



D. CARNEGIE & CO.

Press release, 2 July 2014

Further information ahead of extraordinary general meeting in D. Carnegie & Co

In connection with the previously announced acquisition of Hyresbostäder i Sverige II AB's ("HBS II") property portfolio, D. Carnegie & Co AB (publ) ("D. Carnegie & Co" or the "Company") will hold an extraordinary general meeting today. At the general meeting, the board of directors has proposed that it be authorised to adopt resolutions governing issues of securities. D. Carnegie & Co hereby provides further information in order to illustrate how the board of directors intends to use such authorisation.

Issue in kind to the owners of HBS II

The board of directors has proposed that the general meeting resolves to authorise the board of directors to adopt a resolution concerning an issue in kind of not more than 26 million class B shares and convertible bonds of an aggregate nominal value of not more than SEK 1,020,000,000. The purpose of the proposal is that in connection with closing of the acquisition of HBS II, the board of directors will pay a portion of the purchase price in securities in the Company consisting of 26 million class B shares at a subscription price of SEK 48 per class B share and three convertible bonds, each with a value of SEK 340 million. The convertible bonds carry an annual interest rate of 5 per cent with maturity dates and conversion rates as set forth below.

Maturity date	Conversion rate
30 June 2016	SEK 50.90
30 June 2018	SEK 66.50
30 June 2019	SEK 76.00

The board of directors' reason for proposing that the shareholders authorise the board of directors to adopt resolutions concerning issues in kind, rather than allowing the general meeting to adopt resolutions in this respect, is to achieve flexibility and efficiency in the negotiations with the shareholders in HBS II.

Rights issue

The board of directors has further proposed that the general meeting resolves to authorise the board of directors to adopt resolutions concerning issues of new shares subject to pre-emption rights for the existing shareholders of class A and class B shares. The reason why the board of directors has proposed that the general meeting resolves to authorise the board of directors to



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adopt a resolution concerning a rights issue is to enable the Company to rapidly and efficiently finance itself. The background to this proposal is that the Company is currently in an expansive phase and wishes to be able to request additional capital from the shareholders on short notice in order to be able to take advantage of attractive business opportunities.

Further information in respect of the acquisition of HBS II

For further information in respect of the terms and conditions governing the Company's acquisition of HBS II, please refer to the press release dated 13 June 2014, which is available on the Company's website as stated below.

Ulf Nilsson, CEO, comments:

"Through the acquisition of HBS II we will by far surpass our growth targets and must therefore strengthen our capital base by paying a portion of the purchase price in newly issued shares. By also issuing convertible bonds we will be able to acquire a large portfolio of moderately leveraged properties."

For further information, please contact:

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Further information is available on www.dcarnegie.se.

About D. Carnegie & Co

D. Carnegie & Co is a real estate company focusing on residential properties within the Stockholm region and other growth areas. The Company's business concept is to own and manage its real estate portfolio and to gradually refurbish apartments in connection with the natural turnover of tenants. This can take place quickly and cost-efficiently due to the Company's established refurbishment method, Bosystem™. The refurbishment model is popular with both tenants and the Swedish Union of Tenants (Sw. *Hyresgästsföreningen*) as the apartments are attractively refurbished without any tenants being forced to vacate the premises against their will.

At the beginning of 2014, Stendörren transferred its residential properties to D. Carnegie & Co and thereby became the owner of a real estate portfolio consisting of residential properties in Stockholm's growth areas. As of 31 December 2013, the market value amounted to SEK 2,929 million and the total rental value was estimated to amount to SEK 287 million per year. The financial leasing rate is high and none of the properties are vacant. D. Carnegie & Co's real estate portfolio is situated in the Stockholm region. D. Carnegie & Co is listed on NASDAQ OMX First North since 9 April 2014. The Company's Certified Adviser is G&W Fondkommission.