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## PRESS RELEASE

**Stockholm, January 11, 2011**

### **Industrivärden has decided to issue convertible bonds under its offering**

**The Board of AB Industrivärden (“Industrivärden” or the “Company”) is pleased to announce that it has decided to issue €500 million principal amount of convertible bonds (the “Bonds”) due 2017 (the “Offering”). The size of the Offering remains subject to increase pursuant to the option granted by the Company to the Sole Bookrunner in respect of up to an additional €50 million principal amount of Bonds, exercisable up to the close of business three business days prior to the issue of the Bonds.**

#### Summary Terms of the Offering:

- Securities: Directed issue of bonds convertible into new Class C shares
- Issue size: €500 million (subject to increase as described above)
- Maturity date: February 27, 2017
- Status: Senior and unsecured
- Initial conversion price: SEK162.00 per share
- Coupon: 1.875% per annum, payable semi-annually (save for short first and final coupons)
- Underlying shares: 27.4 million new Class C shares based on full conversion at initial conversion price
- Investors: The Bonds were marketed principally to European institutional investors

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The Bonds will carry a semi-annual coupon of 1.875% per annum and will (subject as described below) be convertible at any time from March 9, 2011 up to and including January 30, 2017 into new C shares of the Company (the "C Shares") at an initial conversion price of SEK162.00, which represents a premium of 35.0% above the volume weighted average price of the C Shares on NASDAQ OMX Stockholm from launch to pricing. Upon conversion in full of the Bonds at the initial conversion price of SEK162.00 (and using the fixed EUR/SEK exchange rate of 8.8803 set out in the terms and conditions of the Bonds) Industrivärden's share capital would increase by SEK68.5 million, and 27.4 million new C Shares would be issued (based on the current par value of SEK 2.50 per C Share).

The Board of Industrivärden 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 of Industrivärden judges that the most appropriate alternative is to launch a directed convertible bond issue at a conversion price in line with the current net asset value. The Offering of the Bonds was directed at institutional investors only, and in line with market practice for convertible bond transactions in Europe, the Bonds were marketed principally to European institutional investors who have specialized knowledge of such instruments. Accordingly, the Board of Industrivärden has decided to disapply normal shareholder pre-emption rights.

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

The right to convert the Bonds into C Shares is subject to the passing of a resolution at an extraordinary general shareholders' meeting of the Company. If such resolution is not passed the Bonds will, upon conversion, be cash-settled until such time as the necessary resolution is passed. In addition, if the resolution is not passed at any general meeting of the Company held on or prior to November 30, 2011, the Company may elect to redeem all but not some of the Bonds at a premium to their principal amount. An extraordinary general meeting of shareholders to, inter alia, pass the resolution is expected to be held around February 9, 2011. Handelsbanken Pension Foundation, Handelsbanken Pension Fund, and other related entities; SCA Pension Foundation, SCA Group Holding and other related entities; and L E Lundbergföretagen and related entities in aggregate representing approximately 53% of the Company's share capital and 73% of the voting powers, have expressed their support for the resolution.

The Bonds will be issued and redeemed in cash at 100% of their principal amount (other than where the Company redeems the Bonds early as described above), and unless previously redeemed, converted or purchased and cancelled, will mature on February 27, 2017. The Company will have the option to redeem all but not some of the Bonds from June 22, 2014 at their principal amount, together with accrued interest, if the aggregate value of the C Shares deliverable on conversion of a principal amount of EUR 50,000, translated into EUR at prevailing rates, exceeds EUR 65,000 over a specified period.

The date of issue of and settlement and delivery for the Bonds is January 27, 2011.

Application will be made for the Bonds to be listed and traded on the EuroMTF Market of the Luxembourg Stock Exchange.

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Handelsbanken Capital Markets and Morgan Stanley & Co. International plc are acting as Joint Lead Managers for the Offering. Morgan Stanley & Co. International plc is acting as Sole Bookrunner for the Offering.

## **About Industrivärden – Long-term industrial developer of listed Nordic companies**

Industrivärden is one of the Nordic region's leading holding companies, with ownership in a concentrated selection of listed Nordic companies with good development potential. The goal is to generate high growth in net asset value over time.

More information is available at [www.industrivarden.net](http://www.industrivarden.net)

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