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Press release 16 July 2013

Bong announces issue terms

The Board of Directors of Bong AB (publ) has determined the subscription price and certain other terms for the new issues that were announced on 17 June 2013 and that are submitted to the general meeting for approval on 17 July 2013.

- **The subscription price in the rights issue is SEK 1.80 per share. One existing share entitles to subscription for four new shares.**
- **The subscription price in the set-off issues is SEK 2.16 per share.**
- **The convertible loan amounts to not more than SEK 75m, and carries an annual interest of 10.0 per cent. The conversion price (after the rights issue and the set-off issues) has been determined to SEK 2.75.**

Background

For further details and information on the background to and reasons for the below resolutions, please refer to Bong's press release from 17 June 2013.

Terms for the rights issue

On 16 June 2013, the Board resolved, subject to approval by the general meeting, on a new share issue with pre-emptive rights for the company's shareholders. The Board has now determined certain terms for the issue, entailing that:

- the company's share capital shall be increased with not more than SEK 104,885,970,
- not more than 69,923,980 new shares shall be issued, and
- the subscription price is SEK 1.80 per share.¹

The above entails that one existing share held on the record date 22 July 2013 entitles to subscription for four new shares. Subscription shall take place during the period 25 July – 14 August 2013.

As previously announced, the company has obtained subscription undertakings and underwriting commitments in relation to the entire rights issue, which means that the company will be provided with SEK 125.9m before transaction costs.

Preliminary time table for the rights issue

17 July 2013	<ul style="list-style-type: none">• Extraordinary general meeting• Last day of trading in the Bong share including the right to receive subscription rights in the issue
18 July 2013	<ul style="list-style-type: none">• First day of trading in the Bong share excluding the right to receive subscription rights in the issue• Prospectus made public
22 July 2013	<ul style="list-style-type: none">• Record date for the right to participate in the issue
25 July – 14 August 2013	<ul style="list-style-type: none">• Subscription period in the issue
25 July – 9 August 2013	<ul style="list-style-type: none">• Trading in subscription rights
20 August 2013	<ul style="list-style-type: none">• Announcement of the outcome of the issue

¹ The subscription price has been determined in accordance with the Board's assessment of a marketable and required discount compared to the expected theoretical ex-rights price (TERP) per share, calculated on the volume-weighted average price for the Bong share following announcement of the new issues on 17 June 2013.

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Terms for the set-off issues

On 16 June 2013, the Board further resolved, subject to approval by the general meeting, on new share issues to Holdham S.A. and, respectively, to the company's two largest lending banks. Payment for the new shares shall be made by set-off of claims on the company of in total approximately SEK 150m, whereof claims of in total approximately SEK 100m are set-off by Holdham S.A. and claims of in total SEK 50m are set-off by the lending banks. The Board has now determined certain terms for the set-off issues, entailing that:

- the company's share capital shall be increased with not more than SEK 69,159,721.50 through the issue to Holdham S.A. and with not more than SEK 34,722,222.00 through the issue to the lending banks, in total not more than SEK 103,881,943.50,
- not more than 46,106,481 new shares shall be issued to Holdham S.A. and not more than 23,148,148 new shares shall be issued to the lending banks, in total not more than 69,254,629 new shares, and
- the subscription price, i.e. the price to be paid per share by way of set-off, is SEK 2.16 per share.²

Terms for the convertible bonds issue

On 16 June 2013, the Board finally resolved, subject to approval by the general meeting, to raise a convertible loan by issuing convertible bonds. The Board has now determined certain terms for the convertible bonds issue, entailing that:

- the loan amounts to not more than SEK 75m,
- the loan carries an annual interest of 10.0 per cent, and
- the loan shall be convertible for new shares of the company at a conversion rate (after the rights issue and the set-off issues) of SEK 2.75 per share.

As previously announced, the loan matures on 27 June 2018, if not converted or repaid earlier.

Reduction of share capital and amendments of articles of association etc

The Board has also resolved to propose the general meeting on 17 July 2013 to resolve on a reduction of the share capital by SEK 148,588,457.50 for transfer to a fund to be used pursuant to a resolution by the general meeting. The reduction shall be made without cancellation of shares, whereby the share's quota value is decreased to SEK 1.50.³

To enable the above resolutions on new issues, the Board has resolved to propose the general meeting that the articles of association's limits for the share capital shall be increased to SEK 160,000,000 – 640,000,000 and that the limits for the number of shares shall be increased to 80,000,000 – 320,000,000.

The Board has resolved to withdraw its resolution on issue authorization in accordance with item 7 h in the notice convening the extraordinary general meeting.

Miscellaneous

The remaining terms for the issues are set forth in the documentation that is made available prior to the general meeting on Bong's webpage www.bong.com.

Complete terms and conditions for the rights issue, as well as information relating to Bong, will be presented in the prospectus that is made public prior to the commencement of the subscription period of the rights issue.

² The subscription price in the set-off issues corresponds to the expected theoretical ex-rights price (TERP) per share, calculated on the volume-weighted average price for the Bong share following announcement of the new issues on 17 June 2013.

³ Due to the reduction of the share capital, the Board proposes that the articles of association's limits for the share capital initially shall be decreased to SEK 20,000,000 – 80,000,000.

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About Bong

Bong is a leading provider of specialised packaging and envelope products in Europe, offering solutions for distribution and packaging of information, advertising materials and lightweight goods. Important growth areas in the Group are the Propac packaging concept and Russia. The Group has annual sales of approximately SEK 3 billion and about 2,100 employees in 15 countries. Bong has strong market positions in the majority of key markets in Europe, and the Group sees interesting possibilities for continued expansion and development. Bong is a public limited company whose stock is quoted on the NASDAQ OMX Stockholm (Small Cap).

Bong AB (publ) discloses the information in this press release pursuant to the Securities Markets Act. The information was provided for public release on 16 July 2013 at 8 am CET.

Important information

This press release does not constitute an offer of any securities of Bong. No transaction described in this press release is directed to shareholders or other investors domiciled in the United States, Australia, Hong Kong, Japan, Canada, Singapore, South Africa or New Zealand, or in any other country where participation in such transaction would require additional prospectuses, registration or other measures other than those pursuant to Swedish law or would conflict with regulations in such country. No shares, interim shares, subscription rights, convertibles or other securities issued by Bong have been or will be registered in accordance with the United States Securities Act of 1933, or in accordance with any securities legislation in any state of the United States or any province in Canada. Accordingly, no new shares, interim shares, subscription rights, convertibles or other securities issued by Bong may be transferred or offered for sale in the United States or Canada, other than in such exceptional cases that do not require registration. The transactions described in this press release are directed only at (i) persons who are outside the United Kingdom; (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended); or (iii) persons to whom it can otherwise lawfully be directed at.