



*“Shapers of new industry structures”*

Friday, 17 November 2000

## **Press release**

Hexagon AB (publ) today announced that it has entered into an acquisition agreement with the board of directors of Brown & Sharpe Manufacturing Company (BNS) to purchase substantially all of BNS' worldwide metrology business. The acquisition is subject to the approval from BNS' shareholders at an extraordinary AGM. The AGM is planned to be held in January 2001. The Acquisition is also subject to necessary approvals from relevant authorities. Closing is planned to take place in February 2001.

BNS is the global leader in Metrology with manufacturing at 6 entities in three continents; it has 16 customer service centres for aftermarket services as well as more than 60 agents. The Business has 2200 employees worldwide and the projected Group Revenue for 2000 is USD 285 million.

The Purchase price for the Metrology business is USD 160 million plus an additional payment of USD 0-20 million depending of the EBIT outcome for 2000. The Acquisition includes assets in the United States as well as all outstanding shares in BNS' legal entities outside the U.S.A.

EBIT in the acquired business is estimated to USD 18-22 million during 2000 and the EBITDA is estimated to USD 27-30 million. The Acquired Net Assets amounts to USD 112-125 million.

The Acquisition is financed via debt and is expected to have a positive impact on EPS and CEPS already from consolidation.

BNS Inc. has been in technical default since July 1999 and entered into default as of November the 10<sup>th</sup> 2000 although none of the lenders have taken any legal actions.

Hexagons President & C.E.O., Mr Ola Rollén, comments: ” Brown & Sharpe Man. Co Inc. has invested significant amounts into non-core assets with negative returns during the past five years. These activities have caused the current financial situation. The Core metrology business has, though, been financially sound. Via the proposed deal structure we can acquire the sound core and focus on profitability and growth”.

BNS recently launched a new product family of CMM machines, GLOBAL™, with improved prestanda at a significantly lower production cost. The Combination of the GLOBAL machine with BNS' vast aftermarket organisation will further strengthen BNS' position as the Global market leader in Metrology.

The Acquisition of BNS is a step forward for Hexagons new strategy to:

- Increase the Group Net Sales to USD 1, 000 million
- Focus the activities to 3-5 global core businesses
- Retain a sustainable EPS growth of more than 15% p.a.

**For further information:**

Hexagon AB (publ) invites you to a press conference today, Friday the 17<sup>th</sup> November 2000, at 15.00-16.00 C.E.T. at IVA, Ingenjörsvetenskapsakademien, Grev Turegatan 16, Wennströmrummet.

You may also participate via telephone, Call **+468-59 80 60 33** at 15.00 C.E.T. and await the operators assistance. Questions can be put after the presentation. To ask a question, press \* on your phone, When it is your turn to ask you will hear three signals. The Operator will assist you. The Presentation will be published in a Power Point format on Hexagons web site at 16.00 E.S.T. on [www.hexagon.se](http://www.hexagon.se)

Ola Rollén  
President & C.E.O. Hexagon AB (publ)

Subscriptions: Hexagon's financial information is available via e-mail at [www.hexagon.se](http://www.hexagon.se).

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Hexagon AB (publ)

P-O Box 1112

S-131 26 NACKA STRAND

Sweden

Tel No. +46 (0) 8 – 601 26 20

Fax No. +46 (0) 8 – 601 26 21

Website: [www.hexagon.se](http://www.hexagon.se)

E-mail: [postmaster@hexagon.se](mailto:postmaster@hexagon.se)

