

IMSK - Conversion of shares

A convertible bond of NOK 124 million was granted at the extraordinary general meeting of the company on 25th June 2001 and placed in the Norwegian market in July 2001. The convertible bond has seven years maturity with an option to convert to shares in I.M. Skaugen ASA (IMSK) during the first five years (05/2006). The present conversion price is NOK 60 per share less NOK 3.50 per share, which will be paid at time of conversion as a compensation for dividend.

Some of the bondholders have today requested to convert NOK 23,500,000 into 391,666 new shares. In addition to the issuing of the new shares, NOK 1.370.831 or NOK 3.50 per share will be paid as cash compensation. The conversion price is adjusted for previously paid dividends and the sums of these brings the theoretical conversion price below the par value of the IMS share of NOK 60 and the cash payment compensates for this.

The new share capital after conversion will be NOK 353,138,760 divided into **5,885,646** shares at par value NOK 60. Correspondingly the nominal value of the Convertible bond will be reduced to NOK 99,000,000.