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Press release ***August 22, 2000***

Press conference today at 11.30 a.m. at IVA (Ingenjörsvetenskapsakademien), the Wenström room

LGP offers business combination with Allgon
- bid premium 48 per cent

The Board of Directors of LGP Telecom Holding AB (publ) ("LGP") has decided to make a public offer (the "Offer") to the holders of shares in Allgon AB (publ) ("Allgon"). The business combination creates a leading producer of equipment for mobile telecommunication with a strong position on the markets in Europe, North America and Asia.

For every share in Allgon 0.56 shares in LGP are offered, implying a premium of approximately 48 per cent based on the closing share prices of the respective companies during the period August 14 to August 18, 2000[1].

The business combination creates a group with a major position both within equipment for improved radio coverage in mobile networks and within handset antennas. Together, LGP and Allgon achieve improved conditions for growth within new product areas, such as radio-links and integrated antenna products for use in base-stations. Furthermore, synergies estimated to approximately SEK 50 million per annum are expected to occur from 2001. The new group's turnover amounts to approximately SEK 3 billion pro forma in 1999, and the combined market capitalisation of the new group will reach more than SEK 10 billion (given current share prices).

- The business combination is based on industrial logic, says Mikael Gottschlich, CEO of LGP. Our product portfolios supplement each other and we will benefit from a common sales organisation. By co-ordinating our research and development we may strengthen and broaden our product portfolio. Together, we are able to meet increased demands from our customers – most of the major system producers and several mobile network operators.

- We respect the great know-how inherent in Allgon and expect that a business combination will result in a demand for more employees in the new group, continues Mikael Gottschlich. We will also offer the employees of Allgon to participate in a planned option scheme.

[1] The exchange ratio means that for each 25 shares in Allgon, 14 shares in LGP will be received. The Offer may be accepted also if the number of shares is less than, or could not be evenly divided by, 25.

The Offer

The Offer entails the following:

- For every share in Allgon, irrespective of share series, 0.56 newly issued shares in LGP are offered[1,2].

No commission will be charged.

The newly issued LGP shares carry right to receive dividend, as of the fiscal year 2000.

The Offer is subject to the following conditions:

- That the Offer is accepted to such an extent that LGP becomes the owner of more than two thirds (66.7 percent) of the total share capital of Allgon. However, LGP reserves the right to implement the Offer at a lower level of acceptance.
- That potential required approvals from public authorities are obtained.
- That LGP shareholders decide to amend the Articles of Association and issue new shares in exchange for the shares in Allgon.
- That Allgon not will dispose of any assets or cause any other action which – in the opinion of LGP – will materially change the assumptions for LGP's acquisition of Allgon.
- That the Offer, in the opinion of LGP's Board of Directors, prior to the announcement that the Offer will be implemented, is not wholly or in part made impossible or significantly impaired as the result of legislation, court decision, action of a public authority, or similar events in Sweden or in another country, which has occurred or is expected to occur, or as a consequence of any other circumstance beyond LGP's control.

Premium and bid value

The total value of the Offer amounts to approximately SEK 4.0 billion. Compared to the average closing price in LGP and Allgon of SEK 246 and SEK 93, respectively, during the period August 14 – August 18, 2000, the last five trading days prior to the temporary suspension of the trading in the Allgon and LGP shares, the premium amounts to approximately 48 percent.

Background and reasons for the Offer

The market for telecom equipment is driven by a strong growth in the number of mobile telephone users as well as the introduction of new system standards. The customers, that consist of either system manufacturers such as Ericsson, Nokia and Motorola, or network operators such as Bell South, One-2-One and AT&T Wireless, require subcontractors to develop, produce and deliver all-inclusive solutions globally.

The new group will get a common technical platform with LGP's own telecom products and Allgon's system products (including radio-links). The majority of the products are filter based. This implies that

[1] The exchange ratio means that for each 25 shares in Allgon, 14 shares in LGP will be received. The Offer may be accepted also if the number of shares is less than, or could not be evenly divided by, 25.
[2] The Offer may be supplemented by an offer to holders of Allgon warrants 2000/2003.

there are large potential synergies in production and research and development. Presently, Allgon buys filter mechanics from other parties than LGP, implying a large potential increase in internal deliveries, thereby increasing the capacity utilisation rate in LGP's own production units.

LGP is active in research and development mainly in the field of antenna related systems, for example tower mounted amplifiers (TMA). Allgon has a broader focus with regard to research and development. The new group will continue to invest substantial resources in research and development.

The companies supplement each other very well product wise, geographically and customer wise. The merger broadens the customer base among mobile network operators and system producers. Both companies have global sales organisations.

Within the field of handset antennas, the new group holds an interesting market position, not reflected in profitability. This is a highly competitive market, which is new to LGP.

Wireless solutions provides LGP with know-how in new types of wireless communication, such as wireless networks and bluetooth. The intention is to continue to develop and commercialise these products.

Synergies
Co-ordination of research and development and production aims particularly at increasing specialisation between the different units, especially on the system side. Within these fields, the potential for synergies is limited. On the other hand, lead-time reductions and improved resource utilisation imply a potential for improved profitability.

The companies' global market presence are complementary and by co-ordinating future entries into new markets, such as for example China, a more cost efficient market presence is achieved. With larger purchases of input goods, the purchasing costs may be cut.

The synergies are expected to reach approximately SEK 50 million, whereof the majority will occur in 2001. Despite these rationalisations, the company expects that the total number of employees will increase.

Pro forma financial data

Sales in LGP for the first six months of 2000 amounted, including Allgon's operations, to SEK 1,912 million (pro forma) (SEK 598 million for LGP excluding Allgon). Operating income for the same period amounted to SEK 68[3] million (pro forma) (SEK 94 million excluding Allgon). Operating income before goodwill amortisation for the same period amounted to SEK 164[3] million (pro forma) (SEK 104 million excluding Allgon). The acquisition is expected to generate goodwill of approximately SEK 3.2 billion (total bid value approximately SEK 3.9 billion). The goodwill is motivated by the expected strong growth, especially in the new combined systems operations. The objective is a

[3] The operating income includes a surplus from SPP of SEK 15 million for Allgon and SEK 6 million for LGP. Furthermore, a positive one-off effect from the Allgon divestment of its vehicle antenna division of SEK 20 million is included.

continued strong growth with improved profitability. Net debt pro forma amounted to SEK 384 million and the equity ratio was 80 percent. Through the merger, the number of employees in LGP will increase to approximately 1,940.

The acquisition is expected to have a positive effect on the earnings per share before goodwill in LGP from 2001 and onwards. Earnings per share (when including goodwill) will be diluted for the first six months of 2000 when comparing with LGP excluding Allgon.

Number of shares

The number of outstanding shares in LGP amounts to approximately 27.8 million before the Offer. As a consequence of the Offer for Allgon, 16.4 million shares are added, assuming full acceptance of the Offer. In total, following the Offer, the number of shares in LGP will amount to approximately 44.2 million.

Preliminary timetable, etc

An offer document is expected to be distributed to the shareholders of Allgon on or around September 12, 2000. The acceptance period for the Offer is expected to run from September 13 through October 4, 2000. An Extraordinary General Meeting of LGP shareholders is planned to be held around September 25, 2000 to decide on the amendment of the Articles of Association and the issue of new shares in connection with the Offer. Provided that the Offer is declared unconditional, the estimated date of settlement in the form of newly issued LGP shares, is around October 18, 2000.

LGP reserves the right to extend the acceptance period and to postpone the date of settlement.

LGP's ownership in Allgon

LGP currently owns 760 shares of series B in Allgon.

Financial advisors

Enskilda Securities acts as financial advisor to LGP in connection with the Offer.

Stockholm August 22, 2000
Board of Directors, LGP Telecom Holding AB (publ)

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LGP of today is a globally leading manufacturer of telecom products which improve the radio coverage in mobile communication networks. The company is also one of the Nordic Region's leading contract manufacturers of advanced industrial components, primarily for rapidly growing companies in areas such as telecom, tool-making, vehicles, medical technology, foods and defence. Net revenues, pro forma, for the first six months of 2000, amounted to SEK 598 million. Income before taxes, pro forma, amounted to SEK 90 million for the same period. About 55 percent of sales originated from Sweden, about 34 percent from the rest of Europe, about 10 percent from America and about 1 percent from Asia. The group has 710 employees.

Allgon is one of the five largest manufacturers of mobile telecommunications infrastructure and subsystems to terminals. The product range comprises: antenna systems for infrastructure, filter, combiners and similar products for base stations, repeater networks, microwave radio, mobile telephone antennas, wireless local networks, and bluetooth products. Customers are operators, system manufacturers, terminal manufacturers, vehicle manufacturers and distributors. Allgon's head office is located in northern Stockholm. The company has sales in approximately sixty different countries, and 97 per cent of sales originate from customers outside Sweden. Total group sales for the first six months of 2000 amounted to SEK 1,314 million. Profit before taxes amounted to SEK 30 million. The number of employees amounted to 1,249 at year-end 1999. Allgon was founded in 1946.