



” Shapers of new Industry structures ”

Hexagon divests JMBC – Hexagon Engineering established

Hexagon has divested Johnson Metal Bearing Components with facilities in Norway and U.S.A. (JMBC), as of January 1st 2001, to the company's management. JMBC, was a subsidiary of Johnson Industries (Hexagons subsidiary), posted net sales of 149 MNok and had an annual loss rate of –25 MNok during the third quarter in 2000.

Several turn around activities were initiated by Hexagon during the autumn. Thanks to those actions the full year loss for 2000 was limited to –14,4 Msek.

Hexagon has written off assets within JMBC amounting to 14,4 Msek before the divestiture. The Amount has been charged to the fourth quarter of 2000. The Transaction will release Cash amounting to 34 MNOK.

The Transaction is subject to the approval from Hexagons shareholders.

Johnson Industries will be merged with SwePart in connection to the divestiture. Mr Torbjörn Wistrand has been named President for the new group. Johnson Industries, SwePart and Gislaved will, together with Hexagons ownership in VBG, form the new business area Hexagon Engineering.

”With this divestiture, as well as the merger between SwePart and Johnson Industries, we believe that we have created an opportunity to increase these companies earnings substantially”. Comments Ola Rollén, President & C.E.O. for the Hexagon Group.

Hexagon Engineering will continue to focus on ”contract manufacturing” where Hexagon will assume a larger responsibility for the manufacture of components as well as, systems to large OEMs (Original Equipment Manufacturers). The Business Area's net sales are app. 2100 Msek.

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