Press release

Stockholm, February 8, 2012

Investor AB's Board of Directors recommendation on conversion clause

At the Annual General Meeting 2011, Investor's Board of Directors communicated that it had initiated a review of introducing a conversion clause in Investor AB allowing shareholders to convert class-A shares to class B-shares. The Board of Directors would revert with a recommendation ahead of the AGM 2012.

The Board's review acknowledges certain advantages of a conversion clause including an increased flexibility and liquidity for A-shareholders and a potential elimination of the price discrepancy of A-shares and B-shares. However, the Board's view is that an introduction of a conversion clause could also entail disadvantages for some of Investor's shareholders. For example, it cannot be precluded that an increase in the value of the A-shares (elimination of a negative spread), would be compensated by a corresponding decrease of the value for the B-shares, i.e. there could be an economic value transfer from the holders of B-shares to holders of A-shares. Introducing a conversion clause may result in non-converting A-shareholders gaining additional voting power. For certain shareholders, such an indirect impact on the relative voting power could also trigger or affect investment restriction levels, disclosure requirements, control assessments under antitrust regulations, etc.

Several of Investor's portfolio companies have a dual share classes since many years and most of the current shareholders have made their investment decisions based on such structure. We believe these structures are working well and that the size of the respective classes is well suited and currently see no reason to change them.
In addition, Investor's ownership model and strategy of being a reference shareholder is supported and enhanced by the dual class share system. Any measures which may increase the risk of eroding the dual class share system long-term would therefore not be in the best interests of the shareholders of Investor.

Thus, under current circumstances, the conclusion of the review is that there are risks of disadvantages to shareholders which are not outweighed by potential advantages by introducing a conversion clause and the Board of Directors consequently would not recommend an introduction of a conversion clause.

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