



## NEWS RELEASE

**Atle makes cash offer for Martinsson**

- **Atle offers SEK 80 for every A and B share, respectively, equivalent to a premium of 26 per cent based on average price paid on 16 September 1999. Based on average price paid for the latest 30 days, the premium is 38 per cent.**
- **The offer, which among other things is conditional on 90 per cent acceptance, is made by Atle. Prior to the offer, Atle owns 44.7 per cent of the shares and 53.1 per cent of the votes in Martinsson.**
- **Based on the offer, Martinsson is valued at SEK 282M.**
- **Martinsson's shareholders retain their pre-emptive rights which carry entitlement to acquire shares in PC Lan.**
- **The application period is expected to run from mid-October 1999 until the beginning of November 1999.**

The Board of Directors of Atle AB (publ) ("Atle") has decided to make a public offer to the shareholders in Martinsson Gruppen AB (publ) ("Martinsson") to transfer their shares to Atle for a cash payment of SEK 80 per A and B share, respectively. The offer comprises 1,909,119 B shares and 40,170 A shares, which means that the total value of the offer amounts to SEK 156M. The B shares in Martinsson are listed on the OTC list of OM Stockholmsbörsen. The A shares are not listed or traded on any stockmarket or in any other marketplace.

At the time of the announcement of the offer, Atle owned 115,500 A shares and 1,457,592 B shares in Martinsson, equivalent to 53.1 per cent of total number of votes and 44.7 per cent of total number of shares. Martinsson is included in business sector Atle Informationsteknologi. During 1997, Martinsson issued 112,000 warrants with a subscription price of SEK 170, which mature in March 2000. These warrants are currently judged to have no value and no offer will therefore be made to the warrant holders at the present time.

### **Background and motive**

Atle has been a shareholder in Martinsson since 1994. During this period, the company has developed from being mainly a small distribution company within electronics/opto into becoming a large IT company, which is focused on distribution and reselling, in which sales during this period have grown from just over SEK 300M to more than SEK 2,000M. This development has mainly taken place through a large number of acquisitions. Martinsson operates in a sector, which is undergoing very considerable structural changes, and is experiencing intensive price pressure due to extensive competition. As a step in this structural change, Martinsson previously divested its data distribution operation, Manora Datadistribution, with the aim of letting that part of the operations achieve the benefits of scale and volume which the merger with PC Lan involves. Martinsson's shareholders are given special priority to take part in this investment via their pre-emptive rights.

Of the remaining two business areas in Martinsson – Martinsson Informationssystem ("MIS") and Teknikgruppen – the former, like a large number of its competitors, have wrestled with considerable profitability problems during the past year. An extensive restructuring programme has been initiated aimed at coming to terms with the problems. The reselling segment in the IT sector is in an exposed position and the outcome of the initiated restructuring programmes must still be regarded as uncertain, as is the need for further change. Carrying out far-reaching changes in a company, which could have a significantly negative effect on earnings in the short term, is facilitated if this can take place without the company being listed at the same time, especially when the segment which is to be changed constitutes the predominant part of the listed company in question. This is the main reason why Atle elects to buy out Martinsson from the stockmarket in order, in so doing, to be able to implement more efficiently the necessary restructuring within MIS. The intention is then to relist MIS as a separate company on the stockmarket or to carry out an industrial transaction with a suitable party.

Teknikgruppen shows reasonable profitability, but is mainly an engineering/trading company and no IT company. Within Atle there are similar and complementary operations in business sectors other than IT. It could therefore be natural to let Teknikgruppen develop together with these closely related sectors, which is made possible through the present buy-out.

### **The offer means that:**

SEK 80 in cash is offered for every series A or Series B share in Martinsson. Brokerage is not included.

### **Conditions for the offer**

The offer applies on condition;

- that it is accepted to such an extent that Atle becomes the owner of shares in Martinsson which together represent more than 90 per cent of the number of shares and votes in Martinsson. However, Atle also reserves the right to complete the offer on a lower acceptance,
- that the acquisition, before an announcement is made that the Offer will be completed, is not according to Atle's evaluation, in full or in part, made impossible or

significantly more difficult as a consequence of legislation, court decision, decision by the Authorities or similar in Sweden or abroad which, at the time of the evaluation, exist or can be anticipated, or by any other circumstance outside Atle's control.

### **Value of the Offer**

The average price paid for the Martinsson share on 16 September 1999 was SEK 63.50. Atle's offer is equivalent to a premium of 26 per cent based on this price. Based on the average price paid during the last 30 trading days prior to the offer, SEK 58, the offer is equivalent to a premium of 38 per cent.

### **Timetable, etc**

A Memorandum with more detailed information about the Offer is expected to be the shareholders duly to hand in mid-October 1999. The application period for the Offer is expected to start in connection with this. Martinsson will publish its Nine-Month Report on 27 October 1999. It is expected that it will be possible for payment to be made in mid-November 1999. Atle reserves the right to extend the application period as well as to postpone the date for payment.

Alfred Berg Fondkommission AB is financial adviser to Atle in connection with the Offer to Martinsson's shareholders.

Stockholm, 16 September 1999

Atle AB (publ)  
Board of Directors

*For further information, please contact: Lars Gårdö, President of Atle,  
tel +46 8-506 101 11  
Bengt Paulsson, President of Atle Informationsteknologi  
tel +46 8-506 101 31*

The Offer is not directed to persons whose participation is conditional on Memorandum, registration or measures other than those that follow from Swedish legislation.
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## **Martinsson**

Following the sale of Manora Datadistribution to PC Lan and Net Center Svenska AB to Investment AB Bure, Martinsson consists of the following two business areas:

*Business area Informationssystem* offers operations-adjusted IT solutions, with both services and products, to customers who regard IT as a strategic factor for success. Operations are based on commitment with a strong presence and see skilled and motivated staff as their most important resource. The business area focuses mainly on medium-size companies.

*Business area Teknikgruppen* was created in 1998 and carries out operations in three companies: Martinsson Elektronik AB, Ferm AB and L Borin Swed Motor AB. The business concept is to gather considerable technical and industrial knowledge under the same roof with the objective of offering professional domestic and international industrial services, know-how, products and systems.

Financial review Martinsson. The figures are in SEK unless otherwise stated.

	<b>1999</b>	<b>1997/98</b>	<b>1996/97</b>	<b>1995/96</b>	<b>1994/95</b>	<b>1993/94</b>
	6 months	16 months	12 months	12 months	12 months	12 months
Net sales	955.4	2405.2	922.8	391.3	429.0	302.8
Operating result	-14.7	38.2	15.8	11.1	19.4	13.6
Result after financial net and shares in results of associated companies	-5.3	36.8	14.4	11.4	19.3	13.7
Profit margin, %	neg	1.5	1.6	2.9	4.5	4.5
Earnings per share, SEK	-	7.51	4.38	6.54	11.05	9.5
Dividend per share, SEK	-	2.25	1.5	1.5	2.15	1.85
Total assets	618.7	765.3	343.8	126.8	122.8	98.2
Shareholders' equity	303.6	224.5	107.2	71.6	68.4	45.8
Return on capital employed, %	-	14.1	13.4	15.7	32.4	32.2
Return on equity, %	-	11.0	8.8	12.1	25.4	25.0
Equity ratio, %	49.1	41.5	47.9	55.5	53.2	45.2
Number of employees	599	537	330	120	85	53

## **Atle**

Atle AB is an investment company that is registered on the A list of OM Stockholmsbörsen and which develops companies in a number of selected segments. The Group invests in small and medium-size companies which are generally unlisted. Operations are carried out in the six business sectors: Atle Karolin Verkstadsindustri, Atle Tjänste & Handel, Atle Miljöteknik, Atle Informationsteknologi, Atle Mergers & Acquisitions and Atle Företagskapital. In 1994, Atle acquired approximately 14 per cent of the shares and 7 per cent of the votes in the then Martinsson via business sector Atle Informationsteknologi. Thereafter, some minor acquisitions have been made, however none during 1999. At the end of 1997, Atle acquired Nordic Datadistribution from Skills Group Ltd. Thereafter, Martinsson acquired Nordic

Datadistribution, which later changed its name to Manora Datadistribution, via a non-cash issue following which Atle became the majority owner in Martinsson.

Five-year review Atle. The figures are in SEK unless otherwise stated.

Atle Group	1998	1997	1996	1995	1994
<b>Profit and loss account</b>					
Net sales	9676	7616	5882	2235	202
Exit profits	591	452	295	135	-
Exit losses and write-downs	-74	-55	-49	-8	-168
Share in results of associated companies before tax	189	124	55	123	90
Earnings before taxes	872	712	576	451	375
Net profit for the year	658	579	503	376	316
Earnings per share, SEK	12.06	10.62	9.21	6.89	5.79
Return on equity, %	15.9	15.5	14.9	12.8	12.3
Return on capital employed, %	16.7	14.7	14.1	14.1	12.9
<b>Balance sheet</b>					
Participations in associated companies and other securities holdings	1863	957	992	866	702
Other fixed assets	3513	2472	2138	587	443
Inventories	1439	1287	1185	426	281
Cash, bank and short-term investments	664	1168	2771	2764	2730
Total assets	9791	7586	8448	5248	4533
Shareholders' equity	4369	3934	3550	3183	2697
Provisions	578	778	617	-	-
Equity ratio, %	50.8	57.1	46.1	64.1	77.4
Number of employees	7633	7348	6768	2238	1255