

Redemption of SEK 5.00 per share

Uppsala, Wednesday, March 19, 2014

This press release does not constitute an offer, but is rather issued for the purpose of providing information on the proposal of the Board of Directors regarding an automatic redemption procedure. This press release is not intended for persons whose participation in the redemption procedure requires additional information or the implementation of registration measures or other measures beyond those required by Swedish law, or for countries requiring such additional information or measures or countries in which publication would conflict with applicable regulations. It is the duty of each individual to comply with foreign law. Disputes arising from the redemption procedure pursuant to this press release shall be resolved exclusively under Swedish law and in a Swedish court.

Every care has been taken in the translation of this press release from the Swedish original. In the event of any discrepancies, however, the Swedish original will supersede the English translation.

The earnings trend for IAR Systems Group AB remains strong and, in order to transfer capital to shareholders in a shareholder-friendly manner and to maintain an appropriate capital structure, the Company's Board of Directors has proposed that the Annual General Meeting, AGM, approve a redemption totaling SEK 5.00 per share to replace the previously announced proposal of a dividend totaling SEK 5.00 per share.

Proposed share redemption procedure in brief

- Following approval of the shareholders at the AGM on April 24, 2014, each IAR share (A-shares as well as B-shares) is split into two shares (a 2:1 share split), one of which is designated as a redemption share.
- The redemption share is then automatically redeemed for a cash redemption price of SEK 5.00.
- The procedure is automatic. No shareholder action is required.
- The final day of trading in IAS shares before the share split, including the entitlement to redemption shares, is May 5, 2014.
- The record date for the share split and entitlement to redemption shares is May 8, 2014.
- Trading in redemption shares will take place between May 13 and May 27, 2014.
- The record date for redemption shares is June 2, 2014.
- Payment of the redemption amount is expected to take place on June 5, 2014.

Information brochure and additional details

As of March 27, 2014, at the latest, the complete Board proposal and an information brochure describing the redemption procedure in greater detail will be available on the Company's website, www.iar.com, and a limited number of printed versions will be available at IAR Systems Group AB, Strandbodgatan 1, 750 23 Uppsala. Shareholders requiring further information about the redemption procedure may contact Remium at +46 8 454 3200 during normal business hours. The information brochure will also be available on Remium's website, www.remium.com.

About IAR Systems

IAR Systems was founded in 1983 and is one of the world's leading providers of software for programming of processors in embedded systems. The software is used by over 19,000 companies to program processors that control products in areas including industrial automation, medical devices, consumer electronics and the automotive industry.

IAR Systems provides value to organizations that develop embedded systems. With our tools and services, the development of embedded systems is rapid, efficient and reliable – enabling our customers around the globe to deliver better products faster to their markets.

IAR Systems is listed on NASDAQ OMX with the ticker IAR.

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