject to customary regulatory approvals.

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Borealis Infrastructure Management Inc

Borealis has 16 years of experience originating, structuring and actively managing infrastructure investments on behalf of the Ontario Municipal Employees Retirement System ("OMERS"). OMERS, which was established in 1962, is a large defined benefit Canadian pension plan with over 450,000 members, net assets of CAD \$72bn and an AAA credit rating from Standard & Poor's. OMERS was one of the first large Canadian pension plans to invest in private markets, including infrastructure and has earmarked more than 20% of its portfolio to be allocated to infrastructure investments. Borealis has sourced and currently manages over 20 infrastructure investments in Canada, the United States and Europe, representing over C\$12.7 billion of OMERS' invested equity.

AP3

The Third Swedish National Pension Fund (AP3) is one of five buffer funds – known as AP funds – within the Swedish pension system. Our mission is to guarantee the value of Swedish state pensions over time, hence our interest in long-term infrastructure investments. Together, the five funds hold around 13% of Sweden's income pension system assets. AP3's fund capital totaled SEK 288,332 million at 31 December 2014. The Fund paid SEK 5,120 to the Swedish Pensions Agency during the year to cover the deficit between pension contributions and liabilities. See www.ap3.se for further information about AP3's mission, our asset management operations and our role as an institutional shareholder.

Folksam with subsidiaries

Folksam is a mutual company. We offer insurance and pension savings. Nearly one out of two Swedes are insured by Folksam and we are one of Sweden's largest asset managers. Our vision is for our customers to feel secure in a sustainable world. For more information, please visit www.folksam.se.

AP1

Första AP-fonden is one of five AP funds in the Swedish national income pension system. The capital reserves in the AP funds ensure that pension benefits can be paid even when disbursements from the pension system exceed contributions into it. Första AP-fonden has assets under management of SEK 284 billion (31 Dec. 2014) in a global portfolio comprising equities, fixed income securities, real estate, private equity funds and hedge funds. Första AP-fonden invests to achieve high and long-term sustainable return. More information about Första AP-fonden at ap1.se