



PRESS RELEASE

Atle divests its holdings in KMT to Nordstjernan, generating SEK 120 m exit returns

Atle is selling its entire holdings in Karolin Machine Tool AB (KMT) to Nordstjernan AB for SEK 130 per share. The deal encompasses 1,656,300 shares, corresponding to 33% of the capital and votes in the company. An additional SEK 10 per share supplement is dependent on share price performance next year. The divestment confers Atle with exit returns of SEK 120 m this year, plus a maximum supplement of SEK 16 m in 2000.

This deal conforms to Atle's strategy of exiting its holdings at the conclusion of a development phrase.

Atle listed the then wholly owned KMT last year, generating exit returns of SEK 191 m, but coincident with the offering, retained 33% of the shares to maintain ownership stability. The deal announced today is the second step in Atle's exit from KMT.

The KMT group manufactures state-of-the-art production machinery in tube forming, steel sheet working and precision grinding. While in Atle's ownership, the group has made favourable progress, with net sales growing from SEK 472 m in 1994 to SEK 943 m in 1998. In the same period, earnings before tax have advanced from SEK 9 m to SEK 91 m.

Lars Gårdö, Atle's President said "transferring KMT's main ownership to a long-term, stable owner with solid traditions in the Swedish business community feels particularly satisfying. KMT is a great company with bright prospects of maintaining its excellent progress."

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Atle—key facts

Atle invests in private equity, implying the company investing in unlisted companies, playing an active role in their development. After a few years of active involvement, Atle secures portfolio companies the appropriate status by means of a market listing or merger, thereby realising value growth.

Since inception in 1992, Atle has invested in approximately 200 companies, and exited from over 100, generating annual returns on exits exceeding 50%. Atle maintains a high deal tempo, acquiring about 20 companies every year.

Since 1993, group earnings advanced uniformly from SEK 373 m to SEK 953 m in 1998.

Atle, quoted on the Stockholm Stock Exchange's A-list, has about 15,000 shareholders.