

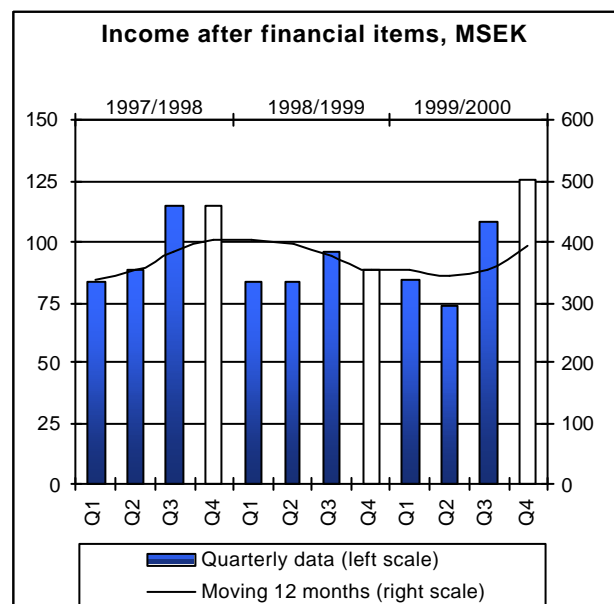
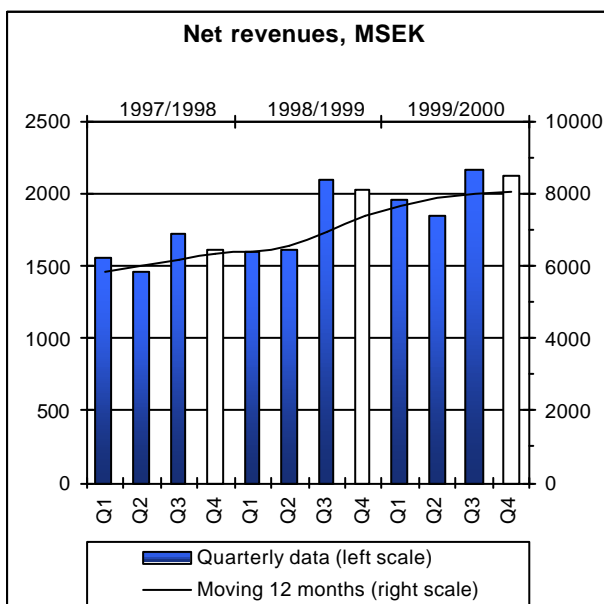


PRESS RELEASE

THE BERGMAN & BEVING GROUP

Financial Report for the period April 1, 1999 – March 31, 2000

- **Income after financial items increased to MSEK 392 (351).**
- **Fourth quarter income at an all time high, up 42 percent compared to the corresponding quarter one year ago.**
- **Earnings per share increased to SEK 9.20 (8.30).**
- **Launch of an amplified business concept with action program and a reformulated vision.**
- **Dividend of SEK 4.25 proposed (4.00).**





Bergman & Beving's reformulated business concept is Value-adding Tech Provider. From April 1, 2000, the Group is organized in five business areas: Electronics, Industry, Tools, MediTech and Lagercrantz Group.

NET REVENUES AND INCOME

Net revenues increased by 10 percent to MSEK 8 073 (7 343). Income after financial items increased by 12 percent to MSEK 392 (351).

The market situation for the Group's core businesses improved gradually during the year. The fourth quarter was distinguished by strong order bookings and sales. The best performance was posted by businesses with an electronic and telecommunications orientation, but the situation during the fourth quarter was also bolstered for businesses with an orientation towards the engineering and vehicle manufacture.

Four of five business areas report improved earnings performance. For the fourth quarter, consolidated income was MSEK 126, which is 42 percent higher than for the corresponding year-ago quarter. The main reasons for the earnings improvement are the improved market situation and positive impact of action programs and restructuring. The integration of Berendsen Components, within business area Electronics, acquired as of November 1, 1998, is now complete.

Income for the financial year is equivalent to earnings per share of SEK 9.20, as compared with SEK 8.30 for the 1998/99 financial year.

BUSINESS AREAS

ELECTRONICS

Net revenues increased by 21 percent to MSEK 2 180 (1 804). Most of the increase is related to acquisitions. Income after financial items increased by 11 percent to MSEK 73 (66). This result is indicative of very robust performance during the latter part of the year, with the fourth quarter coming in at an all time high, with a result of MSEK 36 (18). This result includes a capital gain of MSEK 3 related to the sale of a property in Copenhagen.

Market demand for components and cable, which account for a major portion of the business area's volume, is currently very good. Net sales of components increased by 50 percent during the fourth quarter of the financial year. For several types of components there is actually state of shortage, which reduces pricing pressures, but which may also lead to delivery difficulties in the longer term.

For data products, which account for the remainder of the business area's volume, a negative result for the first two quarters was turned into a positive result during the third and fourth quarter. Operations have undergone major restructuring and personnel cut-backs, especially in Denmark and Norway (Oslo). The strategy for the future is to focus even more sharply on providing customers with products and solutions with added value in selected niches.

The integration of Berendsen Components, which was acquired as of November 1, 1998, was completed during the fourth quarter of the financial year. The restructuring reserve of MSEK 50 set aside in conjunction with the acquisition, has been utilized in its entirety, with MSEK 10 thereof spent during the fourth quarter of the financial year.

The expansion in e-commerce continues. EDI solutions to integrate forecasting, order bookings and invoicing



are important initiatives in the contacts with existing major customers. The proportion of orders received via EDI in component operations increased from 5 percent to 20 percent during the year. Marketing efforts aimed at new customers and markets are also in progress via the Internet.

INDUSTRY

Net revenues increased by 18 percent to MSEK 2 167 (1 834) and income grew by 12 percent to MSEK 140 (125). This result means that business area Industry also closed the year with very strong performance and an increase in income of 26 percent, to MSEK 44 (35).

Business area Industry saw a more broadly based upturn than before. Industry's willingness to invest is on the rise and only heavy investment goods for the vehicle industry and mechanical industry is still lagging. The positive development for businesses in the telecommunications sector continues.

Sales of industrial components, which showed weakness during the early part of the year, are now developing well. The three divisions, Betech Seals, with gaskets and seals, MotionComp and Beving Addtech, with mechanical and electro-mechanical components, and an aggregate annual volume of about MSEK 1 000, posted an all time high in terms of income for the fourth quarter of the financial year.

Business area Industry formed a new division during the fourth quarter, EnvoControl, involved in environmental technology and industrial cleaning. The division initially consists of companies JA Teknik AB, Karlemarks AB and Skaer Teknik A/S in Denmark, where the second and third units were transferred to business area Tools as of April 1. This division also includes K.M.C. Ytbehandling AB, which was acquired as of April 1, 2000. The annual volume for the group is estimated to reach MSEK 120.

Data for Lagercrantz Group, which from April 1, 2000 constitutes a separate business area, are included in business area Industry, but is also reported separately below under the heading Lagercrantz Group.

TOOLS

Net revenues amounted to MSEK 2 830 (2 883). Income after financial items increased by 15 percent to MSEK 115 (100). Tools finished the financial year with a strong quarterly result, MSEK 28 as compared with a weak fourth quarter one year ago (MSEK 12).

The market position in Sweden and Finland continues to be stable, with growing demand, especially from the construction sector. The market in Norway was stable during the year in the construction sector, while manufacturing posted a slowing trend.

Luna's result for the full year was a slight improvement after a very strong showing during the latter part of the year. As of April 2000, former divisions Work Place and Supplies, with annual sales of about MSEK 700, have been converted to individual subsidiaries under the names Gigant and Grunda. The objective is to create pure product companies with clear profit center responsibility.

Essve continues to show a good development and posted good earnings growth despite higher purchasing costs as a consequence of the strong Japanese yen. The Skydda division continued its positive development and strengthened its positions in the Swedish, Norwegian and Finnish markets.

In the spring of 2000, Tools is launching its industry portal, www.toolstore.nu aimed at the industrial and construction sector. Tools is today the Nordic Area's leading player in e-commerce business-to-business for tools and consumables for the industrial and building supplies trade. The proportion of electronic orders, which is continuing to increase, is about 70 percent of the business area's sales volume, which today amounts to over MSEK 1 900 on an annual basis.



Internet portal www.toolstore.nu is based on already established business volume and a fine-tuned logistic apparatus which makes it possible for customers all over Scandinavia to find information about and buy 100 000 different products for delivery within 24 hours. From inception, the portal contains products from Group companies Luna, Skydda, Essve, Consumenta and Jaktia, but soon several other industry-related products and services will also be available.

MEDITECH

Net revenues increased by 9 percent to MSEK 899 (826) and income amounted to MSEK 51 (55). For the fourth quarter, income of MSEK 17 was earned (23).

The market for MediTech continues to be stable. Operations with an orientation towards diagnostics saw a very positive development during the year. The reason is a positive market development and efficiency measures and restructuring carried out.

Laboratory operations in division PLD showed a strong development during the fourth quarter, after a weak beginning of the year. The lab automation business posted a particularly robust development. Order bookings were stronger towards the end of the year and the program to improve efficiency initiated is expected to provide a positive effect during the initial phase of the coming operating year.

A weaker development was noted in the part of MediTech's business aimed at the dental market. Weak demand and costs in connection with the introduction of new products are the main reasons. Measures are now being taken in this area to adapt the cost level to the market situation.

E-commerce initiatives in MediTech continue. MediTech's portal, www.fd.se aimed at the target group of dentists is being gradually developed and the number of customers is growing. A similar initiative will be launched this fall, www.labora.se aimed at laboratories, primarily in the university and health care sectors, food industry and chemical industry.

LAGERCANTZ GROUP

Lagercrantz Group is positioned in the expansive market for digital communication. The business area has strong positions, particularly in three niches, knowledge and solutions for capacity maximization in digital networks, image and video transmission over the Internet and call-center solutions. The vision for Lagercrantz Group is to establish itself as a leading knowledge company in digital communication. In the future, several other expanding niches will be developed. Customers are larger companies and organizations with emphasis on telecom operators with mature IT environments. Posten, Telia, Ericsson, Utfors, Scania, ABB, the armed forces, colleges and universities are examples of customers.

Net revenues for the financial year amounted to MSEK 212, with income after financial items of MSEK 15. The number of employees is 90.

During the fourth quarter, Lagercrantz concluded contracts with Utfors worth MSEK 90 over 3 years to supply a customer-adapted solution for telephony over the broadband network.



AMPLIFIED BUSINESS CONCEPT AND ACTION PROGRAM

During the fourth quarter, the Group launched its amplified business concept, *Value-adding Tech Provider*. By appending the modifier “value-adding” to our business concept, we are sending a clear signal about the content of our business. As a company dealing in technology, Bergman & Beving is not merely an intermediary, but adds value through the products it provides and through the way in which the trade is conducted. There are many examples of added value: the products of different suppliers are combined in solutions and concepts, products are customized for customers, and deep product competence is provided in specific technology areas. Proprietary products and brand names are also developed within the Group, and added value is made available in the form of services. Other examples are efficient logistics and just-in-time deliveries. In a number of selected niches, Bergman & Beving has in-house production. For the future our ambition is to further strengthen the value-adding within the group. This enables the Group to make unique customer offers, obtain improved margins and attain a higher rate of growth.

Historically, Bergman & Beving’s operations have been based in the Nordic Region. Internationalization is however more manifest and several units now have operations outside the Nordic Region. Establishment of operations outside the Nordic Region has so far been mostly in Poland and the Baltic States, but several companies in the Group have concepts so strong that customers have wanted help in establishing businesses in other parts of the world. With new technology and a single European currency, distances will shrink even more. This opens opportunities for us to expand with our expertise in trading and trading entrepreneurship as a base. Our prominent position in several markets in e-commerce opens tremendous opportunities.

B2B Tech was launched as a trade mark for the Group at the same time as the new business concept. The theory behind B2B Tech is to clearly describe the core of our business: business-to-business dealing in technology products. B2B is also a natural way of building on B&B, which is used in everyday speech for Bergman & Beving. Tech stands for engineering, technology and technical products, which has been the orientation of the business right from the start in 1906.

The company B2B Tech and the domain www.b2btech.se have been registered during the year.

Together with these initiatives, an action program for increased shareholder value has been initiated. That program can be summarized in three main points:

1. Increased profitability – The highest priority of the action program is increase profitability by a sharper focus on net margin and working capital tied up. Important concrete measures include completion of integration processes in acquired units and clearer benchmarking and ranking of the Group’s 100 profit centers. Measures in low-performance units will be given priority.
2. Develop the business concepts – Taking advantage of opportunities offered by the amplified business concept, e-commerce and the new economy also means that the business concepts of individual profit centers have to be developed. A very important part hereof is to build new market positions with new technology and e-commerce. Increased value added through customer-adapted solutions, concepts, services, own products and brand names, as well as lighter production. Also the geographical expansion.
3. Structural measures – The ambition is also to improve the Group’s structure. The decision to make Lagercrantz Group a separate business area is in line herewith and is a way of making more visible businesses that shareholders and the stock market value in a special way. The Board of Directors has also decided to explore the possibilities of concentrating the business to core operations by selling a number of centrally located properties, especially in the Stockholm Region. Such a sale would free up MSEK 275, with a capital gain of MSEK 175 before taxes. To improve the Group’s capital structure, return on equity and earnings per share, the Board of Directors has decided to propose to the Annual General Meeting a plan to repurchase own shares.



BUSINESS AREAS

MSEK	Net revenues 12 months			Income 12 months		
	1999/ 2000	1998/ 1999	1997/ 1998	1999/ 2000	1998/ 1999	1997/ 1998
Electronics	2 180	1 804	1 295	73	66	88
Industry	2 167	1 834	1 410	140	125	114
Tools	2 830	2 883	2 938	115	100	127
MediTech	899	826	709	51	55	52
Parent Company/consolidation eliminations	-3	-4	-1	13	5	20
GROUP TOTAL	8 073	7 343	6 351	392	351	401

Net revenues – quarterly data MSEK	1999/2000				1998/1999			
	Q 4	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
Electronics	575	558	487	560	622	555	315	312
Industry	581	576	531	479	495	499	430	410
Tools	692	774	652	712	671	808	696	708
MediTech	264	259	170	206	235	237	174	180
Parent Company/consolidation eliminations	0	-1	0	-2	-1	-2	0	-1
GROUP TOTAL	2 112	2 166	1 840	1 955	2 022	2 097	1 615	1 609

Income after financial items – quarterly data MSEK	1999/2000				1998/1999			
	Q 4	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
Electronics	36	17	4	16	18	15	17	16
Industry	44	34	34	28	35	29	30	31
Tools	28	32	27	28	12	35	28	25
MediTech	17	20	5	9	23	16	8	8
Parent Company/consolidation eliminations	1	5	4	3	1	1	0	3
GROUP TOTAL	126	108	74	84	89	96	83	83

Comparative data adjusted for Industry and MediTech following transfer of Specialpaper.

PROFITABILITY, FINANCIAL POSITION AND CAPITAL EXPENDITURES

The return on capital employed for the financial year was 16 percent, and on equity 14 percent. The corresponding numbers for the prior financial year were 16 percent and 14 percent, respectively.

Cash flow from current operations was MSEK 355 for the financial year (243). The Group's net financial liability amounted to MSEK 200 (311).

The equity ratio at the end of the period was 44 percent, which is unchanged compared to the year-ago situation. Shareholders' equity per share was SEK 67.10, compared to SEK 63.60 at the beginning of the financial year. On a fully diluted basis, the equity ratio and shareholders' equity per share was 47 percent and SEK 68.60, respectively.

Absent clear rules for dealing with it, a credit balance with SPP amounting to MSEK 85 is not accounted for



in the financial statements as of March 30, 2000.

Investments in plant and equipment, in addition to what has been added through corporate acquisitions and divestitures, amounted to MSEK 79 (104). Expenditures for corporate acquisitions amounted to MSEK 24 (487).

ACQUISITIONS AND DIVESTITURES

Bergman & Beving acquired six businesses during the 1999/2000 financial year, with aggregate annual revenues of MSEK 105. Electronics acquired Iwanejko Electronics, thus establishing itself in Poland. Industry made four acquisitions, UN Hydraulik, Oy Movetec AB, Movergon Oy and K.M.C. Ytbehandling AB, with an aggregate annual volume of MSEK 70. MediTech acquired one company, Mikro Kemi AB.

Electronics sold its data operation in Viborg, Denmark, with an annual volume of MSEK 115, during the year.

RESTRUCTURING

From April 1, 2000, Lagercrantz Group constitutes the Group's fifth business area. These operations, which were previously a part of business area Industry, concentrates on IT solutions for digital communication. The objective behind establishing Lagercrantz Group as a separate business area is to make the business more visible externally, and to put growth into even sharper focus.

In a bid to concentrate the business to core operations, and to lower the amount of capital tied up in the Group, the Board of Directors has decided to offer for sale a number of centrally located properties, especially in the Stockholm area. During the fourth quarter, a property in Copenhagen worth MSEK 20 was sold. The sale resulted in a capital gain of MSEK 3.

REPURCHASE OF OWN SHARES

For the purpose of improving the Group's return on equity and earnings per share, the Board of Directors has decided to propose to the Annual General Meeting a plan for repurchasing own shares. The plan calls for a mandate for the Board of Directors to repurchase up to 10 percent of the shares outstanding. Under the proposal the mandate would remain valid until the regularly scheduled Annual General Meeting 2001.

Any purchase made will be in the open market or by an offer to all shareholders. It is also suggested that the mandate to the Board of Directors should include an option of using repurchased shares to pay for acquisitions, or to sell shares in ways other than in the open market to finance acquisitions.

INCENTIVE PROGRAM

As a way of further motivating and stimulating the Group's employees to increased achievements, an incentive program consisting of convertible subordinated debentures and options was introduced during the year.

At an extra general meeting of shareholders held November 18, 1999, a resolution was passed to raise a subordinated debenture issue convertible into Class B shares. The term of the loan is January 28, 2000 until October 30, 2004. Conversion may be requested from July 1, 2002 and until September 15, 2004. The convertible program was subscribed to by over 900 employees in Sweden, Denmark, Finland and Norway. About 50 percent of the employees in Sweden subscribed. The debenture loan is in the amount of MSEK 101. Upon full conversion, the number of shares outstanding will increase by 847 644 Class B shares, which is equivalent to dilution of 2.9 percent of the capital, and 1.8 percent of the votes, in Bergman & Beving AB. The conversion price is SEK 119 .

November 18, 1999, Bergman & Beving's Board of Directors decided to offer about 150 members of senior management to acquire synthetic options. Subscription to the option program meant that 654 500 options were



awarded to members of senior management in the Group. Of the program, 220 500 options remain and these will be offered to persons who are hired to senior positions in the future. The term of the program is January 13, 2000 – January 13, 2003, and the strike price is SEK 119.30. The effect on earnings of the option program will be limited in the event of an increase in market price of the share since much of the program has been hedged. The payment date for both parts of the incentive program fell during January 2000.

EMPLOYEES

At the end of the period, the number of employees in the Group was 2 693, which can be compared to 2 729 at the beginning of the period. The number of employees increased by 15 during the period as a result of acquisitions and divestitures. The average number of employees during the year was 2 679 (2 513).

PARENT COMPANY

The Parent Company's net revenues amounted to MSEK 24 (23), and income before year-end appropriations and taxes was MSEK 354 (214). This result includes dividends and group contributions from subsidiaries in an amount of MSEK 341 (204).

DIVIDEND

The Board of Directors proposes a dividend of SEK 4.25 (4.00) per share, equivalent to 46 percent of earnings per share. A total of MSEK 122 will be paid as dividends (115).



CONSOLIDATED STATEMENT OF INCOME

MSEK	1999/ 2000	1998/ 1999	1997/ 1998
Net revenues	8 073	7 343	6 351
Operating expenses	-7 666	-6 981	-5 956
OPERATING INCOME	407	362	395
Financial income and expenses	-15	-11	6
INCOME AFTER FINANCIAL ITEMS	392	351	401
Taxes	-128	-114	-126
NET INCOME FOR THE PERIOD	264	237	275
EARNINGS PER SHARE, SEK	9.20	8.30	9.60
Number of shares outstanding: 28 630 360			
Earnings per share, fully diluted basis, SEK	9.20		
Weighted number of shares outstanding: 28 771 634			

CONSOLIDATED BALANCE SHEET

MSEK	March 31, 2000	March 31, 1999	March 31, 1998
ASSETS			
Intangible fixed assets	464	505	275
Other fixed assets	681	719	650
Inventories	1 198	1 185	926
Short-term receivables	1 301	1 228	1 053
Liquid funds	683	482	573
TOTAL ASSETS	4 327	4 119	3 477
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	1 920	1 821	1 676
Interest-bearing liabilities and provisions	914	824	437
Non-interest-bearing liabilities and provisions	1 493	1 474	1 364
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	4 327	4 119	3 477



CONSOLIDATED STATEMENT OF CASH FLOW	1999/	1998/
MSEK	2000	1999
Cash flow from current operations before changes in working capital	417	372
Changes in working capital	-62	-129
Investment operations	-103	-591
CASH FLOW BEFORE FINANCING	252	-348
Financing operations	-39	249
CASH FLOW FOR THE PERIOD	213	-99
Liquid funds at the beginning of the year	482	573
Exchange rate difference in liquid funds	-12	8
Liquid funds at the end of the period	683	482

Stockholm, May 24, 2000

Anders Börjesson
President and CEO

This report has not been reviewed by the Company's auditors.

Further information may be obtained from:
Bergman & Beving AB (publ), P.O.Box 10024, SE-100 55 STOCKHOLM,
telephone +46-8-660 10 30, fax +46-8-660 58 70, info@bb.se www.bb.se

The Group's annual report will be distributed to the shareholders at the end of July 2000.

The Annual General Meeting will be held in Stockholm August 23, 2000.

An Interim report for the period April 1 – June 30, 2000 will be presented August 23, 2000.