

LAGERCRANTZ GROUP

Within well-defined niches and in partnership with customers and producers, Lagercrantz Group offers products and solutions in electronics and communications that contribute to the competitiveness of its customers. Our vision is to be a growth-oriented, profitable and international knowledge-based company in electronics and communications solutions.

LAGERCRANTZ GROUP

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 percent (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 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 percent (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

	Net revenues			Operating income		
	3 months	12 months		3 months	12 months	
MSEK	2001/ 2002	2000/ 2001	2000/ 2001	2001/ 2002	2000/ 2001	2000/ 2001
Electronics	394	370	1694	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 – quarterly data MSEK	2001/2002			2000/2001	
	Q 1	Q 4	Q 3	Q 2	Q 1
Electronics	32	31	37	37	32
Solutions	1	2	13	7	0
Parent Company/consolidation eliminations	1	5	0	-2	1
GROUP TOTAL	34	38	50	42	33

(income figures are before items affecting comparability)

CONSOLIDATED STATEMENT OF INCOME

MSEK	3 months		12 months ending	
	2001/ 2002	2000/ 2001	6/30 2001	3/31 2001
Net revenues	589	565	2 638	2 614
Operating expenses (of which depreciation)	-555 (-6)	-532 (-5)	-2 474 (-25)	-2 451 (-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

CONSOLIDATED STATEMENT OF CASH FLOW

MSEK	3 months	Full year
	2001/ 2002	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	-*
CASH FLOW FOR THE PERIOD	1	-*
Liquid funds at beginning of year	196	-*
Translation difference in liquid funds	1	-*
Liquid funds at end of period	198	196

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

Changes in equity

MSEK	Apr – Jun 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	Adjustments	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	6/30/ 2001	3/31 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, percent			18.9	18.1
Return on capital employed, not including items affecting comparability, percent			24.3	24.2
Return on equity, percent			17.4	16.6
Return on equity, not including items affecting comparability, percent			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 (0) and income after financial items was MSEK 3 (0).

ACCOUNTING PRINCIPLES

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

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 reasons 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 833, 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 22, 2001

Jan Friis
President and CEO

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 Exchange and Clearing Operations and the Annual Accounts Act.

Stockholm, August 21, 2001

Thomas Thiel
Authorized Public Accountant

George Pettersson
Authorized Public Accountant

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

Lagercrantz Group AB (publ) • P.O. Box 4120 • Solna Strandväg 14 • SE-171 04 Solna, Sweden
Telephone +46-8-445 28 00 • Fax +46-8-28 18 05 • info@lagercrantz.com • www.lagercrantz.com
Organization number 556282-4556