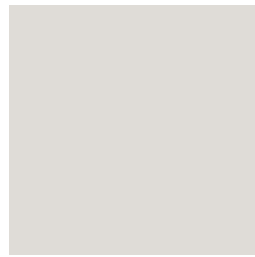
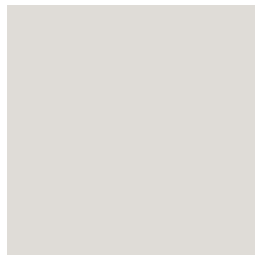
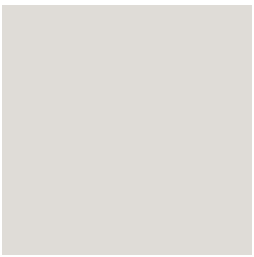
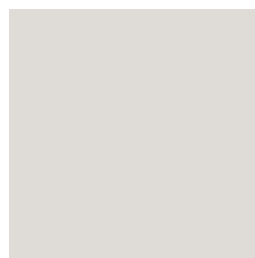
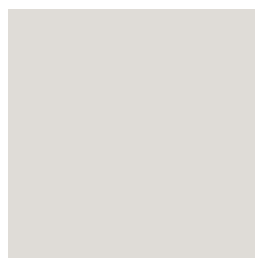
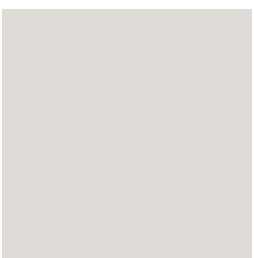
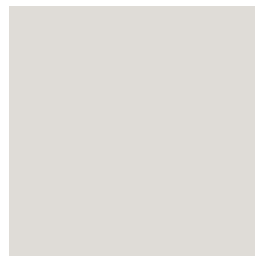
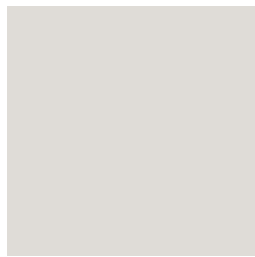


This document is a translation of the Swedish prospectus prepared in accordance with Swedish regulations. In the event of any differences between this translation and the Swedish original, the latter shall prevail.

LISTING PROSPECTUS



Lagercrantz Group AB (publ)



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Dates for Financial Reports from Lagercrantz Group AB (publ)

Interim Report for period April 1 – September 30, 2001	November 15, 2001
Interim Report for period April 1 – December 31, 2001	February 6, 2002
Preliminary report on operations for the financial year April 1, 2001 – March 31, 2002	May 15, 2002
Annual Report for the financial year April 1, 2001 – March 31, 2002	July, 2002
Annual General Meeting	August 21, 2002

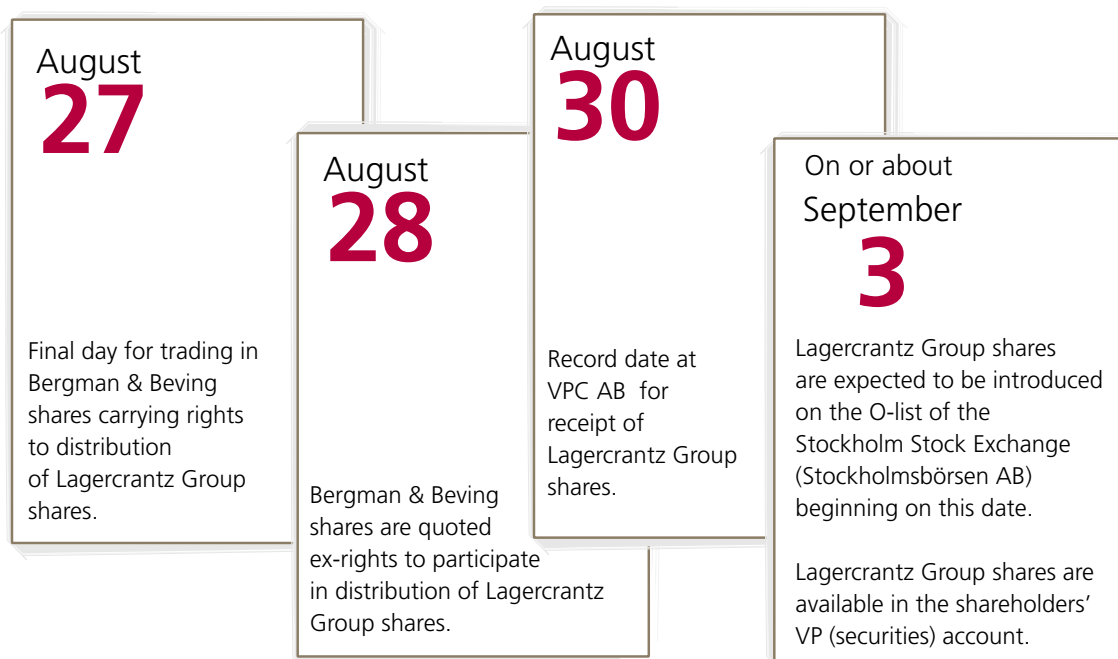
Definitions

Unless otherwise indicated by the context, "Lagercrantz Group," "the Company" and "the Group" refer to Lagercrantz Group AB or the group of which Lagercrantz Group is the parent company.

Unless otherwise indicated by the context, "Bergman & Beving" and "Bergman & Beving Group" refer to Bergman & Beving AB or the group of which Bergman & Beving is the parent company.

Timetable

The timetable below shows important dates in connection with the distribution of shares in Lagercrantz Group to the shareholders in Bergman & Beving.



Distribution of Lagercrantz Group Shares

At the Annual General Meeting of Bergman & Beving AB held August 22, 2001, the proposal of the Company's Board of Directors to distribute the subsidiaries Addtech AB ("Addtech") and Lagercrantz Group AB ("Lagercrantz") to the shareholders was approved. The companies correspond to the former Industry and Electronics/Lagercrantz Group business areas in Bergman & Beving.

The spin-offs are being effected in the form of a distribution of shares. According to independent tax experts and Bergman & Beving's auditors, Lex Asea is applicable. This means that the shareholders receive the Addtech and Lagercrantz Group shares as a tax-exempt dividend in accordance with Swedish tax regulations and that this will not involve any withdrawal taxation for Bergman & Beving. The companies have applied to list their class B shares on the O-list of the Stockholm Stock Exchange (Stockholmsbörsen AB).

The background to the proposal by the Bergman & Beving Board of Directors to spin off Addtech and Lagercrantz Group is that the Bergman & Beving business areas involved have achieved such size and profitability that they are judged to have better prospects for continuing growth as independent and publicly listed companies. In addition, it is believed that more focused operations will create conditions for greater transparency in each respective company.

The Board of Directors of Lagercrantz Group views the distribution of the Company to shareholders favorably.

Apart from the reasons set forth above, a spin-off and public listing will result in greater publicity and make it easier for Lagercrantz Group to attract the interest of the market and the media in a completely different way than as a business area in a listed group. Company management will occupy a more exposed and prominent position, with related responsibilities. The importance of creating growth and profitability will be even more concrete, which will be a motivating factor for both management and the other employees. Lagercrantz Group will be managed by persons with solid experience. Moreover, a public listing will mean direct access to the capital market, which is itself a positive factor and increases the opportunities to use company shares in payment for future major acquisitions.

For each class A and class B Bergman & Beving share held, one Lagercrantz Group share of the corresponding class will be distributed.

The record date for distribution of Lagercrantz Group shares is August 30, 2001. Bergman & Beving shares will be traded ex-rights to the distribution beginning August 28, 2001. The final day for trading including rights to the distribution is August 27, 2001. September 3, 2001 is expected to be the first day of trading in Lagercrantz Group shares on the Stockholm Stock Exchange (Stockholmsbörsen AB).

Lagercrantz Group shares carry rights to dividends beginning in the financial year 2001/2002.

For additional information reference is made to the presentation in this prospectus, which has been prepared by the Board of Directors of Lagercrantz Group AB in connection with the distribution of Lagercrantz Group AB shares to the shareholders of Bergman & Beving AB and the pending listing of Lagercrantz Group AB shares on the O-list of the Stockholm Stock Exchange (Stockholmsbörsen AB).

The Board of Directors of Lagercrantz Group AB is responsible for its content. Assurance is hereby given that, to the best knowledge of the Board of Director, the information in the prospectus conforms to actual conditions and that nothing of material importance has been omitted that could affect the image of Lagercrantz Group AB created by the prospectus.

Stockholm, August 22, 2001

LAGERCRANTZ GROUP AB (PUBL)

Board of Directors

Information About the Distribution

TERMS AND CONDITIONS

The Annual General Meeting of Bergman & Beving held on August 22, 2001 resolved to distribute all the shares outstanding in Lagercrantz Group to Bergman & Beving's shareholders in proportion to their holdings of Bergman & Beving shares. For each Bergman & Beving class A and class B share held, shareholders will receive one Lagercrantz Group class A and class B share, respectively.

RECORD DATE

August 30, 2001 is the record date at VPC AB ("VPC") [Swedish Securities Register Centre] to receive Lagercrantz Group shares. Bergman & Beving shares will be traded excluding rights to the distribution of Lagercrantz Group shares beginning August 28, 2001. August 27, 2001 is the final day for trading in shares including rights to participate in the distribution.

RECEIPT OF SHARES

Shareholders who on the record date, August 30, 2001, are recorded in the share register, or in the special list maintained in connection with the Bergman & Beving share reg-

ister, as entitled to the dividend, will receive Lagercrantz Group shares without any further action on their part.

The Lagercrantz Group shares will be available in the shareholders' VP (securities) accounts, or in the VP accounts belonging to those who are otherwise entitled to the dividend, on or about September 3, 2001. VPC will then send a VP notice with information showing the number of shares registered in the VP account.

SHARES REGISTERED IN THE NAME OF A TRUSTEE

Bergman & Beving shareholders whose holdings are registered in the name of a trustee will not receive any accounting from VPC. Instead, the accounting will be handled in accordance with each trustee's procedures.

PUBLIC LISTING

Lagercrantz Group has applied to list its Series B shares on the O-list of the Stockholm Stock Exchange (Stockholmsbörsen AB). A trading lot will amount to 200 shares. The first trading day is expected to be September 3, 2001.

Lagercrantz Group in Brief

OPERATIONS

Lagercrantz Group offers – within well-defined niches and in partnership with customers and producers – products and solutions in the fields of electronics and communications that contribute to customers' competitiveness. The Group also has a certain amount of production.

Lagercrantz Group has operations in Sweden, Norway, Finland, Denmark, Poland and UK and, by virtue of its size, growth rate and concept, is a leading player in the Nordic market.

Lagercrantz Group and its companies consist of the parent company, Lagercrantz Group, and two business areas, Electronics and Solutions. Each of the business areas, in turn, consists of two divisions. The common feature of the two business areas is that they are based on customers' needs and that they are building their positions on strong products and value-creating services, primarily for Nordic customers. Lagercrantz Group has a stable organization in which business-like operations are an important part of the corporate culture.

Electronics

The Electronics Business Area offers electronic components and the production of customer-adapted cable. The operations are niche-oriented and customers receive added value in the form of custom-tailored solutions, among other benefits. The Production Services business area also offers services in all stages of the product flow, from development and design to production and outsourcing.

Solutions

The Solutions business area offers customer-specific solutions in the areas of telecommunications and information and payment systems, along with related consulting services. Operations are conducted mainly in the form of projects in which a large number of functions with different skills are involved. In addition to customer-specific solutions, customers are also offered technical support.

BUSINESS CONCEPT

Lagercrantz Group, operating in well-defined niches and in partnership with customers and producers, offers products and solutions in the fields of electronics and communications that contribute to customers' competitiveness.

VISION

Lagercrantz Group is to be a growth-oriented, profitable international knowledge-based company in the fields of electronics and communications systems.

OBJECTIVES AND STRATEGIES

Lagercrantz Group has three basic overriding objectives.

Growth

Long-term growth in earnings expressed as income after financial items of at least 15 percent.

Profitability

25 percent return on shareholders' equity.

Development

Development work that supports growth and profitability is to be conducted continuously within the Group.

To achieve the above objectives, Lagercrantz Group is focusing on five strategies and success factors.

Focus on niches

Lagercrantz Group is operating within specific product segments and is offering custom-tailored solutions.

Expansion

Lagercrantz Group is to expand in three different ways: through organic growth, through acquisitions in present markets, and through acquisitions in new geographical markets.

Creation of added value

This means providing the products and services being offered customers with unique features that help to increase the competitiveness of both customers and the Group.

Personal sales

Sales approaches are being made largely to development departments in order to become part of the customers' development processes as early as possible.

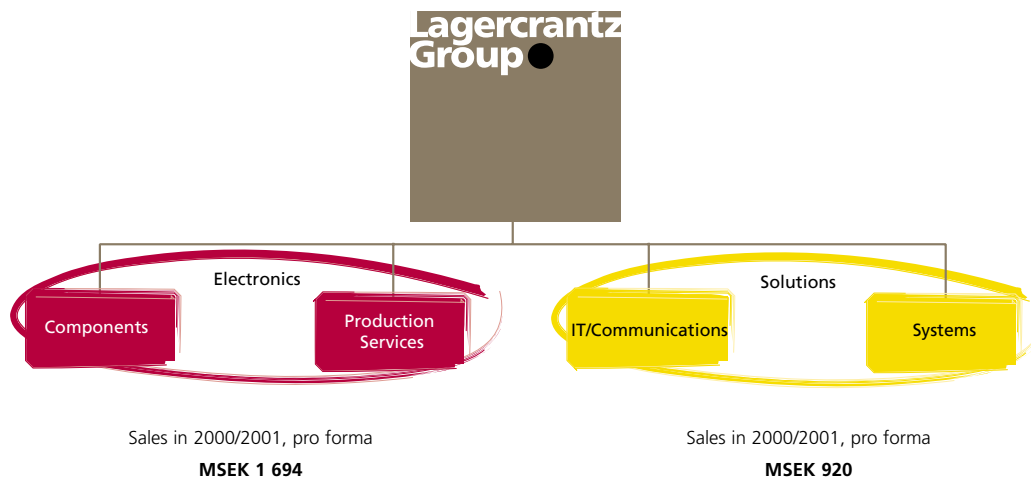
Decentralized business responsibility

Business decisions are to be made at the local level, where knowledge of customers and products is greatest.

MARKET

Lagercrantz Group supplies high-tech electronic components and solutions used in telecommunications and systems. The customers are mainly Nordic companies in the telecommunications/electronics/electrical equipment industry, as well as companies in mature IT environments. Players with their own production as well as companies with both multiple and niche distribution are active in the market.

Growth in the market for the Electronics business area is driven by ever-shorter investment cycles, more rapid technical shifts and the fact that the electronics content in



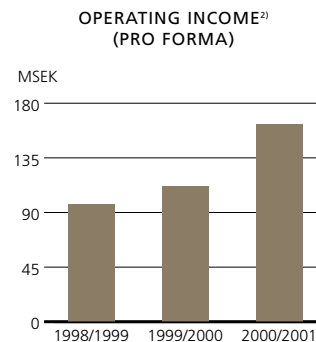
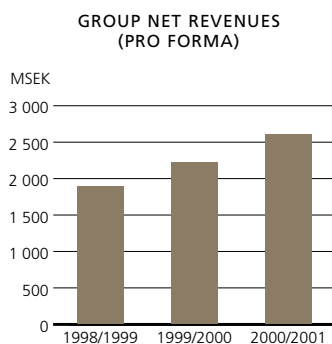
new products is increasing steadily. The global market for electronic components is increasing at a rate just less than 20 percent per year. Lagercrantz Group estimates the available Nordic market to amount to SEK 20 billion, and the business area's share of the market to amount to approximately 9 percent.

The Solutions business area is niche-oriented, which means that it is operating in a number of market segments with different characteristics. Management estimates that the total Nordic market for Solutions' product areas exceeds SEK 50 billion. Growth in the market for Solu-

tions' products is estimated to be between 15 and 20 percent per year.

FINANCIAL OVERVIEW

The Company's growth in net sales has amounted, pro forma¹⁾, to an average of approximately 18 percent per year during the 1998/1999 – 2000/2001 period. Operating profit before items affecting comparability has increased approximately 30 percent per year, pro forma, during the past three years.



BRIEF BACKGROUND

Lagercrantz Group's operations were developed in the Bergman & Beving trading company, which was founded in 1906. The business concept was to act as a general agent for foreign manufacturers and import technically advanced products for use in Swedish industry. Lagercrantz Elektronik, which at the time was active in communications equipment, measuring instruments and electronic components, was acquired in 1967.

¹⁾ Pro forma accounts. See page 32.

²⁾ Before items affecting comparability.

President's Statement

BACKGROUND

Lagercrantz Group operations have developed favorably, with good growth, terms of revenues and income, over a long period. We believe that, as an independent, publicly listed company, our prospects for a high rate of growth and good profitability will be further strengthened. Based on a streamlined business concept and a strong and clear vision, our ambition is to create long-term added value for our shareholders.

HOW ARE WE TO SUCCEED?

A cornerstone in our concept for success has always been to start with our customers' needs – both today's and tomorrow's.

This concept has given us strong market positions in well-defined product niches, and close relationships with customers and producers. In the future we will broaden Lagercrantz Group's role as a supplier of technology and as a knowledge-based company by adding new services and increasing our expertise in such areas as applications development and production preparation, for example. We will also focus on developing proprietary brands and production in connection with the customizing of products and services. To achieve unique customer values, we will utilize and further develop our state-of-the-art expertise in the areas of telecommunications and data communications.

Lagercrantz Group's customers are in such global growth industries as telecommunications, electronics and information technology (IT). Demand for our services and products is growing to a large degree parallel with the development of the digital economy in which the driving forces, among others, are investments in IT infrastructures and mobile communications. Another important driving

force is the increased technical content in the products of traditional industries, which means new opportunities for us to increase sales of existing products and services, as well as to broaden Lagercrantz Group's offerings.

For this purpose, acquisitions of companies with strong market positions in profitable growth niches within Lagercrantz Group's areas of operation will constitute an important part of our growth strategy. We have substantial experience with acquisition and integration processes in our Group and we are working continuously to identify and evaluate possible acquisitions. In accordance with our vision, we want to be a growth-oriented, profitable,

international knowledge-based company in the areas of electronics and communications solutions. We will establish Group operations outside the Nordic home market in order to strengthen both our customer and producer relationships.

EMPLOYEES AND CORPORATE STRUCTURE

Lagercrantz Group has a decentralized organization in which employees have substantial independence with clear areas of responsibility, in dealing with customers and producers, for example. The expertise and strong involvement of our employees are critical for our continuing success. I also want to mention the long and solid industrial experience of our line managers.

Our corporate culture is characterized by great individual responsibility and freedom. Our simple ways of working bind us together. This culture constitutes the background and driving force for business acumen and for the entrepreneurial spirit and flexibility in our Group.

Business concept
Lagercrantz Group, working in well-defined niches and in partnership with customers and producers, offers products and solutions in the fields of electronics and communications that contribute to the customers' competitiveness.

“We always start with our customers' needs – both today's and tomorrow's.”

The public listing of Lagercrantz Group is an important incentive for all Group employees in which both our operations and employees are becoming visible and are now united around a business concept and a vision. Following the public listing, Lagercrantz Group will introduce an incentive program for senior executives and line managers within the Group.

THE MARKET AND THE FUTURE

We are in a period when major changes are taking place in our business environment. Important changes that affect us directly include increasingly rapid technical development in which customers' demands on the expertise and reliability of suppliers are becoming more insistent. At the same time, a consolidation is under way in all areas of technology; producers are uniting around the development of new technology; through aggressive acquisition strategies, large distributors are becoming even larger and more dominant. Our customers are also adapting to these trends through mergers, alliances and a focus on core expertise, etc.

The changes will also create new opportunities for us if we continuously use our close customer and producer relationships to develop our business. Based on our state-of-the-art expertise, and in cooperation with our partners, we can expand our operations and create profitable growth. It is a matter of great importance for our future success that we preserve our willingness to change parallel with the outside world.

We have created and developed the operations in Lagercrantz Group over a period of many years, so that the Company today is well prepared prior to its public listing.

Vision

Lagercrantz Group is to be a growth-oriented, profitable international knowledge-based company in the fields of electronic and communications solutions.

The factors of strength that I want to emphasize are that:

- Lagercrantz Group has historically always shown a high rate of growth and good profitability,
- Lagercrantz Group is operating in markets with high growth rates,
- we have a firmly rooted stability and tradition in our organization and, last but not least,
- the entire organization is permeated by an entrepreneurial spirit: selling, relationships, business sense, winner instinct and team spirit are key concepts in our organization.

I am looking forward, with great confidence, to our future as an independent listed company.



Jan Friis
President and Chief Executive Officer

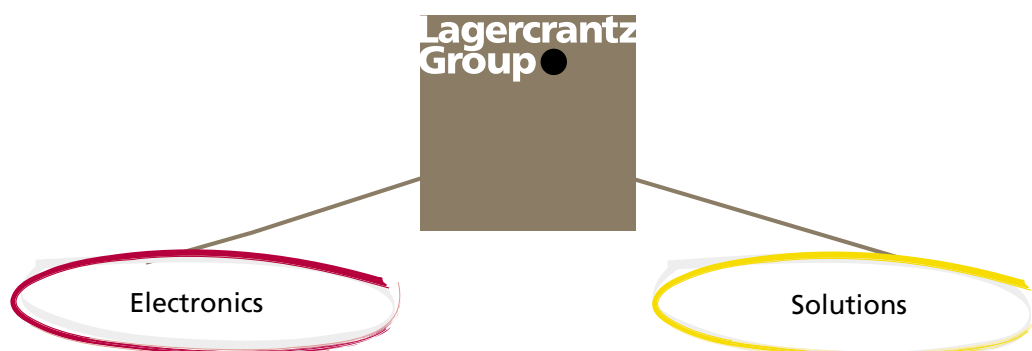
“...the entire organization is permeated by an entrepreneurial spirit: selling, relationships, business sense, winner instinct and team spirit.”

Lagercrantz Group

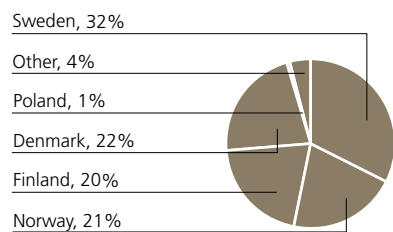
GROUP OVERVIEW

Lagercrantz Group consists of two business areas, Electronics and Solutions. Several operating areas are included within each business area.

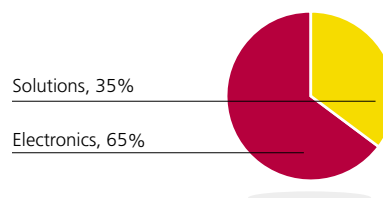
Lagercrantz Group operations are long-established and characterized by high growth and good profitability.



REVENUES BY COUNTRY



REVENUES BY BUSINESS AREA



BUSINESS CONCEPT

Lagercrantz Group, operating in well-defined niches and in partnership with customers and producers, offers products and solutions in the fields of electronics and communications that contribute to the customers' competitiveness.

VISION

Lagercrantz Group shall be a growth-oriented, profitable, international knowledge-based company in the fields of electronics and communications solutions.

OBJECTIVES

Lagercrantz Group has established three corporate objectives.

- Growth
- Profitability
- Development

Growth

Lagercrantz Group's growth objective is long-term earnings growth of at least 15 percent, expressed as income after financial items.

Profitability

Lagercrantz Group uses a profitability standard to measure the operating income realized in relation to working capital¹⁾. This is an internal control ratio that has been specially tailored to fit Lagercrantz Group operations and which can be applied at all levels within the Company. The criterion for Lagercrantz Group to initiate a project, or enter into a

new customer or producer agreement, is that the Company must be able to achieve profitability of at least 45 percent.

The Company's internal profitability standard shall also be reflected in an external ratio. The objective is that return on shareholders' equity long-term will amount to at least 25 percent.

Development

As a complement to its financial objectives, Lagercrantz Group has established a third, operationally focused development target. This means that development efforts to promote growth and profitability are conducted throughout the organization on a continual basis. The objectives for individual development projects are established internally and are followed up within the business and operating areas at regular development meetings.

STRATEGIES AND SUCCESS FACTORS

To secure its corporate growth, profitability and development goals, Lagercrantz Group has formulated a number of strategies.

- Focus on niches
- Personal sales
- Expansion
- Decentralized business responsibility
- Creation of added value



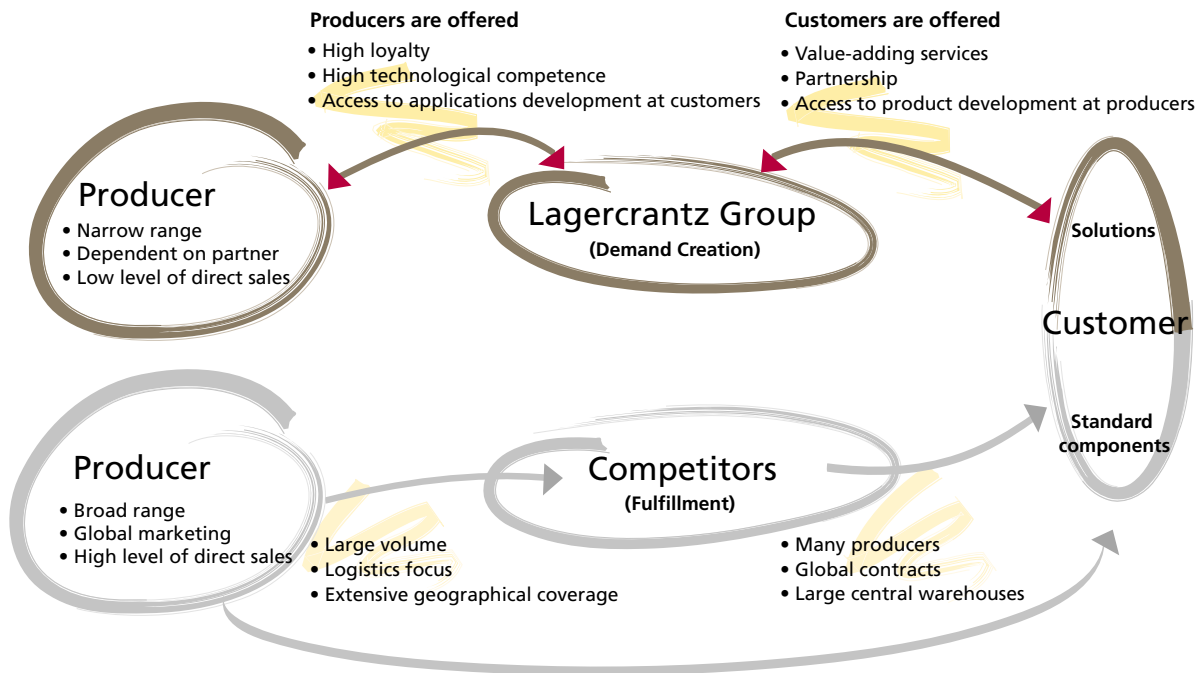
¹⁾ Working capital is defined as accounts receivable plus inventories, less accounts payable.

Focus on niches

Lagercrantz Group shall apply a clear niche focus and supply products and customized solutions with a high degree of value-added within specific product segments. Within these niche areas, Lagercrantz Group shall have the potential to become a market leader in prioritized markets. As part of the Company's efforts to provide more products and services with a higher degree of value-added, the contribution made to sales by goods produced in-house and consulting services has increased substantially.

Lagercrantz Group deliberately chooses to represent producers with a narrow and unique range of products. The high technology content of the products and services requires that producers cooperate with a local partner with a high level of technological competence. Thus, Lagercrantz Group can be seen as a value-adding link between producers and customers.

BUSINESS MODEL



Expansion

Expansion constitutes an important part of the Group's development, partly to complement existing operations and partly to establish the company within new niches. Lagercrantz Group has elected to expand in three different ways: organic growth, acquisitions in existing markets and acquisitions in new geographic markets.

Organic growth means that the company shall achieve growth based on existing customers, coordinate key agencies within the Nordic region and work actively to secure new agencies within selected product areas.

Acquisitions in existing markets shall be undertaken in order to strengthen Lagercrantz Group's market position within attractive niches and to add technological competence within existing areas. Acquisitions will also be made to penetrate new, expansive niches with a high value-added content. In both of the acquisition-based expansion alternatives, the acquired companies must possess established customer relations and represent attractive producers. Successful acquisitions contribute skilled new employees, new customers and producers, all of which are important to the Company's future success.

Another element of Lagercrantz Group's expansion strategy is geographic expansion in Europe and Asia. Geographic expansion will be achieved through acquisitions, or through partnerships and alliances with companies that have similar strategies and agencies in regions that are new to Lagercrantz Group. Geographic expansion is also important in maintaining close proximity to existing customers that are expanding internationally.

During the past three years, Lagercrantz Group has acquired the following companies.

Year	Company	Market
1998/1999	Berendsen Components	Nordic region
1999/2000	Iwanejko Electronics	Poland
2000/2001	Elfac	Denmark
2000/2001	Delfi	Finland
2000/2001	Enkom	Finland
2000/2001	Kabelproduktion i Västerås	Sweden

Creating added value

Based on the specific requirements of customers, Lagercrantz Group strives continuously to contribute unique properties to the products and services offered to its customers. This increases the competitiveness of both the Company and its customers. These unique properties are obtained as a result of Lagercrantz Group providing a combination of products and services, rather than a single product. For example, the Electronics business area provides individual design and adaptation of products, as well as logistics and other services related to manufacturing/out-sourcing as a result of which Lagercrantz Group can assume total responsibility for a customer's product flow. In the Solutions business area, consulting services are accounting for an increasingly large proportion of sales. Within this business area, Lagercrantz Group is building up its own brand name under which customers are offered complete-package solutions.

An essential part of value-adding activities is the provision of new spearhead products and consulting services to the existing customer base. This is made possible by the Company's close cooperation with leading producers. Through its close contact with customers, Lagercrantz Group is also provided with an accurate indication of the type of products demanded by customers now and in the future, which is useful in identifying appropriate producers with whom the Company can enter into a partnership.

Personal sales

Personalized sales are an important component in the company's operations, partly because the complexity of the products demands such an approach and partly because it enables the company to sell customized solutions. Lagercrantz Group strives to take part in the customer's development process as early as possible and thus focuses its selling effort primarily on customer development departments.

An early entry into this process also enables Lagercrantz Group to provide advice about how additional products and services can contribute to increasing customer competitiveness. Simultaneously, Lagercrantz Group finds this an efficient way of cultivating long-term customer relations and thereby preparing the ground for future sales activities.

Working with personalized sales places high demand on the Company to continue to communicate its credibility, competence and strong brand, in combination with the best documented references.

Decentralized business responsibility

Lagercrantz Group's organization is characterized by strong decentralization and the operational independence of the subsidiaries. Business decisions are taken at local level, where the greatest knowledge exists about customers, products and producers.

Decentralization provides a high degree of freedom and flexibility in the subsidiaries. Short decision-making and reporting channels create favorable conditions for adapting to customer and market demands. All subsidiaries operate independently and manage their operations in line with clearly defined key financial ratios. The unit's involvement with customers is evaluated on the basis of the Company's profitability model and is followed up on a continuous basis.

A strong entrepreneurial spirit prevails among the subsidiaries, and personal involvement is encouraged. Each subsidiary works under and markets its own name, which strengthens both employee commitment and relations with customers. The decentralized organization and individual company cultures have also helped acquired companies to be integrated successfully into Lagercrantz Group.

CORPORATE CULTURE

Lagercrantz Group's corporate culture supports and develops business operations and unites the Company in its efforts to achieve a shared corporate vision. The corporate culture can be summarized by the following key terms.

- **Simplicity**
- **Efficiency**
- **Willingness to change**
- **Freedom and accountability**
- **Business acumen**

Simplicity means short decision-making channels, working in a well-planned and concentrated manner and an ability to simplify the approach to problems to what is truly important. The tools used by Lagercrantz Group to analyze its operations are also distinguished by their simplicity.

Efficiency is about doing the right things and doing things right, factors that are decisive to achieving success. For Lagercrantz Group efficiency involves spending time on activities that generate a high degree of target fulfillment and on working in a focused and methodical manner.

Willingness to change among Lagercrantz Group employees is an important factor underlying the companies' success. In order to remain competitive, high demands are placed on the ability to quickly adapt to market conditions and satisfy and exceed customer requirements.

Freedom and accountability characterize the entire Lagercrantz Group. The Company's basic outlook is that each employee possesses a unique potential. Lagercrantz Group employees are innovative, creative and willing to accept responsibility. The Company's operations are based on the competence and motivation contributed by all Lagercrantz Group personnel.

Business acumen is a common denominator for Lagercrantz Group. It is about building relations, possessing a winner's instinct and the willingness to work as part of a team. All employees in Lagercrantz Group are regarded as sales personnel.

COMPANY HISTORY

Lagercrantz Group operations have been developed in the Bergman & Beving trading company, which was founded in 1906 by the engineers Arvid Bergman and Fritz Beving. Bergman & Beving's business concept was originally to act as a general agent to import technologically advanced products for Swedish industry.

Until its stock exchange listing in 1976, Bergman & Beving was a closely held company. Since then, operations have been developed and expanded strongly, both in terms of operating focus and geographical coverage. Some of the most important milestones in Lagercrantz Group history are as follows.

- 1967** Bergman & Beving acquires Lagercrantz Elektronik, which was founded by Johan Lagercrantz in 1938.
- 1984** Bergman & Beving acquires its first foreign components operations, EVJ Elektronik in Denmark.
- 1991** ACTE Group established through the merger of the existing electronic operations in Bergman & Beving.
- 1994** Nordic Components Group acquired and integrated into ACTE.
- 1997** Electronics business area formed in Bergman & Beving.
- 1998** Berendsen Components acquired and integrated into business area Electronics.
- 2000** Lagercrantz Group, a new business area focusing on IT/telecommunications, is formed within Bergman & Beving.
- 2001** Electronics and Lagercrantz Group jointly form an independent company and seek listing on O-list of the Stockholm Stock Exchange (Stockholmsbörsen AB) under the name Lagercrantz Group.

CUSTOMERS AND SUPPLIERS

Lagercrantz Group's customers are found primarily within the telecommunications, electronics, electric equipment and IT sectors. Currently, the telecommunications industry accounts for about 45 percent of the company's net sales. Lagercrantz Group offers its customers products and value-adding services, partnerships and access to the product development undertaken by producers. The customer structure is diversified and no single customer accounts for more than 6–7 percent of net revenues.

Lagercrantz Group's suppliers are mainly found in North America, Asia and Europe. They are generally world leaders within their specialized areas. Cooperation with these suppliers is long-term and in many instances has already been established for several decades. Lagercrantz Group offers suppliers high loyalty, high technological competence and access to applications development at customers. No single producer accounts for more than 5 percent of sales.

PERSONNEL

The commitment and motivation of its employees are important to the success of Lagercrantz Group. Following its listing, the Company plans to introduce an incentive program for its senior executives and line managers. The terms and size of the program will be determined when the listing has been completed. Dilution will be limited to maximum 5 percent.

Internal recruitment is prioritized when positions become vacant. Many employees possess extensive and diversified know-how based on long careers at the Company. With the aim of motivating personnel and strengthening the corporate culture, Lagercrantz Group focuses on internal information and training. To meet increasing customer demand for technological competence, employee training is provided on a continuous basis. The Company's Business School provides training in business leadership, sales management, project management and sales techniques. The ongoing technological training is also conducted in close cooperation with suppliers. The collective experience and investment in training have built up a high level of competence among the company's employees. Most sales representatives are well-educated technicians.

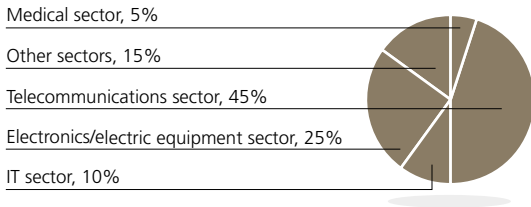
Lagercrantz Group strives to attain a good balance between men and women. Today, some 47 percent of the Company's employees are women. The average number of employees has risen from 606 in the 1999/2000 financial year to 714 in the 2000/2001 financial year.

The increase is primarily attributable to the acquisitions made by Lagercrantz Group during 2000/2001. The average age of the Group's employees is 38.

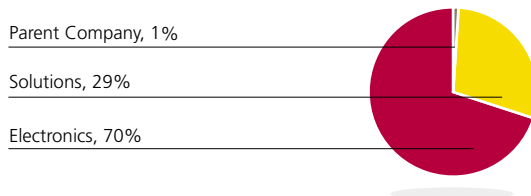
NUMBER OF EMPLOYEES BY MARKET, 2000/2001



LAGERCRANTZ GROUP'S CUSTOMER SEGMENTS



NUMBER OF EMPLOYEES, LAGERCRANTZ GROUP

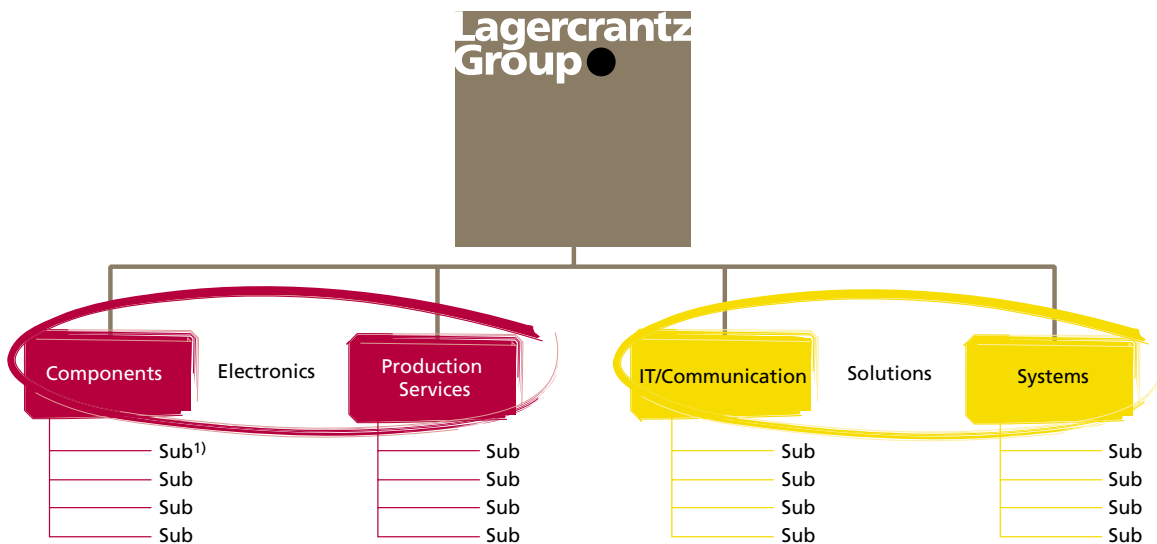


OPERATING STRUCTURE

The Company's decentralized organization provides the subsidiaries with considerable independence and they assume responsibility for such issues as customer and supplier relations, inventory management, selection of agencies, administration and marketing. The Parent Company is responsible for major acquisitions and corporate accounting and financing matters. The legal structure is apparent from the descriptions of the business areas.

A business area consists of two divisions and is defined by the common markets served. Each division is headed by

a president. An operating board, which consists of the president and Lagercrantz Group management, is responsible for each division. The boards of the individual divisions meet four times each year. The two presidents of each business area are members of the boards of all of the subsidiaries in each business area. The advantage of this type of operating structure is that it optimizes the company's potential to exploit internal synergies and generate coordination benefits.



Lagercrantz Group's operating structure.

¹⁾ Sub = subsidiary

Market Overview

Lagercrantz Group's markets are made up of customers in the telecommunications, electronics and IT areas. Lagercrantz Group offers high-tech products and solutions in these areas. Nordic companies are the main customers.

MARKET PLAYERS

The players active in the market can be divided into three main categories.

Multi-distributors

Several large multi-distributors are active in the Nordic market. A common denominator is that all of them offer a broad range of competing products from several manufacturers. The largest players are often international companies with local sales offices. The degree to which the products are adapted to meet customer requirements is generally low.

Niche distributors

The players in the second category are distributors who often represent small producers and suppliers. Lagercrantz Group belongs in this category. These companies' operations are usually niche-oriented. The degree to which the products are adapted to meet customer requirements is generally higher than for multi-distributors. The niche distributors often have complementary rather than competing products from several different producers.

Producers with own sales operations

The third category consists of large, globally active producers with local subsidiaries and their own sales operations. These players usually sell only their own products, which means that they have a relatively narrow product range.

COMPETITIVE FACTORS

Competitive factors tend to vary, depending on the category to which a player belongs. Multinational distributors compete mainly with their broad ranges of volume products and logistics. Niche-oriented and national players compete by offering customized products within specific areas. The challenges for such players are in producing new, relevant products, in possessing the necessary expertise to handle such products and in building up large volumes within niche areas.

The general trend is toward customers becoming more international, with an increased share of their production in low-income countries. Accordingly, demand for distributors to have a broad geographical presence is growing.

For producers with their own sales operations, it is extremely important to generate large volumes from individual customers, otherwise their sales expenses would be excessive. Such players thus prefer to focus on large customers.

MARKET TRENDS

The market in which Lagercrantz Group is active changes continuously in pace with the development of new technology and products, new customer demands and the competitive situation. These changes are occurring more frequently, which is resulting in shorter investment cycles and more rapid changes in technology. Accordingly, customers are prioritizing speed to a greater extent than previously, in order to provide their own customers with new services.

Technological development

High-tech products and systems are becoming increasingly advanced, due to a greater number of built-in systems and increases in process capacity, among other reasons. At the same time, the lifecycles of customer products are being reduced, which is placing increased demands of development and production. Customers are demanding service

and support to a greater extent, which is also contributing to shorter lead times. Demands are also being made on suppliers to provide systems know-how and to understand how components and systems integrate with other parts of the customers' products.

There is a high level of technological competence and extensive systems know-how within Lagercrantz Group, which places the company at the forefront of technological development. Lagercrantz Group specializes in the development of new products and solutions in cooperation with its customers.

Total-package solutions

As customers focus increasingly on their core operations, demand is growing for more customized products, or total-package solutions. This trend is being reinforced by the ever-greater technological content of the products, which in turn requires competence in how such products integrate with other systems. Customers who themselves do not possess such competence are now turning increasingly to those distributors, who can assume total responsibility for functions in their customers' operations.

The provision of a greater proportion of total-package solutions is fully in line with Lagercrantz Group's strategy. For example, the Electronics business area offers services throughout the entire product flow.

Internationalization

The manufacturing industry is shifting production increasingly to low-income countries. This also applies to the production of high-tech products. Since customers demand that suppliers are located in close proximity, the relocation of existing production for a customer can mean geographical expansion for the supplier.

To meet this trend, Lagercrantz Group today is in partnership with companies in the Far East. In addition, the Company's vision is to be an international player and grow with its existing customers.

Consolidation

The trend is toward customers wanting to work with fewer suppliers. This requires that suppliers must be of a certain size, in terms of product range and financial strength, and is resulting in a consolidation of the distribution sector. Smaller distributors usually do not have the necessary product range, financial strength or geographical coverage to be sufficiently competitive. At the same time, because there is an inherent security in the relationship between a customer and supplier, it is often more efficient for a distributor to acquire a smaller colleague than to begin to cultivate new customer relations.

Through its acquisitions, Lagercrantz Group has taken an active part in the consolidation process.

Electronic commerce

Electronic commerce via the Internet and EDI¹⁾ is being used to an ever-greater extent to exchange information and communicate with customers and suppliers in an efficient and timesaving manner.

E-commerce is used primarily by players dealing in standardized, volume products. The main benefits of e-commerce are simplified ordering procedures and more efficient order-reception routines.

Lagercrantz Group works actively with electronic commerce to meet market demands and to raise its own level of efficiency. Today, forecast management, order bookings, invoicing and other routines for many large customers and suppliers are handled via EDI.

“These changes are occurring more frequently, which is resulting in shorter investment cycles and more rapid changes in technology.”

¹⁾ Electronic Data Interchange (see definition on page 63).

DEMAND

Lagercrantz Group's customers are found primarily within those market segments that have historically shown growth that is greater by far than for society as a whole.

The increased utilization of the Internet, where new services are rapidly adding to the mass of information that must be transmitted, necessitates continual development of the communications infrastructure. Technological advances are another factor driving this development. Broadband offers high-speed transmissions via the Net. This is creating scope for new areas of application, such as the interactive use of images, sound and video.

The mobile society requires wireless communication. The use of mobile access enables information to be transmitted in the form of e-mail, SMS¹⁾, voice and digital images to be transmitted and received on a wireless basis. However, the development of mobile communications is still at an early stage.

With today's increasingly developed infrastructure for communications, many new services and new content can be offered, which is placing even higher demands on what the next generation of solutions must provide.

Lagercrantz Group estimates that annual growth in the tele and data communications market described above will be around 15–20 percent in the Nordic Region. Major investments in the infrastructure for the new generation of mobile solutions and for the integration of telephony with the Internet will contribute to a continuation of the high growth rate. Rapid advances in technology and an increased technological content in the products are also occurring in more traditional sectors. In many instances, this is a way for customers to make their end products more attractive in highly competitive markets. As a result,

the growth rate in SEK for electronic components is nearly 20 percent per year over an economic cycle. Compared with services, demand for this type of product is governed to a greater extent by general economic conditions, with industrial capital spending in particular having a major effect.



“...have historically shown growth that is greater by far than for society as a whole.”

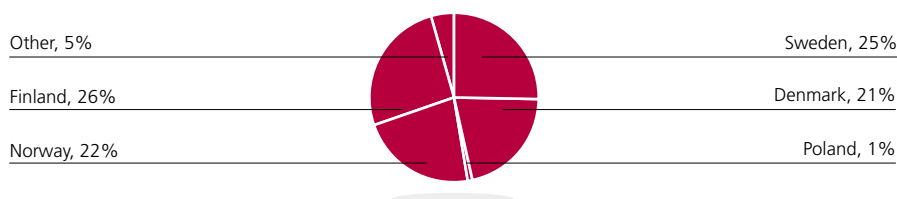
¹⁾ SMS, Short Message Service (see definition on page 63).

Business Area Electronics

FINANCIAL OVERVIEW, PRO FORMA¹⁾

	1998/1999	1999/2000	2000/2001
Net revenues, MSEK	1 185	1 269	1 694
Operating income, MSEK	78	91	137
Operating margin	6.6%	7.2%	8.1%

SALES BY GEOGRAPHICAL MARKET, 2000/2001



THE BUSINESS AREA IN BRIEF

The Electronics business area sells components and production services in the telecom equipment, satellite communications, navigation, medical electronics, data and other industrial technology fields, primarily to customers in the Nordic countries.

In the opinion of Lagercrantz Group, the business area is one of the leading suppliers of electronic components in the Nordic region. Operations have a niche focus and customers receive added value as a result of in-depth product and in-design expertise. An effective logistics function that is IT-integrated both with customers and suppliers provides an efficient delivery system.

Based on the business area's strong market position, Electronics aims to provide new services for its customers in order to offer addi-

tional value added, while reinforcing the business area's role as a business partner. One example of such new services is the introduction of customized cable harnesses – where the business area has achieved a strong position in the Nordic countries as a result of the development of existing operations and a number of acquisitions.

Another example is the business area's focus on joint projects for total-package solutions, in partnership with customers. The Electronics business area offers customers development, production engineering and the production/outsourcing of electronics applications and products. The business area will continue to provide further new services to safeguard and reinforce its market position and image.

THE BUSINESS AREA OFFERS SERVICES FOR ALL STAGES OF THE PRODUCT FLOW



¹⁾ For description of the pro forma accounting principles see page 30 and definitions see page 36.



Stein Thorvaldsen
President
Components Division

ACTE Components A/S
ACTE Components Oy
ACTE Components AS
ACTE Components AB
ACTE Poland Sp. z o.o.
ACTE Components Ltd.

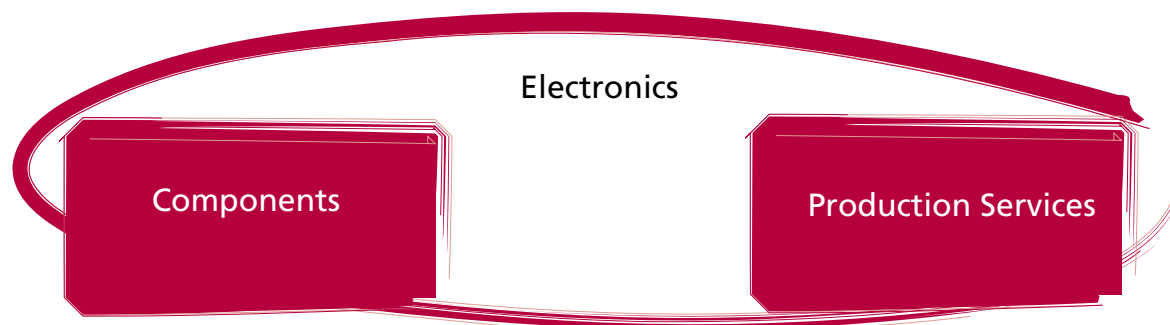


Gunnar Almeling
President
Production Services Division

2B-Electronics A/S
2B-Electronics Asia Ltd.¹⁾
Elfac A/S
Enkom Oy
Finn-Crimp (not a legal entity)
Kablageproduktion i Västerås AB
Kablageproduktion Nornet AB

Steen Alexander
Business Development

¹⁾ Joint venture with local partners, owned to 51%



DIVISIONS

The Electronics business area has two divisions, Components and Productions Services.

Components

Division Components is responsible for sales of active, passive and electromechanical components and represents a number of well-known niche producers. Electronics is one of the largest suppliers of electronic components in the Nordic region. Consulting services are offered as an integrated aspect of operations.

Production Services

Division Production Services manufactures customized cable harnesses for electronics and telecom applications and for other sectors of the engineering industry. In addition, Production Services offers a partial or total service for the product process, comprising know-how, documentation and the transfer of production to external partners (outsourcing). This enables customers to ensure that their products are well designed and cost-optimized from the

design/development stage to the final production/outsourcing phase.

MARKET

The electronics content of new products launched in the market place is growing steadily. The annual growth rate for electronic components is almost 20 percent over a business cycle.¹⁾

Electronics' home market consists of the Nordic countries and, to some extent, Poland and UK. Senior management estimates that the total²⁾ Nordic market is worth approximately SEK 20 billion, and it is estimated that the business area's market share is slightly less than 9 percent of the total market.

The main characteristic of the market is its fragmentation, with a large number of players, although a consolidation process is underway as a result of pressure by end-customers that wish to have a smaller number of business partners.

The strong growth of the telecom industry has been a major contributory factor in the rapid expansion of the total



¹⁾ Lagercrantz Group's assessment.

²⁾ Given the current range of products and services.

market for Electronics' services and products. However, a sharp weakening in the telecom market occurred in the beginning of the fiscal year 2000/2001.

COMPETITIVE SITUATION

Competitors in the Nordic market can be divided into two categories: on the one-hand multinational distribution companies and, on the other hand, local players with largely niche status. Multinational distributors include the North American Avnet, Arrow and Future companies. ElektronikGruppen is an example of a local niche company. The various participants in the market primarily differ in terms of their niche orientation and whether they focus on providing solutions or standard components.

For many customers, product know-how, reliable deliveries and a local presence are more important than the price.

Electronics offers its customers volume production at guaranteed quality via partners in Asia and the Baltic States. Staff from the business area safeguard quality on the manufacturer's premises. Services that the business area offers customers in the Nordic region may also be offered in other geographical markets, via business partners. This is an advantage, particularly in the case of Nordic customers with subsidiaries all over the world.

Logistics and distribution are other competitive factors. Electronics has a very high degree of delivery reliability for firm customer orders, due to proximity to customers. In contrast with most of its competitors, the Group has its

own warehousing facilities in each market, and the Lagercrantz Group provides solutions which enable the development time to be cut, thus reducing the lead time from original concept to product (time-to-market).

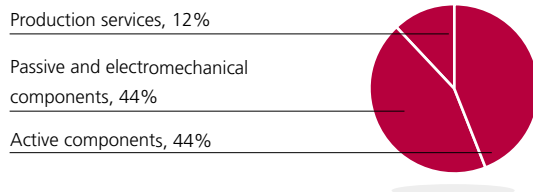
CUSTOMERS

The Components Division's customers are mainly companies that develop and manufacture electronic and electrical products. In particular, the focus is on components for telecom, satellite communications, navigation, medical electronics, data and industrial technology applications. Contract manufacturers are a major and rapidly expanding customer category since an increasing number of major companies have decided to outsource part of their production to contract manufacturers. Components' largest customers are Flextronics, Ericsson, Nokia, Tellabs, Kitron and Kirk Telecom.

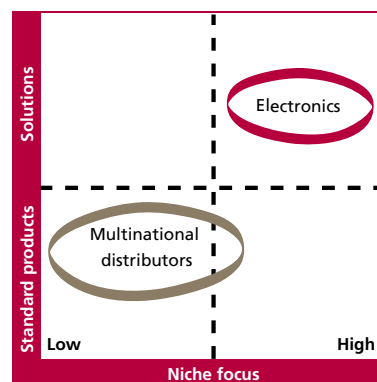
Partnership agreements are normally signed with customers, extending for one year or more. There is a high degree on customer loyalty in component operations, and customer relationships tend to be long term. It is considered that the development potential of existing customers is satisfactory.

Customers of the Production Services Division consist of industrial companies in different sectors, for example ABB, Danfoss, NEG Micon and DEVI. Customer loyalty is very high.

NET SALES BY PRODUCT AREA



STRATEGIC POSITIONING¹⁾



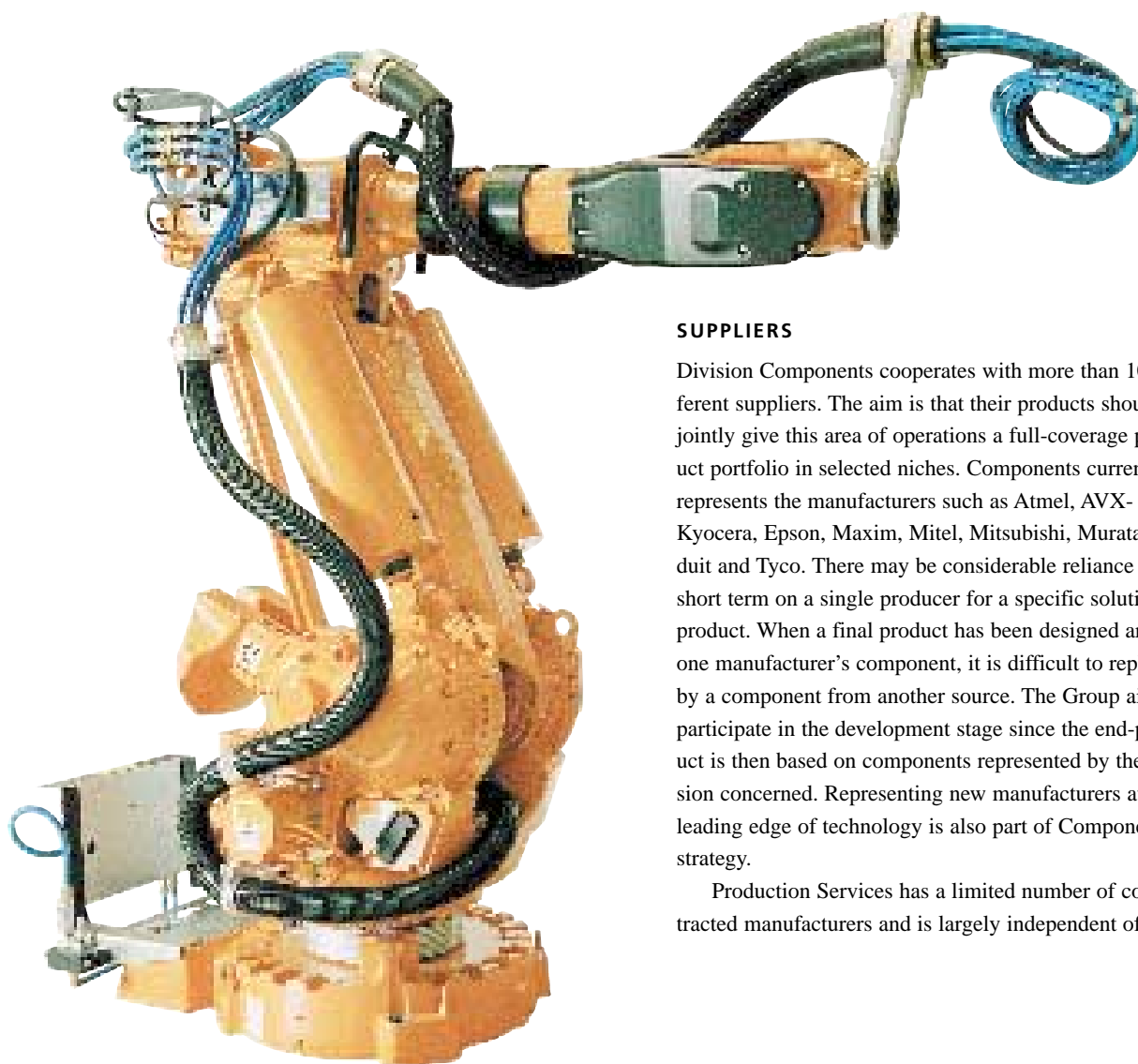
The Lagercrantz Group's position in relation to multinational distributors.

¹⁾Lagercrantz Group's assessment.

Robots are not the only aspect of ABB Robotics' operations that maintain world-class standards. ABB has also developed various customer packages that are tailor-made for applications, such as spot welding in the automotive industry and equipment and materials handling.

The photo shows a complete welding package that integrates electric power, water and air for alternative spot welding rods. The customized solutions are fully tried and tested and maintain very high technical standards. The tailor-made welding package was supplied by Kablageproduktion i Västerås AB, a Lagercrantz Group subsidiary with considerable experience of customization and accustomed to assuming full responsibility from the concept stage to the finished product.

Other Production Services' customers include companies making products with a growing electronics content. These companies either have no internal electronics know-how or they need a specific solution or service which Electronics can provide. Customer loyalty in this category is high, since the division has to assemble crucial customer-specific information during the joint development process, and this takes time. On the other hand, the development potential of these customers is considerable. In many cases, a consulting assignment also results in the involvement of other sectors of the Group, which may lead to additional sales. No customer is responsible for more than about 8 percent of the business area's sales.



SUPPLIERS

Division Components cooperates with more than 100 different suppliers. The aim is that their products should jointly give this area of operations a full-coverage product portfolio in selected niches. Components currently represents the manufacturers such as Atmel, AVX-Kyocera, Epson, Maxim, Mitel, Mitsubishi, Murata, Panduit and Tyco. There may be considerable reliance in the short term on a single producer for a specific solution or product. When a final product has been designed around one manufacturer's component, it is difficult to replace it by a component from another source. The Group aims to participate in the development stage since the end-product is then based on components represented by the division concerned. Representing new manufacturers at the leading edge of technology is also part of Components' strategy.

Production Services has a limited number of contracted manufacturers and is largely independent of them,



Electronics has developed a workspace for a major Danish manufacturer of office furniture that is electronically controlled by the desktop computer. The computer senses who the user is and adjusts the desk to conform to the user's ergonomic requirements. Electronics was responsible for product development, cost optimization and production control.

since the primary activity is the purchase of standardized products which are further developed by Production Services. The choice of manufacturer is often determined in consultation with the customer.

No supplier is responsible for more than 5 percent of Electronics' sales.

SALES

The business area proactively sells value-added services throughout the customer's entire product flow. These services require experienced sales personnel with in-depth product know-how, and they are all qualified engineers or have some other technical training. Electronics has two different sales organizations: one that focuses on subcontract manufacturers producing products for other companies and one that concentrates on in-design for industrial customers.

Personal selling and project formats are the cornerstones of Electronics' sales operations. The business area has application and design engineers: who contribute to the development of unique solutions for customers.

Deliveries to customers take place in accordance with forecasts or agreed requirements. Orders from customers to Lagercrantz Group and from Lagercrantz Group to suppliers are increasingly booked via electronic ordering systems.

EMPLOYEES

Electronics had an average of 503 employees during the financial year 2000/2001. Approximately 30 percent were involved in production. The remainder had sales and administrative functions. About 54 percent of Electronics' personnel are women. The average age in the business area is 39.

THE FUTURE

The Electronics business area is currently focusing on three additional areas of the product flow, which are considered to have considerable business and expansion potential: development/design, production engineering and production/outsourcing.

Electronics is striving to be a business partner for customers, enabling the business area to contribute actively to the development of the product as a result of design/development and production engineering. In addition, Electronics can also assist in the manufacture of the product concerned via outsourcing partners selected by the business area. As a result, Electronics has a direct impact on the entire product chain and is able to influence the choice of components used in the finished product to a considerable extent. The business area considers that this enhancement of the customer offer provides excellent opportunities for further success and growth in the future.

In addition, in some cases the business area only holds certain agencies in a single country at the moment. Ongoing efforts are being made to extend key representation agreements to cover the entire Nordic market. Such coordination provides opportunities for higher sales.



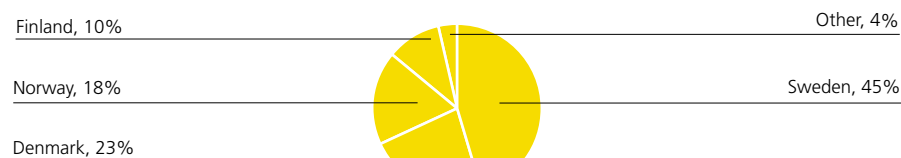
Division Components supplies electronic components for a wide variety of industrial applications. The photo shows an automatic processor for a returned bottles unit produced by Tomra, using components supplied by ACTE Components AS, a Lagercrantz Group subsidiary.

Business Area Solutions

FINANCIAL OVERVIEW, PRO FORMA¹⁾

	1998/1999	1999/2000	2000/2001
Net revenues, MSEK	705	954	920
Operating income, MSEK	19	16	22
Operating margin	2.7%	1.7%	2.4%

SALES BY GEOGRAPHICAL MARKET, 2000/2001



THE BUSINESS AREA IN BRIEF

The Solutions business area sells customized products and solutions, mainly to customers in the Nordic countries in the following product areas.

- **Customer service and transaction-handling systems**
 - **Testing systems and communications equipment for the telecom market**
 - **Video communications**
 - **Information and payment systems**
 - **Industrial automation**



Johan Olofsson
President
IT/Communication Division

Heath Comm A/S
Delphi Oy (75%)
Heath Comm AS
Heath Comm AB
Lagercrantz Communication AB
STV AB
Uniweb AB



Gunnar Åhlander
President
Systems Division

ACTE Systems A/S
ACTE Systems Oy
ACTE Systems AS
ACTE Systems AB
Betech Data A/S

Svante Gustafsson
Business Development



CUSTOMER SERVICE AND TRANSACTION-HANDLING SYSTEMS



TESTING SYSTEMS AND COMMUNICATIONS EQUIPMENT FOR THE TELECOM MARKET

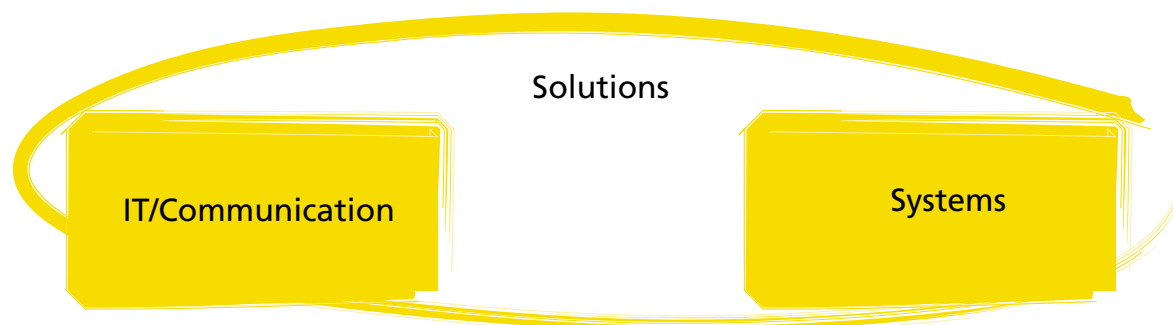
¹⁾For description of the pro forma accounting principles see page 30 and definitions see page 36.

Solutions employs a project orientation in clearly defined niches, mainly working directly with end customers. Customer offers normally involve value-added consulting services.

Marketing is based on personal selling in which satisfactory and long-term relationships are the key to success. In most projects, Solutions participates in the customer's

concept phase. Customer seminars and training, in combination with highly specialized services, are key features of the business area's success.

The customer segment comprises telecom operators, telecom suppliers, retailers, the public sector and major industrial companies.



DIVISIONS

The Solutions business area has two divisions: IT/Communication and Systems.

IT/Communication

The IT/Communication Division area provides communications and testing equipment for telecom operators, trans-

action-handling solutions¹⁾ for industrial companies and video transmission solutions. Customers are offered comprehensive training and support for the solutions supplied. Sales are directly to end users, primarily in the telecom industry and large companies with mature IT environments.



VIDEO COMMUNICATIONS



INFORMATION AND PAYMENT SYSTEMS



INDUSTRIAL AUTOMATION

¹⁾ For example Customer Relationship Management (CRM) and IT Service Management (ITSM) (see definitions on page 63).

IT/Communication works in a close partnership with customers, suppliers and innovative companies at the forefront of development in new areas of technology, permitting state-of-the-art expertise to be maintained in new technology areas. As a result, IT/Communication can offer its customers competitive services and launch new solutions in the market place more rapidly.

Consulting services are an increasingly important feature of IT/Communication sales. Services focus on technically advanced products. The combination of product and consulting services permits higher margins.

Systems

The Systems Division supplies information and payment systems and automation solutions for manufacturing and process companies. Systems represents a number of well-known companies, mostly large or medium-sized specialized suppliers. Solutions are tailor-made, in cooperation with the end customer. Information and payment system solutions are supplied to system integrators, who then sell them to the end customer. In the case of automation solutions for manufacturing and process companies, sales are directly to the final customer. Consulting services are an integrated aspect of operations.

MARKET

Solutions' home market consists of Sweden, Finland, Denmark and Norway. The Lagercrantz Group estimates that the total Nordic market is worth more than SEK 50 billion.

The Solutions business area applies a highly niche-oriented approach, and operates in several market segments with different characteristics. In most cases, Solutions is a market leader in the market segment in which it is involved. Some market segments are being consolidated, as larger players acquire smaller companies to form units covering a wider geographical area. Other segments are attracting new entrants on an ongoing basis. This applies, in particular, to transaction-handling systems.

Lagercrantz Group estimates that annual market growth is 15–20 percent per year.

COMPETITIVE SITUATION

The main players in the market are major manufacturers and international distributors with their own sales companies, and also consulting companies.

Competitors include Agilent Technologies, Eterra, ICL and IBM. The degree of service and the focus on niche products differs between the various players.

In order to improve profitability, the business area is actively endeavoring to move upwards in the value chain, where the market is less price-sensitive and less competitive.

The business area's ability to offer unique customer total solutions in the form of products and services from several different suppliers is an important competitive factor. Other competitive advantages include a local presence and the ability to offer expert consulting services and technical support. In addition, the customer's decision to choose Solutions is often determined by close customer relationships and satisfactory delivery performance.

CUSTOMERS

The Solutions business area works in close cooperation with each specific customer in order to arrive at the optimum solution. This cooperation often commences at an early stage of the project, giving the business area unique experience of its customers which, in its turn, leads to long-term relationships. These partnerships are reinforced by services offered in the form of applications development, support and training.

The business area has two distinct customer categories. The first category consists of large companies that are end users of Solutions' products and services in the form of hardware and/or software, often supplied in combination with consulting services. Projects may consist of customer-specific, turnkey solutions involving a total undertaking, or they may take the form of a partnership in which the customer contributes expertise. The common denominator is that the customer always assumes responsibility for operations in which the reliability of the system is guaranteed by a support agreement. Some projects involve close coopera-

tion between suppliers and customers, in which the customer's original concept is implemented in a partnership agreement. The customers are mainly in the telecom industry, particularly telecom operators and companies with mature IT environments, such as ABB, Ericsson, the Armed Forces, Sweden Post, Scania, Telia and Utfors.

The second category largely consists of medium-sized companies that provide added value for the business area's products by supplementing them with additional software, hardware or other forms of enhancement. This category includes consultants, systems integrators, subcontractors, retailers, OEMs¹⁾ and VARs²⁾.

The Solutions business area's operations are normally based on frame agreements with customers. Customer loyalty is considered to be limited, although the development potential of existing customers is regarded as considerable. The business area's largest customer is Ericsson (in particular Ericsson Radio), which accounts for 20 percent of the business area's net sales. No other customer accounts for more than 5–6 percent of sales.

SUPPLIERS

The Solutions business area works with a limited number of suppliers. The aim is to cooperate with well-established suppliers at the forefront of development and with a long-term interest in the industry. The sustainability factor is important since each new product requires specialized training of employees. Suppliers for the IT/Communication Division include Tekelec, which manufactures testing and measurement system equipment, and Remedy Corporation, which produces customer service and transaction-handling systems. Epson and Symbol are the most significant manufacturers for the Systems Division. All suppliers to the Solutions business area are leaders in their particular product fields.

No supplier accounts for more than 13 percent of the business area's net revenues.

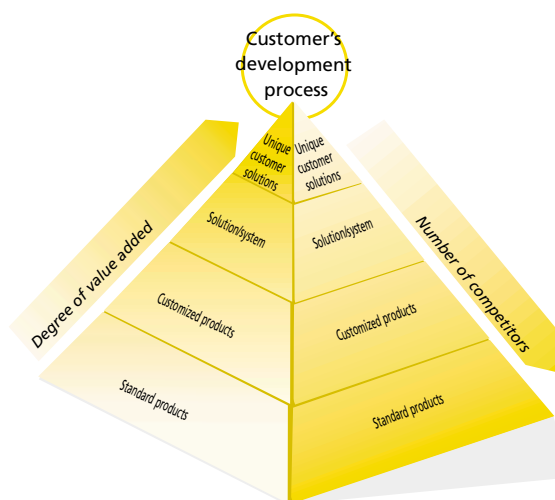
SALES

The Solutions business area's high-technology products make considerable demands on employee expertise. Most

¹⁾ OEM, Original Equipment Manufacturer (see definition on page 63).

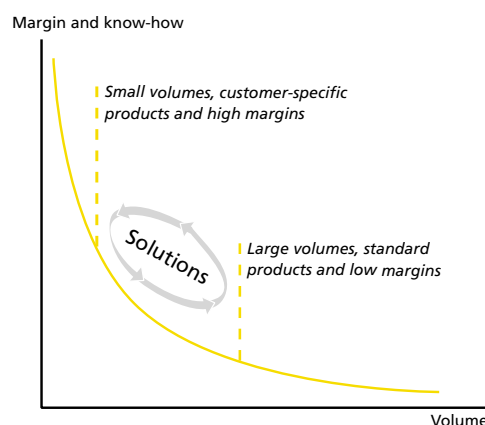
²⁾ VAR, Value Added Resellers (see definition on page 63).

SOLUTIONS' BUSINESS MODEL



The Solutions business area is actively endeavoring to move upwards in the value chain.

SALES STRATEGY



When the volume, competition and demand increase, resulting in lower margins, the aim is to focus on services linked to new products with higher margins.



Dresser Wayne develops, manufactures and markets gasoline pumps and electronic payment systems. One of Dresser Wayne AB's basic requirements is that all its products must be competitive in terms of functionality, flexibility and price.

ACTE Systems AB, which is part of the Solutions business area offers products and solutions for gasoline pump applications such as PIN code registration, card readers, built-in printers and displays, and supplies cash boxes, monitors, customer displays and bar-code readers for payment systems.

sales are in project format, involving several different functions with different skills. Consultants and product managers participate actively as sales support resources.

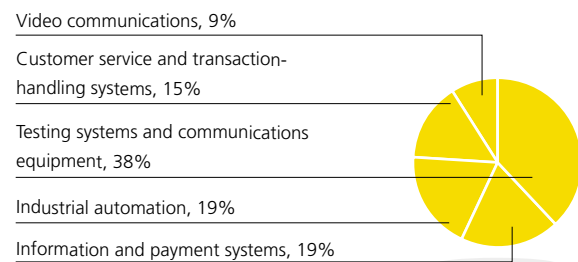
Some of the solutions supplied are based on standard platforms in the form of software and/or hardware in which the customer's requirements emerge in workshop sessions. This forms the basis for joint specifications for the application/applications to be developed.

The sales force consists of a mix of specialized product sales personnel and customer-oriented sales staff. A minor proportion of sales are through system integrators, resellers and VAR. Selling normally takes the form of customer visits, but specially arranged seminars and exhibitions are also employed.

EMPLOYEES

The business area aims to continue to recruit and retain experienced employees by offering a clear corporate struc-

NET REVENUES BY PRODUCT AREA 2000/2001, PRO FORMA



ture, giving employees a stable environment, opportunities for intellectual development and challenging projects. Solutions had an average of 204 employees during the operating year 2000/2001, of whom 31 percent were women. The average employee age was 37.

THE FUTURE

The Solutions business area aims to be a leader in the niches in which it operates. At the same time, it endeavors to find new areas in which it can use its existing expertise and strong customer base to achieve further expansion.

In the case of the IT/Communication Division, it is considered that there is satisfactory potential for developing the testing systems and communications equipment niche – from infrastructure and technical platforms for telecommunications suppliers and operators to technical support and

applications to rationalize the use of services in networks. This initiative is currently centered on Sweden, but will be implemented on a pan-Nordic basis and in cooperation with leading global and technically innovative partners and suppliers.

In the case of the Systems Division, it is assumed that the growth of e-commerce and the restructuring undertaken by some key customers will result in a higher proportion of new delivery points. This will lead to increased demand for cash and information terminals. The market for information terminals – for example in shopping centers and at airports – is also expected to increase. There is a tendency to switch to wireless systems solutions. Systems is at the leading edge in this field.



Lagercrantz Communications AB has developed the IP-Port product, in cooperation with RAD Communications, an Israeli supplier. The IP-Port – a technical solution that enables customers to run the company's entire data and Internet access via a single connection – simplifies data and telecommunications applications for telecom operators.

Utfors has signed a frame agreement for IP-Port deliveries for a three-year period.

Financial Overview

ESTABLISHMENT OF GROUP

Lagercrantz Group AB (name changed from B2B Tech AB) was previously a dormant company within the Bergman & Beving Group. In March 2001, Lagercrantz Group received MSEK 400, in part through a new share issue totaling MSEK 56 and in part through an unconditional shareholders' contribution of MSEK 344.

The Parent Company, Lagercrantz Group AB, acquired all shares in Bergman & Beving Electronics A/S and Lagercrantz Group AB from Bergman & Beving AB on March 31, 2001. The purchase price was MSEK 152, which corresponded to the book value in the Bergman & Beving AB group. During March, Lagercrantz Group AB also acquired two companies without operations, ACTE Systems AB and ACTE Systems AS, from companies within the Bergman & Beving Electronics A/S group.

PRO FORMA ACCOUNTING

The pro forma accounting shows summary income statements, balance sheets and cash flow statements for the new Lagercrantz Group for the 1998/1999, 1999/2000 and 2000/2001 financial years. The pro forma accounts are intended to show the development of the new Group, as if it had been established on March 31, 1998.

The structure of Lagercrantz Group as of March 31, 2001 was the starting point for the pro forma accounts. Operations that were not a part of Lagercrantz Group on March 31, 2001, but which were a part of Bergman & Beving's Electronics business area and the previous Lagercrantz Group, were eliminated as of March 31, 1998. In the pro forma accounts, operations of other companies in the Bergman & Beving Group that were acquired and sold during the period March 31, 1998 and March 31, 2001 were included as if acquisitions and sales had occurred on March 31, 1998. Operations external to the Bergman & Beving Group that are now included in the Lagercrantz Group were included as of the acquisition date.

The accounts for Lagercrantz Group AB were prepared on the basis of a purchase price of MSEK 152 paid in conjunction with the acquisition of Bergman & Beving Electronics A/S and Lagercrantz Group AB from Bergman & Beving AB. The purchase price corresponds to the reported

value of all identifiable assets and liabilities in the groups for which Bergman & Beving Electronics A/S and Lagercrantz Group AB were the parent companies. Reported goodwill in the companies consolidated by Bergman & Beving Electronics A/S and Lagercrantz Group AB is not an identifiable asset and is therefore not included in the new Group.

The historical capital structure of the Electronics business area and the Lagercrantz Group differs from that of current Lagercrantz Group.

Against this background, it was not considered meaningful to include financial items and tax in the historical income statements. The pro forma income statements for the years 1998/1999 and 1999/2000 include only operating items, meaning income statements up to the level of operating income before financial items. A complete pro forma income statement is reported for 2000/2001.

The same principle was applied to the balance sheets. A complete balance sheet is reported for March 31, 2001.

Against this background, the cash flow statements for 1998/1999 and 1999/2000 include cash flow from operations and investment activities, but exclude the effects of acquisitions.

The key ratios for the Lagercrantz Group's financial development are based on the pro forma accounts. As a result, certain key ratios for 1998/1999 and 1999/2000 have been omitted.

The following adjustments were made in relation to how the Electronics business area and the Lagercrantz Group were reported in the official accounts for Bergman & Beving AB.

- At the end of 2000/2001, goodwill items in the Bergman & Beving Group attributable to the Electronics business area and Lagercrantz Group totaled MSEK 265. Goodwill in the new Lagercrantz Group amounted to MSEK 0 on March 31, 2001.

Given that amortization of this goodwill will not be charged against income in the future, historical goodwill amortization reported by Bergman & Beving AB was eliminated in the pro forma accounts.

The effect was that goodwill amortization was reduced by MSEK 22 for 2000/2001, compared with the amount reported in Bergman & Beving's annual report.

- As of March 31, 2001, the Lagercrantz Group was capitalized through a new issue and a shareholders' contribution, which were partially utilized for the acquisition of the Electronics business area and the Lagercrantz Group. This is included in the pro forma accounts for 2000/2001 as an interest income item, as if the capitalization had taken place on the opening date. This calculation was based on interest rate of 4 percent.
- Adjustments were made in the pro forma accounts for divested operations. The financial statements for Bergman & Beving's business areas include operations in Black Box up until the divestment date of January 1, 2001 and the Unitdata unit from the acquisition date on November 1, 1998 up until the divestment date on February 1, 2000.
- Given that all receivables and liabilities involving other companies in the Bergman & Beving Group will be replaced by external borrowing prior to the stock exchange listing, net accounting was applied in the pro forma accounts for balance sheet items under the heading Long-term liabilities (to Bergman & Beving AB).
- Group contributions received from or rendered to other companies within the Bergman & Beving Group are reported in accordance with a statement issued by the Urgent Issues Committee of the Swedish Financial Accounting Standards Council.

The effects of these adjustments on the income statement and the balance sheet for the 2000/2001 financial year are shown in the table below.

2000/2001, MSEK	Electronics business area acc. to Bergman & Beving's annual report	Lagercrantz Group business area acc. to Bergman & Beving's annual report	Divested operations	Goodwill adjustment	Capital- ization	Lagercrantz Group pro forma
Net revenues	2 381	297	-64			2 614
Operating result before depreciation	176	22	-11			187
Depreciation	-41	-6	1	22		-24
Items affecting comparability	-46	1				-45
Operating result	89	17	-10	22	0	118
Financial income and expense	-15	0			10	-5
Result after financial items	74	17	-10	22	10	113
Taxes	-26	-8	3	-6	-3	-40
Minority interest						0
Net result for the year	48	9	-7	16	7	73
Intangible fixed assets	249	16	0	-265		0
Tangible fixed assets	115	9	0			124
Financial assets	3	0	0			3
Other current assets	784	100	0			884
Liquid assets and short-term investments	-64	12	0		248	196
Total assets	1 087	137	0	-265	248	1 207
Shareholders' equity	377	40	0	-265	248	400
Interest-bearing provisions and liabilities	267	12	0			279
Interest-free provisions and liabilities	443	85	0			528
Total shareholders' equity and liabilities	1 087	137	0	-265	248	1 207

Financial Development in Brief, Pro forma

STATEMENT OF INCOME, PRO FORMA

MSEK	1998/1999	1999/2000	2000/2001
Net revenues	1 890	2 223	2 614
Operating income before depreciation	118	137	187
Depreciation	-21	-25	-24
Operating income before items affecting comparability			163
Items affecting comparability			-45
Operating income	97	112	118
Financial income and expense			-5
Income after financial items			113
Taxes			-40
Net income for the year			73

BALANCE SHEET, PRO FORMA²⁾

MSEK	March 31, 1999	March 31, 2000	March 31, 2001
Tangible fixed assets	115	86	124
Financial assets	3	1	3
Other fixed assets	736	780	884
Liquid assets and short-term investments			196
Total assets			1 207
Shareholders' equity			400
Interest-bearing liabilities and provisions			279
Interest-free liabilities and provisions	401	356	528
Total shareholders' equity and liabilities			1 207
Capital employed			679
Assets pledged and contingent liabilities			52

STATEMENT OF CASH FLOW, PRO FORMA^{1,2)}

MSEK	1998/1999	1999/2000	2000/2001
Operating income	97	112	118
Adjustment for items not included in cash flow	13	-13	65
Change in working capital	-5	-58	58
Cash flow before capital expenditures	105	41	241
Net capital expenditures excluding company acquisitions	-31	8	-11
Operating cash flow	74	49	230
Capital expenditures for acquisitions	-361	-13	-97
Operating cash flow after capital expenditures for acquisitions	-287	36	133

KEY DATA, PRO FORMA²⁾

	1998/1999	1999/2000	2000/2001
Revenue growth, %	32.9	17.6	17.6
Operating margin, %	5.1	5.0	4.5
Operating margin, excluding items affecting comparability, %	5.1	5.0	6.2
Profit margin, %			4.3
Profit margin, excluding items affecting comparability, %			6.0
Return on capital employed, %			19.4
Return on capital employed, excluding items affecting comparability, %			26.1
Return on equity, %			18.3
Return on equity, excluding items affecting comparability, %			26.1
Proportion of risk-bearing capital, %			35.0
Equity ratio, %			33.1
Debt/equity ratio, times			0.7
Net debt/equity ratio, times			0.2
Interest coverage ratio, times			7
Interest coverage ratio, excluding items affecting comparability, %			9
Interest-bearing liabilities, net, MSEK			83
Number of employees at year-end	688	624	827
Average number of employees	556	606	714
Payroll, including social benefits, MSEK	211	253	290
Sales outside Sweden, MSEK	1 178	1 449	1 767

PER-SHARE DATA, PRO FORMA^{2,3)}

	1998/1999	1999/2000	2000/2001
Number of shares outstanding at year-end			27 864 232
Operating income per share, SEK	3.48	4.02	4.23
Operating income per share, excluding items affecting comparability, SEK	3.48	4.02	5.85
Earnings per share, SEK			2.62
Earnings per share, excluding items affecting comparability, SEK			3.75
Operating cash flow per share, SEK	2.66	1.76	8.25
Shareholders' equity per share, SEK			14.36

¹⁾ Exchange-rate changes only included for 2000/2001.

²⁾ Definitions, see page 36.

³⁾ The per-share data is calculated using the number of shares outstanding at year-end.

Financial Statements 2000/2001, Pro forma

CONSOLIDATED STATEMENT OF INCOME, PRO FORMA

MSEK		2000/2001
Net revenue	Note 1	2 614
Cost of goods sold		-2 017
Gross income		597
Selling costs		-306
Administration costs		-131
Items affecting comparability		-45
Other operating revenues and expenses	Note 3	3
Operating income	Note 1	118
Financial income and expense	Note 4	-5
Income after financial items		113
Taxes	Note 5	-40
Net income for the year		73

CONSOLIDATED STATEMENT OF CASH FLOW, PRO FORMA

MSEK		2000/2001
Income after financial items		113
Provisions for restructuring reserve		39
Adjustment for items not included in cash flow		26
Taxes paid		-33
Cash flow from current operations before change in working capital		145
Changes in working capital		
Change in inventories		43
Change in current receivables		-41
Change in current liabilities		56
Cash flow from current operations		203
Acquisition of companies ¹⁾		-97
Acquisition of tangible fixed assets		-21
Sale of tangible fixed assets		-10
Cash flow from investing activities		-108
Cash flow from current operations and investment activities		95

CONSOLIDATED BALANCE SHEET, PRO FORMA

MSEK		31 March 2001
Assets		
<i>Fixed assets</i>		
Tangible fixed assets	Note 6	124
Financial fixed assets	Note 7	3
		127
<i>Current assets</i>		
Inventories	Note 8	383
Current receivables	Note 9	501
Short-term investments		3
Cash and bank balances		193
		1 080
Total assets		1 207
Shareholders' equity and liabilities		
Shareholders' equity	Note 10	
<i>Restricted shareholders' equity</i>		
Share capital	Note 11	56
Restricted reserves		
<i>Unrestricted shareholders' equity</i>		
Unrestricted reserves		271
Profit for the year		73
		400
Provisions		
<i>Interest-bearing provisions</i>		
Pensions and similar provisions	Note 12	41
<i>Interest-free provisions</i>		
Deferred tax		23
Other provisions		40
		104
Long-term liabilities		
<i>Interest-bearing liabilities</i>		
Liabilities to credit institutions	Note 13	34
Other liabilities		194
		228
Current liabilities		
<i>Interest-bearing liabilities</i>		
Liabilities to credit institutions		7
Other liabilities		3
<i>Non-interest-bearing liabilities and provisions</i>		
Operating liabilities	Note 14	465
		475
Total shareholders' equity and liabilities		1 207

¹⁾ Includes acquisition of real-estate in connection with acquisition of companies.

Notes to the Pro forma Financial Statement

NOTE 1 Net sales and operating profit by business area and geographic market

	Net sales 2000/2001	Operating profit 2000/2001
By business area		
Electronics	1 694	137
Solutions	920	22
Parent Company/consolidation eliminations		4
Items affecting comparability		-45
	2 614	118
By geographic market		
Sweden	847	
Denmark	568	
Norway	543	
Finland	535	
Poland	15	
Rest of Europe	55	
Rest of world	51	
	2 614	

NOTE 2 Depreciation of tangible fixed assets per function

	Group 2000/2001
Cost of goods sold	-4
Selling expenses	-10
Administration expenses	-10
	-24

NOTE 6 Tangible fixed assets

Group	Buildings and land	Leasehold improvements	Machinery	Equipment	Construction in progress	Total
Accumulated cost						
Opening balance	60.3	3.7	4.3	134.1		202.4
Capital expenditures	30.8	0.2	1.4	22.2		54.6
Acquisition of subsidiaries	6.9		5.5	9.5	0.3	22.2
Sales and disposals	-6.3			-10.0		-16.3
Translation differences for the year	4.1	0.4	0.2	6.1		10.8
Closing balance	95.8	4.3	11.4	161.9	0.3	273.7
Accumulated accelerated depreciation						
Opening balance	-14.5	-1.1	-2.8	-97.8		-116.2
Acquisition of subsidiaries	0.3			6.4		6.7
Depreciation according to plan	-1.0		-2.0	-4.7		-7.7
Sales and disposals	-1.2	-1.0	-0.8	-20.7		-23.7
Translation differences for the year	-2.3	-0.2	-0.2	-6.1		-8.8
Closing balance	-18.7	-2.3	-5.8	-122.9		-149.7
Residual value at year-end	77.1	2.0	5.6	39.0	0.3	124.0
Tax assessment value, Swedish properties						
Buildings	10.5					10.5
Land	0.3					0.3

NOTE 3 Other operating revenues and expenses

	Group 2000/2001
Other operating revenues	3.2
Other operating expenses	-0.3
	2.9

NOTE 4 Financial income and expense

	Group 2000/2001
Interest income	13.3
Interest expense	-18.8
Financial income and expense	-5.5

NOTE 5 Taxes

	Group 2000/2001
Taxes paid	-53.9
Deferred taxes	14.3
	-39.6

NOTE 6 cont.

Group	Buildings and land	Leasehold improvements	Machinery	Equipment	Construction in progress	Total
Leasing fees						
Leasing fees paid during the fiscal year						8.7
<i>Future payments become due by following amounts per year:</i>						
Year 1 after current financial year						5.3
Year 2 after current financial year						4.9
Year 3 after current financial year						3.4
Year 4 after current financial year						0.2
Year 5 after current financial year						0.2

NOTE 7 Financial fixed assets

	Group March 31, 2001
Other shares and participations	0.7
Other long-term receivables	2.0
	2.7

NOTE 8 Inventories

	Group March 31, 2001
Raw materials and supplies	26.5
Semi-finished goods	5.1
Finished products and goods for resale	347.5
Advance payments from suppliers	4.1
	383.2

NOTE 9 Short term receivables

	Group March 31, 2001
Accounts receivable – trade	464.6
Other receivables	11.0
Prepaid expenses and accrued income	25.7
	501.3

NOTE 10 Shareholders' equity

Group	Share capital	Restricted reserves	Unrestricted shareholders' equity	Total
Opening balance	0.1			0.1
New share issue	55.6			55.6
Shareholder contribution			344.3	344.3
Closing balance	55.7	0.0	344.3	400.0

NOTE 11 Share capital

The share capital consists of 1,843,744 Class A shares with a par value of SEK 2 and carrying ten votes each and 26,021,416 Class B shares with a par value of SEK 2 and carrying one vote each.

NOTE 12 Pensions and similar provisions

	Group March 31, 2001
Provision for pensions, PRI	38.8
Provision for pensions, other	2.1
	40.9

NOTE 13 Long-term liabilities to credit institutions

	Group March 31, 2001
Committed credit facilities	
Credit granted	36.8
Unutilized portion	-12.2
Credit facility utilization	24.6
Liabilities to credit institutions	
Maturing earlier than two years	2.6
Maturing earlier than three years	1.2
Maturing earlier than four years	0.9
Maturing earlier than five years	0.3
Maturing later than five years	4.2
	9.2
Long-term liabilities to credit institutions	33.8

NOTE 14 Operating liabilities

	Group March 31, 2001
Advance payments from customers	4.3
Accounts payable	218.5
Tax liabilities	22.8
Other liabilities, interest-free	117.0
Accrued expenses and prepaid income	102.0
	464.6

NOTE 15 Pledged assets and contingent liabilities

	Group March 31, 2001
Pledged assets for liabilities to credit institutions	
Property mortgages	8.1
Mortgages on property rights	1.5
Chattel mortgages	40.5
Contingent liabilities	1.6
	51.7

NOTE 16 Employees and personnel costs**Average number of employees by country**

	2000/2001		
	Men	Women	Total
Sweden	135	112	247
Denmark, Parent Company	4	2	6
Other Danish companies	114	110	224
Finland	63	79	142
Norway	57	28	85
Poland	5	5	10
Total	378	336	714

NOTE 16 cont.**Wages, salaries and other remuneration by country**

	2000/2001		
	Board of Directors and President	Of which bonus	Others
Sweden	5.1	0.9	79.6
Denmark, Parent Company	7.0	2.2	1.1
Other Danish companies	4.1	0.4	66.2
Finland	2.0	0.5	33.5
Norway	2.7	0.2	28.5
Poland	0.4	0.0	0.7
Total	21.3	4.2	209.6

Wages and salaries and social security costs

	2000/2001		
	Wages and salaries	Social security benefits	Of which pension costs
Parent Company	8.1	1.9	1.9
Subsidiaries	222.8	57.4	15.6
Total	230.9	59.3	17.5

NOTE 17 Adjustment for items not included in cash flow

	Group 2000/2001
Depreciation according to plan	23.7
Gain/loss on sales of companies and fixed assets	-1.2
Change in pension obligation	3.2
	25.7

DEFINITIONS**Average number of employees**

Average number of full time employees during the year.

Capital employed

Balance sheet total less interest-free provisions and liabilities.

Debt/equity ratio

Interest-bearing liabilities in relation to shareholders' equity plus minority interest.

Earnings per share

Net profit for the year in relation to the average number of shares outstanding.

Equity/assets ratio

Shareholders' equity plus minority interest as a percentage of the balance sheet total.

Interest-coverage ratio

Profit after financial items plus/less exchange-rate differences in relation to interest expense plus/less exchange-rate differences.

Net interest-bearing liabilities

Interest-bearing liabilities less liquid assets and short-term investments.

Net debt/equity ratio

Net interest-bearing liabilities in relation to shareholders' equity plus minority interest.

Operating margin

Operating profit as a percentage of net revenues.

Percentage of risk-bearing capital

Sum total of shareholders' equity, minority interest and deferred tax as a percentage of the balance sheet total.

Profit margin

Profit after financial items, as a percentage of net revenues.

Return on capital employed

Income after financial items plus/less exchange-rate differences, as a percentage of balance sheet total at year-end, less non-interest-bearing provisions and liabilities.

Return on equity

Profit after taxes as a percentage of shareholders' equity at year-end.

Revenue growth

Increase in net sales as a percentage of net sales in the preceding year.

Shareholders' equity per share

Shareholders' equity divided by the number of shares outstanding at year-end.

Comments on the Financial Development

The comments below are based on the summary pro forma income statements, balance sheets and cash flow statements for the new Group for the 1998/1999, 1999/2000 and 2000/2001 financial years.

REVENUES

Average annual growth of the Lagercrantz Group's net revenues amounted to about 18 percent from the 1998/1999 financial year to the 2000/2001 financial year. Part of this growth is attributable to acquisitions made by the Lagercrantz Group over the past three years.

Growth was high in both of Lagercrantz Group's business areas. In the period between the 1998/1999 and 2000/2001 financial years, average annual growth in net revenues amounted to about 20 percent for Electronics and 16 percent for Solutions.

Sweden is the largest single market, accounting for about 32 percent of net revenues during the 2000/2001 financial year. The current trend is an increasing share of sales outside Sweden. Sales outside Sweden increased over the past three years from 62 to 68 percent of the Group's total sales. Among countries outside Sweden, growth was strongest in Finland and Norway during this period.

2000/2001

Net revenues for the 2000/2001 financial year amounted to MSEK 2 624, equivalent to an increase of about 18 percent

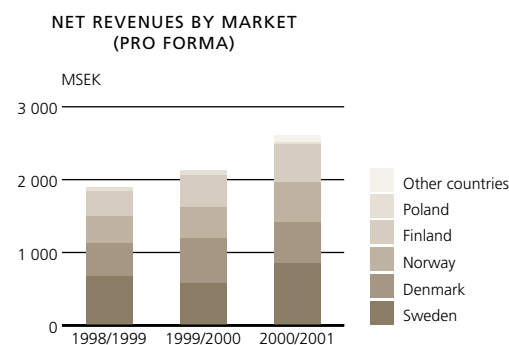
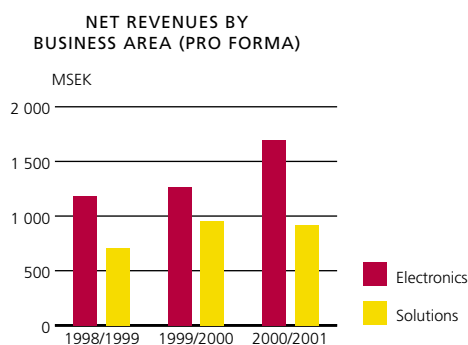
compared with the year-ago period. During the year, the Lagercrantz Group acquired four companies that together accounted for MSEK 87, or about 4 percentage points, of the growth in revenues. Favorable business conditions, particularly during the first three quarters of the financial year, had a positive effect on demand in both business areas. During the final quarter of the financial year, however, a weakening of business conditions was noted. The proportion of sales outside Sweden increased from 65 to 68 percent, primarily as a result of favorable sales trends in Norway.

Within the Electronics business area, sales increased by 33 percent to MSEK 1 694. A large share of this increase is attributable to increased demand for components, which contributed to rising prices. Cable harness operations also developed positively and were supplemented by two acquisitions.

Net revenues for the Solutions business area declined by slightly more than 4 percent to MSEK 920 during the financial year. The lower level of sales was primarily a result of restructuring, in which data operations were divested or discontinued. This was in part compensated by a favorable sales trend for testing systems and communications equipment.

ACQUISITIONS 2000/2001

In May 2000, the Danish company Elfac A/S with annual net revenues of about MDKK 50 was acquired. This company was included in the Production Services Division. In October 2000, the operations of IT/Communication Delphi Oy, with annual net revenues of MFIM 25 were acquired. In addition, Enkom Oy with annual net sales of MFIM 7,



was acquired in December. In February, Kablageproduktion i Västerås with annual sales of about MSEK 75 was acquired. Both Enkom and Kablageproduktion were included in the Production Services Division.

1999/2000

During the 1999/2000 financial year, consolidated net sales increased by about 18 percent to MSEK 2 223. A large proportion of this growth in sales was attributable to the full-year effects of Berendsen Components. The share of sales outside Sweden increased from 62 to 65 percent, which was largely due to the Berendsen acquisition.

The economic upturn that began during the fourth quarter increased industry's willingness to invest, thus increasing demand for the Company's products.

Sales in the Electronics business area increased from MSEK 1 185 to MSEK 1 269, corresponding to 7 percent. After a weak opening of the financial year, the market picked up significantly toward the end of the year, particularly with respect to electronic components.

Sales in the Solutions business area increased from MSEK 705 to MSEK 954, corresponding to just over 35 percent. A large share of this increase was attributable to the Berendsen acquisition, which included loss-generating operations that were being restructured.

ACQUISITIONS 1999/2000

In August 1999, the Polish company Iwanejko Electronics with annual sales of about MSEK 25 was acquired. The company was included in the Components business area.

1998/1999

Net revenues for the Lagercrantz Group amounted to MSEK 1 890 for the 1998/1999 financial year, which corresponded to a 33-percent increase or MSEK 468, compared with the preceding year. During the year, the operations of Berendsen Components were acquired, which increased the Company's net revenues by about MSEK 400, corresponding to 28 percentage points of the sales increase. Organic growth during the period was limited due to weak economic conditions.

The Electronics and Solutions business areas were strongly affected during the end of the financial year by the

integration of the operations of Berendsen Components. Relatively weak business conditions and a substantial need for adjustments and restructuring within Berendsen Components marked the start of an extensive integration and restructuring program that affected the entire organization.

ACQUISITIONS 1998/1999

On November 1, 1998, the operations of Berendsen Components were acquired. The acquired operations were included in the Components and IT/Communication business areas.

OPERATING INCOME AND OPERATING MARGIN

Lagercrantz Group's operating income excluding items affecting comparability increased during the period from 1998/1999 to 2000/2001 by an average of 30 percent per year. Excluding items affecting comparability, the operating margin was stable during this period and was in the interval from 5.0 to 6.2 percent. The operating margin for the Electronics business area was in the interval from 6.6 to 8.1 percent and in the interval from 1.7 to 2.7 percent for the Solutions business area. The relatively poor operating margin for Solutions during these years was attributable to loss-generating operations within the distribution of data products. These operations were gradually discontinued during this period.

The major share of the Lagercrantz Group's operating expenses consist of salaries. Payroll costs during this period accounted for about 60 percent of the Company's operating expenses.

2000/2001

During this financial year, operating profit excluding items affecting comparability amounted to MSEK 163, corresponding to an increase of about 46 percent. Excluding items affecting comparability, the operating margin amounted to about 6.2 percent, compared with 5.0 percent for the preceding year.

The improvement in profitability was primarily attributable to favorable demand for electronic components.

Operating income for the Electronics business area increased 51 percent to MSEK 137. The operating margin for this business area amounted to 8.1 percent, compared

with 7.2 percent for the preceding year. The increase in profits and the improved margin were due to favorable business conditions and cost-saving measures.

Operating profit for the Solutions business area increased 38 percent to MSEK 22. The operating margin amounted to 2.4 percent, compared with 1.7 percent for the preceding year. The improved margin and increased profitability were primarily attributable to the IT/Communication Division.

1999/2000

Operating income for this financial year amounted to MSEK 112, an increase of 16 percent compared with the preceding year. The increase was primarily the result of a strong finish of the year. The operating margin amounted to 5.0 percent, which was an insignificant decrease, compared with the preceding year.

Operating profit in the Electronics business area increased 17 percent to MSEK 91, while the operating margin rose from 6.6 percent to 7.2 percent. The increase was primarily attributable to an improved product mix in the Components Division resulting from the acquisition of Berendsen Components.

Within the Solutions business area, operating profit fell 16 percent to MSEK 16, while the operating margin declined from 2.7 percent to 1.7 percent. This weak development was largely the result of deteriorating business conditions and a loss within data distribution operations.

1998/1999

During this financial year, operating profit declined 6 percent to MSEK 97. The operating margin during this period amounted to 5.1 percent, which corresponded to a decline of nearly 2 percentage points. These decreases were primarily attributable to a weakening of demand for electronic components, as well as to allocation of resources for the integration of Berendsen Components.

Operating income in the Electronics business area amounted to MSEK 78, while the operating margin was 6.6 percent. Within the Solutions business area, operating income amounted to MSEK 19, while the operating margin was 2.7 percent.

ITEMS AFFECTING COMPARABILITY

The accounts for the 2000/2001 financial year include items affecting comparability in an amount of MSEK -45. This item includes repayment of SPP funds totaling MSEK 17, compensation for the sale of an agency agreement of MSEK 37, reserves for anticipated customer losses of MSEK 49.5 and a restructuring reserve of MSEK 49.5 relating to measures to increase efficiency and competitiveness.

TAX SITUATION

For the 2000/2001 financial year, the overall tax rate for the Lagercrantz Group amounted to about 35 percent on a pro forma basis. This relatively high tax rate is due in part to loss carry-forwards that could not be fully utilized in calculating taxes for the year. The utilization of loss carry-forwards amounting to about MSEK 9 and increased opportunities for tax optimization within the Group are expected to reduce the effective tax rate in the future.

The Company has operations in Sweden, Denmark, Norway, Finland and Poland. Tax rates during the 2000/2001 financial year were 32 percent in Denmark, 30 percent in Poland, 29 percent in Finland and 28 percent in Sweden and Norway.

BALANCE SHEET

As of March 31, 2001, the balance sheet total for the Lagercrantz Group amounted to MSEK 1 207. The Company's tangible assets amounted to MSEK 124, or 4.7 percent of net revenues. The corresponding figure for the preceding year was 3.8 percent. The increase was primarily due to the property and production equipment that the Company received in conjunction with acquisitions in the cable harness operations.

Current assets amounted to MSEK 1 080, equivalent to 41.3 percent of net revenues. Current assets consisted primarily of accounts receivable and inventories. The average collection period for accounts receivable was about 52 days.

Non-interest bearing provisions and liabilities increased from MSEK 356 to MSEK 528. This increase was partially attributable to a provision of MSEK 39 for restructuring costs. The average collection period for suppliers was about 41 days.

Percent of net revenues	1998/1999	1999/2000	2000/2001
Tangible assets	6.1	3.9	4.7
Current assets	43.9	39.4	41.3
Non-interest-bearing provisions and liabilities	21.2	16.0	20.2

FINANCIAL POSITION AND LIQUIDITY

As of March 31, 2001, the Lagercrantz Group's liquid funds and short-term investments amounted to MSEK 196. In addition, the Lagercrantz Group has committed credit facilities available up to an amount of MSEK 300. Interest-bearing provisions and liabilities amounted to MSEK 279 on the same date, meaning that the Company's net indebtedness amounted to MSEK 83, corresponding to a debt/equity ratio of 21 percent. Financial expenses amounted to MSEK 19 on March 31, 2001, while the interest coverage ratio was 7.0.

The Group's interest-bearing liabilities and provisions were distributed among various currencies as follows on March 31, 2001.

Currency	Local currency	SEK
DKK	124	152
NOK	109	124
EUR	11	103
SEK (net claim)		-100
Total		279

Of interest-bearing provisions, MSEK 41 relates to provisions for pensions.

On the closing date of March 31, 2001, the Group's shareholders' equity was MSEK 400 with an equity/assets ratio of 33.1 percent.

CAPITAL EXPENDITURES AND CASH FLOW

Capital spending needs in current operations are limited. Capital expenditures during the period were primarily for acquisitions.

Cash flow from operations amounted to MSEK 241 for the 2000/2001 financial year, to be compared with MSEK 41 for the preceding year. The improvement was partially attributable to a reduction in tied-up capital of MSEK 58 that was the result of measures implemented to reduce inventory levels in the Group's operations. An adjustment of MSEK 65 for items not affecting cash flow also contributed to the improvement. This item includes an adjustment of a restructuring reserve totaling MSEK 39 previously set aside.

For the 1999/2000 financial year, cash flow amounted to MSEK 41. This relatively weak result was due primarily to a sharp increase in tied-up capital, which was in part the result of increased inventories in Group operations totaling MSEK 40. Cash flow was also negatively affected by the utilization of previously allocated restructuring reserves totaling MSEK 38. A reversal of provisions for restructuring from previous years was not included in items affecting cash flow.

	1998/1999	1999/2000	2000/2001
Capital expenditures, MSEK			
Investments in tangible and intangible fixed assets	-34	-19	-21
Proportion of net revenues, %	1.8	0.9	0.8
Capital expenditures for acquisitions	-361	-13	-97
Proportion of net revenues, %	19.1	0.6	3.7
Sale of tangible fixed assets	3	27	10
Proportion of net revenues, %	0.2	1.2	0.4

PROFITABILITY

For the 2000/2001 financial year, return on capital employed was 26.1 percent, excluding items affecting comparability, and 19.4 percent, including items affecting comparability. Return on equity was 26.1 percent, excluding items affecting comparability, and 18.3 percent, including items affecting comparability.

Financial Objectives, Future Prospects and Dividend Policy

FINANCIAL OBJECTIVES

Lagercrantz Group's objective is to achieve long-term earnings growth in profits, expressed as income after net financial items, of at least 15 percent. The Company's profitability target is return on equity of at least 25 percent.

DIVIDEND POLICY

The Board of Directors of the Lagercrantz Group intends to propose that the Annual General Meeting approve dividends corresponding to 30 to 50 percent of net income over a business cycle. In establishing future dividends, due consideration will be taken to capital expenditure requirements and other factors deemed important by the Board of Directors.

FINANCE POLICY

The Lagercrantz Group's finance policy regulates how various financial issues should be pursued within the Group. This policy specifies how responsibility is divided among the Board of Directors, the President, the Controller and the Finance function. In addition, it regulates the division of responsibility between the four divisions and the central Finance function.

The finance policy also defines the financial risks that affect the Lagercrantz Group. These risks are primarily interest, exchange-rate and credit risks, and the policy expresses the Company's ambition to limit these risks.

Borrowing and interest-rate fixing should apply for no longer than the period for which the borrowing requirement is expected to exist. The general principle is that interest rates for up to 50 percent of borrowing may be fixed for a period of up to five years. The remaining loans should have periods of fixed interest of up to one year. Existing property loans are exempt from this rule.

Another objective is that surplus liquidity arising in current operations and financial transactions should be invested on market terms with the lowest possible counterparty risk. All investments should be liquid within six months. In addition to the Group's estimated capital requirements for the coming year, an additional 20 percent should be secured through cash loans or bank guarantees.

FOREIGN EXCHANGE POLICY

The currency exposures arising within Lagercrantz Group should be eliminated to the greatest extent possible. Future payment flows relating to payments from customers and to suppliers are the primary source of foreign exchange risks for Lagercrantz Group. During the 2000/2001 financial year, the Group's purchases and sales in foreign currency amounted to MSEK 1 758 and MSEK 1 992, respectively.

Amount in SEK	Purchase	Sales
USD	1 055	478
NOK	11	463
DKK	47	431
EURO	142	476
Yen	288	60
DEM	107	42
Other currencies	108	42
Total	1 758	1 992

The Group's policy is to hedge against exchange-rate fluctuations by having exchange rate clauses in all customer and supplier contracts.

SENSITIVITY ANALYSIS

The Lagercrantz Group's income is affected by a number of factors. The factors that had the greatest impact on profitability in the 2000/2001 financial year are shown in the table below. The factors the figures presented should be regarded as an indication and do not include the effects of any compensatory measures that the Company can take, if certain events should occur. The analysis should also be viewed with caution, since changes in the various parameters are often interdependent.

Factor	Change, %	Effect on income before taxes, MSEK
Revenues	+/- 5	+/- 25
Personnel costs	+/- 5	+/- 15
Exchange rate, USD	+/- 5	+/- 2.5
Gross margin	+/- 1 percentage point	+/- 25

SEASONAL VARIATIONS

Seasonal variations have a limited effect on the Lagercrantz Group's operations. Business follows the customers' seasonal variations, meaning lower sales during the summer months and the weeks around Christmas. Based on historical patterns, about 45 percent of the Lagercrantz Group's income is generated during the first half of the financial year, while 55 percent is generated during the second half.

FUTURE CAPITAL EXPENDITURE LEVELS

Over the past three years, capital expenditure in tangible fixed assets and intangible assets amounted to MSEK 74. This capital expenditure was primarily related to machinery, inventories and IT. During the same period, capital expenditures for acquisitions amounted to MSEK 471.

Capital expenditures required for current operations are financed from operating cash flow. For major acquisitions, Lagercrantz Group will utilize the existing credit facility of MSEK 300 or use its own shares as a means of payment.

FUTURE PROSPECTS

Historically, the Lagercrantz Group, which consists of the previous business areas Electronics and Lagercrantz Group in the Bergman & Beving Group, has shown favorable growth with stable margins over many years. To achieve its growth targets, the Lagercrantz Group will also acquire companies in the future. Company acquisitions are a natural part of the Company's strategy and are also a means for

strengthening the Lagercrantz Group's market position within attractive niches in existing markets and for establishing the Group in new markets and expansive new market niches with high added value. The Company believes that the prospects for such expansion are favorable. Supplementing operations with new, profitable niches not only broadens the Company's product portfolio and market presence, but also contributes to making the Lagercrantz Group a more attractive partner for its customers.

Long-term, the growth rate for the Lagercrantz Group is expected to remain favorable. Underlying market growth is strong, even though a weakening is being noted, particularly in the telecom sector, as a result of declining economic conditions. Lagercrantz Group's strategy to follow customers who establish production in Asia is expected to positively affect sales.

Some turnover of agency agreements is natural as a part of current operations. Normally, new distributorships are added as old ones are lost. During the current financial year, however, the Lagercrantz Group lost a distributorship for which the Company does not expect to be able to fully compensate the reduction in volume during this financial year. The effect on income is expected to be marginal, since margins for the volumes lost were relatively low and cost-saving measures were implemented.

Interim Report for the Period April 1 – June 30, 2001 (3 months)

- *Net revenues amounted to MSEK 589 (565).*
- *Income after financial items amounted to MSEK 38 (31). This result includes items affecting comparability in amount of MSEK 5 (0).*
- *Continued weak market in the electronics and communications sectors.*
- *Strong performance by cable harness operations in operating area Production Services.*
- *Forceful action program initiated to counteract effects from the economic downturn.*
- *Equity ratio increases to 41% (37).*
- *Lagercrantz Group's owner Bergman & Beving AB has, as previously announced, decided to propose to the regularly scheduled Annual General Meeting to be held August 22, 2001 to distribute Lagercrantz Group to the shareholders of Bergman & Beving and subsequent separate listing on the O-list of the Stockholm Stock Exchange (Stockholmsbörsen AB). The first day for listing is expected to be September 3, 2001.*

All comparative data are pro forma pursuant to assumptions set forth in Information to the shareholders of Bergman & Beving AB regarding distribution of subsidiaries Addtech AB and Lagercrantz Group AB. Comparative data for prior years have been adjusted for the effect of applying recommendation RR9 on income taxes of the Swedish Financial Accounting Standards Council.

NET REVENUES AND INCOME

Net revenues amounted to MSEK 589 (565). Operating income not including items affecting comparability amounted to MSEK 34 (33) with an operating margin of 5.8 percent (5.8). Income after financial items amounted to MSEK 38 (31). This result includes items affecting comparability in an amount of MSEK 5 (0).

Income after taxes amounted to MSEK 27 (21), which is equivalent to SEK 0.97 SEK per share (0.75). The corresponding values for the most recent past 12-month period were MSEK 81 and 2.91, respectively, as compared with the preceding operating year, MSEK 75 and 2.69, respectively.

The market situation for the Group's main business weakened gradually towards the end of the preceding year, with resulting lower order bookings as a consequence of

lower demand, particularly in the telecom industry. There is a great deal of uncertainty as to when a turnaround will take place. Against this background, an action program to adapt the cost level to lower demand has been initiated.

Cost for this action program are charged according to plan to the restructuring reserve set aside in connection with the closing of the books as of March 31, 2001. Costs of MSEK 3 were charged against this reserve during the first quarter.

BUSINESS AREA ELECTRONICS

Net revenues increased by 6 percent to MSEK 394 (370). Operating income before items affecting comparability amounted to MSEK 32 (32), which is equivalent to an operating margin of 8.1 (8.6).

Components

For business area Components, which accounts for 85 percent of the business area's net revenues, the market situation is marked by continued weak demand and resultant lower order bookings. Demand in the telecom industry, in particular, has declined sharply. Net revenues declined by 3 percent to MSEK 336 (348) and operating income before items affecting comparability declined by MSEK 26 (28). The operating margin was 7.7 percent (8.0).

The lower operating margin should be seen against the background of a shortage of components that existed during most of last year and which led to unusually high price and profit levels.

A component company concentrating on passive components was formed in England during the period.

Given the Group's strong market position and financial strength, the component market downturn opens good opportunities for new business through, for example, acquisitions and start-ups in profitable product niches in new markets.

Production Services

Net revenues more than quadrupled to MSEK 58 (22) and operating income before items affecting comparability increased to MSEK 6 (4). The increase in business volume and earnings is explained by acquisitions completed during the past operating year. The operating margin amounted to 10.3 percent (18.2). The decline in operating margin is explained by unusually high margins during the corresponding period one year ago.

This business area, which is an important part of the Group's focus on increased value creation, is developing very well and the market situation continues to be favorable with a strong flow of orders.

A good foundation for further growth has been created with in-house production of customized cable harness products manufactured at plants in Finland, Denmark and Sweden and with partners in Asia for volume production.

BUSINESS AREA SOLUTIONS

Net revenues amounted to MSEK 195 (195). Operating income before items affecting comparability amounted to MSEK 1 (0).

IT/Communication

Net revenues in this operating area increased by 27 percent to MSEK 95 (75) and operating income before items affecting comparability amounted to MSEK 2 (2). The volume increase is explained mainly by acquisitions made during the preceding operating year. The operating margin was 2.1 percent (2.7).

The downturn in the telecom industry has had a negative effect on demand, but on the whole the operating area has managed the market situation well in our judgment. Cost-cutting and efficiency improvement programs are being implemented.

Operations aimed at solutions for CRM (Customer Relationship Management) and ITSM (IT Service Management) are less affected by the economic downturn and order bookings continue to be strong. The Danish operations have been phased out as a part of the efficiency program. This business was established during the fall of last year and the closing will have a positive effect on profitability in the operating area.

Systems

Net revenues declined to MSEK 100 (120) and the operating result amounted to MSEK -1 (-2).

The market situation in the operating area is marked by weak demand. Operations were established as a separate business unit effective as of April 1, 2001 and the emphasis is on information and payment systems as well as industrial automation solutions. This business has contributed with positive operating income to the operating area.

The operating area also includes a software-oriented business unit, which contributed negatively to earnings during the first quarter.

An improvement in profitability is expected during the second quarter.

BUSINESS AREAS

MSEK	Net revenues			Operating income		
	2001/2002	3 months 2000/2001	12 months 2000/2001	2001/2002	3 months 2000/2001	12 months 2000/2001
Electronics	394	370	1 694	32	32	137
Solutions	195	195	920	1	0	22
Parent Company/consolidation eliminations	0	0	0	1	1	4
Items affecting comparability	0	0	0	5	0	-45
GROUP TOTAL	589	565	2 614	39	33	118

NET REVENUES – quarterly data MSEK	2001/2002				2000/2001
	Q 1	Q 4	Q 3	Q 2	Q 1
Electronics	394	455	455	414	370
Solutions	195	233	281	211	195
Parent Company/consolidation eliminations	0	0	0	0	0
GROUP TOTAL	589	688	736	625	565

OPERATING INCOME ¹⁾ MSEK	2001/2002				2000/2001
	Q 1	Q 4	Q 3	Q 2	Q 1 12 months
Electronics	32	31	37	37	137
Solutions	1	2	13	7	22
Parent Company/consolidation eliminations	1	5	0	-2	4
GROUP TOTAL	34	38	50	42	163

CONSOLIDATED STATEMENT OF INCOME

MSEK	3 months		12 months ending	
	2001/2002	2000/2001	30/6 2001	31/3 2001
Net revenues	589	565	2 638	2 614
Operating expenses	-555	-532	-2 474	-2 451
(of which depreciation)	(-6)	(-5)	(-25)	(-24)
Items affecting comparability	5	0	-40	-45
OPERATING INCOME	39	33	124	118
Financial income and expense	-1	-2	-4	-5
INCOME AFTER FINANCIAL ITEMS	38	31	120	113
Taxes	-11	-10	-39	-38
INCOME FOR THE PERIOD	27	21	81	75
Earnings per share, SEK	0.97	0.75	2.91	2.69
Earnings per share not including items affecting comparability, SEK	0.85	-	3.91	3.77

CONSOLIDATED BALANCE SHEET

MSEK	6/30/2001	3/31/2001
ASSETS		
Tangible fixed assets	123	124
Financial assets	31	31
Inventories	386	383
Short-term receivables	441	501
Liquid funds	198	196
TOTAL ASSETS	1 179	1 235
SHAREHOLDER'S EQUITY AND LIABILITIES		
Shareholder's equity	481	451
Interest-bearing liabilities and provisions	281	279
Non-interest-bearing liabilities and provisions	417	505
TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES	1 179	1 235

¹⁾ Before items affecting comparability.

CONSOLIDATED STATEMENT OF CASH FLOW

MSEK	3 months 2001/2002	Full year 2000/2001
Current operations before changes in working capital	36	145
Changes in working capital	–31	58
Cash flow from current operations	5	203
Capital expenditures in subsidiaries and other business units	0	–97
Capital expenditures in other fixed assets, net	–4	–11
CASH FLOW BEFORE FINANCING	1	95
Financing operations	0	– ¹⁾
CASH FLOW FOR THE PERIOD	1	
Liquid funds at beginning of year	196	– ¹⁾
Translation difference in liquid funds	1	– ¹⁾
Liquid funds at end of period	198	196

¹⁾The Lagercrantz Group was capitalized March 31, 2001. Some data therefore omitted.

Changes in equity

MSEK	Apr. – June 2001
Opening balance	400
Effect of change in accounting principle	51
At beginning of period adjusted for new principle	451
Period's translation difference	3
Income for the period	27
Closing balance	481

Effect of changes in accounting principles – RR 9

MSEK	Pro forma 2000/2001	Adjust- ments	Adjusted pro forma
Income after financial items	113		113
Taxes	–40	2	–38
Result for the period	73		75
Fixed assets	127	28	155
Current assets	1 080		1 080
Total assets	1 207		1 235
Shareholder's equity	400	51	451
Liabilities and provisions	807	–23	784
Total shareholder's equity, provisions and liabilities	1 207		1 235

KEY FIGURES

SEK	3 months		12 months ending	
	2001/2002	2000/2001	30/6 2001	31/3 2001
Average number of shares outstanding	27 864 232	27 864 232	27 864 232	27 864 232
Number of shares outstanding at end of period	27 864 232	27 864 232	27 864 232	27 864 232
Return on capital employed, %			18.9	18.1
Return on capital employed, not including items affecting comparability, %			24.3	24.2
Return on equity, %			17.4	16.6
Return on equity, not including items affecting comparability, %			23.4	23.3

All measurements of return computed based on average equity since March 31, 2001

PROFITABILITY, FINANCIAL POSITION AND CAPITAL EXPENDITURES

The return on capital employed before items affecting comparability for the most recent 12-month period was 24.3 percent as compared with 24.2 percent for the preceding financial year. The corresponding figures for return on equity were 23.4 percent and 23.3 percent.

The Group's equity ratio at the end of the period was 41 percent, as compared with 37 percent at the beginning of the fiscal year. Shareholders equity per share amounted to SEK 17.26, as compared with SEK 16.19 at the beginning of the financial year.

Cash flow from current operations amounted to MSEK 36 for the period. The Group's financial net debt amounted to MSEK 83 at the end of the period, as compared with MSEK 83 at the beginning of the financial year.

The Group has secured financing by obtaining credit lines of MSEK 300.

Capital expenditures in fixed assets amounted to MSEK 4, as compared with MSEK 33 for the corresponding year-ago period.

ITEMS AFFECTING COMPARABILITY

Items affecting comparability in an amount of MSEK 5 (0) refer to a reversal of prior provision for bad debts.

CORPORATE ACQUISITIONS

No corporate acquisitions were made during the period under review.

Against the background of the Group's strong equity ratio and a weaker general economy, opportunities for making acquisitions are judged to be favorable.

PARENT COMPANY

The Parent Company's net revenues amounted to MSEK 8 (–) and income after financial items was MSEK 3 (–).

ACCOUNTING PRINCIPLES

This interim report has been compiled in accordance with recommendation RR20 (Interim Report) of the Swedish Financial Accounting Standards Council.

AUDITORS' REVIEW REPORT

We have reviewed this interim report in accordance with Swedish generally accepted standards for such reviews.

A review is significantly less in scope than an examination in accordance with generally accepted auditing standards.

During our review nothing came to our attention to indicate that the interim report does not comply with the requirements of the Act governing Securities Exchanges and Clearing Operations and the Annual Accounts Act.

The Swedish Financial Accounting Standards Council's new recommendation RR9 (Income taxes) is being applied starting with this interim report. Comparative data for prior years have therefore been adjusted. See above for the effects hereof.

In all other respects the same accounting principles and bases for forming a judgement as presented in Bergman & Beving's Annual Report for 2000/2001 have been applied.

A statement on accounting principles applied is included in the listing prospectus to be available shortly by reason of Addtech's impending listing on the O-list of the Stockholm Stock Exchange (Stockholmsbörsen AB).

EMPLOYEES

The number of employees at the end of the period was 824, as compared with 827 at the beginning of the period.

PERSONNEL OPTIONS

The Board of Directors intends to offer synthetic personnel options to members of senior management in the Group.

FUTURE OUTLOOK

The long-term growth potential for the Lagercrantz Group is assessed as favourable, both through company acquisitions and organic growth. The current weak business climate has resulted in lower order intake for the Group's main operations, compared with a year earlier, which will result in a lower sales volume. Accordingly, it may be difficult to achieve the earnings before items affecting comparability posted in the preceding year.

We cannot assess when an improvement in the market situation will occur. Taking this into account, a strong program of measures has already been initiated. The aim is to reduce the Group's total costs by MSEK 30 annually.

Stockholm, August 21, 2001

Jan Friis

President and CEO

Stockholm, August 21, 2001

George Pettersson

Authorized Public Accountant

Thomas Thiel

Authorized Public Accountant

An interim report for the period April 1, 2001 – September 30, 2001 will be presented November 15, 2001.

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Threats and Opportunities

An evaluation of Lagercrantz Group's potential for improved earnings and future development opportunities should also include due consideration of certain risk factors. Factors outside Lagercrantz Group's control affect the Group's earnings and financial position, as well as several other factors whose effects can be influenced by the Group's own actions.

The factors presented below are considered to have the most significant effects on the future development of Lagercrantz Group. It is important to note that these factors are not listed in any order of precedence and the presentation should not be assumed to provide complete-coverage information on all possible contingencies. A general appraisal should also encompass other information presented in this prospectus and an overall evaluation of market and economic conditions.

ECONOMIC CONDITIONS

Economic trends have particularly strong effects on the market for electronic components, which are part of the Electronics business area.

Markets cultivated by the Solutions business area and Production Services are not affected as strongly by general economic conditions.

COMPETITION

Competition emanates mainly from existing players in the market. The risk of competition from new players in markets cultivated by Lagercrantz Group is considered limited, since the number of players is decreasing and remaining competitors are becoming larger. Lagercrantz Group will

continue to play an active role in the ongoing process of consolidation and, accordingly, maintain a position of market leadership.

Lagercrantz Group is making determined efforts to reduce the effects of price competition by offering unique customer-specific solutions.

DIRECT DISTRIBUTION

The risk that customers will start to buy directly from producers is considered limited. Firstly, the best interests of producers would not be served by efforts to deal with a much larger number of smaller customers and, secondly, smaller companies/customers do not have the capacity required to manage direct imports of components.

CAPACITY TO MANAGE ACQUISITIONS

Acquisitions comprise an important part of the Group's strategy to achieve its established growth objectives. All acquisitions require resources, both in the form of capital and efforts by Lagercrantz Group's existing organization.

The Group has comprehensive experience from past acquisitions and, as a result, highly functional routines have been established for integration of acquired companies into the Group's structure. In the case of major acquisitions, there is a risk that some problems and costs may arise that are difficult to foresee.

DEPENDENCE ON INDIVIDUAL SUPPLIERS/ AGENCY AGREEMENTS

Most of the suppliers with whom Lagercrantz Group cooperates have leading positions in their respective areas of activity, which creates certain risks. Contracts with some producers may be terminated and other producers may be acquired by another company.

Some producers may choose to deliver their products exclusively through distributors that offer broad geographic

coverage. To increase its own geographic coverage, the Lagercrantz Group plans to expand internationally.

COMPONENT PRICES/AVAILABILITY

Group margins are not affected to any appreciable extent by normal variations in component prices arising from changes in the balance between supply and demand. However, any change in supply and demand affects the total volume sold by the Company, which, in turn, affects its profits. Lagercrantz Group has favorable opportunities to adjust its operating costs in the event of sustained changes, which counteracts potential negative effects on earnings.

CURRENCY RISKS

Temporary exchange rate fluctuations have only marginal effects on the Group's earnings and financial position. Price changes for the Company's input materials and products are passed on to customers, either through currency clauses in contracts or invoicing in the same currencies as purchasing currencies.

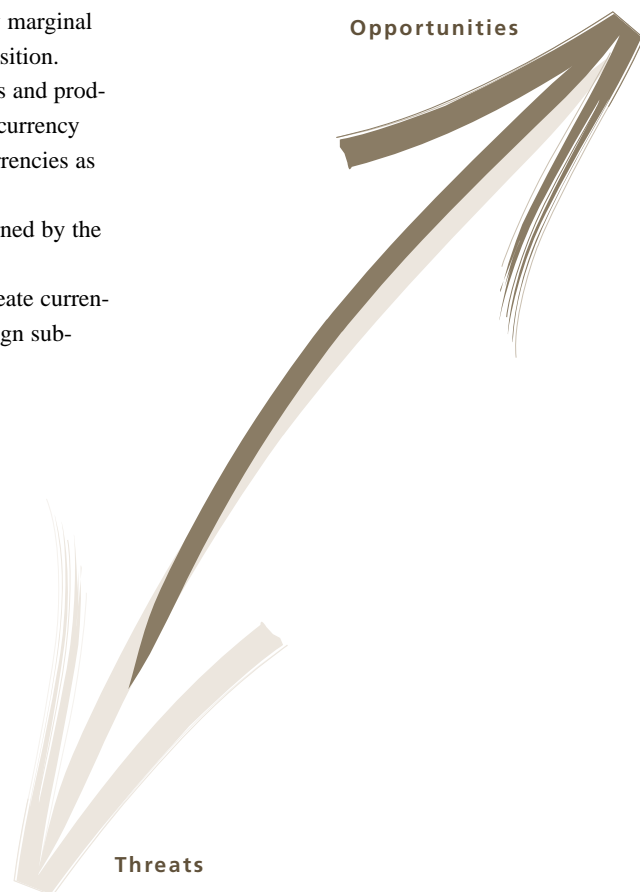
All borrowing in foreign currencies is governed by the Group's finance policy.

Exchange rate fluctuations, however, can create currency translation differences in translations of foreign subsidiary accounts.

CONTRACT PRODUCTION

When a customer outsources production operations to a subcontractor, there is always a risk that contract production companies may select different suppliers. This risk is particularly prominent in the Components Division.

It should also be noted, however, that increased contract production provides greater opportunities for Production Services, a production unit that is trying to take over outsourced production of other companies with the assistance of partners in Asia and the Baltic States.



Other Information

LEGAL DISPUTES

Lagercrantz Group is not involved in any legal or arbitration proceedings that, in the judgment of the Board of Directors of Lagercrantz Group, could significantly affect the Company's financial position adversely.

COMMERCIAL AGREEMENTS/INTANGIBLE RIGHTS

Lagercrantz Group is not dependent on any single contract or any other single agreement of significant importance to the Group's business operations or the Group's earnings and financial position. Similarly, operations are not restricted by any significant licenses, patents or brands.

TRANSACTIONS WITH RELATED PARTIES

None of the directors, members of senior management or auditors has had any direct or indirect participation in business transactions that is or was considered unusual by its character or with regard to its terms and conditions, or is or was of significant importance in relation to the business activities in Lagercrantz Group, and that occurred during the present or past financial years and to any appreciable degree remains unresolved or incomplete. Lagercrantz Group has not issued any loans, warranties or guarantees to or on behalf of directors or auditors of the Group.

INSURANCE

Corporate management believes Lagercrantz Group has satisfactory insurance coverage in view of the nature and scope of Group operations. The Group's insurance coverage is reviewed annually.

PENSION LIABILITIES

All pension liabilities not assumed by insurance companies or otherwise secured through independent funding are carried as liabilities in the balance sheet.

INSTALLATIONS

Lagercrantz Group owns seven properties, two of which are production units and five are office buildings. The Group also leases some of its premises to external tenants. The properties are in good condition, with no significant capital spending requirements.

The total book value of Lagercrantz Group properties at the close of financial year 2000/2001 was MSEK 77. Market value corresponds to book value.

ENVIRONMENTAL POLICY

Environmental work is conducted within the framework of Lagercrantz Group's business concept and serves as an integrated part of operational activities. Supported by the high competence of its employees and continuous develop-



ment of knowledge and awareness of environmental effects, the Group assumes a holistic view of environmental issues. Environmental measures shall be implemented wherever technically possible, economically feasible and environmentally warranted. The responsibility for everyday environmental work is delegated to the individual Group companies.

QUALITY POLICY

Most companies in the Group are certified in accordance with ISO 9000.

EQUALITY POLICY

In accordance with Lagercrantz Group's equality policy, the Company shall actively support gender equality by protecting the rights and obligations of men and women with regard to job descriptions, employment conditions and development opportunities. Furthermore, the Company shall increase knowledge and general awareness of gender equality, support a more even gender distribution in recruitment efforts, offer men and women the same opportunities for development and training and pursue a wage and salary policy designed to reduce disparities in wages paid to men and women. Lagercrantz Group shall also promote the equal rights of men and women with regard to parental leave of absence and condemn all forms of sexual harassment.



RISK POLICY

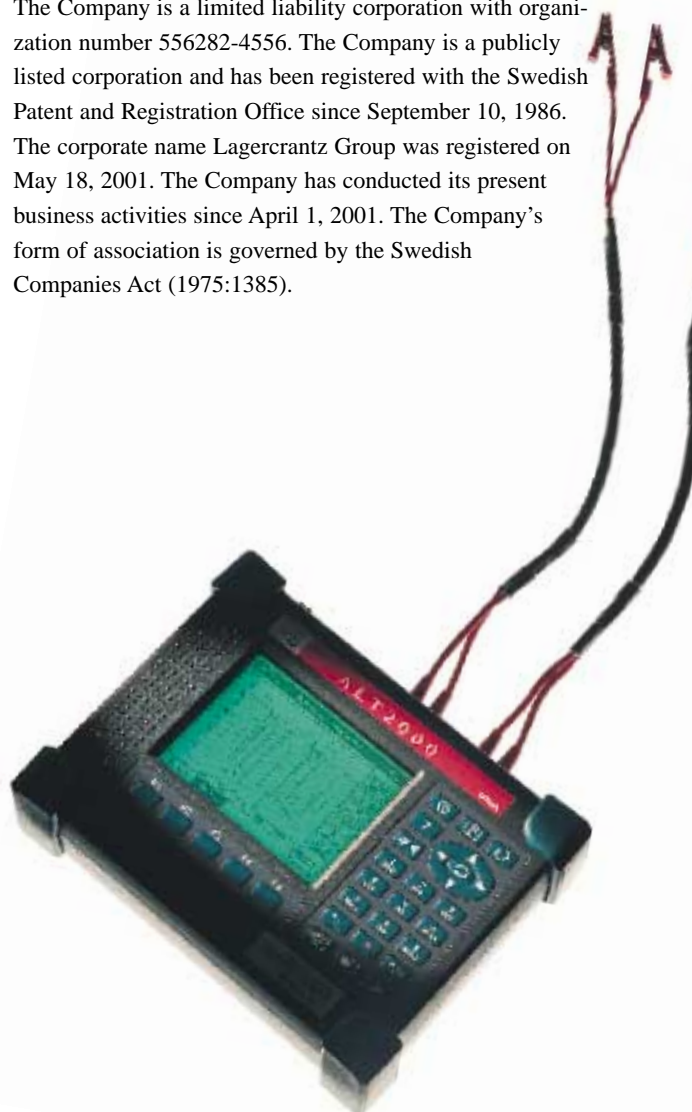
To protect against excessive business risks in various parts of the organization, Lagercrantz Group has formulated a risk policy to regulate the extent of business decisions by management personnel at different Group levels.

AGREEMENT COVERING PURCHASE OF MINORITY INTEREST

In September 2000, 75 percent of the shares in Delphi Oy were acquired. Ownership rights for the remaining 25 percent transfer to the Lagercrantz Group on October 1, 2002. The purchase price for the remaining shares will be determined on that date, in the interval of FIM 0 to 10 M.

LEGAL FORM OF BUSINESS ENTITY

The Company is a limited liability corporation with organization number 556282-4556. The Company is a publicly listed corporation and has been registered with the Swedish Patent and Registration Office since September 10, 1986. The corporate name Lagercrantz Group was registered on May 18, 2001. The Company has conducted its present business activities since April 1, 2001. The Company's form of association is governed by the Swedish Companies Act (1975:1385).



Tax Considerations

The following summary of the tax consequences of the distribution, sale, holding and planned listing of the shares of Lagercrantz Group on the O-list of the Stockholm Stock Exchange (Stockholmsbörsen AB) has been compiled by external experts and is based on currently applicable Swedish regulations and is intended only as general information. The treatment of shareholder for purposes of taxation depends in part on the shareholder's special situation. Special tax consequences that are not described below may arise for certain categories of taxpayers. Each shareholder should consult a tax advisor for information on the special tax consequences that the Offering may involve.

The presentation does not cover cases in which shares held constitute a current asset in a business or are held by a partnership. The Offering involves the following tax consequences for natural persons and legal entities.

DISTRIBUTION OF THE SHARES OF LAGERCRANTZ GROUP

The distribution is judged to be governed by the provisions of Chapter 42, § 16 of the Income Tax Act (1999:1229), the so-called Lex Asea. In accordance with Lex Asea, a distribution of shares under certain conditions is exempt from taxation for the recipient of shares.

The acquisition cost of the distributed shares shall be considered to be the percentage of the distribution-recipient's average acquisition cost for the Bergman & Beving shares that is equal to the change in market value of these shares as a result of the distribution. The distribution-recipient's average acquisition cost of Bergman & Beving shares shall be reduced by a corresponding amount.

The National Tax Board will be asked for so-called General advice on the distribution of the original acquisition cost of the Bergman & Beving shares between Bergman & Beving shares, and those of Lagercrantz Group. The content of the National Tax Board's decision will be announced through advertising in the daily press.

CAPITAL GAIN/LOSS

A capital gain or capital loss on the sale of shares consists of the difference between the sales price (less sales costs) and the acquisition cost.

The acquisition cost is calculated in the first place in accordance with the so-called average method. In this method, the acquisition cost per share is considered to be the average acquisition cost of all shares of the same type and class, taking change in the holding into account.

Alternatively, the acquisition cost of publicly listed shares may be determined to be 20 percent of the sales price after deduction of sales costs (the standard method).

Natural persons

Capital gains and dividends of natural persons domiciled in Sweden (and the estates of deceased Swedes) are taxed at a national income tax rate of 30 percent. When dividends are paid to natural persons, a preliminary tax of 30 percent of the dividend is withheld. Swedish Securities Register Centre (VPC) or the nominee, when shares are registered in the name of a nominee, normally withholds the tax. Capital losses are deductible against income from capital. Capital losses on publicly listed shares and other securities taxed as shares are fully deductible against capital gains in the same year on other such publicly listed securities. Such capital losses are also fully deductible against capital gains on unlisted shares. Seventy percent of the loss is deductible in the case of a capital loss that is not netted in this manner.

If a deficit arises in income from capital, a reduction of the tax on income from employment and business, as well as the real estate tax, is allowed. The tax reduction amounts to 30 percent of a deficit that does not exceed SEK 100 000, and 21 percent of a deficit in excess of SEK 100 000. A deficit may not be carried forward to a later tax year.

Legal entities

Capital gains of legal entities such as corporations are taxed as income from business at a rate of 28 percent. A deduction for a capital loss on the sale of shares and other securities taxed as shares and which are held as a short-term investment is allowed in the same year or a later year only against a capital gain on the sale of shares or other securities taxed as shares.

Dividends are taxed as income from business at a rate of 28 percent. If the shares are considered to be business-related, the dividend is normally exempt from tax.

Special tax rules apply for certain special categories of companies such as investment companies and management companies.

WEALTH TAX

Bergman & Beving shares are listed on A-list of the Stockholm Stock Exchange (Stockholmsbörsen AB). These shares are stated at 80 percent of market value for purposes of calculating the wealth tax. Lagercrantz Group shares to be listed on the O-list are exempt from wealth tax.

TAXATION OF FOREIGN SHAREHOLDERS

In the case of shareholders domiciled outside Sweden, a coupon tax is normally imposed on dividends declared in Sweden. The coupon tax is 30 percent. This tax rate is generally reduced through treaties with other countries that are designed to avoid double taxation. In Sweden, VPC or – in the case of shares registered in the name of a nominee – the nominee normally withholds the coupon tax. *However, coupon tax is not levied on dividends declared in accordance with the so-called Lex Asea.*

A shareholder who for purposes of taxation is domiciled outside Sweden is normally not subject to taxation in Sweden for capital gains on shares. However, persons who have resided in Sweden at any time during the ten years immediately preceding the sale are liable for taxation in Sweden on capital gains on Swedish shares. This tax liability may be limited through tax agreements with the country in which the shareholder is domiciled.

Taxation in the resident country of the dividends received and capital gains is applied in accordance with the rules applicable in each country.

Share Capital and Ownership Structure

SHARE CAPITAL

The share capital of Lagercrantz Group amounts to SEK 55 728 464, divided into 1 840 286 class A shares and 26 023 946 class B shares, each with a par value of SEK 2. Class A shares entitle their holders to 10 votes per share, and class B shares entitle their holders to one vote per share. All shares carry equal rights to the Company's assets and earnings.

The Articles of Association contain a conversion provision, that entitles owners of class A shares to convert their shares to class B shares.

The share capital and ownership structure will initially be the same as the share capital and ownership structure of

Bergman & Beving, with exceptions for the repurchased shares¹⁾ in Bergman & Beving, which are not entitled to dividends on shares in Lagercrantz Group, and partial rights that represent bonus shares²⁾, which are also not entitled to dividends. For this reason, Bergman & Beving's owners and ownership structure are shown as of July 31, 2001, after adjustments herefor.

SHARE CAPITAL IS DISTRIBUTED AS FOLLOWS

Types of shares	Number of shares	Number of votes	Percentage of	
			capital	votes
Class A	1 840 286	18 402 860	6.6	41.4
Class B	26 023 946	26 023 946	93.4	58.6
Total	27 864 232	44 426 806	100.0	100.0

SHAREHOLDER LIST AS OF JULY 31, 2001, AFTER SPIN-OFF

Name	Number of		Percentage of	
	Class A shares	Class B shares	Capital	Votes
Jan Wallanders och Tom Hedelius Stiftelse	835 152		3.0	18.8
Robur		4 786 257	17.2	10.8
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
Handelsbanken		1 697 541	6.1	3.8
Alecta		1 407 440	5.1	3.2
Carl T Sæve	30 000	973 982	3.6	2.9
Fjärde AP-Fonden		1 075 775	3.9	2.4
Skandia		1 002 900	3.6	2.2
Other shareholders	124 982	12 104 229	43.8	30.1
Total number of shares	1 840 286	26 023 946	100.0	100.0

OWNERSHIP STRUCTURE, JULY 31, 2001

Size of holding	Number of shareholders		%	Number of shares		%
1-500	2 245	64.1		380 466	1.4	
501-1 000	579	16.5		463 018	1.7	
1 001-5 000	449	12.8		998 442	3.6	
5 001-10 000	85	2.4		664 121	2.4	
10 001-50 000	86	2.5		1 795 038	6.4	
50 001-100 000	13	0.4		949 628	3.4	
100 001-	45	1.3		22 613 519	81.1	
Total	3 502	100.0		27 864 232	100.0	

¹⁾ 765 200 B-shares

²⁾ 928 B-shares

Articles of Association¹⁾

§ 1 The registered name of the Company is Lagercrantz Group Aktiebolag. The Company is a public company (publ).

§ 2 The objective of the Company's business activities is to conduct proprietary operations, or operations through wholly or partly owned subsidiaries, involving trading and production of primarily mechanical, chemical, electromechanical and electronic devices and products, computers, peripheral computer equipment and software, measurement and test instruments for computer and electronic applications and to engage in related business activities.

§ 3 The registered office of the Board of Directors is the municipality of Solna, Sweden.

§ 4 The Company's share capital shall amount to not less than SEK 50,000,000 and not more than SEK 200,000,000.

§ 5 Each share shall have a par value of SEK 2.

§ 6 The Company's shares may be issued in two series, designated Series A and Series B. In connection with votes at General Meetings of shareholders, each Series A share (A-share) entitles the holder to 10 votes and each Series B share (B-share) to one vote each. All shares carry equal rights to participation in the Company's assets and profit.

Series A shares may be issued in a number corresponding to a maximum of 100 percent of the shares in the Company. Series B shares may be issued in a number corresponding to a maximum of 100 percent of the shares in the Company.

In the event of a cash issue of new Series A and Series B shares, the holders of Series A and Series B shares shall have preferential rights to subscribe for new shares of the same series in relation to the number of shares already held (primary preferential right). Shares not subscribed for on the basis of primary preferential rights shall be offered for subscription to all shareholders (subsidiary preferential right). If the number of shares offered in this manner is insufficient for subscription based on subsidiary preferential rights, the shares shall be distributed among shareholders in relation to the number of shares already held and, to the extent this is not possible, by lottery.

In the event of a cash issue of Series A or Series B shares alone, all shareholders, regardless of whether they own Series A or Series B shares, shall have preferential rights to subscribe for new shares in relation to the number of shares already held.

The stipulations above shall not constitute any infringement on the possibility to make decisions regarding cash issues in which the preferential rights of shareholders are waived.

In the event of an increase in the share capital through a bonus issue, new shares of each series shall be issued in relation to the number of shares of the same series already held. In such cases, old shares of a specific series carry entitlement to new shares of the same series. The aforementioned stipulation shall not constitute any infringement on the possibility, following the requisite amendment in the Articles of Association, to issue shares of a new series through a bonus issue.

§ 7 Upon request by owners of Series A shares, shares classified as Series A shares may be converted to Series B shares. All requests for conversion shall be submitted in writing to the Company's Board of Directors and include specific information on the number of shares the holder wishes to convert. Within a period of four months from receipt of such requests, the Board of Directors of the Company is obliged to address and execute the conversion of such Series A shares to Series B shares.

§ 8 The Board of Directors shall consist of not less than three and not more than nine members, with not more than three deputies. Board members and deputies are elected annually at the Annual General Meeting for the period extending to the close of the following Annual General Meeting.

§ 9 Authorization to sign on behalf of the Company accrues to the person/those persons assigned for this purpose by the Board of Directors.

§ 10 For the purpose of examining the Company's annual report and financial accounts, as well as the management of the Board of Directors and the President, two auditors and two deputies are to be elected at the regularly scheduled Annual General Meeting for the period extending to the close of the regularly scheduled Annual General Meeting held during the fourth financial year following the election of auditors. All auditors and deputy auditors must be authorized public accountants.

§ 11 The Company's fiscal year shall extend from April 1 to March 31.

§ 12 The regularly scheduled Annual General Meeting shall be held not later than during the month of September. The following items of business shall be addressed at the Annual General Meeting:

1. Election of Chairman of the Meeting.
2. Preparation and approval of the list of shareholders entitled to vote at the Meeting.
3. Approval of the agenda proposed by the Board of Directors.
4. Election of one or two persons to approve the minutes.

5. Determination of whether the Meeting has been duly convened.
6. Presentation of the annual report and the auditors' report and, where applicable, of the consolidated financial accounts and the auditors' report on the consolidated financial accounts.
7. Motions concerning
 - a) adoption of the income statement and balance sheet and, where applicable, of the consolidated income statement and consolidated balance sheet.
 - b) allocation of the Company's profit or loss as shown in the balance sheet adopted by the Meeting.
 - c) discharge of the members of the Board of Directors and of the President from personal liability for the financial year.
8. Determination of the number of Directors and alternates.
9. Determination of the fees to be paid to the Board of Directors.
10. Election of Directors and alternates and, where applicable, election of auditors and deputy auditors.
11. Other business to be addressed by the Meeting in accordance with the Swedish Companies Act and the article of association.

At a general meeting of shareholders, each person is entitled to exercise unlimited voting rights for the full number of shares that are owned or represented.

§ 13 Announcements of Annual General Meetings and announcements of Special General Meetings at which changes in the Company's articles of association shall be addressed must be sent not earlier than six weeks and not later than four weeks prior to the meeting. Announcements of other Special General Meetings shall be sent not earlier than six weeks and not later than two weeks prior to the meetings. The announcements shall be made through advertisements in Post & Inrikes Tidningar (Swedish Official Gazette) and in Svenska Dagbladet or another national newspaper.

Shareholders who wish to participate in General Meetings shall notify the Company of their intention to participate personally and to be accompanied by not more than two assistants not later than 3:00 P.M. on the day specified in the announcement of the Meeting. That day may not be a Sunday, general public holiday, Saturday, Midsummer Eve, Christmas Eve or New Year's Eve and may not fall earlier than five banking days prior to the General Meeting.

§ 14 All persons listed in the share register, or other list as specified in Chapter 3, § 12 of the Swedish Companies Act on the stipulated record date, shall be entitled to receive dividends and, in connection with any bonus issues, new shares to which the shareholder is entitled, and to exercise shareholder preferential rights to participate in new share issues.

¹⁾ This Articles of Association were adopted by a special general meeting of the shareholders on August 6, 2001.

Board of Directors, Senior Management and Auditors



Anders Börjesson

Pirkko Alitalo

Tom Hedelius

Lennart Sjölund

BOARD OF DIRECTORS

Anders Börjesson, born 1948.

Chairman

Vice Chairman of Bergman & Beving AB
Former President and CEO of Bergman & Beving AB

Chairman of Addtech AB, Boomerang AB, Cibenon AB and Exertus AB.

Shareholding (family): 293 000 A-shares and 20 500 B-shares.

Pirkko Alitalo, born 1949.

Director

Director of Svenska Handelsbanken

Vice Chairman of the Foundation for Finnish Medical Research

Shareholding: 0

Tom Hedelius, born 1939.

Vice Chairman

Doctor of Economics h.c., Honorary Chairman of Svenska Handelsbanken.

Chairman of the Anders Sandrews Foundation, Bergman & Beving AB and Svenska le Carbone.

Vice Chairman of Addtech AB, Telefonaktiebolaget LM Ericsson, Industrivärden AB, Jan Wallanders och Tom Hedelius stiftelse

Director of SCA AB and Volvo AB.

Shareholding: 278 000 A shares and 5 400 B-shares

Lennart Sjölund, born 1949.

Director

Chairman of Jostra AB, ErySave AB
Director of Corline System AB, Jolife AB
Shareholding: 0

Jan Friis, born 1948.

Director

President and Chief Executive Officer
Chairman of Helge Lenhardt A/S
Shareholding: 0

COMPENSATION TO BOARD MEMBERS, SENIOR MANAGEMENT AND AUDITORS

Compensation and other benefits, including social benefits, paid to the President as of April 2001 amounted to SEK 2 160 000 per year. In addition, the Company pays for a premium related to pension insurance corresponding to 46 percent of the annual salary. Bonus payments are

based on earnings performance achievements amounting to a maximum of 20 percent of the annual salary. Additional bonus payments amount to a maximum of 20 percent of the bonus payments used to acquire shares in Lagercrantz Group. The period of notice for the President is 12 months if notice of termination is served by the Company and 6 months if given by the President. If notice of period of notice is served by the Company, the President is entitled to contracted

salary payments during the period of notice, as well as severance payment equal to one year's salary. No severance payment is paid if the President resigns at his own initiative.

For other senior management members, compensation and other benefits as per April 2001 amounted to SEK 2 570 000. Pensions are based on the ITP-plan. Performance-based bonus payments amount to a maximum of 30 percent of fixed salaries. Additional bonus payments



Jan Friis

Per Ikov

Mattias Sonnenfeld

SENIOR MANAGEMENT

Jan Friis, born 1948.

President and Chief Executive Officer

Shareholding: 0

Has held senior positions in Bergman & Beving Group since 1984. Responsible for electronics business operations in B&B since 1991.

Per Ikov, born 1961.

Senior Executive Vice President and CFO

Shareholding: 2 100 B-shares

Has held senior positions in Bergman & Beving's electronics operations in business development and finance since 1986. Member of B&B's executive management staff and Chief Financial Officer since 2000.

Mattias Sonnenfeld, born 1961.

Senior Executive Vice President

Shareholding: 400 B-shares

Has held senior positions in Bergman & Beving Group in sales and finance since 1989. Executive Vice President and member of B&B's executive management staff since 1998, with primary responsibility for acquisitions.

FINANCE

Per Lund, born 1963

Financial manager

Shareholding: 0

Has held financial manager positions in Bergman & Beving Group since 1996.

AUDITORS

Thomas Thiel, born 1947.

Authorized Public Accountant

KPMG

The Company's auditor since 2001

George Pettersson, born 1964.

Authorized Public Accountant

KPMG

The Company's auditor since 1997

Deputy auditors

Carin Rytoft Drangel, born 1959.

Authorized Public Accountant

KPMG

The Company's auditor since 2001

Björn Sande, born 1960.

Authorized Public Accountant

KPMG

The Company's auditor since 2001

amount to a maximum of 20 percent of the bonus payments used to acquire shares in Lagercrantz Group. The period of notice for other members of executive management is 12 months if notice is served by the Company and 6 months if given by the employee. If notice of termination is served by the Company, members of executive management are entitled to contracted salary payments during the period of notice, as well as severance pay equal to one year's salary. No sev-

erance payment is made to employees who resign at their own initiative.

The pension entitlement age for the President is 58. The pension entitlement age for other members of executive management is 65.

The Annual General Meeting of Lagercrantz Group on June 13, 2001 established a fee of SEK 800 000 to be paid to members of the Board of Directors, comprising SEK 250 000 for

the Chairman, SEK 200 000 for the Vice Chairman and SEK 150 000 each for other Directors who are not employed by the Company, for the period until the 2002 Annual General Meeting.

Fees paid to the auditors of Lagercrantz Group for financial year 2000/2001 amounted to SEK 1 084 000 of which SEK 981 000 refers to KPMG. Other payments are also made for assignments in addition to the Company's audit.

Parent Company Financial Statements

The Lagercrantz Group was formed on March 31, 2001 when B2B Tech (name changed to Lagercrantz Group AB) acquired all outstanding shares in Bergman & Beving Electronics AS and Lagercrantz Group AB (name changed to B2B Tech AB). The formation of the Group was completed in April 2001 with the result that the balance sheets for 1999/2000 – 2000/2001 on page 60 only refer to the parent company, Lagercrantz Group AB. Lagercrantz Group AB has not conducted any operations.

ACCOUNTING PRINCIPLES

The year-end accounts of the Lagercrantz Group comply with the recommendations of the Swedish Financial Accounting Standards Council.

The accounting principles correspond to those employed by Bergman & Beving and, accordingly, provide the basis for the pro forma accounting.

CONSOLIDATED ACCOUNTING

The consolidated accounts 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 accounts were prepared in accordance with recommendation (RR 1:96) of the Swedish Financial Accounting Standards Council pertaining to consolidated accounts and with application of the purchase method of accounting. Application of this method means that the assets and liabilities of acquired subsidiaries are reported at their market value based on the prepared acquisition analysis. If the purchase value of shares in the subsidiary exceeds the calculated market value of the Group's net assets according to the acquisition analysis, the difference comprises consolidated goodwill. If required, a provision for future staff reduction and restructuring costs (a so-called restructuring reserve) may be set aside in conjunction with the acquisition analysis.

Shareholders' equity in the Group includes the shareholders' equity of the Parent Company and that portion of

the shareholders' equity of the subsidiary earned after the time of the acquisition.

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

Companies divested during the year are included in the consolidated income statement for the period in which they were part of the Group.

REVENUE RECOGNITION

Sales are recognized as revenue upon delivery of goods and services according to the conditions in each customer contract and correspond to the sales amount after deductions for VAT, returns, rebates and price reductions.

Revenue from projects in progress is reported as earned. If the cost of completing such contracts is expected to exceed remaining revenue, a provision is set aside for estimated losses.

YEAR-END APPROPRIATIONS AND UNTAXED RESERVES

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

Year-end appropriations in the individual companies have been divided so that the tax portion is included in the tax expense of the Group, while the remainder is included in consolidated net income.

Untaxed reserves are divided so that the deferred tax liability is accounted for as a provision, while the remainder is reported among restricted reserves.

Deferred taxes have been calculated individually for each company, generally at the local tax rate applicable for the following year. If the tax rate is changed, the change in the deferred tax is charged against the year's tax expense.

TRANSLATION OF FOREIGN SUBSIDIARIES

In preparing the consolidated accounts, foreign subsidiaries are translated in accordance with the current-rate method. This means that assets and liabilities are translated at the year-end rate of exchange and that all items in the income statement are translated at the average exchange rate for the year. Translation differences are charged against shareholders' equity without affecting income for the year.

RECEIVABLES AND LIABILITIES IN FOREIGN CURRENCY

Receivables and liabilities in foreign currencies are translated at the year-end rate of exchange. Translation differences on operating receivables and operating liabilities are included in the operating profit/loss, while differences on financial receivables and liabilities are reported among financial items.

To the extent that receivables and liabilities are covered by forward contracts, these are translated at the forward rate.

TRANSLATION DIFFERENCES

Translation differences attributable to loans in foreign currency, taken up for the purpose of hedging the net assets of a subsidiary, are reported, after deductions for taxes, directly in the shareholders' equity where the corresponding translation difference is also reported.

Comparable accounting is applied for translation differences on long-term loans to foreign companies that are seen as extended investment in the subsidiaries.

DEPRECIATION/AMORTIZATION

Depreciation/amortization according to plan is based on the acquisition value of fixed assets and their expected economic life. The following economic lifetimes are applied.

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

Goodwill is capitalized and amortized over its estimated economic lifetime. Normally, the amortization period is five to ten years. For particularly significant acquisitions, a lifetime of 20 years may be applicable.

INVENTORIES

Inventories are carried at the lower of cost and market according to the so-called first-in-first-out principle. Due consideration is given to the risk of obsolescence. The acquisition value of semifinished and finished goods produced internally consists of direct production expenses and a reasonable mark-up for indirect production costs.

DEFERRED TAXES

Deferred tax is calculated on the differences between the values accounted for in the Group and the residual tax values. The calculation is done without discounting to present value and at the current tax rate in each respective country. The value of tax loss carryforwards is taken into account to the extent that it is likely that these will result in lower tax payments in the future.

LEASING

Important financial leasing contracts are accounted for in the consolidated balance sheet as fixed assets and liabilities. In the income statement, the leasing expense is distributed between operating expenses (depreciation) and interest. Other leasing obligations are reported in accordance with the rules for operational leasing, that is, off the balance sheet where the entire cost is reported as an operational expense. There are currently no significant leasing contracts.

Balance Sheet

Amount in SEK 000s	Note	March 31, 2001	March 31, 2000
ASSETS			
Fixed assets			
<i>Fixed financial assets</i>			
Shares in Group companies	1	152 837	–
Due from Group companies	2	248 334	100
Total fixed assets		401 171	100
TOTAL ASSETS		401 171	100
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	3		
<i>Restricted shareholders' equity</i>			
Share capital (27 865 160 shares)		55 730	100
Legal reserve		–	0
		55 730	100
<i>Unrestricted shareholders' equity</i>			
Retained earnings		344 270	–
Net income for year		0	0
		344 270	–
		400 000	100
Long-term liabilities			
Due to Group companies		1 171	–
		1 171	–
Current liabilities			
Tax liabilities		–	0
		–	0
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		401 171	100
Pledged assets and contingent liabilities			
Pledged assets		none	none
Contingent liabilities		none	none

Notes

Amounts in SEK thousands unless otherwise indicated.

Auditors' fees and expenses March 1, 2001 March 31, 2000

KPMG		
Auditing assignments	–	–
Fee for 2000/2001 audit has not been charged to the Group		

Note 1 Shares in Group companies

Accumulated acquisition values March 31, 2001 March 31, 2000

Opening balance	–	–
Purchases	152 837	–
Book value at year-end	152 837	–

Specification of Group holdings of shares in Group companies

Subsidiary/Organization no./domicile	Number of shares	Share in %	Book value
Bergman & Beving Electronics A/S, Denmark	6	100.0	130 940
B2B Tech AB, 556595-0887, Stockholm	2 863 036	100.0	20 726
Acte Systems AB, 556600-8032, Stockholm	500	100.0	500
Acte Systems AS, Norway	600	100.0	671
			152 837

Note 2 Due from Group companies

Accumulated acquisition values March 31, 2001 March 31, 2000

At beginning of the year	100	100
Receivables added	248 234	–
Book value at year-end	248 334	100

Note 3 Shareholders' equity

	Share capital	Statutory reserve	Unrestricted equity
At beginning of the year	100	0	–
Shareholders' contributions received			344 270
New issue at 100% of par	55 630		
At year-end	55 730	0	344 270

Share type	Number of shares	Number of votes
Class A	1 843 744	18 437 440
Class B	26 021 416	26 021 416
	27 865 160	44 458 856

Auditors' Statement

In our capacity as auditors of Lagercrantz Group AB, we have reviewed this prospectus. The review was carried out in accordance with the recommendation issued by the Swedish Institute of Authorized Public Accountants.

The pro forma accounts included in the prospectus were prepared on the basis of the assumptions stated on page 30. The information in the prospectus taken from the financial accounts is reproduced correctly.

The annual reports for the 1997/1998, 1998/1999 and 1999/2000 financial years were audited by George Pettersson and Carina Häggkvist without comment. The Annual Report for 2000/2001 has been audited and the interim for the three months ended June 30, 2001 has been reviewed by George Pettersson and Thomas Thiel without comment in the audit report and review, respectively. The information taken from the annual reports is reproduced correctly.

Nothing has come to our attention that causes us to believe that the prospectus does not comply with the requirements of the Securities and Clearing Operations Act, whose rules have been used as guidelines in the making of this prospectus.

Stockholm, August 22, 2001

George Pettersson
Authorized Public Accountant

Thomas Thiel
Authorized Public Accountant

Definitions

ACTIVE COMPONENTS

Components that amplify electric signals. Active components, even so-called semiconductors, have a large technical content. The group is divided into discrete components, integrated circuits, CPU (Central Processing Units) and memory. The datacom and telecom industries are large users of these.

AVAILABLE MARKET

The available market is management's assessment of the value of the market taking into account Lagercrantz Group's current product and service offering.

CRM (CUSTOMER RELATIONSHIP MANAGEMENT)

Advanced solutions to improve the customer service level in large companies and organizations.

EDI (ELECTRONIC DATA INTERCHANGE)

Electronic transmission of data.

ELECTROMECHANICAL COMPONENTS

Electromechanical components are used to mechanically link and protect electrical circuits. This group includes such components as switches, connectors and circuit-breakers.

IN-DESIGN

In-design means that Lagercrantz Group on-site at the customer's facility provides the design of solutions and the selection of components.

ITSM (IT SERVICE MANAGEMENT)

Support system to enhance the efficiency of managing events and the help-desk within the IT operations of large companies and organizations.

OEM (ORIGINAL EQUIPMENT MANUFACTURER)

Manufacturer that produces end-products in its' own name.

PASSIVE COMPONENTS

Passive components are non-amplifying components used among other applications to regulate flows of electrical current. This group is divided into resistors, condensers and magnetic components (inductance including transformers). Resistors and condensers are often standard components and are used in all types of electronic designs. Magnetic components such as inductors, transformers, filters and ferrites are used in signal transfer and power supply. Magnetic components vary in complexity and are often adapted based on needs and application.

SMS (SHORT MESSAGE SERVICE)

Text messages using the cellular phone.

VAR (VALUE ADDED RESELLER)

A VAR contributes added value prior to the sale to the end-customer. For example, this could be a software company that after purchase installs the software.

VIDEO COMMUNICATION

Video communication includes digital communications and digital production. Digital communications is system solutions for video conferences, remote learning and streaming media. Digital production is editing and production systems for production companies in film, TV and Internet.

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SE 5562824556