

NOT FOR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA, HONG KONG, JAPAN, NEW ZEALAND, SWITZERLAND, SINGAPORE OR SOUTH AFRICA OR ANY OTHER JURISDICTION IN WHICH THE DISTRIBUTION OF THIS PRESS RELEASE WOULD BE UNLAWFUL

Press Release
Stockholm, Sweden – 17 October 2013

The application period in the on-going preference share offering is shortened due to strong demand

The Board of Directors of Ferronordic Machines AB (publ) ("the Company") has, in consultation with Carnegie Investment Bank AB, decided to shorten the application period in the on-going offering of preference shares ("the Offering").

Following the Board's decision, applications to subscribe for preference shares with payment in cash and/or with payment in bonds are due no later than 17.00 CET on 17 October 2013. The reason for the shortened application period is a very strong demand in the Offering. The shortening of the application period is done in accordance with the terms of the Offering, as described in the press release issued on 9 October 2013 announcing the Offering, as well as the Company's offer to its bondholders, dated 9 October 2013.

FOR FURTHER INFORMATION PLEASE CONTACT

Lars Corneliussen, CEO, Ferronordic Machines group Tel: +7 985 76 32738
Anders Blomqvist, CFO, Ferronordic Machines group, Tel: +46 70 7766 485
or e-mail pr@ferronordic.ru

Also visit www.ferronordic.ru

The information above has been made public in accordance with the Securities Market Act and/or the Financial Instruments Trading Act. The information was published at 08.15 (CET) on 17 October 2013.

IMPORTANT INFORMATION

This press release is not an offering to subscribe for shares in Ferronordic Machines. A prospectus for the share issue presented in this press release will not be published or registered with the Swedish Financial Supervisory Authority (Sw. Finansinspektionen) or any other regulatory authority as the minimum subscription in the issue is SEK 1,000,000 (for the avoidance of doubt the minimum subscription shall always exceed EUR 100,000).

The distribution of this press release may in certain jurisdictions be subject to legal restrictions, and persons who gain access to it, or part of it, should become acquainted with and comply with such legal restrictions. The information in this press release shall not constitute an offering to sell shares or encouragement to buy shares; neither shall there be any sale of the securities referred to herein in any jurisdiction in which such an offering, or encouragement to buy or sell, would require the production of

prospectuses or any other offering documents, or would not be legal without registration or applicable exemptions from registration pursuant to securities legislation in such jurisdictions.

This press release neither constitutes nor represents part of an offering or encouragement of an offering to buy or subscribe for shares pursuant to the US Securities Act of 1933 ("Securities Act"), and the share may not be offered or sold in the US without registration in accordance with the Securities Act or exemptions related to it. The securities noted herein are not offered to the public in the US. Copies of this press release will not be made and it may not be distributed or sent, wholly or in part, directly or indirectly to the United States, Australia, Canada, Hong Kong or Japan, New Zealand, Switzerland, Singapore or South Africa.

Carnegie Investment Bank is acting on behalf of the Company and for no other party in connection with the share issue and will not be liable to any party for the provision of advice in connection with the share issue and/or any other matter to which reference is made in this publication.

Carnegie Investment Bank does not accept any responsibility whatsoever and does not provide any representation, warranty, pledge or guarantee, either explicitly or implicitly, regarding the content of this publication, including its accuracy, its comprehensiveness or its verification, or for any statement that has been made or is intended to be made in connection with the Company and the new shares, or share issue, and nothing in this publication is or shall be relied upon as an undertaking or commitment in this respect, irrespective of the future or the past. In accordance herewith, Carnegie Investment Bank completely disclaims liability to the extent permitted by law, as well as all liability, regardless of whether it pertains to damages, agreements or any other matter that it would otherwise have had in respect of this publication or any such statement.

This press release has not been approved by any authority. This press release is not a prospectus and investors should not subscribe for or purchase securities based only on the information herein. The Company's articles of association, which are registered with the Swedish Companies Registration Office and are available at the Company, should be reviewed for a full understanding of the terms and conditions for the preference shares and the conversion right.

This press release contains forward-looking statements that reflect executive management's current view of future events and potential financial development. While the Company believes that the expectations described in such statements are reasonable, there is no guarantee that these forward-looking statements will be realized or prove correct. Thus, as a result of various factors, the outcome could differ markedly from that stated in forward-looking statements. You are urged to read this press release and the Company's articles of association and other investment presentations for a further discussion of the factors that could affect Ferronordic Machines' future performance and the industries within which the Company is active. In the light of these risks, uncertainties and assumptions, it is possible that the events described in the forward-looking statements in this publication will not transpire.