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PRESS RELEASE

Industrivärden calls for redemption of 2015 convertible bond worth EUR 500 M

In January 2010 Industrivärden issued a five-year convertible bond worth EUR 500 M in the European convertible bond market. The bond carries a coupon of 2.5%.

During the last two years, the convertible has been “in the money,” thus prompting convertible owners to continuously call for conversion to new stock. As per today’s date, approximately 63% of the convertible bond has been converted to 29,155,388 new Class C shares. An additional 16,937,873 new Class C shares will thereby be created upon full conversion.

In accordance with the terms of the convertible, Industrivärden has the right to demand early redemption of the entire bond in the event the share price exceeds the conversion price by 30% during an uninterrupted 20-day period. This condition has now been met, which is why early redemption (a “soft call”) has been demanded. Convertible owners have the right to elect redemption of the bond at its nominal value or conversion to stock. In view of the current share price, it is financially rational for convertible owners to choose conversion to new Class C shares.

Upon full conversion of the bond, the number of Class C shares in Industrivärden would increase by 46,093,261 to a total of 432,364,485, whereby shareholders’ equity would increase by EUR 500 M. Conversion entails an increase in the number of votes by 1.6% and in shareholders’ equity by 11.9%.

Commenting on the redemption, Anders Nyrén, President and CEO of Industrivärden, said: *“Through this convertible bond we took advantage of favorable market conditions to secure attractive financing for a long-term ownership position in Volvo – a world-leading provider of modern, commercial transport solutions. A key precondition was our good credit quality, which we also benefited from when we issued a subsequent convertible bond and exchangeables. With the conversion of this bond we have carried out a new issue, without financial dilution for the shareholders, in an investment company that is traded at a discount to net asset value. Industrivärden will gain SEK 5.9 bn in equity. This increases our flexibility and investment capacity, which will benefit Industrivärden and its shareholders.”*

Stockholm, June 2, 2014

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