

**The Board of Directors' of Aktiebolaget Industrivärden resolution –  
subject to approval by the general meeting of shareholders – to raise a  
loan by way of an issue of convertible bonds**

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- A. Aktiebolaget Industrivärden launches an offering of not more than EUR 550,000,000 convertible bonds due 2017.

The purpose of the offering is to strengthen Industrivärden's liquidity and provide it with greater financial flexibility to capture attractive investment opportunities as well as strengthen Industrivärden's ability to maintain and act for the purpose of creating shareholder value by taking advantage of the opportunity to access capital from primary markets exhibiting strong demand for convertible instruments.

- B. The Board resolved that the Company shall raise a loan at a par value of not more than EUR 500,000,000 or, in case the participating banks exercise the option granted by the Company to allot additional amounts of not more than EUR 50,000,000 (the "Option"), in total not more than EUR 550,000,000 raised by the Company and – subject to the shareholders' meeting approving the Board's present resolution on an issue – that the loan shall be convertible into Class C shares in the Company, and, for the rest, on the following terms and conditions.

1. The convertible bonds may, with deviation from the shareholders' pre-emptive right, only be subscribed for by each of Svenska Handelsbanken AB (publ) ("Handelsbanken") and Morgan Stanley & Co. International plc ("Morgan Stanley") or by institutional investors contacted beforehand, designated by each of Handelsbanken and Morgan Stanley.
2. The convertible bonds shall be issued and subscribed for at a price equal to 100 percent of their principal amount.
3. The loan carries an annual interest rate of 1.875 percent. The interest falls due on June 1 and December 1 each year, starting on June 1, 2011.
4. The convertible bonds shall be subscribed for not later than February 8, 2011. However, the Board shall have the right to extend the subscription period.

5. The convertible bonds shall be paid in cash not later than February 8, 2011. However, the Board shall have the right to postpone the settlement date.
6. Bondholders are entitled to convert, at any time during the period from March 9, 2011 up to the date falling 28 calendar days prior to February 27, 2017, all or part of the loan amount into C shares in the Company. The Company will have the option to call a conversion by giving of notice 27-35 calendar days prior to February 27, 2017, in which case the Company will have to pay to the bondholder the difference between the principal amount of the bonds and the value of the underlying shares to be calculated pursuant to the terms and conditions for the convertible bonds.
7. The total amount by which the share capital may be increased on account of the conversion of the convertible bonds shall – at a conversion price of SEK 162.00 (after recalculation at a fixed exchange rate EUR/SEK set out in the terms and conditions for the convertible bonds) – amount to not more than SEK 68,520,834 excluding the Option and not more than SEK 75,372,917 including the Option.
8. The terms and conditions for the convertible bonds include customary adjustment conditions in respect of the conversion price on the occurrence of certain corporate events (e.g. dividends, bonus issues and share issues). The terms and conditions further include adjustment conditions on the occurrence of certain other events, such as a change of control. The terms and conditions also contain provisions on redemption of the convertible bonds on the occurrence of certain events.
9. The loan falls due on February 27, 2017 to the extent the conversion has not taken place before such date.
10. New shares issued upon conversion of the convertible bonds shall entitle the holder thereof to participate in the distribution of dividend for the first time on the record day that occurs immediately following the registration of the new shares in the Company's share register.

11. The complete terms and conditions for the convertible bonds are set forth in Appendix 1.
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The Board's report and the statement by the auditors pursuant to Chapter 15, section 8 of the Swedish Companies Act are set forth in Appendices 2 and 3.

The above resolutions shall be valid where supported by shareholders holding not less than 2/3 of both the votes cast and shares represented at the General Meeting.

- C. If the Board's resolution on January 11, 2011 to issue the convertible bonds is not approved by the General Meeting, any outstanding convertible bonds will constitute bonds without right to be converted into C shares. Upon exercise of conversion rights the Company will instead pay a cash amount corresponding to the value of the underlying shares to be calculated pursuant to the terms and conditions for the convertible bonds. The Company will also, within 30 calendar days of any General Meeting held on or prior to November 30, 2011 where the issue of the convertible bonds is not approved, be entitled to redeem all but not some of the outstanding bonds at a cash amount to be calculated pursuant to the terms and conditions for the convertible bonds.
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## **Background and Reasons**

The reasons for deviating from the shareholders' pre-emptive right are the following.

The Board believes that the offering strengthens Industrivärden's ability to maintain and act for the purpose of creating shareholder value by taking advantage of the opportunity to access capital from primary markets exhibiting strong demand for convertible instruments. Accordingly, the Board judges that the most appropriate alternative is to launch a directed convertible bond issue to a conversion price in line with the current net asset value. The offering of the convertible bonds is to be directed at institutional investors only, and in line with market practice for convertible bond transactions in

Europe, the convertible bonds are to be marketed principally to European institutional investors who have specialized knowledge of such instruments.

The size of the offering, issue price, coupon and conversion premium were determined on the basis of a bookbuilding carried out on January 11, 2011.

In connection hereto the Board resolved to

- A. authorize the managing director or the person/persons designated by him to take the resolutions as to whether the convertibles shall be listed, apply for listing and arrange for the necessary documentation for this purpose to be prepared, including an Offering Circular,
  - B. authorize the managing director or the person/persons designated by him to sign and issue all necessary documentation and necessary agreements, including Subscription Agreement, Trust Deed and Paying, Transfer and Conversion Agency Agreement and to take the required measures for implementation of the issue,
  - C. authorize the managing director to make such small adjustments of this resolution as may prove required in connection with the registration with the (Swedish) Companies Registration Office and/or Euroclear,
  - D. assign to the managing director or the person/persons designated by him to inform the market in accordance with applicable rules.
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