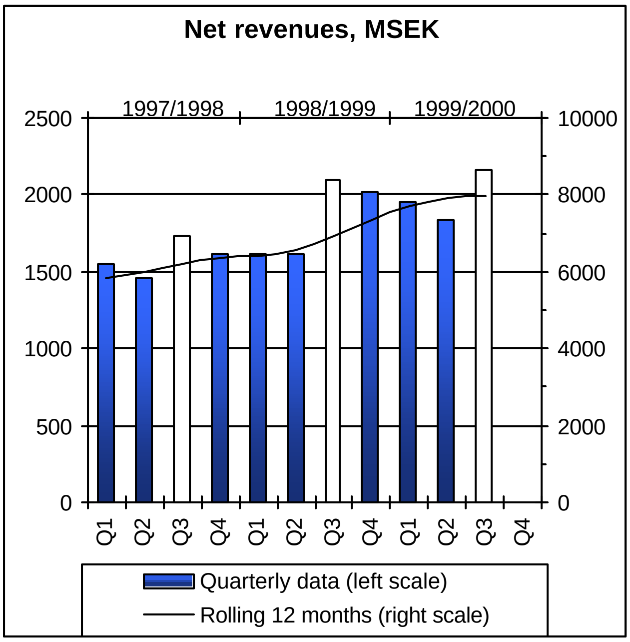
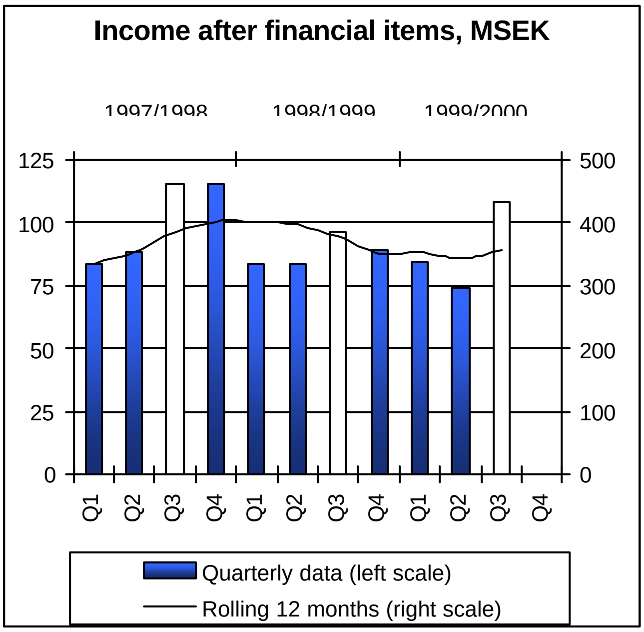
PRESS INFORMATION

THE BERGMAN & BEVING GROUP

Interim report April 1 – December 31, 1999

- **Operating income increased to MSEK 281 (266) and income after financial items increased to MSEK 266 (262).**
- **Strong third quarter in terms of earnings performance, +13%.**
- **Several growth initiatives in e-commerce.**
- **Good participation in B&B's incentive program.**





NET REVENUES AND INCOME

Net revenues increased by 12% to MSEK 5 961 (5 322). Operating income increased by 6% to MSEK 281 (266), while income after financial items increased by 2% to MSEK 266 (262).

The market situation for the Group's main businesses showed a positive development. The best development was seen in businesses aimed at the electronics and telecommunications sector. Electronics in particular is experiencing increased order bookings.

In terms of income, three of the Group's four business areas are reporting improved figures. For the third quarter, consolidated income after financial items was MSEK 108, which is 13% better than for the similar quarter one year ago. The primary underlying reasons are an improved market situation, and action programs and the fact that restructuring measures in Electronics and MediTech have shown their effect.

Income for the first three quarters of financial year is equivalent to earnings per share of SEK 6.30, compared to SEK 6.30 during the corresponding period last year. Earnings per share for the most recent 12-month period was SEK 8.30, as compared with SEK 8.30 for the 1998/99 financial year.

BUSINESS AREAS

ELECTRONICS

Net revenues increased by 36% to MSEK 1 605 (1 182). Most of the increase is due to acquisitions. Income for the whole period declined to MSEK 37 (48), but the outcome was positive for the third quarter, an increase in income by 13% to MSEK 17, compared to the corresponding period one year ago (15).

For components and wiring harnesses, which account for a major portion of the business areas operations, the market situation is now gradually improving. Order bookings showed a very good development and for certain components there is today a shortage situation, which reduces pricing pressures. Income for the entire period is 5% better than during the prior year.

For data products, which account for the remainder of the business area's operations, market volumes continue to be lower than during the preceding year. In spite hereof, the negative income figures for prior quarters have turned into positive earnings for the quarter. The businesses in Denmark and Norway (Oslo) have been forcefully restructured and personnel has been cut. The strategy for the future is even more than before to focus on delivering solutions and with added value to the customers. One element hereof was the sale of the broad distribution business in Viborg, Denmark, Unit Data Distribution, with net sales of MSEK 115, as of February 1, 2000.

Two major development projects are currently under way in business area Electronics. On the components side, growth initiatives are being taken in e-commerce. At www.acte.dk customers can view the product lines and inventory balances, place orders and monitor shipments. Custom production of cable harnesses is another high-priority area. Annual sales in this business is today MSEK 70 and further expansion is being planned.

MSEK 40 of the restructuring reserve of MSEK 50 set aside in connection with the acquisition of Berendsen Components November 1, 1998 has now been utilized, MSEK 2 thereof during the third quarter of the financial year.

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INDUSTRY
Net revenues increased by 18% to MSEK 1 586 (1 340) and income increased by 5% to MSEK 96 (91). Income for the third quarter increased by 17% to MSEK 34.

The market situation for Industry shows an overall positive development, but no sharp, cyclical upturn is yet discernible. But several of the businesses aimed at the telecommunications sector are showing a very good development, while businesses geared to selling investment goods to the manufacturing industry and other sectors posted a weaker development.

The Teleinstrument Division, which is the largest division in Industry with annual sales of MSEK 420, is showing a positive development. This division is primarily active as a supplier of production and testing systems to poducers of telecommunications equipment. So far this year, the division has increased its sales volume by 30%, with continuing good profit margins.

IT operations in division Lagercrantz, with its aim at digital communication, shows a continued strong development. Current annual revenues are MSEK 220 and the profitability is good. The division includes Lagercrantz Communication, Uniweb and STV. The group has decided to renew its efforts in developing services and solutions in areas such as broadband services and communications and testing equipment for mobile telephony. Uniweb has already an established position as a supplier of e-commerce solutions.

TOOLS
Net revenues declined by 3% to MSEK 2 138 (2 212), while income was largely unchanged, MSEK 87 (88). Income for the quarter amounted to MSEK 32 (35).

The market situation in Sweden and Finland continues to be stable, with growing demand from the construction sector. The market in Norway has stabilized at a lower level than at the beginning of the financial year.

Tools has continued its growth initiatives in e-commerce and the companies in Tools are now building a common portal, at which customers will be able to find and buy all 100 000 articles jointly offered by Luna, Essve, Skydda, Consumenta and Jaktia. Already today Luna receives about 80 percent of orders electronically and in the joint effort Lunas' experience and competence can be shared with the other companies. Tools total order input over the Internet today corresponds to approximately MSEK 500 on an annual basis.

In terms of income, Luna had a slightly lower performance than during the year before. The extra work incurred as a consequence of the IT installation in August has again meant higher costs. Most problems have now been fixed, however. Essve shows a good development after reorganization earlier in the financial year. Purchasing costs have increased however, due to the strength of the Japanese yen. The favorable development in Skydda continues.

MEDITECH
Net revenues increased by 7% to MSEK 635 (591) and income increased by 10% to MSEK 34 (31).

MediTech reports a strong third quarter with an income of MSEK 20,wich is a rise of 25% compared to the previous year. The laboratory and diagnostics area is the main one seeing an improved market situation. Action programs are also showing their effect.

In the portion of MediTech's business aimed at the international dental market, a weaker development is seen. Weak demand and extra costs for launching new products are the main reasons. Measures are now being taken to adjust the cost level to the market situation.

MediTech is also expanding its efforts in e-commerce. At www.fd.se the dentist target group can buy equipment and supplies, and can also get information about new products for their craft.

BUSINESS AREAS

MSEK	Net revenues 9 months			Income 9 months		
	1999/ 2000	1998/ 1999	1997/ 1998	**1999/ 2000**	1998/ 1999	1997/ 1998
Electronics	**1 605**	1 182	964	**37**	48	59
Industry	**1 586**	1 340	1 010	**96**	91	77
Tools	**2 138**	2 212	2 260	**87**	88	103
MediTech	**635**	591	501	**34**	31	33
Parent company/consolidation eliminations	**–3**	–3	–1	**12**	4	14
GROUP TOTAL	**5 961**	5 322	4 734	**266**	262	286

Net revenues – quarterly data	**1999/2000**			1998/1999			
MSEK	**Q 3**	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
Electronics	**558**	487	560	622	555	315	312
Industry	**576**	531	479	495	499	431	410
Tools	**774**	652	712	671	808	696	708
MediTech	**259**	170	206	234	237	174	180
Parent Company/consolidation eliminations	**–1**	0	–2	–1	–2	0	–1
GROUP TOTAL	**2 166**	1 840	1 955	2 021	2 097	1 616	1 609

Income after financial items – quarterly data	**1999/2000**			1998/1999			
MSEK	**Q 3**	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
Electronics	**17**	4	16	18	15	17	16
Industry	**34**	34	28	35	29	30	31
Tools	**32**	27	28	12	35	28	25
MediTech	**20**	5	9	23	16	8	8
Parent Company/consolidation eliminations	**5**	4	3	1	1	0	3
GROUP TOTAL	**108**	74	84	89	96	83	83

Comparative data for Industry and MediTech have been adjusted by reason of the transfer of Specialpaper.

PROFITABILITY AND FINANCIAL POSITION

The return on capital employed for the past 12-month period was 15%, and13% on shareholders' equity. The corresponding numbers for the preceding year were 16% and 14%, respectively.

Cash flow for current operations was MSEK 290 (289) for the period.
The Group's net financial liabilities amounted to MSEK 251. At the beginning of the financial year, the corresponding amount was MSEK 311.

The equity ratio at the end of the period was 44%, which is unchanged compared to the situation at the beginning of the period. At the corresponding point in time one year ago, the equity ratio was 44%. Shareholders' equity per share amounted to SEK 65.10, as compared with SEK 63.60 at the beginning of the financial year.

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ACQUISITIONS, DISINVESTMENTS AND RESTRUCTURING

Effective as of February 10, 2000, Business area Industry concluded an agreement to acquire all outstanding shares in K.M.C Ytbehandling AB. The company has sales of MSEK 35 and complements operations in JA Teknik, who develops and sells systems for industrial cleaning.

Effective as of February 7, 2000, Business area MediTech concluded an agreement to acquire all outstanding shares in Mikro Kemi AB, Uppsala. Mikro Kemi has sales of MSEK 10 and 13 employees.

Business area Electronics has sold the business in Unit Data Distribution in Viborg, Denmark. The buyer took possession February 1, 2000. The business reported annual sales of MSEK 115 and the sale and the desinvestment is a natural consequence of the refocusing of Electronic's Danish operations. The sale entails no capital gain or loss in Bergman & Beving.

In its continuing quest to reduce capital tied up in the Group, the Board of Directors has decided to investigate the option of selling a number of centrally located properties, especially in the Stockholm region. Current appraisals indicate that about MSEK 300 in funds, before capital gain, could be freed up; the surplus value in excess of book value is about MSEK 180. In addition to using freed up capital for normal expansion, the Board of Directors prepares a proposal of stock repurchase to the Annual General Meeting.

INCENTIVE PROGRAM

The program, which was presented in the six-month report, has been started according to plan.

The subordinated convertible debenture program was subscribed for by just over 900 employees in Sweden, Denmark, Finland and Norway. About 50 percent of all employees in Sweden participated in the program. The subordinated debenture loan amounts to MSEK 101 and upon full conversion the number of shares outstanding will increase by about 850 000, which is equivalent to dilution of 2.9% of the number of shares outstanding. The conversion price is SEK 119.

Participation in the option program meant that members of senior management subscribed for 661 000 synthetic options. The effect on income will be limited in the event of a increase in the share's market price due to insurance.

Payment date for both parts of the incentive program fell during the month of January, so there was no accounting effect for the period.

REPAYMENT FROM SPP

In abeyance of clear accounting rules, Bergman & Beving's claim on SPP in the amount of MSEK 85 is not included in the accounts as of December 31, 1999.

CAPITAL EXPENDITURES

Investment in plant and equipment amounted to MSEK 107 (568).

EMPLOYEES

At the end of the period, there were 2 729 employees in the Group, which is unchanged compared to the situation at the beginning of the period. Twenty-for new employees were added as a result of acquisitions.

THE MILLENNIUM DATE CHANGE

The millennium date change caused no disruptions to the business.

CONSOLIDATED STATEMENT OF INCOME

MSEK	9 months 1999/2000	9 months 1998/1999	9 months 1997/1998	Full year 1998/1999	Full year 1997/1998
Net revenues	**5 961**	5 322	4 734	7 343	6 351
Operating expenses	**–5 680**	–5 056	–4 453	–6 981	–5 956
OPERATING INCOME	**281**	266	281	362	395
Financial income and expenses	**–15**	–4	5	–11	6
INCOME AFTER FINANCIAL ITEMS	**266**	262	286	351	401
Taxes	**–85**	–81	–87	–114	–126
NET INCOME FOR THE PERIOD	**181**	181	199	237	275
EARNINGS PER SHARE, SEK	**6.30**	6.30	6.90	8.30	9.60
Number of shares outstanding: 28 630 360					

CONSOLIDATED BALANCE SHEET

MSEK	**1999 12 31**	1998 12 31	1999 03 31
ASSETS			
Intangible fixed assets	**482**	516	505
Other fixed assets	**712**	741	719
Inventories	**1 209**	1 225	1 185
Short-term receivables	**1 252**	1 218	1 228
Liquid funds	**549**	392	482
TOTAL ASSETS	**4 204**	4 092	4 119
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	**1 863**	1 796	1 821
Interest-bearing liabilities and provisions	**833**	794	824
Non-interest-bearing liabilities and provisions	**1 508**	1 502	1 474
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**4 204**	4 092	4 119

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CONSOLIDATED STATEMENT OF CASH FLOW

MSEK	9 months 1999/2000	9 months 1998/1999	Full year 1998/1999
Cash flow from current operations	**290**	289	372
Changes in working capital	**6**	–127	–128
Capital expenditure activities	**–107**	–568	–591
CASH FLOW BEFORE FINANCING	**189**	–406	–347
Financing operations	**–116**	210	248
CASH FLOW FOR THE PERIOD	**73**	–196	–99
Liquid funds at beginning of the year	**482**	573	573
Exchange rate difference in liquid funds	**–6**	15	8
Liquid funds at the end of the period	**549**	392	482

Stockholm, February 17, 2000

Anders Börjesson
President and CEO

This report has not been subject to special examination by the Company's auditors.

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A financial report for the period April 1, 1999 – March 31, 2000 will be published May 24, 2000.