

## **The shareholders' E. Öhman J:or AB and Cancale Förvaltnings AB proposal for resolution on new issue of warrants in Russian Real Estate Investment Company AB (publ) to the board member Jens Engvall**

The shareholders E. Öhman J:or AB and Cancale Förvaltnings AB are of the opinion that the board member Jens Engvall holds experience and qualifications of importance to the business activities carried out by Russian Real Estate Investment Company AB (publ) and that it would be to the benefit of the shareholders to offer Jens Engvall an incentive and offer him a possibility to take part of an increase in the value of the company's share. Henceforth, the shareholders therefore intend to propose that the annual general shareholders meeting each year resolve to issue warrants to Jens Engvall with the intention that Jens Engvall – during a four year period – shall be offered the right to – yearly – subscribe for 7,000 warrants in the company. Each warrant shall give a right to subscribe for one share of series B in the company. The warrants shall give a right to subscribe for new shares after three years and the warrants are intended to constitute an incentive for Jens Engvall in his work for the company.

To realize the above for the year 2006, the shareholders E. Öhman J:or AB and Cancale Förvaltnings AB therefore propose that the general meeting of shareholders resolve on a new issue – with deviation from the preferential rights of the shareholders – of no more than 7,000 warrants.

The following terms and conditions are proposed to apply to the new issue:

1. The board member Jens Engvall shall be entitled to subscribe for warrants. Oversubscription shall not be possible.
2. The warrants shall be issued against payment of an amount corresponding to the theoretical market value of the warrants at the time of subscription, calculated with application of Black-Scholes model for valuation of warrants.
3. Each warrant shall give a right to subscribe for one (1) share of series B at a subscription price amounting to 125 % of the average latest price paid for the company's share of series B at Nya Marknaden or a corresponding listing, during the period from and including 2 August 2006 up to and including 15 August 2006. In case there are no noted prices paid any of the relevant days, the noted closing bid price shall instead be used in the calculation. A day with no noted price paid nor bid price shall not be included in the calculation. The calculated subscription price shall be rounded to the nearest whole fifty öre (Sw: *närmast hela femtiotal öre*); 24 öre and 74 öre respectively shall be rounded down and 25 öre and 75 öre respectively shall be rounded up.
4. The warrants shall be subscribed for on 16 August 2006 or at such later date as resolved by the board of directors, and payment shall be made within one week from the subscription. The warrants shall be subscribed for on a subscription list.

5. Subscription for shares of series B under the warrants can be made from and including 10 August 2009 up to and including 10 September 2009.
6. The new shares issued under the warrants shall, in accordance with the terms and conditions for the warrants, give a right to receive dividend as from for the financial year when the shares are subscribed for.
7. The new shares issued under the warrants shall be subject to a proviso under the Swedish Companies Act Chapter 4, section 6 (conversion).
8. The share capital of the company may be increased by a total of no more than SEK 14,000 by reason of subscription of new shares under the warrants, subject to such increases that may be caused by a recalculation of the number of shares that each warrant gives a right to subscribe for as a result of new issues *etc.*

The complete terms and conditions for the warrants 2006/2009 are set forth in Appendix 1. As follows from Appendix 1, the subscription price and the number of shares that the warrants give a right to subscribe for may be recalculated in case of bonus issues, new issues and in certain other cases.

#### Reasons for the deviation from the shareholders' preferential rights

The warrants proposed to be issued are issued with deviation from the shareholders' preferential rights since Jens Engvall holds knowledge and qualifications of great importance for the development of the company and E. Öhman J:or AB and Cancale Förvaltnings AB are of the opinion that it would be to the benefit of the shareholders to give Jens Engvall an incentive and offer him a possibility to take part of an increase in the value of the company's share. The proposal has been prepared by E. Öhman J:or AB and Cancale Förvaltnings AB.

#### Dilution

The new issue of warrants may – assuming full exercise of all previously issued warrants in the company – imply a dilution corresponding to no more than approximately 0.15% of the share capital and no more than approximately 0.06% of the votes for all shares.

#### Share related incentive schemes in the company

During 2005 it was resolved to issue a debenture with detachable warrants 2005/2007 for subscription of in total 93,000 shares of series B in the company. 41,000 of the warrants were allotted to senior management of the company (however not to the managing director or the chief financial officer). Each warrant gives a right to subscribe for one share of series B and subscription of new shares can be made from 2 May 2007 up to and including 28 December 2007 at a subscription price of SEK 150 per share.

#### Miscellaneous

The warrants are not expected to imply any costs of significance to the company.

It is proposed that the board of directors or the person appointed by the board of directors, be authorized to make such minor adjustments to the resolution of the general shareholders

meeting with appendices that may be necessary in relation to the registration with the Swedish Companies Registration Office and VPC AB.

Majority requirements

For a valid resolution by the general meeting of shareholders in accordance with the shareholders' proposal, shareholders representing at least nine tenth of the votes cast as well as the shares represented at the meeting need to vote in favour of the proposal.

Stockholm 17 July 2006