



Press Release February 9th 2000

**Bong's EGM gives go-ahead
to merger with Bauwens.**

The Extraordinary General Meeting of Bong Ljungdahl AB held on Tuesday, February 8th, resolved in favour of the Board's proposal to increase the company's share capital by issuing 1,634,651 new shares.

An agreement was reached on January 17th 2000 on a merger between Bong and Wolf-Bauwens/R. Schmidt Group (Bauwens). The new group will be the largest envelope manufacturer in Europe, with an annual turnover of some 2.5 billion Swedish kronor and approximately 1,800 employees.

The merger was conditional on Bong's shareholders voting in favour of issuing 1,634,651 new shares to Michael Wolf-Bauwens, the current owner of Bauwens. The issue is one aspect of the financing of the merger of the companies. The new shares have a par value of 10 kronor per share and the issue price is 86 kronor per share. The newly issued shares will correspond to 19.0 per cent of Bong's capital and voting following the merger. The new shares will be entitled to dividend from and including the 1999 financial year. The merger is also conditional on both parties receiving the necessary official consents.

The merger of Bong and Bauwens will create Europe's largest envelope manufacturer, with an annual production volume of more than 15 billion envelopes, which corresponds to some 15 per cent of the European market. The new company will have a leading position on most North European markets. Bong and Bauwens complement each other well, in product terms and geographically. It is believed that considerable synergies can be generated in purchasing, production and on the investment side. This will enable the healthy earnings trend to continue.

At the extraordinary AGM held in Kristianstad on Tuesday, 46,7 % of Bong's 6,990,140 shares were represented.

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Year-end release 1999 will be issued the 23rd of February, 2000.
Annual General Meeting will be held the 8th May 2000 at 17.00 in Kristianstad, Sweden

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