The Board of Directors’ proposal for a share split and redemption procedure

Stockholm, Sweden, February 2, 2005: The financial position of the Group is strong due to a number of years with strong cash flow performance and the recent disposal of the professional electric tools business for a total price of MSEK 4 705. It is the Board of Directors’ opinion that the Group’s current financial position is more than adequate to support the Group’s strategy and financial targets.

In order to adjust the Group’s balance sheet to a more efficient structure, the Board of Directors proposes to the Annual General Meeting a share redemption procedure, whereby every share is split into 3 ordinary shares and 1 redemption share. The redemption share is then automatically redeemed at SEK 20.00 per share. This corresponds to a total of MSEK 4 192. Combined with the proposed dividend of SEK 9.00 per share, shareholders will receive MSEK 6 078.

The redemption is subject to approval at the Annual General Meeting 2005 on the following:

- The articles of association are amended. The nominal value of each share is reduced to SEK 1.25. Redeemable C shares are introduced.
- Reduction of the share capital through redemption of 139 899 016 A shares and 69 703 168 B shares, and reduction of the share premium reserve.
- A directed issue of new C shares to a bank in order to speed up the redemption procedure.
- Reduction of the company’s share capital through redemption of all C shares, subject to court approval.

Trading in the redemption shares is estimated to take place on Stockholmsbörsen on May 17 – June 7, 2005, after which the redemption shares will automatically be redeemed. The payment of the redemption price is estimated to be made around June 15, 2005.