

## **MILESTONE'S FOREIGN ASSETS DISPOSED OF AND DOMESTIC ASSETS TRANSFERRED TO ICELAND**

Moderna Finance AB, a subsidiary of Milestone ehf. in Sweden, has concluded agreements for the sale of its insurance company Moderna Försäkringar and its asset management company Aktie Ansvar. The company also intends to sell the life insurance company Moderna Liv and the bank Banque Invik. Furthermore, the company's Icelandic assets, which include Sjóvá, Askar Capital and Avant, will be sold to Milestone and thereby will once more become owned by Icelandic parties. These changes will not affect the operations of the Icelandic companies.

The disposal of Moderna Finance's assets has been concluded in consultation with the Resolution Committee of Glitnir hf., which is Milestone's largest creditor. The disposal of Moderna Finance's assets puts an end to plans for financial restructuring of the Swedish Moderna Group, on which the company's owners and Glitnir's Resolution Committee have been working in recent weeks.

The restructuring, which was aimed at safeguarding creditors' interests, required in part that Glitnir provide the companies with new capital to refinance their loans. Due to steadily deteriorating market circumstances, however, and a considerable lack of confidence on the part of Swedish parties towards Icelandic ownership, these plans could not be realised and as a result Glitnir will not provide the Swedish companies with new capital.

Both the Resolution Committee and Milestone's management agree in the assessment that, under the current circumstances, Icelandic interests are best served by disposing of the foreign assets of the Moderna Group and transferring its domestic assets back to the parent company in Iceland.

The estimated sales value of the Moderna Group's foreign assets is considerably lower than it was hoped could be obtained through financial restructuring and the sale of assets at a later date. Milestone's management will, in coming weeks, work on the company's financial restructuring in co-operation with its principal creditors.

Glitnir's Resolution Committee have worked diligently with Milestone's management in recent months to ensure the best result for creditors. It is therefore somewhat disappointing that the plans, to which considerable effort has been devoted, will not achieve the desired results.

### **FURTHER INFORMATION**

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