

**Press release**

**October 9, 2000**

## **REMEC raises its recommended offer for Allgon**

On September 28, 2000 the Board of Directors of REMEC, Inc. ("REMEC") submitted a recommended public offer for the outstanding shares and warrants of Allgon AB (publ) ("Allgon"). The Board of Directors of REMEC has decided to raise their recommended offer for the outstanding shares and warrants of Allgon by increasing its cash commitment and offering more shares if the share price of REMEC to determine the exchange ratio is lower than USD 29. The Board of Directors of Allgon stands firm behind their earlier recommendation to Allgon's shareholders to accept the offer.

- The offer implies a premium of 17 per cent based on REMEC's and Allgon's closing prices on October 6, 2000, USD 24 and SEK 125.50 respectively.
- The number of REMEC shares offered for each Allgon share will be determined by the average share price of REMEC during the 10 trading day period ending two days prior to the expiration of the offer, currently expected to be November 23 -- December 6, 2000. The average REMEC share price during the period will be announced on December 7, 2000<sup>1</sup>.
- If the average REMEC share price during the period is higher than, or equal to, USD 29, the shareholders of Allgon will receive 0.538169 shares of REMEC Common Stock for each issued Allgon A and B share.
- If the average REMEC share price during the period is lower than, or equal to, USD 24, the shareholders of Allgon will receive 0.622169 shares of REMEC Common Stock for each issued Allgon A and B share.
- Should the average share price of REMEC during the period range between the interval USD 24-29 then the exchange ratio will be linearly adjusted from 0.622169 to 0.538169.
- All registered shareholders (directly or through a nominee) of Allgon as of October 6, 2000 are offered the possibility to sell up to 500 shares for SEK 161 in cash.

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<sup>1</sup> Based on the current timetable.

- Should the cash offer according to the above be utilized to an amount less than USD 125 million (corresponding to SEK 1,229 million)<sup>2</sup> then an amount corresponding to the difference between what is required to satisfy the above cash elections for SEK 161 per share and USD 125 million will be offered, on a pro rata basis, to shareholders preferring cash payment. The price for the shares tendered in accordance with this will be based on the average share price of REMEC during the 10 day trading period ending two days prior to the expiration of the offer, currently expected to be November 23 -- December 6, 2000.<sup>3</sup>
- Based on REMEC's closing price on October 6, 2000, USD 24, the offer values the total outstanding share capital of Allgon at more than USD 437 million, corresponding to SEK 4,296 million.<sup>4</sup> The actual value of REMEC's offer will depend on the average share price of REMEC, according to the above, and the number of shares sold at SEK 161 pursuant to the 500 share cash offer.
- REMEC is offering SEK 9.40 for each outstanding warrant.
- No commission will be charged.

The offer is subject to the previously announced conditions.

Gunnar Bark, Chairman of Allgon comments:

"We continue to believe that the combination of Allgon and REMEC is a powerful one, creating a world leader in broadband wireless and mobile communications infrastructure. We urge shareholders to support the improved REMEC offer."

### **Timetable**

An offer document is expected to be distributed around November 12, 2000. The tender period is expected to run between November 15 -- December 8, 2000. On condition that the offer is not prolonged, settlement is expected to commence around December 21, 2000.

Stockholm October 9, 2000  
Board of Directors, REMEC, Inc

*If you have any questions, please contact:*

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<sup>2</sup> Based on an exchange rate of 9,83 SEK/USD.

<sup>3</sup> Based on the current timetable.

<sup>4</sup> Based on an exchange rate of 9,83 SEK/USD.