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BERGMAN & BEVING

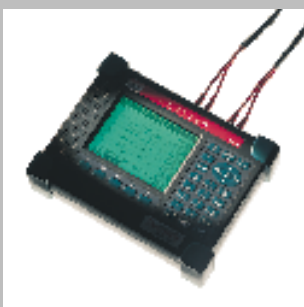
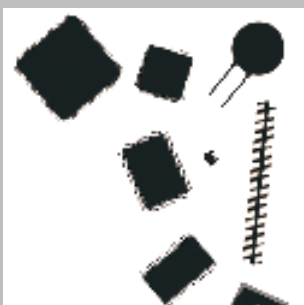
ANNUAL REPORT APRIL 1, 2000 - MARS 31, 2001

Solberg Kommunikation • Photography: Peter Bartholdsson • Translation: Ole Böök • Printing: On Paper • Paper: Cover: Invercote Creato matt / Inside pages: Gothic Silk



Annual Report 2000/2001

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This document is in all respects a translation of the Swedish original Annual Report.

Summary

Year 2000/2001 was successful with a new record level of income

- *Income after financial items increased to MSEK 603 (392). This result includes items affecting comparability in an amount of MSEK 116 (0).*
- *Income before items affecting comparability grew by 24 percent to MSEK 487.*
- *Earnings per share increased to SEK 14.10 (9.20).*
- *A cash dividend of SEK 5.00 (4.25) is proposed.*

Year 2001/2002 will be an exciting year for the Bergman & Beving Group

- *Distribution and separate listing of Addtech AB and Lagercrantz Group AB are proposed.*
- *New profiling of the Bergman & Beving Group in progress.*

THE GROUP IN FIGURES	2000/2001	1999/2000	1998/1999
Net revenues, MSEK	8 925	8 073	7 343
Income after financial items, MSEK	603	392	351
Net income, MSEK	399	264	237
Earnings per share, SEK	14.10	9.20	8.30
of which items affecting comparability	3.00	—	—
Cash flow per share, SEK	19.30	12.40	8.20
Shareholders' equity per share, SEK	78.70	67.10	63.60
Dividend per share, SEK	5.00¹⁾	4.25	4.00
Return on equity, %	19	14	14
Equity ratio, %	43	44	44
Share price, March 31, SEK	108	113	103
Average number of employees	2 928	2 679	2 513

1) According to the proposal of the Board of Directors.

Schedule for financial information

The Group's financial year is April 1–March 31. During 2001/2002, reports will be published as follows:

Interim Report April 1–June 30, 2001 August 22, 2001

Interim Report April 1–September 30, 2001 November 14, 2001

Interim Report April 1–December 31, 2001 February 11, 2002

Financial Report 2001/2002 May 16, 2002

Annual Report 2001/2002 July 2002

All reports are distributed to shareholders of record, except those who have requested not to receive mailings. Reports are published in Swedish and English. The Group's home page is www.bb.se. It contains financial reports and news from the Bergman & Beving Group. Our home page contains links to the Group's business areas, divisions and subsidiaries.

Statement of the President

New structure for increased growth

Year 2001 will be a very important year in the history of the Bergman & Beving Group. We are about to take a new step in our long-term development and we are creating two new listed entities: Addtech AB and Lagercrantz Group AB. Under the proposal of the Board of Directors, these two entities will be distributed to the shareholders of Bergman & Beving AB. After the distribution, the present Bergman & Beving Group will be split into three strong listed companies.

The background to the proposed distribution is that several of the Group's business areas have reached such size and profitability that they are believed to have better opportunities for growth as independent units. The entities spun off, Addtech AB and Lagercrantz Group AB, will have clearly focused business concepts and product orientations. The management and board of directors of each respective unit will be able to center their attention on a sharply focused business concept.

The split into three separate units is also beneficial from a stock market perspective. Each company will have a

focused business concept and orientation. It will be possible to invest in more specific businesses. It also becomes easier for external stakeholders to analyze the operations. There will be several similar companies with which we can compare ourselves, both in Sweden and internationally. This increased visibility will increase accountability and motivation among managers and employees. These are important factors for growth and profitability.

The creation of three independent listed entities is a natural continuation of Bergman & Beving's organizational evolution. Sales departments, or profit centers, were created during the 1960's. During the 1970's operations were incorporated in subsidiaries. Divisions were formed in the 1980's and during the 1990's operations were divided into business areas. We are now continuing this development by establishing three independent listed companies.

The distribution of Addtech AB and Lagercrantz Group AB is intended to take place pursuant to Lex Asea. The new units, Addtech AB and Lagercrantz Group AB, will be listed on the O-list of the Stockholm Stock Exchange. This means that the shares in these companies will be exempt from Swedish wealth tax (according to current Swedish tax regulations). Bergman & Beving AB will remain as a listed company on the A-list of the Stockholm Stock Exchange.

The three new listed companies

Addtech AB, which consists of the former business area Industry, is oriented towards three main areas: production systems, transmissions and components. Development has been strong over the past several years, both in terms of organic growth and growth generated through acquisitions. Conditions for continued strong growth are viewed as promising.

Lagercrantz Group AB is comprised of former business areas Electronics and Lagercrantz Group. The development here has been strong for a number of years. Lagercrantz Group AB gets an orientation towards growth markets, such as telecommunications, electronics and IT, where the company commands leading positions in several areas.

The new **Bergman & Beving AB** will consist of the business areas Tools and MediTech. These businesses have delivered stable earnings over the past several years and good cash flow. Focus now increases on creating growth in terms of earnings and volume.

All new listed entities will be profitable businesses with a solid history and with good prerequisites for future growth.

Anders Börjesson



The 2000/2001 operating year

The 2000/2001 operating year was successful. We achieved our best result so far, MSEK 487 for gain in earnings of 24 percent.

All business areas were able to improve their earnings. Market conditions were good in Electronics and prior measures taken to raise efficiency yielded an increase in earnings of 63 percent to MSEK 119, although a slow-down in demand became apparent towards the end of the period.

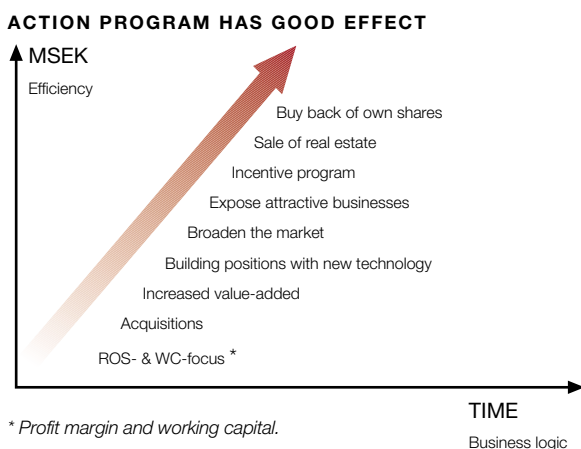
Lagercrantz Group improved its result by 7 percent to MSEK 16.

Industry improved its earnings performance by 26 percent to MSEK 155. A number of acquisitions were made in this area during the year to strengthen market potential in the future.

In Tools, our efforts in the direction of increased concentration on selected niches and e-commerce, have continued. About 70 percent of the order intake in Tools is now generated through electronic media, which is cost-effective. Tools increased its result by 4 percent to MSEK 122.

MediTech closed the year on a strong note and shows an earnings increase of 20 percent for the full year to MSEK 61. The units involved in laboratory instruments generated a particularly good showing.

In summary, we can therefore look back on a year with strong earnings performance. Items affecting comparability in an amount of MSEK 116 also contributed to the good operating result. This amount consists of MSEK 218 in capital gains on real estate sold and SPP refunds. To offset these items we have set aside funds for future restructuring measures in the future Lagercrantz Group and the new Bergman & Beving. These provisions and the costs for spin-offs make for a net amount of items affecting comparability of MSEK 116. If these items are included, the increase in income for the year is 54 percent and amounts to MSEK 603.



* Profit margin and working capital.

Increased shareholder value

For the prior operating year a program for increased shareholder value was launched. The program can be illustrated by the adjoining diagram.

With well over a year having passed, I am gratified to be able to report that the program has had a good effect. Action has been taken with respect to all aspects of the program. The program has achieved its three main purposes: improved earnings, development of business ideas and structural action.

New President

After 11 years as group chief executive I will be changing my role and resign as President and CEO in conjunction with the regularly scheduled Annual General Meeting to be held August 22, 2001. The Board of Directors has appointed Stefan Wigren as new President and Chief Executive Officer. Stefan Wigren is currently Executive Vice President of Bergman & Beving AB.

I will continue my engagement in the Group's business as chairman of the two new listed companies Addtech AB and Lagercrantz Group AB. The Board of Directors has also proposed to appoint me to the post of Vice Chairman of Bergman & Beving AB.

The future

As stated above, 2001 promises to be an exciting year for the Bergman & Beving Group. Our operations will be divided into three strong listed entities with excellent prospects.

Operations so far during the 2001/2002 operating year have been marked by a slow-down of the industrial economy. The Nordic region's, and especially Sweden's, competitive power with the current foreign exchange valuations, must be regarded as strong. I therefore regard our prospects for future development as positive.

During my years as president I have always found joy and pride in working for the Bergman & Beving Group. It is highly gratifying to be able to present a very satisfactory result for the 2000/2001 operating year. I therefore wish to extend my deep and heart-felt gratitude to all co-workers for their many beneficial contributions.

Finally, I wish Stefan Wigren at Bergman & Beving, Roger Bergqvist at Addtech and Jan Friis at Lagercrantz Group and all their co-workers success in the new companies.

Anders Börjesson

The Bergman & Beving share

Market listing

The class B share of Bergman & Beving was floated on the Stockholm Stock Exchange in 1976 and was listed on the A-list in 1984. The trading lot is 200 shares.

Dividend

The proposed dividend of SEK 5.00 (4.25) per share constitutes an increase by 18 percent compared to the preceding year. The payout ratio is 35 percent (46) of earnings per share.

In addition to the cash dividend, the Board of Directors proposes a distribution of all shares outstanding in Addtech AB and Lagercrantz Group AB to the shareholders.

Share capital

Bergman & Beving's share capital as of March 31, 2001 was MSEK 286. The total number of shares outstanding is 28 630 360, each with a par value of SEK 10. The Company has repurchased 765 200 class B shares during the financial year. Net, after deduction of repurchased shares, the number of shares outstanding entitling their holders to receive dividends is 27 865 160. Class A shares entitle their holders to ten votes each; Class B shares carry one vote each. A conversion restriction in the Articles of Association allows for conversion of class A shares to class B shares.

The weighted number of shares outstanding, after deduction of repurchased shares, is 28 240 318 for the 2000/2001 financial year.

Convertibles

A subordinated convertible debenture issue was made to the Company's personnel during 1999. Upon full conversion, this is equivalent to 847 644 class B shares, resulting in dilution of 3.0 percent of the capital and 1.9 percent of the votes in Bergman & Beving AB. For 2000/2001, the weighted number of shares after full conversion is 29 087 962.

Performance of the share during 2000/2001

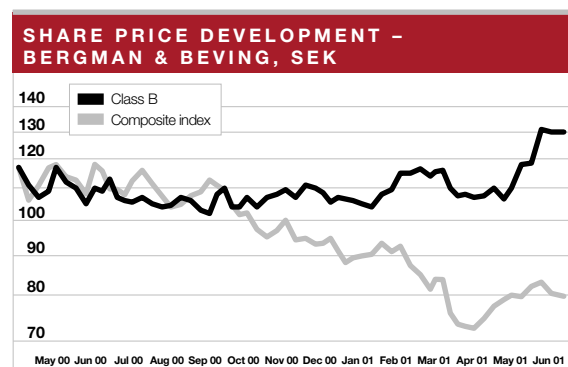
The Bergman & Beving share enjoyed a better development during the period April 1, 2000 to March 31, 2001 than the SIX composite index. Affärsvärlden's composite index dropped by 37 percent (increase by 78 percent). During the same period the Bergman & Beving share dropped by 4 percent (increase of 10 percent) to SEK 108. The year's highest and lowest paid price was SEK 122 and SEK 95, respectively. The share price as of June 15, 2001 was SEK 136.50. Over the past five years, the market price of the share has increased by an average of 4 percent per year, while the composite index has increased by 16 percent per year.

Bergman & Beving's total market capitalization was MSEK 3 092 as of March 31, 2001. Approximately 6.7 million Bergman & Beving shares changed hands during the year, equivalent to 25 percent of the total number of listed shares outstanding.

The number of shareholders declined during the year from 3 550 to 3 385.

CLASS OF SHARE ¹⁾ PER MARCH 30 2001	NO.OF SHARES	PERCENTAGE OF CAPITAL	VOTES
Class A	1 843 744	6.6	41.5
Class B	26 021 416	93.4	58.5
	27 865 160	100	100
Repurchased class B shares	765 200		
Total number of shares outstanding	28 630 360		

1) Source: VPC (Swedish Securities Register Center).



© SIX

HISTORY OF CAPITALIZATION				
YEAR	TRANSACTION	CHANGE	SHARE CAPITAL	NO. OF SHARES
1988/89			76 356 060	7 635 606
1989/90	Conversion	140 000	76 496 060	7 649 606
1990/91	Conversion	86 000	76 582 060	7 658 206
1993/94	Stock dividend against retained earnings	38 291 030	114 873 090	11 487 309
1993/94	Non-cash issue to the shareholders of Engros AB Ferro	28 278 710	143 151 800	14 315 180
1997/98	Stock dividend against statutory reserve	143 151 800	286 303 600	28 630 360

The Board of Directors has no pending authorization to resolve issuance of shares.

MAJOR SHAREHOLDERS ACCORDING TO VPC AS OF MARCH 30, 2001 ¹⁾				
SHAREHOLDER	NUMBER OF		PERCENTAGE OF	
	A SHARES	B SHARES	CAPITAL	VOTES
Jan Wallanders och Tom Hedelius Stiftelse	835 152		3.0	18.8
Robur		4 925 457	17.7	11.1
Pär Stenberg	279 152	1 049 922	4.8	8.6
Anders Börjesson (family)	293 000	20 500	1.1	6.6
Tom Hedelius	278 000	5 400	1.0	6.3
Handelsbankens Pensionsstiftelse		1 900 000	6.8	4.3
Alecta		1 339 440	4.8	3.0
Carl T Säve	30 000	973 982	3.6	2.9
Skandia		1 225 500	4.4	2.8
Handelsbanken ²⁾		1 155 700	4.2	2.6
Chase Manhattan Bank		1 084 328	3.9	2.4
Fjärde AP-Fonden		1 075 775	3.9	2.4
Andra AP-Fonden		900 014	3.2	2.0
Tredje AP-Fonden		876 975	3.1	2.0
Other shareholders	128 440	9 488 423	34.5	24.2
Total	1 843 744	26 021 416	100.0	100.0

1) Adjustments have been made for some known changes after March 30, 2001.

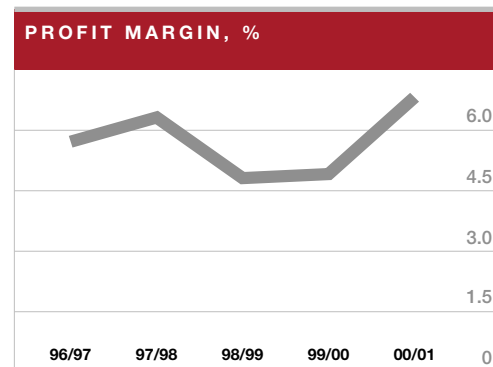
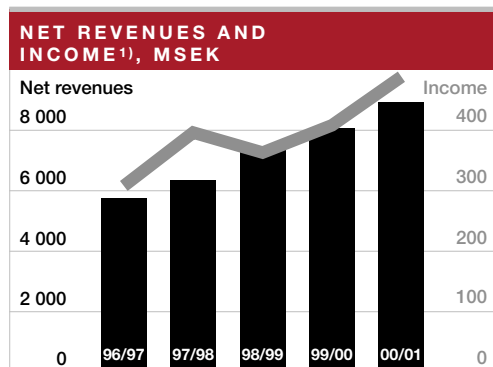
2) In November 1999, the Board of Directors of Bergman & Beving decided to offer synthetic options with the term January 13, 2000 – January 13, 2003 to members of senior management. For the purpose of hedging the option program, thereby limiting its effect on earnings, Bergman & Beving entered into a share swap agreement with Svenska Handelsbanken. The number of underlying shares in the aforementioned share swap agreement is 500,000.

OWNERSHIP STRUCTURE				
SIZE CLASSES ACCORDING TO VPC AS OF MARCH 30, 2001	OWNER		SHARES	
	NUMBER	% OF TOTAL	NUMBER	% OF TOTAL
1 – 500	2 088	61.7	353 220	1.3
501 – 1 000	586	17.3	472 000	1.7
1 001 – 5 000	480	14.2	1 062 549	3.8
5 001 – 10 000	91	2.7	736 836	2.6
10 001 – 50 000	81	2.4	1 642 256	5.9
50 001 – 100 000	15	0.4	1 037 457	3.7
100 001 –	44	1.3	22 560 842	81.0
Total	3 385	100.0	27 865 160	100.0

Domestic and foreign institutional ownership is about 73 percent. About 7 percent of Bergman & Beving's shares are owned by shareholders outside Sweden.

The Bergman & Beving Group during Five Years

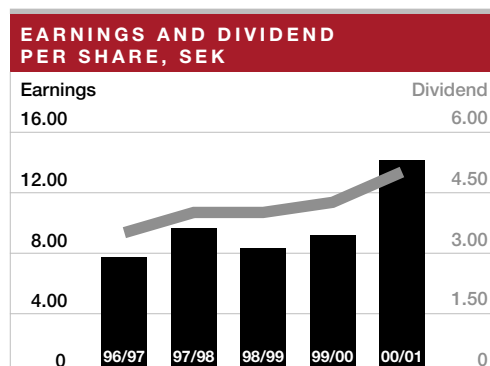
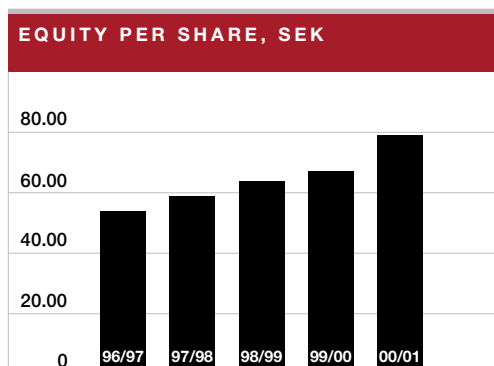
MSEK	2000/2001	1999/2000	1998/1999	1997/1998	1996/1997
Income information					
Net revenues	8 925	8 073	7 343	6 351	5 743
Operating costs	- 8 427	- 7 666	- 6 981	- 5 956	- 5 436
of which depreciation and amortization	- 181	- 168	- 153	- 116	- 98
Items affecting comparability	116	—	—	—	—
Operating income	614	407	362	395	307
Financial income and expense	- 11	- 15	- 11	6	18
Income after financial items	603	392	351	401	325
Net income	399	264	237	275	221
Balance information					
Intangible fixed assets	644	464	505	275	149
Tangible fixed assets	688	650	688	628	590
Financial fixed assets	66	31	31	22	21
Inventories	1 305	1 198	1 185	926	752
Short-term receivables	1 574	1 301	1 228	1 053	953
Liquid funds	876	683	482	573	737
Total assets	5 153	4 327	4 119	3 477	3 202
Shareholders' equity	2 194	1 920	1 821	1 676	1 535
Minority interest	6	—	—	—	—
Convertible subordinated debenture loan	101	101	—	—	—
Interest-bearing liabilities and provisions	912	813	824	437	391
Non-interest-bearing liabilities and provisions	1 940	1 493	1 474	1 364	1 276
Total shareholders' equity and liabilities	5 153	4 327	4 119	3 477	3 202
Capital employed	3 213	2 834	2 645	2 113	1 926
Financial net assets	- 71	- 200	- 311	158	367



1) Income data refer to income after financial items, but before items affecting comparability.

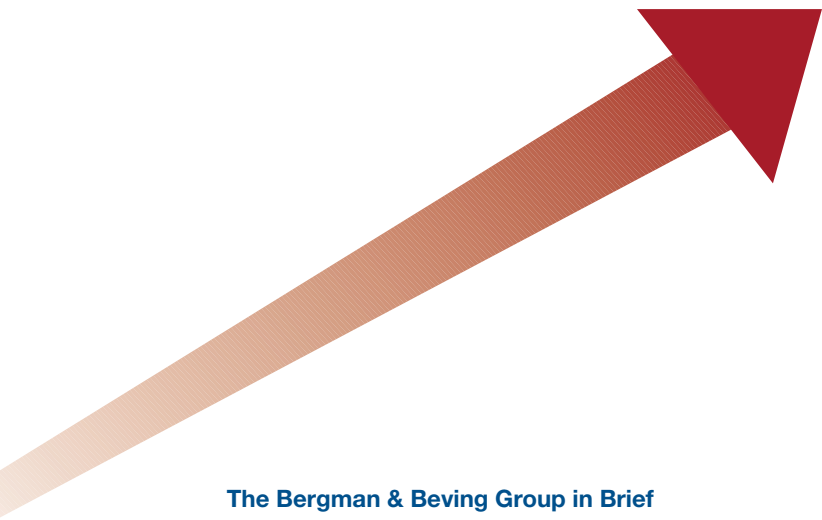
	2000/2001	1999/2000	1998/1999	1997/1998	1996/1997
Ratios					
Profit margin, %	6.8	4.9	4.8	6.3	5.7
Return on total capital, %	14	10	10	13	11
Return on capital employed, %	22	16	16	21	19
Return on equity, %	19	14	14	17	15
Return on equity, fully diluted basis, %	18	14	—	—	—
Equity ratio, %	43	44	44	48	48
Equity ratio, fully diluted basis, %	45	47	—	—	—
Other data					
Number of employees at end of period	3 263	2 693	2 729	2 293	2 036
Average number of employees	2 928	2 679	2 513	2 167	2 091
Cash flow from current operations, MSEK	538	355	243	267	347
Per-share data					
Earnings per share, SEK	14.10	9.20	8.30	9.60	7.70
of which items affecting comparability	3.00	—	—	—	—
Earnings per share, fully diluted basis, SEK	13.70	9.20	—	—	—
Cash flow from current operations, SEK	19.30	12.40	8.20	9.30	12.10
Cash flow from current operations, fully diluted basis, SEK	18.50	12.30	—	—	—
Shareholders' equity, SEK	78.70	67.10	63.60	58.50	53.60
Shareholders' equity, fully diluted basis	79.90	68.60	—	—	—
Share price, March 31, SEK	108	113	103	161	118
Share price/Shareholders' equity, %	137	169	162	275	220
Share price/Shareholders' equity, fully diluted basis, %	135	165	—	—	—
Price earnings ratio	8	12	12	17	15
Price earnings ratio, fully diluted basis	8	12	—	—	—
Dividend, SEK	5.00¹⁾	4.25	4.00	4.00	3.50
Dividend yield, %	4.6	3.8	3.9	2.5	3.0

1) According to the proposal of the Board of Directors.
Definitions are found in Note 1, page 42.



Bergman & Beving

– a growing group



The Bergman & Beving Group in Brief

The vision of the Bergman & Beving Group is to be a Leading Value-adding Tech Provider.

Operations in the Bergman & Beving Group are aimed at technology products and services, mostly on a business-to-business basis. A significant portion of the Group's sales goes to customers in the telecommunications, electrical equipment, electronic, mechanical, vehicle and construction industries. The Group's five business areas generate revenue of close to SEK 9 billion.

Most sales are in Sweden, Norway, Finland, Denmark, Poland, the Baltic States and Germany. The Group's suppliers are found among leading producers world-wide. All five business areas have some in-house manufacturing. Most of the production takes the form of refining and customizing purchased products.

Bergman & Beving was founded in 1906 and became a listed company in 1976. Since the initial public offering, the Company's share price has risen by an average of 18 percent per year. The return to the shareholders, measured as appreciation and dividends received, has averaged more than 25 percent per year over the same time span.

The business concept: Value-adding Tech Provider

Operations within Bergman & Beving are aimed at offering industrial customers solutions for specific needs, which often require unique solutions. This means that Bergman & Beving normally operates in niche markets.

The Bergman & Beving Group's offers are usually based on products from world-leading suppliers. These products are often refined by Group companies. Such refinement is made possible by the employees understanding the needs of the customers and knowledge of available technical solutions. An important ambition is to provide total solutions to the customers and services with a high value-added content.

In this way all the companies in the Bergman & Beving Group contribute to giving their customers increased competitiveness and profitability. In order to produce solutions with a high content of added value to meet specific customer wishes, close cooperation between customer and supplier is required. Such intense cooperation often fosters long-term customer relationships, which are of great value for future operations. Good customer relationships lead to a situation where the Group's companies get customer inquiries at a very early stage. New projects are formed, which lead to business opportunities, which in turn provides new opportunities for helping customers towards success. Our good customer relationships are gradually strengthened.

The positive spiral described above is a main ingredient in being a *Value-adding Tech Provider*.

Corporate philosophy

The Bergman & Beving Group is permeated by a belief in decentralization, where the ability and will of its employees to drive the business forward within set requirements for earnings growth, profitability and development.

Bergman and Beving's corporate philosophy can be summarized in five key words:

Simplicity is an all-embracing concept. Co-workers are encouraged to work with as little paper and as few reports and meetings as possible.

Efficiency is a matter of doing the right things and of doing things right. Spending time on finding those activities that give the most is an important priority for us to be successful. Our work is concentrated to our customers, with customer benefit as the guiding-star.

Willingness to change. The Group structure with "small-scale operations on a large scale" allows us to modify the organization to accommodate the requirements of a forever changing world around us.

Accountability and freedom go together. Without one, the other is impossible. Accountability and freedom will only work in a decentralized organization. Bergman & Beving's organization is decentralized and decisions are made as close to the customer as possible.

Basic requirements

The three basic requirements set a framework and provide guidelines for the operations:

The growth goal is for long-term earnings growth of 15 percent per year seen over an economic cycle.

The profitability goal is for profit relative to working capital of 45 percent for each established business concept.

Development is to actively embrace significant issues,

opportunities and problems in the interest of promoting positive change – development.

It is competent, responsible and enterprising employees who create the Group's present and future earnings. Competence development takes place mostly by an exchange of experience among colleagues, but also in the form of internal and external training.

Action program for increased shareholder value

During the spring of 2000, the Group's management launched an action program for increased shareholder value. Purposeful measures have been implemented and these activities have contributed to a significant earnings improvement.

During the period April 2000 to March 2001 the Bergman & Beving share has enjoyed better performance than the SIX composite index.

The principal features of the action program are presented below.

Focus on ROS and WC

Priority one in the action program has been to raise earnings and profitability. This has been achieved by even greater focus than before on the profit margin and the capital turnover rate. An important ingredient in this program has been to implement ranking between the Group's profit centers. Action has been taken with respect to product ranges with a profit margin of less than 3 percent and/or a lot of capital tied up.

As a result of these activities and with support from a benign economic development, the Group's profit margin rose for six consecutive quarters. MSEK 50 in working capital was freed up during the past year, concurrent with the net revenues increasing from MSEK 8 073 to MSEK 8 925.

Acquisitions

An important element of the Group's development is continuous evaluation of suitable companies and businesses for acquisitions which complement existing businesses.

Fifteen acquisitions were made during 2000/2001, together representing annual revenues of about MSEK 740. These acquisitions strengthen the Group's position in priority market areas, such as in transmissions and machinery elements, environmentally friendly production and services for workplace design. Acquisitions made strengthen the Group's position in Sweden, Finland, Norway, Germany and Poland.

More than 175 companies have been acquired since the end of the 1960's. About 85 percent of the acquisitions have been successful and have contributed to increased earnings per share.

Increased added value

The companies in Bergman & Beving are continually working on evolving their business concepts by developing added value. Examples are expanded services, light production adapting products to customer needs, etc.

Building positions with new technology

E-commerce is gaining in importance for the Bergman & Beving Group. Many Group companies have realized the importance of an early start in building market positions by utilizing interactive technology. Integration with customer systems solutions via EDI and setting up new Web portals are examples of interfaces for communication with the customers.

Business area Tools, that provides industrial customers with tools and consumables, is the unit that does most business based on e-commerce. Through the business-to-business portal www.toolstore.com customers get product information and images of more than one hundred thousand products from the companies in business area Tools. Toolstore is available in five languages and is currently being translated into a sixth. More than 20 000 product inquiries are responded to and over 2 000 orders are registered daily. Products are normally delivered to the customer within 24 hours from the time when the customer places an order with a few clicks of the mouse. The customer can track the delivery via the Internet from the time of ordering. Routines for efficient current updating of product lines in catalogs as well as the Web portal are well developed in Tools.

E-commerce also provides a wealth of structured information about buying patterns in various market segments as well as information about the needs of individual customers. This information can also be used gradually to improve and refine services and products supplied.

Sales of real estate

In a bid to concentrate the business and to reduce capital tied up, two centrally located properties in Stockholm have been sold. Total proceeds from the sales were MSEK 190, with a capital gain of MSEK 137.

Repurchase of own shares

For the purpose of improving the Group's return on equity and earnings per share, shares equivalent to 2.7 percent of all outstanding shares were repurchased during the operating year.

Environment and quality



Environment

The basic philosophy in the Bergman & Beving Group is that environmental issues are an integral part of the Group's business, aimed at achieving a sustainable development, which means that our natural resources are not used in such a way as to jeopardize the living conditions of future generations. Our part in accomplishing this takes the form of continuous endeavors to reduce the environmental impact of our business.

The environmental work in the Group is conducted locally based on the specific operating premises for each company. The basis for Bergman & Beving's environmental work is established in an all-embracing Group environmental policy. Certification according to ISO 14001 has been accomplished in a number of companies. The job of introducing environmental management systems in additional companies is a continuing process.

The Group's environmental council, which is made up

of the environmentally responsible persons in each respective business area, meets regularly and is responsible for coordination of environmental issues in the Group and for external contacts.

Most of Bergman & Beving's operations consist of dealing in and distribution of products and light manufacturing, currently with minimal environmental impact. The Group's environmental impact is mainly attributable to transportation and packaging material, energy consumption, and in the form of input goods for producing companies. In commerce and distribution cooperation with manufacturers is very important in the interest of decreasing the environmental impact of the products.

A small number of the Group's companies conduct operations under obligation to report on their activities under Swedish environmental legislation. None of the Group's companies are involved in any litigation or disputes relating to environmental issues.

Bergman & Beving's environmental policy

The environmental policy of the Bergman & Beving Group expresses a willingness to assume our share of the responsibility to improve the environment and contribute to a durably sustainable development. Thinking in terms of recycling and conservation of natural resources shall be an important part of the Group's business activity. The environmental work shall be conducted within the framework of our business concept and shall be well integrated in day-to-day operations. Through a high level of competence on the part of our employees, and by continuously developing our knowledge about the environmental impact of what we do, we are in a position to take an overall view of environmental issues. Environmental measures will be implemented to the greatest extent technically possible, economically reasonable and environmentally justified. The responsibility for day-to-day environmental work lies with each individual company in the Group.

Quality

Quality work is today a natural part of the way business is conducted by Bergman & Beving. Constant efforts aimed at improvements are necessary to increase efficiency and at the same time to meet increasing customer demands for quality and security of supply. A large number of the Group's companies today operate under a quality management system according to ISO 9000. The job of adapting management systems to the new ISO 9001:2000 standard is well under way. The new standard is to a greater extent than previous ISO systems focused on customer benefit and customer satisfaction, and on the processes inherent in the business.

Structural changes for increased growth

The Board of Directors of Bergman & Beving AB has decided to propose to the regularly scheduled Annual General Meeting to be held August 22, 2001 to resolve spin-off and distribution of two subsidiaries, Addtech AB and Lagercrantz Group AB to the shareholders of Bergman & Beving AB. The two new business units intend to apply for listing on the O-list of the Stockholm Stock Exchange. The Bergman & Beving Group will continue to be listed on the A-list of the Stockholm Stock Exchange.

For taxation purposes, the spin-offs will be in the form of distribution according to the Lex Asea rule after resolution by the regularly scheduled Annual General Meeting to be held August 22, 2001.

The overriding reason for the proposal is to create the best possible conditions for future growth in each respective area of operation. The new listed companies will have a more focused business with a clear business concept for each respective group. Customers, shareholders, analysts, boards of directors, management and other stakeholders will get businesses with a sharper focus and specialization in their respective market areas.

At the same time as this is a major strategic change, the three groups will consist of businesses with a long history,

strong market positions, the necessary size, good profitability and management teams with considerable experience. The Bergman & Beving Group stands ready to meet these changes with healthy stability and many opportunities for the future.

The distribution of Bergman & Beving's businesses in three listed companies is illustrated below. The new companies and the proposed management team members:

- Bergman & Beving AB is suggested to consist of business areas Tools and MediTech. *President: Stefan Wigren; Chief Financial Officer: Mats Björkman; Vice President: Anders Engström.*
- Addtech AB is suggested to consist of business area Industry. *President: Roger Bergqvist; Executive Vice President and Chief Financial Officer: Kennet Göransson; Executive Vice President: Johnny Öhman; Executive Vice President: Anders Claeson.*
- Lagercrantz Group AB is proposed to be formed by business areas Electronics and Lagercrantz Group. *President: Jan Friis; Executive Vice President: Per Ikov; Executive Vice President: Mattias Sonnenfeld.*

For further information regarding scheduling, estimated tax consequences and pro forma data, reference is made to Bergman & Beving's Information brochure, July 2001.

The Bergman & Beving Group today

Bergman & Beving Tools is the Nordic Region's leading supplier of tools and consumables for the manufacturing and construction industries. Values are added by a broad product range in each product area, a strong Nordic logistics function and e-commerce solutions that make the trade very efficient.

Bergman & Beving MediTech is one of the Nordic Region's leading suppliers of diagnostic equipment, laboratory equipment, dental products and plastics products for medical applications. Customers are reached via personal sales and are mostly found in the health care, pharmaceutical industry and among research institutions and universities. Values are added through deep product and application knowledge, technical service, training and certain in-house production.

Bergman & Beving Industry offers, via personal sales, high-tech solutions based on electronic components and electronics systems for the mechanical, telecommunications, electronic, engineering and vehicle industries. Operations are niche-oriented with leading positions in several product areas. Values are added by customer-adapted solutions, installation, service and training and certain in-house production.

Bergman & Beving Electronics offers electronic components, cable harnesses and niched systems and data products to customers in the telecommunications and electronics industries. The company commands a strong market position in all Nordic countries. Values are added by product and indesign competence, efficient logistics and certain in-house production.

Lagercrantz Group is a leading knowledge-based company in a number of well-defined areas in the IT and telecommunications industries in the Nordic Region. Products and services in infrastructure and testing equipment for telecommunications, CRM (Customer Relationship Management), ITSM (IT Service Management) and video communication, are offered to customers primarily in the telecommunications and IT industries.

Proposed future structure



ADDTECH



BUSINESS AREA

Electronics

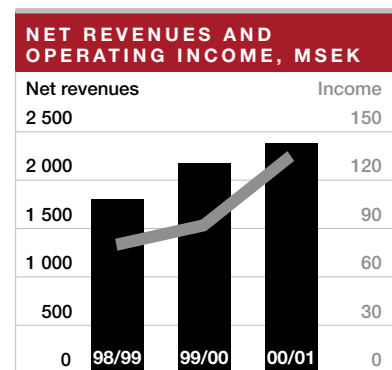
Bergman & Beving Electronics is one of the leading suppliers of electronic components in the Nordic Region. Operations are niche-oriented and values are added in forms such as deep product and indesign competence. Customized cable harnesses are mainly produced at own factories. A strong logistics function and IT integration with customers and suppliers ensures efficient operations.



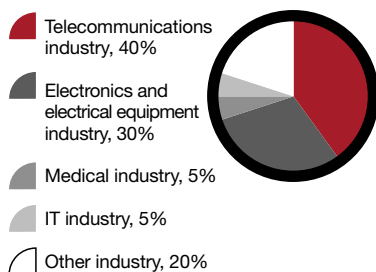
SINCE APRIL 1, 2001 BUSINESS AREA ELECTRONICS TOGETHER WITH LAGERCRANTZ GROUP ARE PARTS OF THE COMPANY LAGERCRANTZ GROUP AB - ONE OF THE TWO UNITS BEING PREPARED FOR DISTRIBUTION AND SEPARATE LISTING ON THE O-LIST OF THE STOCKHOLM STOCK EXCHANGE.

THREE YEARS IN FIGURES ¹⁾	2000/2001	1999/2000	1998/1999
Net revenues, MSEK	2 381	2 180	1 804
Operating income, MSEK	135	92	80
Income after financial items, MSEK	119	73	66
Average number of employees	623	557	505

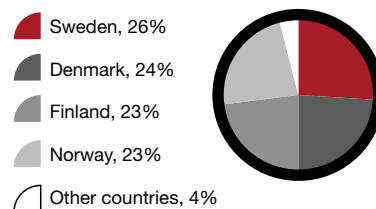
1) Income data refer to income before items affecting comparability.



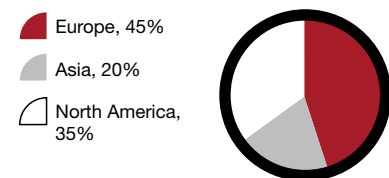
CUSTOMER STRUCTURE



SALES BY COUNTRY



PURCHASES BY PART OF WORLD



Electronics has developed a custom designed computer control of an adjustable desk and production control for its manufacture.

EXAMPLES OF COMPANIES IN ELECTRONICS



How does Electronics do business?

Personal sales and thorough product knowledge constitute the foundation of the business that offers high-tech electronic products, primarily for customers in the telecommunications and electronics industries. The business area has a broad customer base, with no single customer accounting for more than five percent of revenues.

Together with customers and suppliers, Electronics is focused on creating new services in, among other areas, development, production preparation and outsourcing of the customers production. Customer training via seminars and technical support are important added values offered. A well-functioning logistics function is provided.

Bergman & Beving Electronics is active in four product areas: *electronic components*, *cable harness production*, *systems solutions* and *niched data products*. In the area of *electronic components*, a broad array of active, passive and electro-mechanical components from leading suppliers are sold. Consulting services are offered as an integral part of the operations, for example in the form of support for the customers' application development efforts.

In *cable harness production*, customized products are manufactured at own factories. Consulting services are also offered in such areas as outsourcing and production optimization.

The *systems solutions* area provides information and payment systems as well as automation solutions to industry. A new and interesting area of operation has emerged with niche systems products that integrate "Point-of-Sales" and information systems, such as displays, barcode products and specialized printers.

In *niched data products*, combinations of products and consulting services are offered in the field of data communication solutions and design software.

The **market position** of Electronics is very strong in all Nordic countries. The business area is also active in

Poland and the Baltic States, markets that constitute new opportunities for growth. The **Suppliers** are found in North America, Asia and Europe. They are often world leaders in their respective fields and long-term relationships have developed over several decades. **Customers** are found mainly in the telecommunications, electronics and electrical equipment industries. Medical industry and IT industry constitute smaller but important customer segments.

Together with a broadening of operations, new opportunities are created by day-to-day development of IT tools with integration towards customers and suppliers via EDI (Electronic Data Interchange) and e-commerce.

2000/2001 operations

Net revenues increased by 9 percent to MSEK 2 381 (2 180). Income after financial items, but before items affecting comparability, increased by 63 percent to the new record level of MSEK 119 (73). Earnings growth continued during the first part of the operating year, after a strong finish during the preceding financial year, primarily as a consequence of strong demand in the electronics industry, plus the full effect of the integration of the acquired Berendsen Components.

The market for electronic components slowed during the fourth quarter of the financial year. In an early response to this weaker trend in the market, Electronics

BUSINESS AREA MANAGEMENT



Jan Friis
President



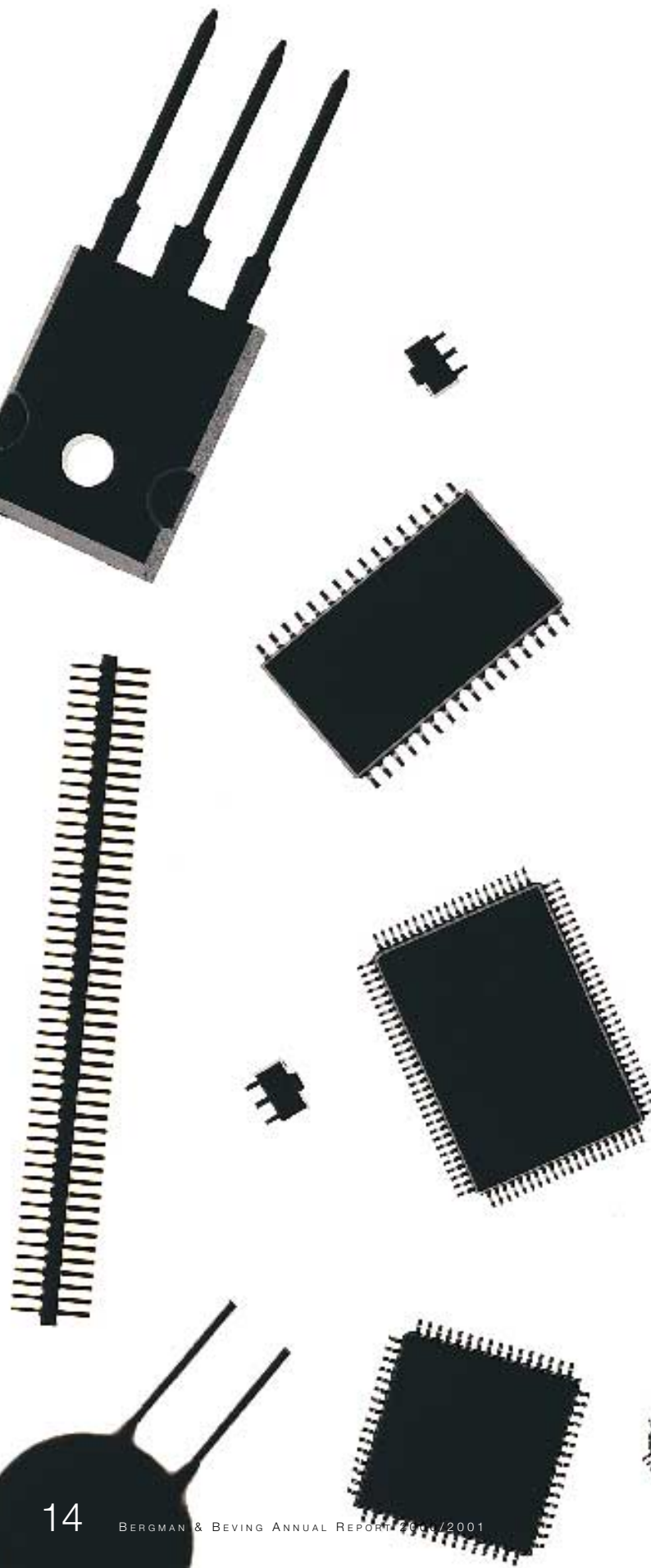
Steen A. Schulstad



Steen Alexander



Per Lund



has launched an action program to adapt its costs and product portfolio. The objective is to reduce costs in the business, which generally speaking have a high content of variable costs, by MSEK 30 on an annual basis. A restructuring reserve of approximately MSEK 62 has been set aside, reported as an item affecting comparability, as a way of allowing actions to reduce costs, but also to meet two specific cases of bad debt losses.

The area of niche data products, which at the beginning of the financial year accounted for about 15 percent of the business area's sales, was restructured during the year with sales and disposal of certain products as a result.

Organization

Bergman & Beving Electronics consists of four business areas:

- components operations in ACTE
- systems operations in ACTE
- cable harness products in Production Services
- niche data products in Betech Data and Heath Comm.

The systems operations in ACTE were established as a separate business unit as of April 1, 2001. BBE Cable changed its name to Production Services during the spring of 2001. Division BBE Data includes Betech Data as well as Heath Comm.

Division

ACTE Components
ACTE Systems
Production Services
BBE Data

President

Stein Thorvaldsen
Gunnar Åhlander
Gunnar Almeling
Steen Alexander

The employees of Electronics constitute the core of the operations, and value-added for the customers is based on their technical competence. Knowledge is transferred from older to younger co-workers, as the technology evolves and as customer needs change.

*Integrated circuits,
electro-mechanical
and passive compo-
nents. (two times
actual size)*



Together with cooperation partner IT-gruppen, ACTE Systems A/S has delivered the hardware for IBM's cash register system 4 800, which is used by Royal Scandinavian Retail at Strøget in Copenhagen.

Competitors

The global consolidation in the components industry continues. Electronics' competitors include international distributors with subsidiaries in the Nordic region as well as local distributors.

In the systems and data area, most of the competition stems from major manufacturers and international trading companies with their own local sales companies, or with cooperation with local distributors.

ElektronikGruppen is one competitor in Sweden.

Strategy for the future

Based on its strong market position as one of the Nordic Region's leading suppliers of electronic components, Bergman & Beving Electronics wants to give priority to three strategically important areas for earnings growth:

- *niche focus*
- *creation of added value*
- *expansion*

Niche focus consists of three parts: specific market segments, a narrow product range with high technology content and personnel with high technical competence. Together with an offer for customized solutions, this focus allows Electronics to strengthen its position as a link for refinement between producer and customer.

Creation of added value means offering new services to customers. Customer-adapted cable harnesses and development of complete application solutions in close cooperation with the customer are examples of new services. Increased value creation further strengthens Electronics' position and profile in the marketplace.

Electronics will also in the future *expand*, both by way of organic growth and acquisitions within markets where the business area is active. Internationalization through alliances and acquisitions in profitable and well-defined niches is an explicit strategy for the future. Active efforts to attract new customers, suppliers and employees are important to continued success for Electronics.

A real life illustration – Heath Comm

Creating new services in development – what does that mean?

Heath Comm AS's business concept is to create solutions for companies with a need for communication via satellite. A majority of the customers conduct international business at sea and are totally dependent on data communication via satellite. The customers are active in such areas as oil production, meteorology, fishing, cargo and ferry operations.

In close cooperation with customers and suppliers, technicians from Heath Comm AS have developed a competitive concept for satellite traffic. Based on the needs of the customer, the company assembles several products, which together provide high-speed data transmission. This lets customers optimize the use of very expensive satellite connections.

Around-the-clock, 365-days-a-year service at all installations all over the world is also offered.

Telenor Broadband Services, the world's largest supplier of mobile satellite services, is a close cooperation partner.

Heath Comm AS is headquartered in Bergen, Norway. The company had 2000/2001 revenues of MSEK 52 and had 15 employees as of March 31, 2001.

BUSINESS AREA

Lagercrantz Group

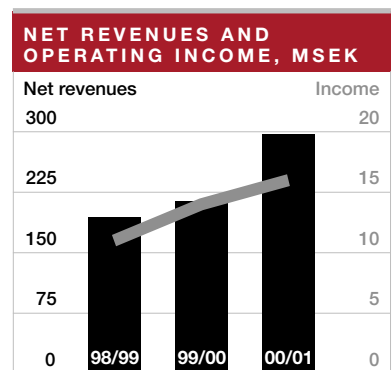
Lagercrantz Group is a leading knowledge-based company in a number of well-defined competence areas in the IT and telecommunications industries in the Nordic Region. The business concept is to offer technically advanced and customer-adapted solutions of products as well as services in each respective niche. The areas of operation are infrastructure and testing equipment for telecommunication, CRM (Customer Relationship Management), ITSM (IT Service Management) and video communication.



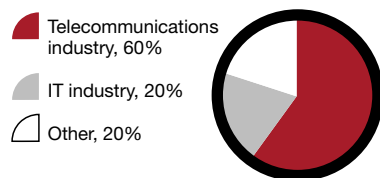
SINCE APRIL 1, 2001 BUSINESS AREA LAGERCRANTZ GROUP TOGETHER WITH BUSINESS AREA ELECTRONICS ARE PARTS OF THE COMPANY LAGERCRANTZ GROUP AB - ONE OF THE TWO UNITS BEING PREPARED FOR DISTRIBUTION AND SEPARATE LISTING ON THE O-LIST OF THE STOCKHOLM STOCK EXCHANGE.

THREE YEARS IN FIGURES ¹⁾	2000/2001	1999/2000	1998/1999
Net revenues, MSEK	297	214	194
Operating income, MSEK	16	14	11
Income after financial items, MSEK	16	15	11
Average number of employees	105	83	75

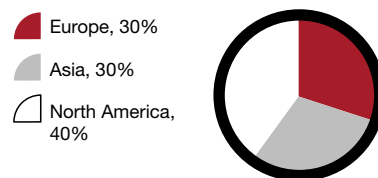
1) Income data refer to income before items affecting comparability.



CUSTOMER STRUCTURE



PURCHASES BY PART OF WORLD



BUSINESS AREA MANAGEMENT



Johan Olofsson
President

Svante Gustafsson



How does business area Lagercrantz Group do business?

Projects are run in close cooperation with the customer. Solutions are often based on a standard platform from a well-established supplier and then adapted to the customer's specific requirements. And it is not unusual for Lagercrantz Group to develop an entirely new solution in cooperation with the customer based on that customer's specific needs.

The business is usually driven by the customers' desire to quickly improve their competitive situation by investing in new technology. Customers are increasingly demanding that it must be possible to integrate the new technology in existing environments with high precision of delivery. Lagercrantz Group satisfies these requirements by gaining in-depth knowledge about customer needs and then solving customer problems based on the strength of the competence of its employees. Long-standing relationships with suppliers and customers is the foundation of effective project work.

The market position of the business area is strong. The goal is for the companies in the Lagercrantz Group to be number one in the niches where they are active in terms of profitability, quality and development. Lagercrantz Group is active in the following areas:

1. Testing and Measurement Systems – testing equipment for manufacturers and operators in the telecommunications industry.
2. Access & Infrastructure – communication equipment in fixed and mobile networks for telecom operators and major companies.
3. CRM (Customer Relationship Management) – advanced solutions to improve the level of customer service in major companies and organizations.
4. ITSM (IT Service Management) – support systems boosting efficiency of IT operations in query handling and helpdesk management for major companies and organizations.
5. Digital Communication – systems solutions for video conferencing, remote teaching and streaming media.

Suppliers of standard equipment are located in the United States, Israel and Europe. **Customers** operate mainly in the Nordic Region, but it is becoming increasingly common for the Lagercrantz Group to assist customers all over Europe. Customers are found mostly in the telecommunications and IT industries.

2000/2001 operations

Net revenues increased by 39 percent to MSEK 297 (214). Income after financial items, but before items affecting comparability, increased by 7 percent to MSEK 16 (15).

The largest unit in Lagercrantz Group, Lagercrantz Communications, continues its positive development in terms of

revenue and earnings. Establishing businesses in Denmark and acquisition of businesses in Finland had a negative impact on the year's earnings. Results for these units are expected to improve significantly during the current financial year.

Organization

Lagercrantz Group conducts operations in five companies. Each company has a specific competence area and works with defined customer groups.

Company	President
Lagercrantz Communication AB	Gunnar Samuelsson
Lagercrantz A/S	Peter Lange
Delphi Oy	Juhani Lamminmäki
STV Svenska Tele & Video Konsult AB	Kjell Eriksson
Uniview AB	Peter Stjernström

Development is in the direction of a growing need for systems deliveries with follow-up support, which is coordinated in all the Nordic countries. By being established in Sweden, Finland and Denmark, and via a sister company in Norway, Lagercrantz Group is able to meet the requirements of its large customers.

There is no question that the personnel is the business area's most valuable asset. Lagercrantz Group is proud of the aggregate competence that has been built up over the years and is gratified over a very low personnel turnover relative to the rest of the IT-industry.

Competitors

In Testing and Measurement Systems the largest competitors are Acterna and Agilent Technologies. In the area of ITSM, there is in certain cases IBM. In Digital Communication, there is Merkantidata and Telia.

Strategy for the future

The businesses in Lagercrantz Group are focused on a number of different niches where the five companies in the business area have as their goal to be the leading player. The positions will be strengthened in two ways. In part by seeking new customer groups in adjacent areas where existing competence can be utilized, in part by offering new services to existing customer bases.

The business area has excellent possibilities of further developing the niches in the telecommunications area. Examples are infrastructure and technology platforms for telecom equipment providers and operators, and technology support and applications to allow more efficient use of the services on the networks. This effort will be launched on a Nordic Region-wide basis and in collaboration with world-leading and technically innovative partners and suppliers.

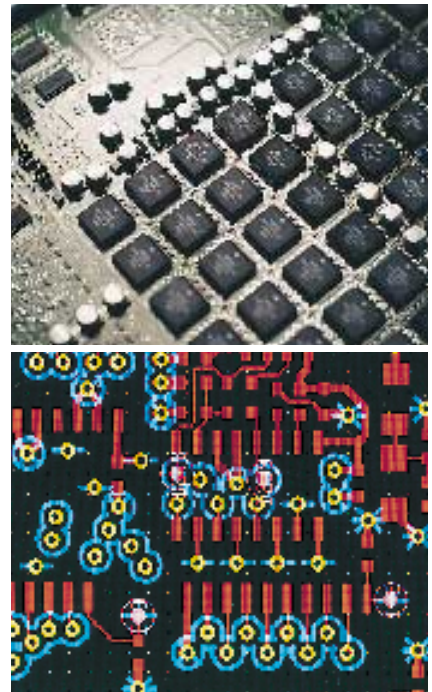
The entire operation within Lagercrantz Group is based on offering the best competence in each niche. The competence consists of knowledge about the market, customers, products and services. By being a profitable and innovative employer with persons that are known to be competent, who work with interesting and challenging projects, Lagercrantz Group is able to attract new skilled employees.

BUSINESS AREA

Industry

Bergman & Beving Industry's operations are aimed at customer-designed, high-tech solutions based on industrial components and systems. Operations have a marked niche orientation with leading positions in several product areas. Customers are found mostly among Nordic manufacturers.

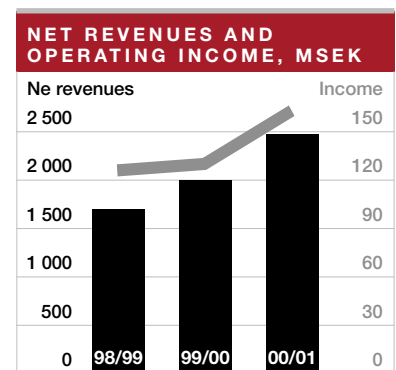
Upper picture: Circuit board.
Lower picture: Display on automatic tester of circuit board that shows exactly where and in which layer of the circuitry there is a fault.



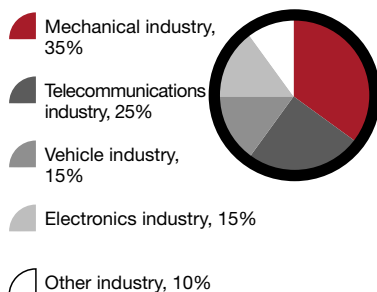
SINCE APRIL 1, 2001, BUSINESS IS CONDUCTED UNDER THE NAME OF ADDTECH AB - ONE OF THE TWO UNITS BEING PREPARED FOR DISTRIBUTION AND SEPARATE LISTING ON THE O-LIST OF THE STOCKHOLM STOCK EXCHANGE.

THREE YEARS IN FIGURES ¹⁾	2000/2001	1999/2000	1998/1999
Net revenues, MSEK	2 471	2 001	1 703
Operating income, MSEK	163	130	126
Income after financial items, MSEK	155	123	119
Average number of employees	930	805	715

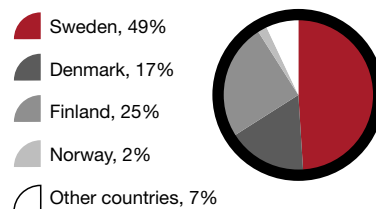
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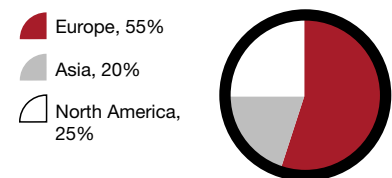
CUSTOMER STRUCTURE



SALES BY COUNTRY



PURCHASES BY PART OF WORLD



EXAMPLES OF COMPANIES IN THE INDUSTRY GROUP



How does Industry do business?

Demands on suppliers of high-tech products are mounting in terms of service as well as support and systems knowledge. Industry strives to be the number one choice of customers and to be the leader in each respective product area. Each subsidiary is sharply focused on its specific niche, which makes it possible to analyze the needs of customers in depth and to suggest efficient solutions.

Industry is organized in three main areas: Production Systems, Transmission Systems and Component Systems.

The business in Production Systems is aimed at systems solutions used primarily in industrial production processes. Complete solutions with advanced technology are often required here. Deep and close relationships with customers and suppliers are key to successful projects. Aside from Industry providing the right equipment and installing the systems, service, maintenance and consulting services are offered. The long-term partnerships sought by the companies include continual development, adaptation and system optimization for the customer's needs long after completion of delivery. In order to fulfill the requirements posed by modern manufacturing processes, it is natural to offer a combination of production and testing systems, production materials and services.

In Transmission Systems are found transmission components, machine elements and automation systems. Customers are found among manufacturers. Most products are provided from leading suppliers, but in-house production is an important element of the business. The products are often used in critical production processes and applications. Downtime can be very costly. When for instance a gasket or seal has to be replaced, it has to be done immediately. Thanks to efficient logistics and good insight in customer situations, Transmission Systems is in a position to resolve the customer's predicament very quickly.

Component Systems sells solutions, components and systems in the areas of electronics, electro-mechanics and power supply. Customers are found among manufacturers. A very large part of the business is based on the added value offered in the form of customer-adapted solutions or combinations that provide complete solutions for the customer. This creation of value means that the personnel of Component Systems focuses on complete functions rather than individual components. This allows Components Systems to offer well-functioning solutions to complex problems.

The Nordic region is Industry's **main market**, but thanks to export-oriented customers, international operations have increased. The most important **customer segments** are in the mechanical, telecommunications, electronics and vehicle industries. Among the customers are makers of cars, trucks, mobile telephones and telephone systems, industrial electronics, machinery and automation equipment. The largest customers are often active globally in terms of sales as well as production.

The **suppliers** are found in Europe, Asia and North America. They normally have a world-leading position in their respective niches. Cooperation with suppliers is often of a very long-term nature. The relationships with many of Industry's most important suppliers have lasted more than twenty years. Industry has some manufacturing and assembling of transmission parts, seals, gaskets and machinery elements.

BUSINESS AREA MANAGEMENT



Roger Bergqvist
President



Johnny Öhman



Anders Claesson

Industry

2000/2001 operations

Net revenues increased by 23 percent to MSEK 2 471 (2 001). Income after financial items, but before items affecting comparability, increased by 26 percent to MSEK 155 (123). The strong start of the year, together with a sharp focus on refinement and profitability, laid the foundation for the year's good growth in revenues and income. Operations in Finland posted a very strong development during 2000/2001 and now account for almost 40 percent of the business area's income. During the second half of the financial year, the rate of growth in sales abated, but no major cyclical effect has been noticed so far.

Production Systems has developed well during the operating year. The largest part in particular, the unit aimed at the telecommunications industry, saw good growth in volume and earnings. Sales slowed appreciably during the last quarter, however. A balanced distribution of sales between machinery, testing equipment, materials and services reduces the sensitivity to economic cycles for the business area.

In Transmission Systems the year was marked by restructuring. In December 2000, FB Industri Holding AB listed on the O-list of the Stockholm Stock Exchange was acquired via a public tender offer. In the existing operations, relocations, organizational changes and start-up of a new computerized business system had a negative effect on earnings. Measures taken to adapt and other action are expected to have a positive impact on earnings during the 2001/2002 financial year.

Component Systems with special components in electronics, electro-mechanics and power supply posted very good earnings growth for the year. The overall economic situation was benign and measures taken in less profitable units generated a good effect on earnings.

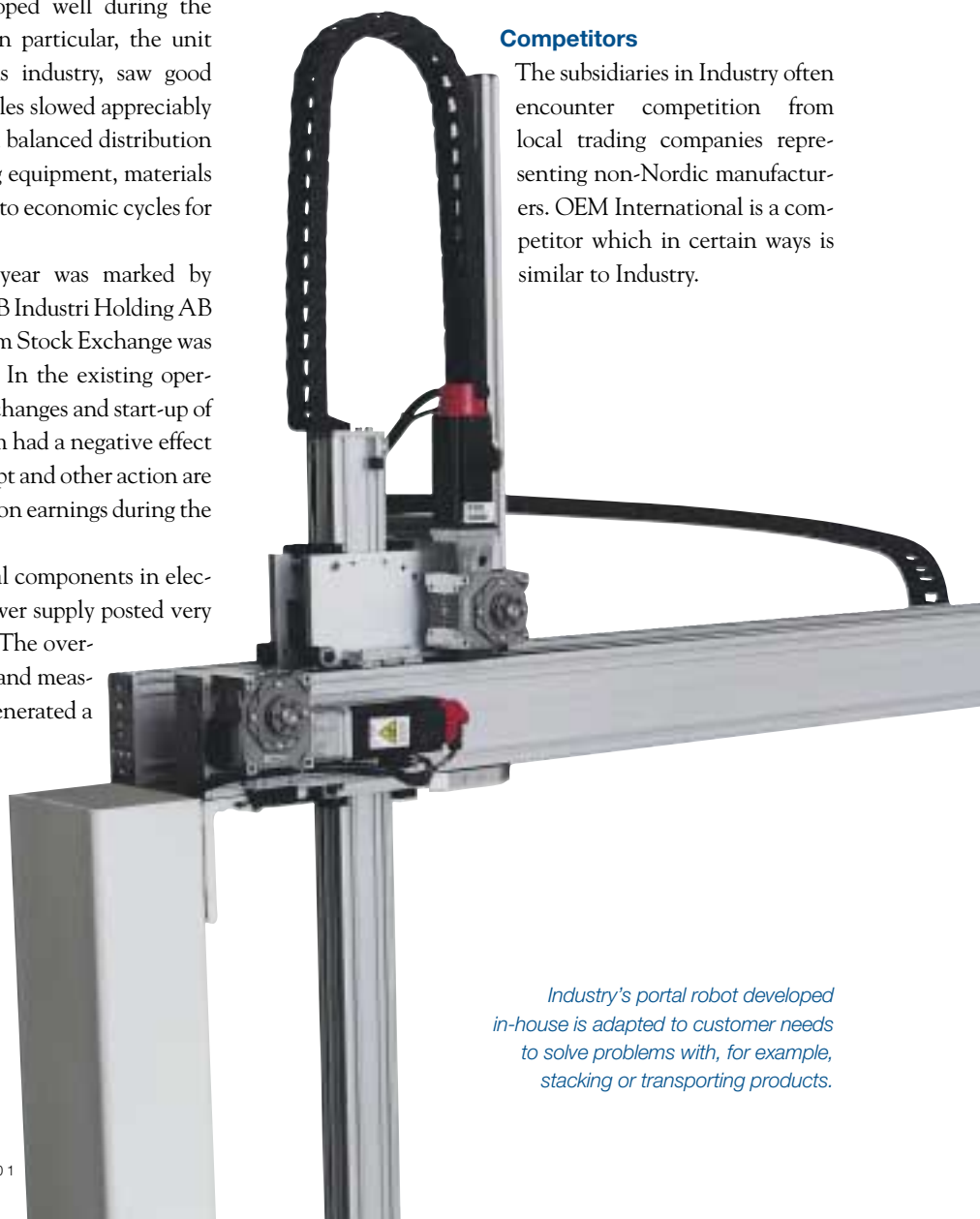
Organization

Since the spring of 2001 operations are organized in three main areas: *Production Systems*, *Transmission Systems* and *Component Systems*. Operations are conducted in about 50 companies. Each company has stated a niche strategy in connection to a well defined business concept.

The skill, motivation and creativity of the employees are decisive for Industry's success. The skill to combine technical competence with the ability to find solutions to the customer's application problem is the key to success. Many of the employees have extensive experience from complex project management.

Competitors

The subsidiaries in Industry often encounter competition from local trading companies representing non-Nordic manufacturers. OEM International is a competitor which in certain ways is similar to Industry.



Industry's portal robot developed in-house is adapted to customer needs to solve problems with, for example, stacking or transporting products.



beving Compotech delivers products such as motor units and motor control units for this actuator from ESBE AB.

Strategy for the future

The companies in Industry strive to command a leading position in the niche in which they are active. One condition for being the first choice of customers is to live up to continually rising demands for service, support and systems expertise. Long-term partnerships with the suppliers ensure that Industry is at the cutting edge with its proposed customer-unique solutions, thereby creating added value for the customers.

As the competitive power of Nordic manufacturing industry changes and industry has adapted its production in the Nordic Region, Industry has followed the internationalization process. The process of building businesses that support customers internationally is a major challenge which Bergman & Beving Industry accepts.

Opportunities for the future lie in Industry's knowledge, applications expertise and experience. Based thereon, Industry will be able to offer the added values the customers demand, in this way developing existing and new business concepts. Corporate acquisitions have been and will be a great opportunity for future development and growth.

A real life illustration – beving Compotech

The business focus is on customer-unique solutions – what is meant by that?

beving Compotech AB's business concept

The business concept is to deliver solutions in three product areas: switches, motors and circuit board, primarily to manufacturing companies in Sweden.

The solutions are generally based on standard components that are adapted to the customer's unique requirements. An example of a solution is a switch that is equipped with a cable harness or is mounted on a circuit board, or an electrical motor with an adapted control device.

Examples of applications where the company's products are included are regulators for heating systems, control panels for elevators, monitoring cameras and control systems for kitchen fans.

“One project – one contract”

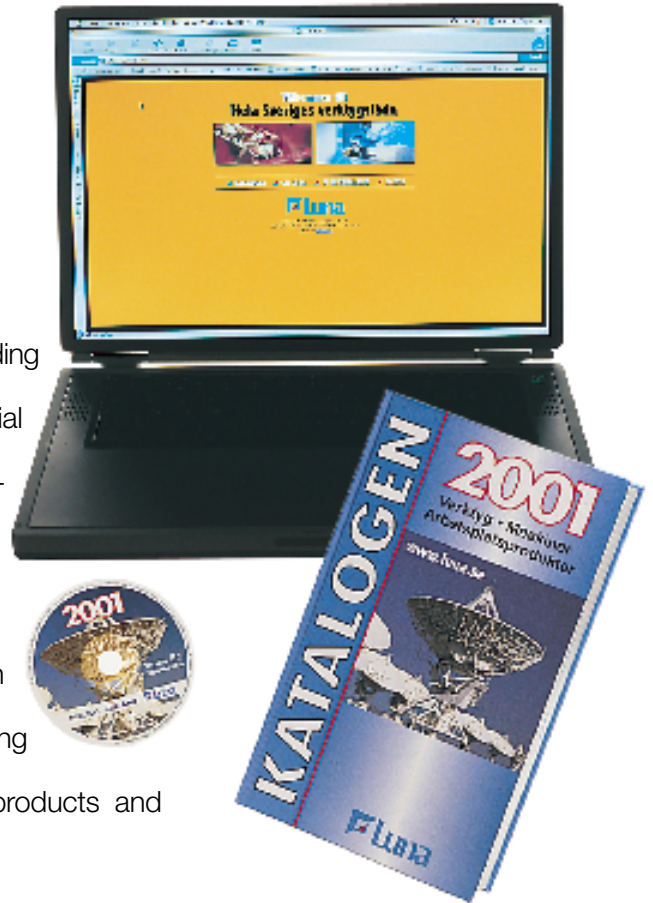
The company's development is in the direction of more in-depth customer integration where beving Compotech AB offers a unique competence and strengthened project management. By offering solutions and developing added value in partnership with customers as well as strategically important suppliers, the company's position in the market has been strengthened.

beving Compotech currently has 17 employees and generated revenues of MSEK 98 during the 2000/2001 operating year.

BUSINESS AREA

Tools

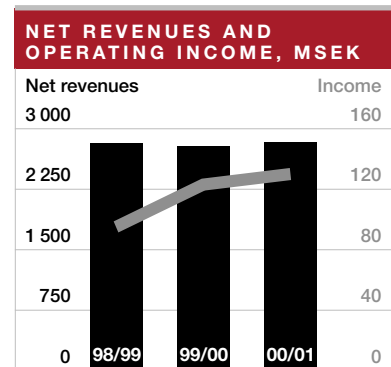
Bergman & Beving Tools is the Nordic Region's leading supplier of tools and consumables for the industrial and construction sectors. By purchasing from leading global suppliers, high-quality product programs are offered. The business concept is based on added values. Tools supports the customer in his or her choice of products from a broad offering of products and offers knowledge about the products and their use.



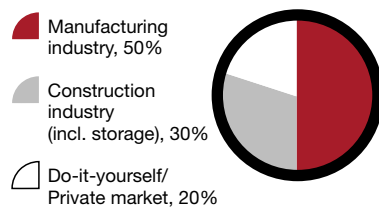
A strong Nordic logistics function ensures quick delivery. E-commerce solutions make the commercial process efficient and creates high accessibility.

THREE YEARS IN FIGURES ¹⁾	2000/2001	1999/2000	1998/1999
Net revenues, MSEK	2 839	2 785	2 820
Operating income, MSEK	130	123	95
Income after financial items, MSEK	122	117	96
Average number of employees	828	801	790

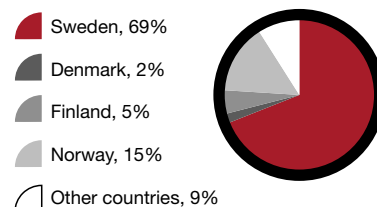
1) Income data refer to income before items affecting comparability.



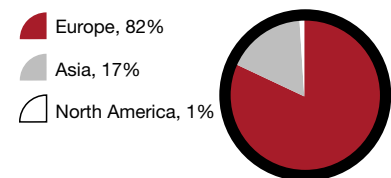
END CUSTOMERS BY SEGMENT



SALES BY COUNTRY



PURCHASES BY PART OF WORLD



Luna's customers can get updated product information in three ways: via Web portal, CD or catalog. Visit Website www.luna.se

COMPANIES IN TOOLS – ALL CONNECTED TO THE WEB PORTAL WWW.TOOLSTORE.COM



consumenta



Nomab



How does Tools do business?

Tools business is based on identified needs among **end users** primarily operating in the manufacturing and construction industries. Most of the sales are via distributors in the MRO (Maintenance Repair and Operation) and building material trade in the Nordic Region. Frequent dialogue between end customers, distributors and Tools' sales force ensures that the business area will be able to satisfy customer needs in an efficient manner. Industrial fastening elements and other special products are sold directly to industrial customers.

The companies in Tools are specialized in different product areas where tools, consumables, fastening elements and personal protection equipment are a few examples. The companies strengthen their role as suppliers by adding services to the products. Added values in the form of training in product knowledge are commonplace to distributors as well as end customers. Other examples of services are design programs for workplace equipment and "store concepts."

Thanks to intense cooperation among the companies in the business area, efficient IT and logistics solutions have been developed. At the industry portal www.toolstore.com customers get access to the entire product range, which includes more than one hundred thousand articles. Via the Internet, hand-held computers, EDI, etc. customers can place orders and get product and delivery information.

For maximum efficiency, Tools has advanced its position and integrated the systems with partners as well as end customers. Order capture by electronic media is about 70 percent. The job of improving the service level is a continuous effort.

Tools has a good service level where:

- 20 000 inquiries are answered every day with an average response time of 1.1 seconds.
- delivery is made within 24 hours anywhere in Sweden and Denmark and in large parts of Norway.
- the service rate is 94–96 percent, which means that products are delivered at the right time, to the right location and in the right quantity in 94–96 percent of all cases.

The Nordic Region constitutes the **main market**. In Sweden and Norway the companies in Tools have a very well established market position. The other Nordic countries constitute opportunities for geographic expansion.

Tools has long-standing supplier contacts and well-functioning quality control systems. **Suppliers** are either global companies with established and well-known brand names or successful companies that provide the business area with quality products sold under proprietary brand names. Examples of **proprietary brand names** are Guide, Race, Limit, Rubbet, Gigant, ESSVE and Anders Petter.

2000/2001 operations

Net revenue rose by 2 percent to MSEK 2 839 (2 785). Volume growth was affected negatively by the fact that certain types of affairs with low margin were reduced

BUSINESS AREA MANAGEMENT



Carl Johan Lundberg
President



Gert Karlsson



Kennet Göransson
until March 31, 2001

intentionally. Excluding these certain types of affairs, net revenue increased by 5 percent. Income after financial items, but before items affecting comparability, increased by 4 percent to MSEK 122 (117).

The economic situation in the largest customer markets, manufacturing and construction, was good and stable during the year. Construction in the second largest geographic market, Norway, posted a continued positive development during the year. Demand from the vehicle and the electronics industries declined during the last quarter of the year.

The development for the business area's largest company, Luna, was very positive during the year, in part as a result of concentrating its business to tools and machinery, in part thanks to extensive program

to improve efficiency.

In an effort to concentrate the business, the Polytrade and Gunfred companies were phased out during the financial year. Profitable products previously distributed by these companies have

been transferred to other companies in the business area. Essve Finland, which historically has shown poor profitability, was sold during the financial year.

Organization

There are eight companies in Bergman & Beving Tools with responsibility for specific product areas, and one service company:

Company	President
<i>Luna</i>	<i>Ulf Carlsson</i>
<i>Skydda</i>	<i>Leif Reinholdsson</i>
<i>ESSVE</i>	<i>Bengt Margård</i>
<i>Grunda</i>	<i>Sture Hellstrand</i>
<i>Gigant</i>	<i>Leif Törnqvist</i>
<i>NOMAB</i>	<i>Hans Hultén</i>
<i>Consumenta</i>	<i>Margareta Wälinder-Jarl</i>
<i>Jaktia</i>	<i>Anders Andersson</i>
<i>LogistikPartner</i>	<i>Jan Holmberg</i>

Great importance is attached to continuous development of the business concepts, both in the form of further development of concepts in cooperation with suppliers and customers, and in the form of acquisitions. Added value created by Tools will, together with good cooperation throughout the supply chain, assure the end customer an optimal solution.

Large parts of the business area's IT and logistics function have been assembled in service company LogistikPartner. LogistikPartner offers logistics services to companies within Tools as well as to external companies.

Tool's foremost resource is its 840 employees with solid experience and competence. Personal development is promoted by active internal and external training programs.

Competitors

Among competitors in Sweden are found HDF-Paulsson, Thomée, Finnveden and Hilti.



Protection equipment from the Skydda company.

Strategy for the future

Tools' ambition is to strengthen its already strong position further, by acquisitions as well as organic growth.

Tools intends to expand in Finland, Poland and the Baltic States, and to establish business in Denmark. Opportunities for faster expansion are provided by introducing industry portal www.toolstore.com in more countries.

In order to gain greater control of the supply chain from manufacturer to end customer, thereby increasing profitability, Tools intends to integrate forward as well as backward in the value chain. To integrate forward strengthens and secures distribution at the same time as it makes it easier for distributors to offer products and services with nation wide coverage. Toolstore is an example. Backward integration strengthens the supplier role of each company, in the interest of increasing the creation of value within Tools.

The purpose of the integration is to create a more distinct distribution of roles. This can be accomplished in part by intensified cooperation, in part by acquisitions. One example of increased cooperation is IT solutions, where Tools in real time updates its product data bases that are found in the purchasing systems of partners as well as end customers.

Other prioritized development areas include value-creating actions combined with productivity increases, the Toolstore Web portal, other IT and logistics.

A real life illustration – Gigant

Added value to the customers through services – what is meant by that?

Division Arbetsplats in Luna AB has been formed into a company by the name of Gigant Arbetsplats AB.

The business concept is to offer an ergonomically designed workplace with everything from floor covering, sound absorbing walls, tables that can be lowered and raised, to correctly designed and placed lighting.

The product program also includes lifting, transportation and storage products to simplify and facilitate the work.

The Gigant3D software has been developed as advanced support to be used in layout of workplaces. Aided by knowledgeable personnel from Gigant, the customer designs the workplace, gets a component specification and price quote, at the same time as the workplace layout emerges in 3D graphics.

The company has 22 employees and MSEK 184 in sales during the 2000/2001 operating year.



Drawing of an ergonomically designed workplace developed by Gigant.

BUSINESS AREA

MediTech

Bergman & Beving MediTech is one of the Nordic Region's leading suppliers in the following product areas: diagnostics equipment for healthcare, laboratory equipment, dental products and plastics products for medical applications. Customers are found mostly in healthcare, the pharmaceutical industry and in research laboratories/universities.

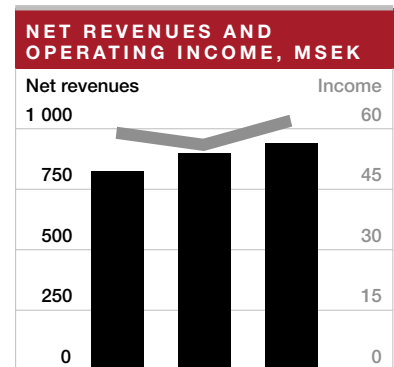
MediTech adds value by deep product and applications knowledge, technical service and training. Sales of dental products produced in-house amounts to 20 percent of sales and most of this is exported.



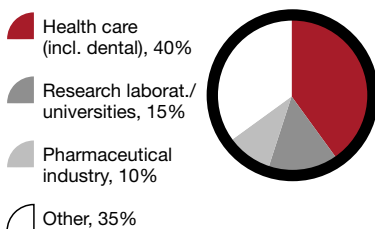
Digital pipette for precise dosage provided by MediTech.

THREE YEARS IN FIGURES ¹⁾	2000/2001	1999/2000	1998/1999
Net revenues, MSEK	941	899	826
Operating income, MSEK	62	56	59
Income after financial items, MSEK	61	51	55
Average number of employees	429	421	418

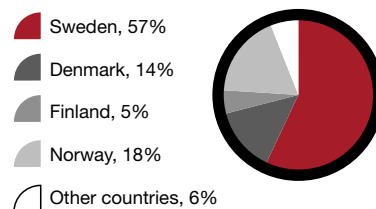
1) Income data refer to income before items affecting comparability.



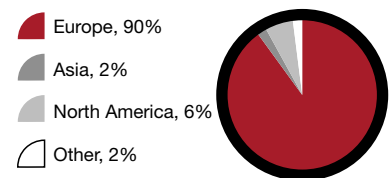
CUSTOMER STRUCTURE



SALES BY COUNTRY



PURCHASES BY PART OF WORLD



EXAMPLES OF COMPANIES IN MEDITECH



Nordiska
Dental

LABORA
CHEMICON

TRIOLAB

BERGMAN

S ab
SPECIALPAPPER

How does MediTech do business?

MediTech's business follows the needs of the customers. Consequently, personal sales are key to the operations. Specialist knowledge about the products and their use is of critical importance to the success of the business area. Customer training, seminars, technical service and effective distribution are vital services for the customers to which MediTech provides a high level of service.

For dental products and medical plastics, where MediTech has its own production, product development takes place in close cooperation with the customers. Customer-specific solutions are developed in many cases. Manufacturing of dental products and medical plastics takes place in modern facilities with production in a clean-room environment.

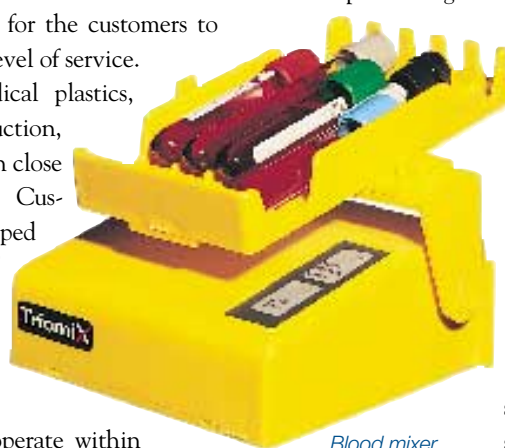
The companies in MediTech operate within well-defined product areas, where high-tech diagnostic equipment for blood gas, microbiology and clinical chemistry are significant. Other important niches are equipment for laboratory automation and technically advanced analysis instruments complemented by accessories and consumables for medical and chemical use. Other important product areas are dental products and medical plastics.

The Nordic Region constitutes Meditech's **main market**. Dental products manufactured in-house are exported, mainly to the United States and Europe.

Customers are found mostly in health care, the pharmaceutical industry, research institutions and universities. In the health care sector, the large customer groups are hospitals and care centers as well as dental clinics and dental companies.

Aided by the new IT technology, MediTech has capitalized on the great opportunities for making the dialogue

with customers more effective. Dental company Forsberg has a leading Webshop for dental products in Sweden. The shop offers a complete product line to dental care clinics with simple and quick ordering routines. The Webshop is always open and inventory balances, order history and purchasing lists are clearly displayed. The number of



Blood mixer

customers at Forsberg's Webshop increased during the year. The Labora company has also launched a Webshop with a broad line of consumables for laboratories in industry, at universities and in health care. The portal has had a positive reception in the marketplace. MediTech's *suppliers* are typically world-leading in their respective niches. Cooperation with most suppliers is of long standing. Most suppliers are located in Europe, but also in North America and Asia.

2000/2001 operations

Net revenue rose by 5 percent to MSEK 941 (899). Income after financial items, but before items affecting comparability, increased by 20 percent to MSEK 61 (51). MediTech finished the financial year with a very strong fourth quarter result, MSEK 29 (17).

BUSINESS AREA MANAGEMENT



Göran Hagsten President until March 31, 2001. Vice President from April 1, 2001
 Per-Olof Thorstensson President from April 1, 2001
 Anders Holmström
 Jan Söderman



Examples of consumables sold to dentists through the web portal. Visit www.fd.se

It was primarily the laboratory operations in MediTech that had a strong finish, after a slightly weaker beginning of the operating year. The main reasons are improved demand in Norway and Denmark, at the same time as actions to improve efficiency and organizational changes generated results.

Operations in the field of diagnostics saw a stable development during the 2000/2001 financial year and secured its strong market position. MediTech's sales of consumables for the dental market enjoyed a positive development, both in terms of exports and the domestic market. Cost-cutting programs implemented also had an effect.

Dental products produced in-house and medical technical plastics products produced in-house saw a weaker development during the year. This is explained primarily by raw materials price increases and start-up problems for new products. Measures are now being taken to render production more efficient and to restore the profit margin. These measures are expected to generate effects during the coming operating year.

Organization

MediTech consists of 20 companies, which as of May 1, 2001, are organized in five divisions:

Division	President
ANA KALTO	Hans-Gunnar Jacobson
Placo Medical	Jan-Olof Fransson
PLD Nordic	Jan Söderman*
Specialpapper	Rolf Jansson
Triolab	Göran Brandt

From March 30, 2001 division Vactek has been transferred to Bergman & Beving Industry.

MediTech's organization is distinguished by far-reaching decentralization. The greatest resource of the business area is its employees and their in-depth knowledge in applications in all product niches.

Competitors

Merck Euro Lab is a competitor in the laboratory area and Lifco is an example of a competitor on the dental side.

*Per-Olof Thorstensson until March 31, 2001.

There are also a number of smaller trading companies, such as Ninolab and ILS Laboratory Scandinavia. Products manufactured in-house meet competition primarily from producers in the United States and Europe, e.g. Euronda, Italy.

Strategy for the future

MediTech's goal is to sharpen the focus on growth areas in medical and chemical analysis, health care and medical-technical production. Together with existing areas, that will give MediTech a more interesting business content within the above mentioned growth areas. MediTech will therefore give priority to efforts to identify interesting acquisition targets to broaden the product offerings to existing customers.

Geographic expansion will also be given priority. The e-commerce initiative opens interesting opportunities for more rapid geographic expansion.

Increased emphasis in the Nordic Region in areas such as biotechnology opens opportunities for future market growth in product areas laboratory automation and diagnostic equipment. Demand in the health care sector is driven primarily by demographic factors. Sales to this sector are expected to grow substantially as the age distribution of the population changes, with an increasing proportion of older people.

MediTech will also in the future focus on a larger service content in order to improve competitiveness. The market position will be strengthened by competent employees and their close cooperation with customers as well as suppliers.

In its efforts to achieve high quality goals, Eka Chemicals AB chose Labora AB as supplier of, among other things, solvents. An order is here being placed via the Web portal.

A real life illustration – Labora AB

MediTech's business follows the needs of the customers – what is meant by that?

Labora AB is a subsidiary in division PLD Nordic. The customers are research and routine laboratories.

The business concept is to satisfy customers' total needs of consumables. Labora offers chemicals, apparatuses as well as glass and plastics products. Examples from the product line are centrifuges, pipettes, test tubes, tissue culture dishes, organic chemicals and solvents.

Thanks to far-reaching alliances with its suppliers, Labora has widened its product line substantially in a short period of time and this is increasingly in demand by customers.

Increased integration with major customers has been initiated. This has been made possible by excellent logistics, well developed e-commerce and efficient administrative routines.

Labora has about 30 employees and sales of about MSEK 83 during the operating year 2000/2001. Visit www.labora.se



Administration Report

April 1, 2000 – March 31, 2001

Net revenues and income

Net revenues increased by 11 percent to MSEK 8 925 (8 073). Income after financial items increased to MSEK 603 (392). This result includes items affecting comparability with a positive net effect on income of MSEK 116.

Income before items affecting comparability increased by 24 percent to a new record level, MSEK 487 (392). All business areas posted better annual income and sales compared to the year before. The primary reasons are the internal efficiency programs implemented during the past year, a favorable market situation and sharper focus on improvements to the profit margin. For the fourth quarter, income amounted to MSEK 133, which is an improvement of 6 percent compared to the corresponding year-ago period.

The market situation was good during the greater part of the year. There was a weakening trend in sales during the fourth quarter, especially in business area Electronics. Business area MediTech showed a positive development during the fourth quarter, with income for the quarter of MSEK 29 (17).

Income for the financial year is equivalent to earnings per share of SEK 14.10, as compared with SEK 9.20 for the 1999/2000 financial year. Earnings per share before items affecting comparability amounted to SEK 11.10 (9.20).

Business areas

Electronics

Net sales increased by 9 percent to MSEK 2 381 (2 180). Income after financial items, but before items affecting comparability, increased by 63 percent to a new record level of MSEK 119 (73). After last year's strong finish, income continued to grow during the first part of the year, primarily due to strong demand for components from the electronics industry, and because of the full effect of integration gains achieved in the acquisition of Berendsen Components in the preceding year.

The market for electronic components showed a weakening trend during the fourth quarter of the financial year. Most of Electronics' sales are to the electronics and telecommunications sectors. On a long-term basis, these are markets with fundamentally strong growth, but for the moment they are suffering a cyclical economic decline.

In an early response to this weaker trend in the market, Electronics has launched an action program to adapt its costs and product portfolio. The objective is to reduce costs in the business, which generally speaking have a high content of variable costs, by MSEK 30 on an annual basis. A restructuring reserve of approximately MSEK 62 has been set aside, reported as an item affecting comparability, as a way of allowing actions to reduce costs, but also to meet two specific cases of bad debt losses.

The area of niche data products, which at the beginning of the financial year accounted for about 15 percent of the business area's sales, was restructured during the year with sales and disposal of certain product lines as a result.

Business area Electronics, together with business area Lagercrantz Group, are since April 1, 2001 a part of the company Lagercrantz Group AB, which is one of two units being prepared for distribution and separate listing on the O-list of the Stockholm Stock Exchange. For more information on this, reference is made to the section under the heading "Spin-offs."

Industry

Net revenues increased by 23 percent to MSEK 2 471 (2 001). Income after financial items, but before items affecting comparability, increased by 26 percent to MSEK 155 (123). The strong start of the year, together with a sharp focus on refinement and profitability, laid the foundation for the year's good growth in revenues and income. Operations in Finland posted a very strong development during 2000/2001 and now account for almost 40 percent of the business area's income. During the second half of the financial year, the rate of growth in sales abated, but no major cyclical effect has been noticed so far.

Since the spring of 2001, the business in Industry is organized in three business units: Production Systems, Component Systems and Transmission Systems.

Production Systems covers value-adding service, products and solutions for production processes in industry. This area saw a positive development during the year. Especially the largest part, aimed at the telecommunications industry, posted good volume and income growth, although sales came under pressure during the last quarter. A balanced distribution of sales among machinery, testing equipment, materials and services reduced the sensitivity to cyclical swings in the business unit, however.

Component Systems, with special components in electronics, mechanics and electromechanics, posted very good income growth for the year. The state of the economy was favorable and actions taken in some of the less profitable units have had good effect on income.

In Transmission Systems, the year was marked by restructuring. In December of 2000, O-listed FB Industri Holding AB was acquired through a public tender offer. Relocations, organizational changes and start-up of a new business computer system caused a drag on earnings. Adaptations made and action taken are expected to have a positive impact on the result for next year.

Business area Industry's business is conducted under the name of Addtech AB since April 1, 2001 and it is one of two units prepared for distribution and separate listing on the O-list of the Stockholm Stock Exchange. For more information on this, reference is made to the section under the heading "Spin-offs."

Tools

Net revenue rose by 2 percent to MSEK 2 839 (2 785). Volume growth was affected negatively by the fact that business with low margin (so-called pass-along invoicing business) were reduced intentionally. Excluding pass-along invoicing, net revenue increased by 5 percent. Income after financial items, but before items affecting comparability, increased by 4 percent to MSEK 122 (117).

The economic situation in the largest customer markets, manufacturing and construction, was good and stable during the year. Construction on the second largest geographic market, Norway, posted a continued positive development during the year. Demand from the vehicle industry and the electronics industry declined during the last quarter of the year.

The development for the business area's largest company, Luna, was very positive during the year, in part as a result of concentrating its business to tools and machinery, in part thanks to extensive program to improve efficiency.

A long-term business development effort is under way in the business area, aimed at creating competitive supplier companies with specialized product lines for well-defined areas of need. The companies have a specialist profile in their respective areas and here they represent a relatively complete array of products. A successful example of such a company is Skydda, which is specialized in the area of personal protection. Two additional companies were formed during the operating year in accordance with this strategy. The newly formed companies are Grunda AB and Gigant AB. Gigant provides knowledge, services and products for the personal workplace in industry. Through distributors, Grunda sells a broad range of products for maintenance for Construction, Industry and Real Estate.

Coordination of IT and logistics continues as an element of business development. The entire business area was connected to a common IT platform during the year in a bid to increase efficiency and lower costs.

In an effort to focus the business further, companies Polytrade and Gunfred were phased out during the financial year. Profitable products distributed before by the companies have been transferred to other companies in the business area. Essve Finland, which has a history of poor profitability, was sold during the financial year.

Tools launched the industry portal www.toolstore.com during 2000/2001, aimed at the industrial and construction sectors. Reaction from the customers was very favorable. Tools is, thanks to the industry portal, the leading player in the Nordic Region in e-commerce business-to-business for tools and industrial supplies to industry and the building materials trade. The proportion of electronic orders now account for over 70 percent of the business area's volume. Further development and marketing of www.toolstore.com is being given priority in order to create a well-functioning e-commerce system for end customers.

MediTech

Net revenue rose by 5 percent to MSEK 941 (899). Income after financial items, but before items affecting comparability, increased by 20 percent to MSEK 61 (51). MediTech closed the year with a very strong quarterly result of MSEK 29 (17).

It was primarily the lab business in MediTech that had a strong ending, after a somewhat weaker beginning of the year. The main reasons for this are better demand in Norway and Denmark, at the same time as the efficiency improvement measures and organizational changes have given results. The www.labora.se portal was launched during the year and the reception in the market was positive.

The diagnostics business was stable during the 2000/2001 financial year, affirming the strong market position of that business.

MediTech's business consumables for the dental market enjoyed a positive development, both in the export markets and in the domestic market. Cost-cutting efforts have also had their effect. The www.fd.se portal, with dentists as its target group, saw a positive development during the operating year, with an increase in the number of customers.

The business with dental products produced in-house and medical-technical products in plastic had a weaker development during the year. Price increases in raw materials and start-up problems with new products are the principal reasons. Action is now being taken to make production more efficient and to restore the profit margin. The effect of measures taken is expected to be seen in coming years.

Lagercrantz Group

Net revenue increased by 39 percent to MSEK 297 (214). Income after net financial items, but before items affecting comparability, increased by 7 percent to MSEK 16 (15).

The largest part of the Lagercrantz Group, Lagercrantz Communication, continued its positive development in terms of revenue and income. Lagercrantz Communication, who works with high technology and competence content, strengthened its market position appreciably towards the broadband companies and companies in the 3G market. A frame agreement was concluded with Ericsson Radio Systems AB during the year's last quarter for delivery of 3G testing equipment for Ericsson's laboratories for research and development.

Establishment of business in Denmark and acquisitions in Finland had a negative impact on the year's income. The result for these units is expected to improve substantially during the current financial year.

Business area Lagercrantz Group AB is after April 1, 2001 together with business area Electronics part of the company Lagercrantz Group AB, which is one of two units being prepared for distribution and separate listing on the O-list of the Stockholm Stock Exchange. For more information on this, reference is made to the section under the heading "Spin-offs."

Profitability, financial position and capital expenditures

The return on capital employed for the financial year was 22 percent, and on equity 19 percent. The corresponding numbers for the prior financial year were 16 percent and 14 percent, respectively.

Cash flow from current operations was MSEK 538 for the financial year (355). The Group's net financial liability amounted to MSEK 71 (200).

The equity ratio at the end of the period was 43 percent, compared with 44 percent at the beginning of the financial year. Shareholders' equity per share, adjusted for shares repurchased, stood at SEK 78.70, compared to SEK 67.10 at the beginning of the financial year. On a fully diluted basis, the equity ratio and shareholders' equity per share was 45 percent and SEK 79.90, respectively.

Investments in plant and equipment, in addition to what has been added through corporate acquisitions, amounted to MSEK 119 (129). The value of fixed assets sold was MSEK 229 (50). Net investments in corporate acquisitions amounted to MSEK 294 (24).

New President and CEO

Stefan Wigren, currently Executive Vice President of Bergman & Beving, was appointed new President and Chief Executive Officer at the Board of Directors meeting held May 22, 2001. Stefan Wigren will take office August 22, 2001 in connection with regularly scheduled Annual General Meeting of Bergman & Beving. Anders Börjesson, who has been President and CEO for 11 years, has been appointed to be Chairman of the two future publicly traded companies Addtech AB and Lagercrantz Group AB.

The Board of Directors is also proposing that Anders Börjesson be appointed as Executive vice Chairman of Bergman & Beving AB, effective August 22, 2001 when Anders Börjesson resigns as President and CEO.

Corporate acquisitions and divestitures

During the 2000/2001 financial year, Bergman & Beving has acquired 15 businesses with a total of about MSEK 740 in annual revenue. Two additional companies were acquired after the end of the financial year. These companies have annual revenue of about MSEK 20.

Business area Industry made seven acquisitions, among them the publicly traded company FB Industri Holding AB. Companies acquired for Industry during the year had total annual revenue of about MSEK 470.

Business area Electronics made three acquisitions. Kablageproduktion i Västerås AB with 75 employees was acquired during the fourth quarter. Companies acquired for Electronics during the year had total annual revenue of about MSEK 140.

Business area Tools made four acquisitions during the year. Acquired annual revenue amounts to about MSEK 100.

Lagercrantz Group made one acquisition during the year. Acquired annual revenue amounts to about MSEK 30.

During the 2000/2001 financial year, the Bergman & Beving Group sold three businesses with annual revenues of approximately MSEK 150.

Employees

At the end of the period, the number of employees in the Group was 3 263, which can be compared to 2 693 at the beginning of the period. The number of employees increased by 545 during the period as a result of acquisitions.

Repurchase of own shares

For the purpose of improving the Group's return on equity and earnings per share, the regularly scheduled Annual General Meeting of Bergman & Beving held in August 2000 authorized the Board of Directors to repurchase own shares up to a number of 2 863 036, equivalent to 10 percent of the number of shares outstanding. During the financial year, 765 200 class B shares, equivalent to 2.7 percent of the shares outstanding, were repurchased, in an aggregate nominal amount of SEK 7 652 000. The total acquisition cost for repurchased shares amounted to just over MSEK 84, equivalent to an average price per share of SEK 109.85. All shares acquired during the year were held in treasury as of

financial year-end. No changes in the holding of own shares have been made after the end of the financial year.

The Board of Directors has decided to propose to the regularly scheduled Annual General Meeting a renewed mandate to repurchase own shares. The proposal gives the Board of Directors a mandate to repurchase shares up to a point where the number of shares held in treasury does not exceed 10 percent of all shares outstanding in the Company. Repurchases shall be made over the stock exchange. Under the proposal the mandate would remain valid until the next following regularly scheduled Annual General Meeting. The mandate is also proposed to give the Board of Directors authority to use repurchased shares in payment for acquisitions, or to sell repurchased shares in ways other than over the stock exchange to finance acquisitions.

Spin-offs

The Board of Directors of Bergman & Beving AB has decided to propose to the regularly scheduled Annual General Meeting to be held August 22, 2001, spin-off and distribution of subsidiaries Addtech AB and Lagercrantz Group AB. The two companies, with the names Addtech AB and Lagercrantz Group AB, respectively, have applied for listing on the O-list of the Stockholm Stock Exchange. The business of Bergman & Beving is thus streamlined into three separate public listed companies. The spin-offs will be accomplished in the form of distributions pursuant to Lex Asea following a resolution at the regularly scheduled Annual General Meeting to be held August 22, 2001.

The background to the proposal is that the business areas proposed to be spun off have reached such size and profitability that they are believed to have better opportunities for growth as independent units. In the opinion of the Board of Directors, the spin-offs will generate long-term incremental value for the shareholders. Each company's management and Board of Directors – with a streamlined business concept and a streamlined market and product orientation – will be able to focus entirely on the growth and profitability of their own units.

Business areas Tools and MediTech will constitute the future core of the Bergman & Beving Group. Bergman & Beving AB will continue to be listed on the A-list of the Stockholm Stock Exchange.

Items affecting comparability

In the interest of focusing the business distinctly and to reduce capital tied up in the business, two centrally located properties in Stockholm have been sold. The selling price amounted to MSEK 190, with an aggregate capital gain of MSEK 137. The capital gain of MSEK 137, together with surplus funds from SPP in an amount of MSEK 81, is reported as an item affecting comparability, MSEK 218 in total.

In connection with the proposed spin-offs, Bergman & Beving has decided to set aside a restructuring reserve in a total amount of MSEK 84. Together with listing costs estimated at just over MSEK 18, the reserve has been recorded as items affecting comparability.

Part of the restructuring reserve MSEK 62, relates to Elec-

tronics, where measures for increased efficiency and competitiveness have been initiated. The objective is to intervene early to meet the expected economic pullback and to set aside a provision for two specific, probable bad debt loss situations on companies in the telecommunications sector. The remainder of the restructuring reserve, about MSEK 22, is attributable to the parts of Bergman & Beving not spun off and refers to organizational changes and measures to improve efficiency.

The net of the above-mentioned items affecting comparability is a positive item affecting comparability for the financial year of about MSEK 116.

Capitalization and distribution of listed companies spun off

Two new groups, Addtech and Lagercrantz Group, were formed in March, 2001. The parent companies of these new groups are Addtech AB and Lagercrantz Group AB, respectively. The new parent companies were previously dormant companies in the Bergman & Beving Group.

These parent companies were capitalized during March 2001, in part in the form of new issues in the amount of MSEK 56, in part in the form of unconditional shareholder contributions of MSEK 344 to each company. At the time of distribution, Addtech AB and Lagercrantz Group AB will have the same number of class A and class B shares as Bergman & Beving AB, reduced by the number of class B shares not entitled to receive dividends and stock dividend rights. Shareholders' equity in both companies amounts to MSEK 400.

Addtech AB acquired all shares outstanding in Bergman & Beving Industry AB (business area Industry) from Bergman & Beving AB effective as of March 31, 2001. On the same date, Lagercrantz Group AB acquired all shares outstanding in Bergman & Beving Electronics A/S (business area Electronics) and all shares outstanding in Lagercrantz Group AB (business area Lagercrantz Group) from Bergman & Beving AB. The purchase money for these companies was in both cases equivalent to the book value of the companies in Bergman & Beving AB. These book values amounted to MSEK 347 (Bergman & Beving Industry AB), MSEK 131 (Bergman & Beving Electronics A/S) and MSEK 21 (Lagercrantz Group AB).

At the time of the proposed distribution to the shareholders of Bergman & Beving AB of the two companies, Addtech AB and Lagercrantz Group AB, the unrestricted shareholders' equity in Bergman & Beving AB will be affected. According to the pro forma balance sheet as of March 31, 2001, after distribution of the two companies, the Bergman & Beving Group will have a total shareholders' equity of MSEK 838 and an equity ratio of 41 percent.

Environmental impact

The Group conducts operations requiring a permit, or operations with a reporting requirement, in five Swedish subsidiaries. None of the Group's companies are involved in any environmentally related dispute.

Work of the Board of Directors

During the 2000/2001 financial year, the Board of Directors held five regularly scheduled meetings and one statutory meeting. The regularly scheduled Board of Directors meeting held August 23, 2000 adopted the rules of procedure for the Board of Directors. These rules of procedure also contain instructions for the President and Chief Executive Officer.

Repurchase of convertible debenture loan

Against the background:

- i) that the Board of Directors has decided to propose to the Annual General Meeting to be held August 22, 2001 distribution of companies Addtech AB and Lagercrantz Group AB to the shareholders of Bergman & Beving, and;
- ii) the aforementioned distribution will result in that the convertible subordinated debentures issued by Bergman & Beving AB will only apply to Bergman & Beving and no longer to the distributed companies Addtech AB and Lagercrantz Group AB;
- iii) that the convertible subordinated debentures will not function as an incentive to the employees of Addtech and Lagercrantz Group, and hence leave the Bergman & Beving Group upon distribution of the two companies

the Board of Directors – after the end of the financial year – has decided to propose to the Annual General Meeting that it resolves to offer the employees of the Bergman & Beving Group (including Addtech AB and Lagercrantz Group AB) to sell to Bergman & Beving AB series 2000/2004 convertible subordinated debentures issued by Bergman & Beving AB following a resolution by the extra general meeting of shareholders held November 18, 1999. The repurchase price shall be the market price and the price can maximum be 150 percent of par value.

Parent Company

The Parent Company's net revenues amounted to MSEK 28 (24), and income before appropriations and taxes was MSEK 181 (354). This result includes dividends and group contributions from subsidiaries in an amount of MSEK 97 (341) and income affecting comparability of MSEK 75 (0).

Dividend

The Board of Directors proposes a dividend of SEK 5.00 (4.25) per share, equivalent to a dividend proportion of 35 percent of earnings per share. The total amount of the dividend is MSEK 139 (122).

In addition to the cash dividend, the Board of Directors is proposing a distribution to the shareholders of all outstanding shares in subsidiaries Addtech AB and Lagercrantz Group AB.

Revenues and income by business area

MSEK	NET REVENUES 12 MONTHS			INCOME ¹⁾ 12 MONTHS		
	2000/2001	1999/2000	1998/1999	2000/2001	1999/2000	1998/1999
Electronics	2 381	2 180	1 804	119	73	66
Industry	2 471	2 001	1 703	155	123	119
Lagercrantz Group	297	214	194	16	15	11
MediTech	941	899	826	61	51	55
Tools	2 839	2 785	2 820	122	117	96
Parent Company/ consolidation eliminations	- 4	- 6	- 4	14	13	4
Group total	8 925	8 073	7 343	487	392	351

NET REVENUES – QUARTERLY DATA, MSEK								
	2000/2001				1999/2000			
	Q 4	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
Electronics	606	665	580	530	575	558	487	560
Industry	709	675	543	544	543	525	495	438
Lagercrantz Group	83	93	66	55	51	62	47	54
MediTech	291	255	186	209	264	259	170	206
Tools	701	780	702	656	682	763	641	699
Parent Company/ consolidation eliminations	1	- 3	- 1	- 1	- 3	- 1	0	- 2
Group total	2 391	2 465	2 076	1 993	2 112	2 166	1 840	1 955

INCOME ¹⁾ – QUARTERLY DATA, MSEK								
	2000/2001				1999/2000			
	Q 4	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
Electronics	29	36	31	23	36	17	4	16
Industry	39	44	36	36	40	27	32	24
Lagercrantz Group	0	8	5	3	3	6	2	4
MediTech	29	17	4	11	17	20	5	9
Tools	33	40	25	24	29	32	28	28
Parent Company/ consolidation eliminations	3	3	4	4	1	6	3	3
Group total	133	148	105	101	126	108	74	84

Note 1) Income data refer to income after financial items, but before items affecting comparability. Comparative data have been adjusted for internal transfers of companies.

Consolidated Statement of Income

MSEK		2000/2001	1999/2000
Net revenues	Note 2	8 925	8 073
Cost of goods sold		- 6 541	- 5 903
Gross income		2 384	2 170
Selling expenses		- 1 448	- 1 344
Administration expenses		- 524	- 466
Items affecting comparability	Note 4	116	—
Other operating income and expenses	Note 5	86	47
Operating income	Note 2	614	407
Financial income and expense	Note 6	- 11	- 15
Income after financial items		603	392
Taxes	Note 8	- 204	- 128
Net income for the year		399	264
Earnings per share, SEK		14.10	9.20
of which items affecting comparability, SEK		3.00	—
Earnings per share, fully diluted basis, SEK		13.70	9.20
<i>Number of share outstanding, thousands</i>			
Weighted number of shares outstanding after repurchase		28 240	28 630
Weighted number of shares outstanding after conversion		29 088	28 772

Consolidated Balance Sheet

MSEK		MARCH 31, 2001		MARCH 31, 2000	
Assets					
Fixed assets					
Intangible fixed assets	Note 9	644		464	
Tangible fixed assets	Note 10	688		650	
Financial fixed assets	Note 11	66	1 398	31	1 145
Current assets					
Inventories	Note 14	1 305		1 198	
Short-term receivables	Note 15	1 574		1 301	
Short-term investments		343		325	
Cash and bank balances		533	3 755	358	3 182
Total assets			5 153		4 327
Shareholders' equity and liabilities					
Shareholders' equity					
<i>Restricted equity</i>					
Share capital	Note 17	286		286	
Restricted reserves		286		268	
<i>Unrestricted equity</i>					
Unrestricted reserves		1 223		1 102	
Net income for the year		399	2 194	264	1 920
Minority interest			6		—
Provisions					
<i>Interest-bearing provisions</i>					
Pensions and similar commitments	Note 19	403		381	
<i>Non-interest-bearing provisions</i>					
Deferred taxes		191		186	
Other provisions		78	672	1	568
Long-term liabilities					
<i>Interest-bearing liabilities</i>					
Convertible debenture loan	Note 20	101		101	
Liabilities to credit institutions	Note 21	481		422	
Other liabilities		11		2	
<i>Non-interest-bearing liabilities</i>					
Other liabilities		30	623	32	557
Current liabilities					
<i>Interest-bearing liabilities</i>					
Liabilities to credit institutions		13		4	
Other liabilities		4		4	
<i>Non-interest-bearing liabilities</i>					
Operating liabilities	Note 22	1 641	1 658	1 274	1 282
Total shareholders' equity and liabilities			5 153		4 327
Pledged assets	Note 23		146		59
Contingent liabilities	Note 23		22		26

Consolidated Statement of Cash Flow

MSEK		2000/2001	1999/2000
Current operations			
Income after financial items		603	392
Adjustment for items not included in cash flow	Note 26	41	142
		644	534
Current taxes		- 156	- 117
Cash flow from current operations before changes in working capital		488	417
Cash flow from changes in working capital			
Change in inventories		51	- 53
Change in operating receivables		- 72	- 102
Change in operating liabilities		71	93
Change in working capital		50	- 62
Cash flow from current operations		538	355
Investment operations			
Acquisition of subsidiaries and other business units	Note 27	- 339	- 37
Sales of subsidiaries and other business units	Note 28	45	13
Acquisition of intangible and tangible fixed assets		- 119	- 129
Sales of intangible and tangible fixed assets		229	50
Cash flow from investment operations		- 184	- 103
Financing operations			
Repurchase of own shares		- 84	
Convertible debenture loan raised		—	101
Change in other interest-bearing liabilities		16	- 25
Dividends paid		- 122	- 115
Cash flow from financing operations		- 190	- 39
Cash flow for the year		164	213
Liquid funds at beginning of year		683	482
Translation difference in liquid funds		29	- 12
Liquid funds at end of period	Note 29	876	683

Parent Company Statement of Income

MSEK		2000/2001	1999/2000
Net revenues		28	24
Administrative expenses		- 41	- 36
Items affecting comparability	Note 4	75	—
Other operating income	Note 5	3	5
Other operating expenses	Note 5	- 2	- 2
Operating income		63	- 9
Financial income and expense	Note 6	118	363
Income after financial items		181	354
Year-end appropriations	Note 7	- 25	- 22
Income before taxes		156	332
Taxes	Note 8	- 48	- 28
Net income for the year		108	304

Parent Company Statement of Cash Flow

MSEK		2000/2001	1999/2000
Current operations			
Income after financial items		181	354
Adjustment for items not included in cash flow	Note 26	- 48	50
		133	404
Current taxes		- 45	- 30
Cash flow from current operations before changes in working capital		88	374
Cash flow from changes in working capital			
Change in short-term receivables and liabilities to Group companies		40	50
Change in operating receivables		2	- 2
Change in operating liabilities		1	7
Change in working capital		43	55
Cash flow from current operations		131	429
Investment operations			
Capitalization of subsidiaries		- 322	0
Acquisition of tangible fixed assets		- 1	0
Sales of tangible fixed assets		117	0
Cash flow from investment operations		- 206	0
Financing operations			
Convertible debenture loan raised		—	101
Change in long-term receivables and liabilities to Group companies		312	- 194
Change in other interest-bearing loan liabilities		- 14	- 8
Dividends paid		- 121	- 115
Repurchase of own shares		- 84	—
Cash flow from financing operations		93	- 216
Cash flow for the year		18	213
Liquid funds at beginning of year		441	228
Liquid funds at end of period	Note 29	459	441

Parent Company Balance Sheet

MSEK		MARCH 31, 2001		MARCH 31, 2000	
Assets					
Fixed assets					
Tangible fixed assets	Note 10	2	2	31	31
Financial assets					
Shares in Group companies	Notes 12,13	1 466		1 145	
Due from Group companies		768		726	
Other long-term receivables		49	2 283	16	1 887
Current assets					
Due from Group companies, short-term		136		155	
Other short-term receivables	Note 15	7		8	
Short-term investments		340		325	
Cash and bank balances		119	602	116	604
Total assets			2 887		2 522
Shareholders' equity and liabilities					
Shareholders' equity					
<i>Restricted equity</i>					
Share capital	Note 17	286		286	
Statutory reserve		134		134	
<i>Unrestricted equity</i>					
Unrestricted reserves		920		822	
Retained earnings		108	1 448	304	1 546
Untaxed reserves	Note 18	211	211	185	185
Provisions					
<i>Interest-bearing provisions</i>					
Pensions and similar commitments	Note 19	60		59	
<i>Non-interest-bearing provisions</i>					
Other provisions		19	79	—	59
Long-term liabilities					
<i>Interest-bearing liabilities</i>					
Convertible debenture loan	Note 20	101		101	
Liabilities to credit institutions	Note 21	347		329	
Due to Group companies		322		0	
<i>Non-interest-bearing liabilities</i>					
Other liabilities		25	795	24	454
Current liabilities					
<i>Interest-bearing liabilities</i>					
Liabilities to credit institutions		0		—	
Due to Group companies		310		239	
<i>Non-interest-bearing liabilities</i>					
Operating liabilities	Note 22	44	354	39	278
Total shareholders' equity and liabilities			2 887		2 522
Pledged assets	Note 23		None		None
Contingent liabilities	Note 23		336		313

Comments to the Financial Statements

Accounting principles

The Bergman & Beving Group follows the recommendations of the Swedish Financial Accounting Standards Council.

Consolidated accounting

The consolidated financial statements include the Parent Company and all companies in which the Parent Company, directly or indirectly, owns more than 50 percent of the voting rights.

The consolidated financial statements have been prepared in accordance with the recommendation of the Swedish Financial Accounting Standards Council on consolidated accounting, and with application of the purchase method of accounting. The use of this method means that the assets and liabilities of acquired subsidiaries are reported at market value in accordance with a concurrent acquisition analysis. If the cost of the shares in a subsidiary exceeds the estimated market value of the company's net assets according to the acquisition analysis, the difference is carried as goodwill in the consolidated balance sheet. Consolidated equity includes the Parent Company's equity and the portion of equity in subsidiaries earned after the time of acquisition.

Companies acquired during the year are included in the consolidated income statement with values from the time after the acquisition.

Companies sold during the year are included for the period they have been part of the Group.

Year-end appropriations and untaxed reserves

The consolidated income statement and the consolidated balance sheet are reported without year-end appropriations and untaxed reserves.

The year-end appropriations in individual companies have been allocated in such a way that the tax portion is included in the Group's tax expense, whereas the remaining portion is included in consolidated net income.

Untaxed reserves have been allocated in such a way that the deferred tax liability is reported as a part of provisions, whereas the remaining portion is reported among restricted reserves.

The deferred tax liability has been estimated individually for each company, as a rule using the applicable local tax rate for the following year. If the rate of tax is changed, the difference in tax liability is reported as a part of the year's tax expense.

Goodwill

Acquiring profitable companies often leads to a situation where the cost of an acquisition exceeds visible book value. This means that goodwill arises. Goodwill is capitalized and then amortized over its estimated economic life. In the normal case, goodwill is amortized over 5 or 10 years. In the case of particularly significant acquisitions, an economic life of 20 years may be warranted.

If deemed required, a provision is set aside in the form of a restructuring reserve in connection with the acquisition analysis for future costs for personnel reductions and reorganization (a so-called restructuring reserve.)

Translation of foreign subsidiaries

In preparing the consolidated financial statements, foreign subsidiaries are converted according to the current rate method. This means that assets and liabilities are converted using the year-end rate of exchange, and all items in the income statement are converted using the average rate of exchange for the year. Translation differences are carried directly to shareholders' equity without affecting the year's result.

Receivables and liabilities in foreign currency

Receivables and liabilities in foreign currencies are valued at the rate of exchange prevailing at year-end. Translation differences on operating receivables and operating liabilities are included in the operating result, while differences

relating to financial receivables and liabilities are reported among financial items.

To the extent receivables and liabilities in foreign currencies have been hedged, they are translated at the forward rate.

Foreign exchange rate differences

Foreign exchange rate differences attributable to loans in foreign currency allocated as a hedge of net assets of subsidiaries are reported, after deduction of taxes, directly against shareholders' equity, where the corresponding translation difference is also reported.

Foreign exchange rate differences on long-term loans to foreign subsidiaries, which are regarded as an additional investment in the subsidiaries, are accounted for in a similar manner.

Revenue recognition

Sales revenue is accounted for upon delivery of products and services according to the terms of each respective customer contract and is equal to the sales amount less V.A.T., returns, discounts and price reductions.

Depreciation and amortization

Depreciation of tangible assets and amortization of intangible assets are based on the acquisition cost of the relative assets and their estimated economic life. The following economic life spans are applied:

Machinery and equipment	3–5 years
Buildings	15–100 years
Land improvements	20 years
Agency rights and goodwill	5–20 years

Inventories

Inventories are valued at the lower of cost and market, and the first-in first-out principle is applied. The risk of obsolescence has been taken into account. The cost of semi-manufactured goods and finished goods manufactured in-house consists of direct manufacturing costs, plus a reasonable mark-up for indirect manufacturing costs.

Deferred taxes

Deferred taxes are computed based on the difference between values reported in the Group and residual values for tax purposes. The calculation is performed without discounting and the current tax rate in each respective country is applied. The value of tax loss carryforwards is taken into account to the extent it is deemed more than likely that they will result in lower tax payments in the future.

Leasing

Significant financial leasing contracts are reported in the consolidated balance sheet as fixed assets and liabilities, respectively, and in the income statement the leasing cost is split into operating cost (depreciation) and interest. Other leasing commitments are reported in accordance with the rules for operating leases, which means no reporting in the balance sheet and the entire cost being treated as operating expense. At present there are no substantial financial leasing contracts.

Notes

NOTE

1

DEFINITIONS

Net revenues: Own invoicing and commission income from commission sales.

Financial net assets: Liquid funds and financial fixed assets, less interest-bearing liabilities and provisions.

Cash flow from current operations: For financial years from 1998/1999, according to statement of cash flow. For prior financial years: Income after financial items, plus depreciation and capital gains or losses on fixed assets sold, minus taxes paid and after change in working capital.

Profit margin: Income after financial items relative to net revenues.

Return on total capital: Income after financial items, plus financial expense, relative to average total capital (balance sheet total).

Return on capital employed: Income after financial items, plus financial expense, relative to average capital employed. Capital employed is defined as the balance sheet total, less non-interest-bearing provisions and liabilities, including deferred tax liabilities.

Return on equity: Net income for the year relative to average shareholders' equity.

Equity ratio: Shareholders' equity as a percentage of balance sheet total.

Earnings per share: Net income for the year divided by the weighted number of shares outstanding.

Equity per share: Shareholders' equity divided by the number of shares outstanding at the end of the financial year.

Price earnings ratio: The market price of the share as of March 31, divided by earnings per share.

Dividend yield: Annual dividend per share relative to the market price of the share as of March 31.

Number of shares outstanding at the end of the financial year: Number of shares outstanding as of March 31, net after deduction for shares repurchased by the company.

Weighted number of shares outstanding: Average number of shares outstanding during the financial year, adjusted for repurchased shares.

For key ratios computed after full conversion of subordinated convertible debenture loan outstanding, an adjustment has been made for reported interest expense on the subordinated convertible debenture loan outstanding. The number of shares after full conversion has been computed as the weighted average during the financial year for the income and cash-flow-based ratios.

Amounts in MSEK (SEK million) unless otherwise stated.

NOTE

2

NET REVENUES AND OPERATING INCOME BY BUSINESS SEGMENT AND COUNTRY OF OPERATION

	Net revenues		Operating income	
	2000/2001	1999/2000	2000/2001	1999/2000
By operating segment				
Electronics	2 380.9	2 179.9	88.9	92.0
Lagercrantz Group	297.4	214.3	16.6	14.4
Industry	2 471.6	2 001.0	176.5	130.2
Tools	2 838.6	2 785.0	133.7	122.6
MediTech	940.4	899.1	129.7	56.3
Parent Company/Consolidation eliminations	- 4.3	- 6.3	68.7	- 8.5
	8 924.6	8 073.0	614.1	407.0
By country of operation				
Sweden	4 925.5	4 476.9	423.4	221.2
Denmark	1 040.6	1 139.9	45.0	76.1
Finland	1 463.5	1 183.4	97.3	82.6
Norway	1 217.3	1 049.0	38.4	19.4
Other countries	277.7	223.8	10.0	7.7
	8 924.6	8 073.0	614.1	407.0

NOTE

3

AMORTIZATION OF INTANGIBLE ASSETS AND DEPRECIATION OF TANGIBLE ASSETS BY FUNCTION

	Group		Parent Company	
	2000/2001	1999/2000	2000/2001	1999/2000
Cost of goods sold	- 24.7	- 22.9	—	—
Selling expenses	- 112.2	- 104.6	—	—
Administrative expenses	- 33.2	- 33.6	- 0.6	- 0.6
Other operating expenses	- 10.5	- 6.9	- 0.2	- 0.3
	- 180.6	- 168.0	- 0.8	- 0.9

ITEMS AFFECTING COMPARABILITY					NOTE 4
	Group		Parent Company		
	2000/2001	1999/2000	2000/2001	1999/2000	
Allocated SPP funds ¹⁾	80.7	—	10.0	—	
Sale of real estate	137.4	—	86.9	—	
Restructuring reserve	- 138.1	—	- 21.9	—	
Sales of agency right upon restructuring	35.6	—	—	—	
	115.6	—	75.0	—	

1) Gross allocated SPP funds for the Group amount to MSEK 88.2. MSEK 80.7 hereof has been recognized as revenue after discounting to present value.

OTHER OPERATING INCOME AND EXPENSES					NOTE 5
	Group		Parent Company		
	2000/2001	1999/2000	2000/2001	1999/2000	
Other operating income	102.5	61.4	3.5	5.6	
Other operating expenses	- 16.3	- 14.4	- 1.8	- 2.2	
	86.2	47.0	1.7	3.4	

FINANCIAL INCOME AND EXPENSES					NOTE 6
	Group		Parent Company		
	2000/2001	1999/2000	2000/2001	1999/2000	
Result from shares in Group companies					
Group contributions			79.5	108.0	
Dividend income			17.0	233.0	
			96.5	341.0	
Result from financial fixed assets					
Dividend income	0.0	0.0	0.0	0.0	
Interest income					
Group companies			39.3	37.8	
Other	2.8	2.4	—	—	
Translation differences	- 0.3	- 0.5	—	—	
	2.5	1.9	39.3	37.8	
Other interest income					
Interest income					
Group companies			2.1	1.6	
Other	32.9	25.1	14.7	7.8	
Translation differences	5.3	—	—	—	
	38.2	25.1	16.8	9.4	
Interest expense and similar profit/loss items					
Interest expense					
Group companies			- 8.9	- 6.0	
Other	- 50.3	- 41.3	- 24.5	- 19.5	
Translation differences	- 1.8	- 1.1	- 1.1	0.0	
	- 52.1	- 42.4	- 34.5	- 25.5	
Financial income and expenses	- 11.4	- 15.4	118.1	362.7	

YEAR-END APPROPRIATIONS				NOTE 7
	Parent Company			
	2000/2001	1999/2000		
Difference between depreciation for tax purposes and regular depreciation				
Buildings and land	12.8	0.0		
Equipment	0.1	0.1		
Allocation to timing difference reserve	- 38.1	- 25.6		
Change in tax equalization reserve K	—	3.5		
	- 25.2	- 22.0		

Notes

NOTE

8

TAXES

	Group		Parent Company	
	2000/2001	1999/2000	2000/2001	1999/2000
Current taxes	- 215.1	- 120.7	- 48.1	- 28.2
Deferred taxes	11.0	- 7.0	—	—
	- 204.1	- 127.7	- 48.1	- 28.2

NOTE

9

INTANGIBLE FIXED ASSETS

Goodwill and agency rights	
Accumulated cost	
At beginning of year	636.1
Capital expenditures	206.2
Acquisition of subsidiaries	25.0
Sales and disposals	- 8.6
Translation differences for the year	41.1
At year-end	899.8
Accumulated amortization	
At beginning of year	- 172.4
Acquisition of subsidiaries	- 5.9
Amortization for the year	- 71.8
Sales and disposals	6.9
Translation differences for the year	- 12.6
At year-end	- 255.8
Residual value at year-end	644.0

NOTE

10

TANGIBLE FIXED ASSETS

Group	Buildings and land	Leasehold improvements	Machinery	Equipment	Construction in progress	Total
Accumulated cost						
At beginning of year	499.8	11.5	110.1	591.0	2.6	1 215.0
Capital expenditures	7.2	2.5	20.8	87.7	1.5	119.7
Acquisition of subsidiaries	71.8	0.1	69.0	32.9	0.6	174.4
Sales and disposals	- 59.5	0.1	- 6.4	- 79.4	—	- 145.2
Reclassification	1.9	0.3	2.6	- 2.0	- 2.8	—
Translation differences for the year	14.4	0.7	4.7	17.7	0.0	37.5
At year-end	535.6	15.2	200.8	647.9	1.9	1 401.4
Accumulated depreciation						
At beginning of year	- 119.0	- 6.8	- 69.5	- 374.7	—	- 570.0
Acquisition of subsidiaries	- 14.5	0.0	- 48.0	- 18.7	—	- 81.2
Depreciation for the year	- 7.3	- 2.4	- 14.0	- 85.0	—	- 108.7
Sales and disposals	6.3	- 0.1	5.3	52.9	—	64.4
Reclassification	—	—	—	—	—	—
Translation differences for the year	- 5.1	- 0.5	- 3.5	- 13.2	—	- 22.3
At year-end	- 139.6	- 9.8	- 129.7	- 438.7	—	- 717.8
Accumulated write-ups						
At beginning of year	6.4	—	—	—	—	6.4
Acquisition of subsidiaries	1.0	—	—	—	—	1.0
Sales	- 1.6	—	—	—	—	- 1.6
At year-end	5.8	—	—	—	—	5.8

NOTE 10 <i>cont'd</i>						
Group	Buildings and land	Leasehold improvements	Machinery	Equipment	Construction in progress	Total
Accumulated depreciation of write-ups						
At beginning of year	- 1.0					- 1.0
Acquisition of subsidiaries	- 0.6					- 0.6
Depreciation for the year	0.0					0.0
Sales	0.3					0.3
At year-end	- 1.3					- 1.3
Residual value at year-end	400.5	5.4	71.1	209.2	1.9	688.1
Tax assessment values, Swedish properties						
Buildings	202.5					
Land	23.9					
Leasing fees						
Leasing fees paid during the financial year						22.7
Future annual leasing payments fall due as follows:						
1 year after current financial year						22.6
2 years after current financial year						19.3
3 years after current financial year						11.1
4 years after current financial year						2.1
5 years after current financial year						0.6
6 years after current financial year						0.4
Parent Company						
			Buildings and land	Equipment		Total
Accumulated cost						
At beginning of year			31.6	4.5		36.1
Capital expenditures				0.7		0.7
Sales and disposals			- 31.6	- 0.9		- 32.5
At year-end			—	4.3		4.3
Accumulated depreciation						
At beginning of year			- 3.5	- 2.5		- 6.0
Depreciation for the year			- 0.1	- 0.6		- 0.7
Sales and disposals			3.6	0.6		4.2
At year-end			—	- 2.5		- 2.5
Accumulated write-ups						
At beginning of year			1.6			1.6
Sales			- 1.6			- 1.6
At year-end			—			—
Accumulated depreciation of write-ups						
At beginning of year			- 0.3			- 0.3
Depreciation for the year			0.0			0.0
Sales			0.3			0.3
At year-end			—			—
Residual value at year-end			—	1.8		1.8
Accumulated accelerated depreciation						
At beginning of year			- 12.8	- 0.2		- 13.0
Accelerated depreciation for the year			12.8	0.1		12.9
At year-end			—	- 0.1		- 0.1
Net book value			—	1.7		1.7

Notes

NOTE 11	FINANCIAL FIXED ASSETS	
	Group	
	March 31, 2001	March 31, 2000
Other shares	6.8	8.7
Other long-term receivables	58.9	22.4
	65.7	31.1
<i>MSEK 28.7 of other long-term receivables are allocated company-specific SPP funds.</i>		

NOTE 12	SHARES IN GROUP COMPANIES	
	Parent Company	
Accumulated cost		
At beginning of year		1 194.3
Capital expenditures		820.8
Sales		- 498.9
		1 516.2
Accumulated write-ups		
At beginning of year		0.2
Sales		- 0.2
		—
Accumulated write-downs		
At beginning of year and at year-end		- 50.0
Book value at year-end		1 466.2

NOTE 13	SHARES IN GROUP COMPANIES			
		Number	Percentage holding	Book value
	Addtech AB, 556302-9726, Stockholm	27 865 160	100	400.0
Bergman & Beving MediTech AB, 556546-6785, Stockholm	200 000	100	176.3	
Bergman & Beving Tools AB, 556060-7797, Sollentuna	3 422 174	100	489.9	
Lagercrantz Group AB, 556282-4556, Solna	27 865 160	100	400.0	
			1 466.2	
<i>A complete specification as prescribed by law is enclosed with the annual report submitted to the Patent and Registration Office. This specification is available upon request from Bergman & Beving AB, P.O. Box 100 24, SE-100 55 Stockholm.</i>				

NOTE 14	INVENTORIES	
	Group	
	March 31, 2001	March 31, 2000
Raw materials and supplies	63.8	26.9
Goods in production	50.4	22.0
Finished goods and goods for resale	1 177.5	1 138.4
Advance payments to suppliers	13.6	10.3
	1 305.3	1 197.6

NOTE 15	SHORT-TERM RECEIVABLES			
	Group		Parent Company	
	March 31, 2001	March 31, 2000	March 31, 2001	March 31, 2000
Accounts receivable	1 423.3	1 157.0	0.2	1.0
Due from Group companies			135.7	155.1
Other receivables	73.5	77.8	2.1	1.4
Prepaid expenses and accrued income	77.0	66.3	5.4	5.7
	1 573.8	1 301.1	143.4	163.2
<i>Prepaid expenses and accrued income contain the usual items, such as rents, insurance premiums and commissions.</i>				

SHAREHOLDERS' EQUITY					NOTE 16
Group	Share capital	Restricted reserves	Unrestricted equity	Total	
Opening balance	286.4	267.8	1 366.1	1 920.3	
Repurchase of own shares			- 84.1	- 84.1	
Dividend			- 121.7	- 121.7	
Transfer between restricted and unrestricted equity		- 29.2	29.2		
Translation differences		46.9	34.4	81.3	
Net income for the year			398.6	398.6	
Amount at year-end	286.4	285.5	1 622.5	2 194.4	
Parent Company	Share capital	Statutory reserve	Unrestricted equity	Total	
Opening balance	286.4	134.3	1 125.9	1 546.6	
Repurchase of own shares			- 84.1	- 84.1	
Dividend			- 121.7	- 121.7	
Net income for the year			107.6	107.6	
Amount at year-end	286.4	134.3	1 027.7	1 448.4	

Translation differences totaling MSEK + 81 were carried directly to equity during the financial year. The amount consists mainly of positive translation differences in the rates of exchange used for EUR, DKK and NOK.

SHARE CAPITAL	NOTE 17
The share capital is comprised of 1 843 744 Class A shares, each with a par value of SEK 10 and entitling its holders to 10 votes each, and 26 786 616 Class B shares, each with a par value of SEK 10 and entitling its holders to 1 vote each. 765 200 Class B shares have been repurchased under the Company's current repurchase program. Net after deduction for repurchased shares, the number of class B shares outstanding is 26 021 416.	

UNTAXED RESERVES			NOTE 18	
	Parent Company			
	2000/2001	1999/2000		
Untaxed reserves are reported as an aggregated item in the balance sheet of the Parent Company. The allocation to different items is shown below. These items are eliminated in their entirety in the consolidated accounts. Refer to Accounting principles on page 40. 59.0 of the Parent Company's total untaxed reserves of 210.7 consist of deferred taxes, which are included in the Group's reported deferred tax liability.	Accumulated accelerated depreciation			
	Buildings and land	—	12.8	
	Equipment	0.2	0.2	
	Timing difference reserves			
	Allocation to tax 1996	—	20.6	
	Allocation to tax 1997	37.4	37.4	
	Allocation to tax 1998	24.2	24.2	
	Allocation to tax 1999	25.9	25.9	
	Allocation to tax 2000	38.7	38.7	
	Allocation to tax 2001	25.6	25.6	
	Allocation to tax 2002	58.7	—	
	210.7	185.4		

PENSIONS AND SIMILAR COMMITMENTS					NOTE 19
	Group		Parent Company		
	March 31, 2001	March 31, 2000	March 31, 2001	March 31, 2000	
Provision for pensions, PRI	387.1	364.9	55.9	55.0	
Provision for pensions, other	15.8	15.8	4.2	4.3	
	402.9	380.7	60.1	59.3	

Notes

NOTE
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SUBORDINATED CONVERTIBLE DEBENTURE LOAN

During November/December, 1999, all employees in Sweden, Denmark, Finland and Norway were offered to subscribe for subordinated convertible debentures. Over 900 employees signed up for the program. The subordinated convertible debenture loan is in the amount of MSEK 101 and the tenor of the loan is January 28, 2000 to October 30, 2004. Interest on the loan is payable at a rate of STIBOR 180 days less 1.15 percentage points for the period ending June 30, 2000, at a rate of STIBOR 360 days

less 1.15 percentage points for the period July 1, 2000 to June 30, 2004, and at a rate of STIBOR 180 days, less 1.15 percentage points for the period July 1, 2004 to October 30, 2004. Conversion to class B shares may be requested from July 1, 2002 until September 15, 2004 at a conversion price of SEK 119. Upon full conversion the number of shares outstanding increases 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.

NOTE
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LONG-TERM LIABILITIES

	Group		Parent Company	
	March 31, 2001	March 31, 2000	March 31, 2001	March 31, 2000
Committed credit facility				
Approved credit limit	342.8	288.3	183.9	183.2
Unutilized portion	- 242.8	- 199.9	- 183.9	- 166.9
Credit facility utilization	100.0	88.4	—	16.3
Liabilities to credit institutions				
Due within 2 years	356.5	320.0	347.0	312.5
Due within 3 years	3.8	2.7	—	—
Due within 4 years	3.7	2.7	—	—
Due within 5 years	2.3	1.0	—	—
Due after 5 years	14.8	7.6	—	—
Total	381.1	334.0	347.0	312.5
Long-term liabilities to credit institutions, total	481.1	422.4	347.0	328.8

The Parent Company's borrowing from credit institutions is formally short-term since the loans are rolled over with maturities of less than 1 year. Loan liabilities at financial year-end formally fall due for repayment in June 2001. The intention is to extend the loans. For this reason the loans are reported as long-term liabilities. Other long-term liabilities fall due for repayment 1-5 years from financial year-end.

Loans from credit institutions to the Bergman & Beving Group as of March 31, 2001 are divided among the following currencies:

	Group		Parent Company	
	Local currency	MSEK	Local currency	MSEK
EUR	11.3	103.3	11.3	103.3
DKK	105.0	128.8	96.5	118.4
NOK	111.4	127.0	109.9	125.3
SEK	—	22.0	—	—
Total		381.1		347.0

NOTE
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OPERATING LIABILITIES

	Group		Parent Company	
	March 31, 2001	March 31, 2000	March 31, 2001	March 31, 2000
Advance payments from customers	11.1	13.0	—	—
Accounts payable	806.8	691.6	2.3	1.9
Trade notes payable	18.7	27.7	—	—
Tax liabilities	116.5	57.2	28.8	26.4
Other liabilities	307.1	190.7	4.6	1.1
Accrued expenses and prepaid income	381.0	293.9	8.0	9.5
	1 641.2	1 274.1	43.7	38.9

Accrued expenses and prepaid income contain the usual items, such as social benefits, vacation pay liabilities, bonuses, rents and interest.

PLEGGED ASSETS AND CONTINGENT LIABILITIES

NOTE

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	Group		Parent Company	
	March 31, 2001	March 31, 2000	March 31, 2001	March 31, 2000
Pledged assets for liabilities to credit institutions				
Real estate mortgages	31.1	23.0	—	—
Pledged site leasehold	1.5	4.2	—	—
Corporate mortgages	113.5	32.2	—	—
	146.1	59.4	—	—
Contingent liabilities				
Guaranties and other contingent liabilities	21.6	26.0	1.1	1.5
Guaranties for subsidiaries			335.1	311.5
	21.6	26.0	336.2	313.0

No security or collateral has been pledged for the Parent Company's long-term liabilities to credit institutions. However, the Parent Company has an undertaking not to grant security or collateral to others, a so-called negative pledge.

PERSONNEL AND PERSONNEL EXPENSES

NOTE

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Average number of employees by country	2000/2001			1999/2000		
	Men	Women	Total	Men	Women	Total
Sweden, Parent Company	8.8	4.2	13.0	8.3	4.0	12.3
Other Swedish companies	1 146.1	524.2	1 670.3	1 116.7	471.6	1 588.3
Denmark	280.0	181.9	461.9	263.3	116.7	380.0
Finland	291.3	151.0	442.3	243.7	111.3	355.0
Norway	174.6	65.1	239.7	184.1	68.2	252.3
England	5.0	1.0	6.0			
Estonia	13.2	5.9	19.1	9.0	5.0	14.0
Poland	20.0	11.0	31.0	23.5	10.2	33.7
Germany	29.0	10.0	39.0	32.0	11.0	43.0
Austria	3.0	3.0	6.0			
Total	1 971.0	957.3	2 928.3	1 880.6	798.0	2 678.6

Compensation by country	2000/2001			1999/2000		
	Board of Directors and Presidents	of which bonus	Other	Board of Directors and Presidents	of which bonus	Other
Sweden, Parent Company	6.7	0.5	9.4	6.8	0.3	5.5
Other Swedish companies	56.1	9.6	475.3	41.4	5.0	431.8
Denmark	26.0	3.9	162.2	18.0	0.9	150.6
Finland	12.0	2.4	123.3	9.7	1.1	98.3
Norway	8.9	0.7	89.0	7.2	0.3	87.9
England	0.6	0.0	1.2			
Estonia	0.7	0.0	1.4	0.4	0.0	0.8
Poland	0.9	0.0	2.8	0.7	0.0	2.2
Germany	2.1	0.3	12.8	2.4	0.4	13.6
Austria	0.2	0.0	1.2			
Total	114.2	17.4	878.6	86.6	8.0	790.7

Salaries, other compensation and social benefits	2000/2001			1999/2000		
	Salaries and other compensation	Social benefits	of which pension costs	Salaries and other compensation	Social benefits	of which pension costs
Parent Company	16.1	13.2	8.6	12.3	11.0	7.8
Subsidiaries	976.7	309.9	89.9	865.0	290.9	101.7
Total	992.8	323.1	98.5	877.3	301.9	109.5

Notes

NOTE 24 *con't*

The group 'Board of Directors and Presidents' includes Directors, Presidents and Executive Vice Presidents in the Parent Company. SEK 5 256 thousand (4 143) of the Parent Company's pension costs refers to the group 'Board of Directors and Presidents.' The Company's outstanding pension commitments to this group amounts to SEK 46 949 thousand (40 285).

Option program

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 program meant that 654 500 options were issued to 133 members of senior management in the Group. The program's remaining 220 500 options may be issued to persons who are hired to senior positions in the future. The tenor of the program is January 13, 2000 to January 13, 2003. The payment date for the program fell during January 2000. The strike price is SEK 119.30 and was based on a market price of SEK 98. The price per option was SEK 10. An external appraisal was carried out at the time of subscription. The Board of Directors of Bergman & Beving is of the opinion that the appraisal was made at fair market value. The option program's effect on earnings in the event of an increase in market price of the share will be limited since the program has been largely hedged.

Information about benefits of senior management

Board of Directors

The Board of Directors has allocated the amount of fees adopted by the Annual General Meeting, SEK 800 thousand

(800), among the Directors who are not employees of the Parent Company. The Chairman of the Board has received SEK 200 thousand (200) hereof.

Aside from the President, one Director is an employee of the Parent Company.

Chief Executive Officer and President of the Parent Company

As fixed salary to the Chief Executive Officer, who is also the Company's President, was paid the amount of SEK 3 311 thousand (3 189); additional taxable benefits were paid in an amount of SEK 103 thousand (100). The age of retirement of the President is 55 years. Pension benefits between the ages of 55 and 60 are 65 percent of the salary paid at the time of retirement, and 70 percent thereafter. Severance pay equals one year's salary.

Severance pay is paid only under certain special conditions in the case of termination at the President's own request.

Other members of senior management

For other members of senior management the retirement age varies between 60 and 65 years. Pensions are paid in accordance with the ITP plan. Bonuses are paid based on earnings performance achieved in a maximum amount of 30 percent of fixed salaries. In addition, a bonus premium may be paid in maximum amount of 20 percent of bonus received used to purchase stock in Bergman & Beving AB.

Severance pay equals one year's salary. No severance benefits are paid if the employee terminates employment at his or her own request.

NOTE 25 FEES TO THE COMPANY'S AUDITORS

	Group	Parent Company	
Audit assignment:			By audit assignment is meant examination of the annual accounts and the administration by the Board of Directors and the President, other tasks the Company's auditors are obligated to perform, and advice or other assistance prompted by such examination or the performance of such tasks. Everything else is other assignments.
KPMG	4.9	0.2	
Other auditors	1.1	—	
Total audit fees	6.0	0.2	
Other assignments:			
KPMG	1.9	0.7	
Other auditors	0.3	—	
Total fees for consultations	2.2	0.7	
Total fees to auditors	8.2	0.9	

NOTE 26 ADJUSTMENT FOR ITEMS NOT INCLUDED IN CASH FLOW

	Group		Parent Company	
	2000/2001	1999/2000	2000/2001	1999/2000
Amortization of goodwill	71.8	60.6	—	—
Other depreciation and amortization	108.8	107.4	0.7	0.9
Result of sales of companies and facilities	- 186.8	- 8.3	- 87.0	- 0.1
Restructuring reserve	76.6	—	18.5	—
Utilization of restructuring reserve	—	- 38.3	—	—
Allocated but unpaid SPP funds	- 53.8	—	- 7.5	—
Change in pension commitments	22.2	21.0	0.8	0.5
Adjustment for dividends/group contributions paid	—	—	28.5	47.0
Other	1.9	- 0.5	- 1.8	1.6
	40.7	141.9	- 47.8	49.9

ACQUISITION OF SUBSIDIARIES AND OTHER BUSINESS UNITS			NOTE
	Group		27
	2000/2001	1999/2000	
Assets and liabilities acquired			
Intangible fixed assets	210.1	31.4	
Tangible fixed assets	93.5	2.5	
Financial fixed assets	4.0	0.3	
Inventories	110.5	4.8	
Short-term receivables	117.2	5.9	
Liquid funds	104.1	12.5	
Total assets	639.4	57.4	
Minority interest	- 5.0	—	
Provisions	- 13.1	- 2.0	
Long-term liabilities	- 49.0	- 0.5	
Current liabilities	- 129.3	- 5.9	
Total liabilities and provisions	- 196.4	- 8.4	
Purchase money paid	- 443.0	- 49.0	
Less: Liquid funds in the acquired business	104.1	12.5	
Effect on liquid funds	- 338.9	- 36.5	

SALES OF SUBSIDIARIES AND OTHER BUSINESS UNITS			NOTE
	Group		28
	2000/2001	1999/2000	
Assets and liabilities sold			
Tangible fixed assets	- 0.6	- 0.4	
Inventories	- 4.7	- 12.6	
Short-term receivables	- 12.6	—	
Total assets	-17.9	- 13.0	
Current liabilities	8.6	—	
Total liabilities and provisions	8.6	—	
Purchase money received	44.9	13.0	
Effect on liquid funds	44.9	13.0	

LIQUID FUNDS					NOTE
	Group		Parent Company		29
	March 31, 2001	March 31, 2000	March 31, 2001	March 31, 2000	
Liquid funds consist of the following components:					
Cash and bank balances	533	358	119	116	
Short-term investments, equivalent to liquid funds	343	325	340	325	
	876	683	459	441	
The above items have been classified as liquid funds based on the premise that:					
- There is little risk of fluctuation in value.					
- They are easily convertible into cash.					
- They have a maximum term of 3 months from the time of acquisition.					

INTEREST PAID AND DIVIDENDS RECEIVED					NOTE
	Group		Parent Company		30
	2000/2001	1999/2000	2000/2001	1999/2000	
Dividends/group contributions received	0.0	0.0	125.0	388.0	
Interest income	34.8	25.7	55.5	47.0	
Interest expense	- 51.4	- 38.6	- 34.5	- 22.9	
	- 16.6	- 12.9	146.0	412.1	

Proposed Allocation of Earnings

Allocation of earnings

The Group's unrestricted equity amounted to MSEK 1 622 as of March 31, 2001. No allocation to restricted reserves is required.

The following amounts are at the disposal of the General Meeting of Shareholders of the Parent Company Bergman & Beving AB:

Retained earnings	SEK	920 198 thousand
Net income for the year	SEK	108 207 thousand
		<u>SEK 1 028 405 thousand</u>

The Board of Directors and the President propose that the funds available be allocated as follows:

Dividend to the shareholders:		
in cash, SEK 5.00 per share	SEK	139 326 thousand
all shares in Addtech AB		
with a book value of SEK 400 000 320	SEK	400 000 thousand
all shares in Lagercrantz Group AB		
with a book value of SEK 400 000 320	SEK	400 000 thousand
<u>To be transferred to retained earnings</u>	<u>SEK</u>	<u>89 079 thousand</u>
		SEK 1 028 405 thousand

Stockholm, June 15, 2001

Tom Hedelius
Chairman

Pär Stenberg
Vice Chairman

Berit Axell Fredriksson

Christer Jacobsson

Conny Kjellberg

Per-Olof Söderberg

Stefan Wigren

Anders Börjesson
President and Chief
Executive Officer

Our Audit Report was submitted June 15, 2001

Thomas Thiel
Authorized Public Accountant

George Petterson
Authorized Public Accountant

Audit Report

To the general meeting of the shareholders of Bergman & Beving AB (Publ)
Reg. No. 556034-8590

We have examined Annual Accounts, the consolidated financial statements, the accounting records and the management by the Board of Directors and the President of Bergman & Beving AB for the financial year April 1, 2000–March 31, 2001. Responsibility for the accounting records and management rests with the Board of Directors and the President. Our responsibility is to render our opinion on the Annual Accounts, the consolidated financial statements and the management based on our audit.

The audit has been performed in accordance with generally accepted auditing standards in Sweden. This means that we have planned and performed the audit in such a way as to obtain reasonable assurance that the Annual Accounts and the consolidated financial statements are free of material errors. An audit includes examination of a sample of supporting documentation for amounts and other information in the accounting records. An audit also includes a test of the accounting principles, and the Board of Director's and the President's application thereof, and evaluating the aggregate information contained in the Annual Accounts and the consolidated financial statements. As a basis for our opinion concerning discharge from liability, we have examined significant

decisions, actions taken and circumstances in the company to allow us to form an opinion as to whether any Director or the President is liable for damages to the company. We have also examined whether any member of the Board of Directors in any other way has acted in contravention of the Swedish Companies Act, the Swedish Annual Accounts Act or the Articles of Association. We are of the opinion that our audit gives us a reasonable ground for our statements below.

The Annual Accounts and the consolidated financial statements have been prepared in accordance with the Swedish Annual Accounts Act and therefore provide a true and fair representation of the Company's and the Group's results and financial position in accordance with generally accepted accounting standards in Sweden.

We recommend that the Annual General Meeting adopts the statement of income and the balance sheet for the Parent Company and the Group, that the profit of the Parent Company be allocated in accordance with the proposal contained in the Administration Report and that the members of the Board of Directors and the President be granted discharge from liability for the financial year.

Stockholm, June 15, 2001

Thomas Thiel
Authorized Public Accountant

George Pettersson
Authorized Public Accountant

Board of Directors



From left to right: Tom Hedelius and Christer Jacobsson.

TOM HEDELIUS

Born 1939.
Chairman.
Director since 1982.
Doctor of Economics h.c.
Honorary Chairman of Handelsbanken.
Chairman of Anders Sandrews stiftelse and Svenska le Carbone.
Vice Chairman of Addtech AB, Telefonaktiebolaget LM Ericsson, AB Industrivärden, Lagercrantz Group AB and Jan Wallanders och Tom Hedelius stiftelse.
Director of SCA AB and AB Volvo.
Member of SAS Assembly of Representatives.
Shares owned: 278 000 class A shares and 5 400 class B shares.

CHRISTER JACOBSSON

Born 1944.
Director since 2000.
Former Chairman of Adcore AB.
Director of CIA Sweden Holdings AB.

PÄR STENBERG

Born 1931.
Vice Chairman.
Director since 1963.
Shares owned: 279 152 class A shares and 1 049 922 class B shares.

BERIT AXELL FREDRIKSSON

Born 1949.
Director since 2000.
Employee representative.
Shares owned: 168 class B shares.
Convertibles: SEK 70 000.

PER-OLOF SÖDERBERG

Born 1955.
Director since 1996.
President and Chief Executive Officer of Dahl International AB.
Director of Ratos AB, Oxigene Inc., Martin Olsson HAB and Skandia Investment.
Shares owned (family): 11 300 class B shares.

STEFAN WIGREN

Born 1957.
Executive Vice President.
Director since 2000.
Director of Mind AB and Teligent AB.
Shares owned: 15 000 class B shares.

ANDERS BÖRJESSON

Born 1948.
President and Chief Executive Officer.
Director since 1990.
Chairman of Addtech AB, Boomerang AB, Cibenon AB, Exertus AB and Lagercrantz Group AB.
Shares owned (family): 293 000 class A shares and 20 500 class B shares.
Synthetic options: 10 000.
Convertibles: SEK 50 000.

CONNY KJELLBERG

Born 1945.
Director since 1996.
Personnel representative.
Shares owned: 168 class B shares.
Convertibles: SEK 150 000.



From left to right: Pär Stenberg, Berit Axell Fredriksson and Per-Olof Söderberg.



From left to right: Stefan Wigren, Anders Börjesson and Conny Kjellberg.



Honorary Member

CARL T. SÄVJE

Born 1919.
Former President and Director.
Shares owned: 30 000 class A shares and 973 982 class B shares.

The nomination committee for election of Directors consists of Tom Hedelius and Pär Stenberg.

Management



From left to right: Stefan Wigren, Stig Svensson and Anders Engström.



From left to right: Jörgen Wigh, Anders Börjesson and Mats Björkman.



From left to right: Per Ikov, Mattias Sonnenfeld and Susanne Bergeling.

Group management from August 22, 2001:

Stefan Wigren – President and Chief Executive Officer
Mats Björkman – Chief Financial Officer
Anders Engström – Vice President

STEFAN WIGREN

Born 1957.
Executive Vice President February–August 2001.
President and Chief Executive Officer from August 22, 2001.
Secretary to the Board of Directors.
Shares owned: 15 000 class B shares.

STIG SVENSSON

Born 1936.
Vice President until August 2001.
Shares owned: 79 670 class B shares.
Synthetic options: 10 000.
Convertibles: SEK 50 000.

ANDERS ENGSTRÖM

Born 1941.
Vice President.
Shares owned: 680 class B shares.
Synthetic options: 10 000.
Convertibles: SEK 50 000.

JÖRGEN WIGH

Born 1965.
Executive Vice President until May 2001.
Shares owned: 11 100 class B shares.
Synthetic options: 10 000.
Convertibles: SEK 50 000.

ANDERS BÖRJESSON

Born 1948.
President and Chief Executive Officer until August 22, 2001.
Shares owned (family): 293 000 class A shares and 20 500 class B shares.
Synthetic options: 10 000.
Convertibles: SEK 50 000.

MATS BJÖRKMAN

Born 1958.
Chief Financial Officer.
Shares owned (family): 7 600 class B shares.

PER IKOV

Born 1961.
Vice President until March 2001.
Shares owned: 2 100 class B shares.
Synthetic options: 5 000.
Convertibles: SEK 50 000

MATTIAS SONNENFELD

Born 1961.
Vice President until March 2001.
Shares owned: 400 class B shares.
Synthetic options: 10 000.
Convertibles (family): SEK 100 000.

SUSANNE BERGELING

Born 1965.
Vice President until July 2001.
Shares owned: 200 class B shares.

Auditors

Authorized Public Accountant

THOMAS THIEL

Born 1947.
KPMG
Auditor since 1997.

Authorized Public Accountant

GEORGE PETERSSON

Born 1964.
KPMG
Auditor since 1997.

Deputy Auditors

Authorized Public Accountant

ANDERS IVDAL

Born 1951.
KPMG
Auditor since 1997.

Authorized Public Accountant

MAGNUS JACOBSSON

Born 1958.
KPMG
Auditor since 1997.

Welcome to the Annual General Meeting!

The regularly scheduled Annual General Meeting will be held Wednesday, August 22, 2001, 4:30 p.m. at Industrihuset, Storgatan 19, Stockholm.

Notice of participation

Shareholders who wish to participate in the proceedings of the Annual General Meeting must file notice of their desire to attend not later than 3:00 p.m., Monday, August 20, 2001 to Bergman & Beving AB, P.O. Box 100 24, SE-100 55 Stockholm, Sweden, telephone +46-8-660 10 30, info@bb.se. Shareholders who wish to attend must also be recorded in their own name in the share register maintained by the Securities Register Centre (VPC AB) not later than by August 10, 2001.

In order to exercise their voting rights, shareholders whose shares are registered in the name of a bank's trust department, or in the name of a stockbroker as nominee, must temporarily register their shares in their own name. Such registration must be completed not later than by August 10, 2001.

Payment of dividend

The resolutions of the Annual General Meeting will include the date by which shareholders must be registered in the share register maintained by the VPC AB in order to be entitled to receive dividend. The Board Directors has proposed Monday, August 27, 2001 as record date.

On the condition that the Annual General Meeting adopts this proposal, dividends will be disbursed by VPC AB Thursday August 30, 2001 to shareholders of record as of August 27, 2001.

Change of address and bank account

Shareholders who have changed their name, address or account number should immediately report such change to their custodian or to their institution of account (bank). A special form for the purpose is available at all Swedish bank branch offices.

Addresses of the companies proposed to be separately listed

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