

## PRESS RELEASE

### Notice of Annual General Meeting 2008

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**Shareholders of AB Industrivärden (publ) are hereby invited to attend the Annual General Meeting to be held at 2 p.m. on Tuesday, April 15, 2008, at the Grand Hotel, Vinterträdgården room (entrance at the corner of Stallgatan/Blasieholmsgatan), in Stockholm.**

#### **A RIGHT TO ATTEND AND NOTIFICATION**

Persons who on April 9, 2008, are registered as shareholders in the shareholder register maintained by VPC AB and who have notified the Company of their intention to attend the Annual General Meeting by not later than 3 p.m. on April 10, 2008, have the right to attend the Annual General Meeting. Notification can be made by post to AB Industrivärden (publ), Box 5403, SE-114 84 Stockholm, Sweden; by phone at +46-8-666 64 00; by fax at +46-8-661 46 28; or by e-mail at [agm@industrivarden.se](mailto:agm@industrivarden.se). Notification by e-mail requires receipt of confirmation (within 24 hours) that notification has been made. Notification can also be made using the form on Industrivärden's website: [www.industrivarden.net](http://www.industrivarden.net). (Upon notification, shareholders must provide their name, national ID number/corporate registration number, address and phone number.) The same dates, addresses, etc. apply for notification of any assistants accompanying the shareholder. Powers of attorney, certificates of incorporation and other authorization documents must be available at the Annual General Meeting, and to facilitate entry to the Meeting, they should be sent to the Company not later than April 10, 2008. Any powers of attorney must be shown in original and may not be older than one year. The Company provides power of attorney forms on its website: [www.industrivarden.net](http://www.industrivarden.net).

Shareholders whose shares are registered in the name of a nominee must, in order to be entitled to attend the Meeting, request that their nominee re-register their shares in their own names, so that the shareholder is registered in the shareholder register on April 9, 2008. Such registration may be temporary.

#### **B ITEMS OF BUSINESS**

##### **B1 Proposed agenda**

- 1 Opening of the Meeting
- 2 Election of a chairman to preside over the AGM
- 3 Drawing-up and approval of the register of voters
- 4 Approval of the agenda
- 5 Election of persons to check the minutes
- 6 Decision as to whether the AGM has been duly convened
- 7 Presentation of:
  - a. the annual report and audit report, and of the consolidated accounts and audit report for the Group,
  - b. the auditors' statement on whether the guidelines for compensation of senior executives, which have applied since the previous Annual General Meeting, have been followed,
  - c. the Board's proposed distribution of earnings and statement in support of such proposal.

8 Decisions concerning:

- a. adoption of the Income Statement and Balance Sheet, and the Group Income Statement and Group Balance Sheet,
- b. distribution of the Company's earnings as shown in the adopted Balance Sheet
- c. decision on the record date, in the event the AGM resolves to distribute earnings
- d. discharge from liability to the Company of the members of the Board of Directors and the President

9 Decision on the number of directors

10 Decision regarding directors' fees for each of the Company directors

11 Election of directors and the Chairman of the Board

12 Decision on auditors' fees

13 Decision on a nominating committee

14 Decision on the Board's proposal for a share-related incentive program

15 Decision on the Board's proposed guidelines for executive compensation

## **B2 Dividend**

The Board of Directors and President propose a dividend of SEK 5.00 per share.

April 18, 2008, has been proposed as the record date for payment of the dividend. Provided that the Annual General Meeting votes in favor of this proposal, dividends are expected to be sent from VPC AB on April 23, 2008.

## **B3 Election of a chairman to preside over the AGM, directors, etc.**

The Nominating Committee has consisted of Tom Hedelius, Chairman of the Board; Bo Damberg, Jan Wallanders och Tom Hedelius Stiftelse; Curt Källströmer, Handelsbanken Pension Foundation, Handelsbanken Pension Fund and others; Ulf Lundahl, LE Lundbergföretagen and Anders Nyberg, SCA pension foundations and others. Curt Källströmer served as Nominating Committee Chair. The Nominating Committee has made the following recommendations:

### **Chairman to preside over the AGM**

Attorney Sven Unger.

### **Number of directors**

Eight directors and no deputies (unchanged).

### **Directors' fees**

SEK 1,200,000 for the Chairman of the Board, SEK 800,000 for the Vice Chairman of the Board, and SEK 400,000 for each of the other non-executive directors. The recommendation represents an increase of 8% compared with previously. No separate fee is paid for committee work.

### **Directors**

Re-election of Boel Flodgren, Lars O Grönstedt, Tom Hedelius, Finn Johnsson, Fredrik Lundberg, Sverker Martin-Löf, Lennart Nilsson and Anders Nyrén.

Recommendation of Tom Hedelius as Chairman of the Board.

## **Auditors' fees**

Fee on account (unchanged).

## **Nominating committee**

The Annual General Meeting assigns the Chairman of the Board with the task of contacting four shareholders from among the largest registered shareholders in terms of votes in VPC's printout of the shareholder register on August 29, 2008, who each appoint one representative who is not a director on the Company's board, to form together with the Chairman of the Board a nominating committee for the time until a new nominating committee has been appointed based on the mandate from the next year's Annual General Meeting. The Nominating Committee shall appoint a committee chair from among its members. The composition of the Nominating Committee shall be made public not later than six months before the 2009 Annual General Meeting. No fee is payable for work on the Nominating Committee. If a member leaves the Nominating Committee before its work has been completed, and if the Nominating Committee is of the opinion that there is a need to replace said member, the Nominating Committee shall appoint a new member. Any change in the Nominating Committee's composition shall be announced immediately.

## **B4 The Board's proposal for a share-related incentive program**

### Background and motives

Industrivärden currently lacks a long-term variable compensation program for its employees. Industrivärden has no share-related incentive programs. The Board is of the opinion that such a program should be introduced. A share-related incentive program would enable the employees' compensation to be linked to the Company's future net asset value development. A premium would thereby be attached to long-term growth in the value of Industrivärden's stock. It is believed that an incentive program would help the Company recruit and retain key employees.

After comparing with several other programs, the Board has found that the most suitable program for Industrivärden is an offer to acquire stock options.

### Proposal in brief

Industrivärden shall make an offer to all employees to buy stock options. Each option will entitle its holder to buy one share of Industrivärden Class C stock. The program covers a maximum of one million options. The employees will pay a market price for the options. Under the condition that the employee continues to work for Industrivärden three years after buying the options, the Company will provide a subsidy for the option purchase. Most of the Company's costs for the subsidy will be paid for by revenue earned from the sale of the options, i.e., net there will be no cost for the Company in this respect. It shall be possible to use the options to buy shares during the period July 1, 2008 – May 31, 2013. Upon exercise of the options, shares will be purchased from a financial institution that Industrivärden has an agreement with for this purpose. The program therefore does not entail any new issue of shares. There will thus be no dilution. As a result of the agreement with the institution, Industrivärden will receive revenue if the share price rises and incur an expense if the share price falls.

### Terms of the option program

1. Each option entitles its holder to buy one share of Class C stock in Industrivärden.

2. The CEO (category 1) shall be able to buy a maximum of 125,000 options. Executive Vice Presidents and the President of Nordinvest (category 2) shall be able to buy a maximum of 85,000 options each. Other executives in leadership positions and key persons in the investment operation, totaling eight persons (category 3), shall be able to buy a maximum of 65,000 options each. Other employees (category 4) shall be able to buy a maximum of 25,000 options each. In the event of oversubscription, the options shall be allocated proportionally in relation to the number subscribed by employees in categories 3 and 4, and in other respects according to the number subscribed; however, no one shall be granted more options than the maximum number specified for each respective category. In the event of undersubscription, no additional grants shall be made.
3. A market price shall be set for the options (a premium), which shall be based on the volume-weighted average of the quoted price paid for Industrivärden Class C shares listed on the OMX Nordic Exchange Stockholm according to its official price list during the period May 7-14, 2008. Calculation of the premium shall be conducted by Svenska Handelsbanken using a generally accepted valuation model. The amount calculated in this manner, rounded off to the nearest full ten öre (SEK 0.10), shall be considered to constitute a going rate premium.
4. The Company shall pay cash compensation to the option buyers corresponding to 75% of the option premium paid (gross before tax). Such compensation will be paid after three years from the time the options were purchased, provided that the employee concerned is still employed within the Industrivärden Group and still holds all options acquired from Industrivärden or shares acquired through the exercise of such options.
5. Application to purchase options shall be made during the period May 7–15, 2008.
6. It shall be possible to exercise the options to buy Class C shares of Industrivärden stock during the period July 1, 2008 – May 31, 2013.
7. The price per share (the exercise price) shall correspond to 110% of the volume-weighted average of the quoted price paid for Industrivärden Class C shares listed on the OMX Nordic Exchange Stockholm according to its official price list during the period May 7-14, 2008, rounded off to the nearest full krona, whereby fifty öre (SEK 0.50) shall be rounded downwards.
8. The number of shares that the options carry entitlement to purchase, and the exercise price, may be recalculated due to, among other things, bonus issues, stock splits or reverse splits, new issues or reductions in the share capital or similar measures. The date for transfer of the shares may be set at an earlier date as a result of a merger or similar measure.

#### The program's financial structure: Hedging measures

1. The Board intends to hedge the Company's undertaking with respect to the stock options by entering into a swap agreement with a financial institution. The institution will sell shares to the employees who want to exercise their options.
2. The Company will pay compensation interest to the institution. The Company will receive from the institution an amount corresponding to the dividend from the shares covered by the swap agreement.  
*Example:* Upon entering the swap agreement, the institution will buy one million shares at SEK 100 per share, i.e., an expense of SEK 100 million. The annual interest under the swap agreement is 5%. After five years, all options are exercised and the swap agreement is closed, i.e., it ends. The Company will then have paid SEK 25 million in compensation interest to the institution. With the current dividend level of SEK 5 per share, the institution would then have paid SEK 25 million to the Company.

3. In the event of a rising share price, the Company will earn net revenue. It can amount at most to the difference between the share price upon conception of the swap agreement and the exercise price, multiplied by the number of shares covered by the share swap. In the event of a falling share price, an expense will be incurred by the Company. This can amount at most to the difference between the share price upon conception of the share swap and the share price at the close of the share swap, multiplied by the number of shares covered by the share swap.

#### No dilution

When the options are exercised, this will be done through the purchase of previously issued shares. The program does not entail any new share issue. There is thus no dilution. The option program entails the right to purchase a combined total of one million Class C shares, corresponding to approximately 0.3% of the total number of shares in the Company and approximately 0.04% of the total number of votes.

#### Drafting of the proposal

The proposal was drafted by the Board's compensation committee.

#### Authorization

The Board proposes that the Annual General Meeting authorize the Board to decide on the minor changes in the terms for the options that may be necessary for registration of the options on the register with VPC AB.

#### Majority requirement

The Annual General Meeting's decision in favor of the Board's proposal is valid if it has the support of shareholders representing more than half of the represented votes.

### **B5 The Board's proposed guidelines for executive compensation**

Compensation paid to the CEO and other members of the executive management shall consist of a base salary, a variable salary component, other benefits and pension. The total compensation should be in line with the going rate in the market and competitive, and shall be commensurate with the executive's responsibilities and authority. The variable component consists of a short-term variable salary component (yearly) and a long-term variable salary component. The variable salary component shall be maximized to and never exceed the base salary. The short-term variable salary component is based on outcome in relation to set targets, and by individual performance. The long-term variable salary component is based on an incentive program coupled to the Company's long-term share price development. None of the variable components are pensionable. Upon cancellation of an executive's employment contract by the Company, a two-year term of notice applies. There should not be any severance pay. Pension benefits shall be either defined-benefit or defined-contribution, or a combination of both, and give the members of the executive management the right to retire from 60 years of age, depending on their position. The Board may depart from these guidelines if there are special reasons for doing so in individual cases.

## **C DOCUMENTS**

Accounting records, audit report and auditors' statement, the Board's proposed distribution of earnings and statement in support of such, as well as the Board's complete proposal for a share-related incentive program, will be on hand for the shareholders at the Company two weeks before the Annual General Meeting. These documents will at that time also be published on the Company's website, [www.industrivarden.net](http://www.industrivarden.net), and will be sent to shareholders at their postal address upon request. The documents will also be available at the Annual General Meeting.

## **D NUMBER OF SHARES AND VOTES IN THE COMPANY**

The total number of shares in AB Industrivärden is 386,271,224. The total number of votes is 280,319,786.

Stockholm, March 2008

*The Board of Directors*  
AB Industrivärden (publ)