

Press release June 29, 1999

GNOSJÖ-GRUPPEN ACQUIRES MEFAB-GRUPPEN

GUNNEBO PLANS TO DIVEST GNOSJÖ-GRUPPEN

Gunnebo's subsidiary, Gnosjö-Gruppen (Gnosjö), has today acquired all the shares in Mekaniska Fjädrar AB (MEFAB), which is based in Torsås, Sweden, Urshults Werkstads AB (UWAB), based in Urshult, Sweden, and Nossevo International B.V, a sales company based in Holland.

These companies, which have a total turnover of some MSEK 165 and 150 employees, function mainly as suppliers to Swedish and foreign automotive manufacturers. Their main product areas are springs, wire parts, clips, and pressed, cut and assembled sheet metal components. The MEFAB Group has displayed steady growth for several years. It is a very well managed group with a good reputation.

The vendor is Nossevo Invest AB, which is owned by Bert Ovesson and his family. Bert Ovesson, who is currently president of MEFAB, will take up a position as marketing manager for Gnosjö-Gruppen.

Payment for the acquisition will comprise a cash element and 600,000 newly issued shares in Gunnebo AB.

The companies being acquired will be co-ordinated within Gnosjö-Gruppen's Components business unit, which develops and supplies tool-based products in long series for vehicle manufacturers and other industries.

The transaction is in line with the strategic plan and financial objectives for both Gnosjö-Gruppen and Gunnebo. The companies will strengthen Gnosjö-Gruppen as a supplier to the vehicle industry, and there are significant potential synergies.

The acquisitions are expected to have a small positive effect on the result for 1999. As of 2000, the annual effect on the result, other factors being equal, will be to increase Gunnebo's earnings per share by some SEK 0.60. In 1998, Gunnebo's earnings per share after full conversion amounted to SEK 7.50.

“Gunnebo’s policy of becoming a sharply focused security products company will now be accelerated. Gnosjö-Gruppen will therefore be divested, and the divestment process has already begun.

Alfred Berg Fondkommission AB has been engaged to find a suitable buyer for Gnosjö-Gruppen. MEFAB has been acquired to improve Gnosjö-Gruppen’s structure and ensure a sustainable high level of earnings. The group’s position will be strengthened, which will make it more attractive as a separate company,” comments Gunnebo AB’s president and CEO, Bjarne Holmqvist.

In 1998, Gnosjö-Gruppen had a turnover of MSEK 746, and reported an operating profit of MSEK 83. Prior to the acquisitions, it had 654 employees.

Gnosjö-Gruppen was listed on the Stockholm Stock Exchange’s “O” list until 1994.

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GUNNEBO AB (publ)
Information

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Gunnebo AB is an international safety and security group listed on the Stockholm Stock Exchange A-list. The Group is a leading manufacturer of security and safety products, as well as special products for the engineering industry. The Group comprises Business Areas Gunnebo Industries, Gunnebo Perimeter Protection, Gunnebo Fichet-Bauché, Gunnebo Asset Protection and Gunnebo Gnosjö. Gunnebo has companies in 24 countries on all continents and employs 5 500 people. The Group has annual sales at the level of 5,7 billion SEK of which 80 per cent outside Sweden.

