

Addtech Group

Value Adding Tech Provider

Addtech is a technology trading group where the business acumen is combined with competence at the cutting edge. Based on high-technology industrial components and systems, Addtech together with its customers and suppliers creates solutions that lead to better products as well as optimized production processes. Addtech provides technical as well as economic added value to the customer.

Interim report April 1 – September 30, 2001 (6 months)

- Addtech was listed on the O-list of the Stockholm Stock Exchange September 3.
- Net revenues increased by 9 percent to MSEK 1 198 (1 101).
- Operating income, not including items affecting comparability, amounted to MSEK 67 (92).
- Weak market trend for businesses selling to the telecom and electronics sectors.
- Continued stable demand for components and systems for mechanical industry, as well as the machinery and vehicle sectors.
- The previously initiated action program has been reinforced. Cost savings on a full-year basis amount to MSEK 30, of which MSEK 10 affects current financial year results.
- The Board of Directors intends to propose to an extra general meeting of shareholders to decide on repurchasing up to 10 percent of outstanding shares.

	3 months ending		6 months ending		12 months ending	
	Sep. 30, 2001	Sep. 30, 2000	Sep. 30, 2001	Sep. 30, 2000	Sep. 30, 2001	Mar. 31, 2001
Net revenues	562	551	1 198	1 101	2 599	2 502
Operating income*	26	46	67	92	176	201
- in percent of net sales	4.7	8.4	5.6	8.3	6.8	8.0
Income after financial items*	24	45	64	90	168	194
- in percent of net sales	4.2	8.2	5.3	8.2	6.5	7.8
Earnings per share, SEK*	0.60	1.18	1.58	2.31	4.29	5.02

* not including items affecting comparability in the amount of MSEK –3 during the second quarter of the current financial year and MSEK 13 during the second quarter of the preceding financial year.

NET SALES AND INCOME

First six months 2001 (April – September)

Net revenues of the Addtech Group for the first six months of the financial year increased by 9 percent to MSEK 1 198 (1 101). The increase is explained by added business volume in an amount of MSEK 192 in units acquired during the past year.

Operating income, not including items affecting comparability, amounted to MSEK 67 (92) and

income after financial items was MSEK 64 (90).

Costs affecting comparability in an amount of MSEK 3 are additional and relate to listing Addtech's shares on the O-list of the Stockholm Stock Exchange. Last year revenue affecting comparability consisted of MSEK 13 in repaid SPP funds.

Income after taxes amounted to MSEK 42 (74), or SEK 1.50 per share (2.64). Earnings per share after taxes for the past 12-months period amounted to

MSEK 117 and SEK 4.22 per share, respectively, as compared with MSEK 149 and SEK 5.36 for the preceding financial year.

Second quarter 2001 (July – September)

Second quarter net revenues increased by 2 percent to 562 MSEK (551). Added business volume from newly acquired units amounted to MSEK 88.

The weak development in the telecom and electronics sectors was further aggravated during the period. Demand for machinery and equipment of an investment character was particularly weak.

The previously initiated action program to counteract the effects of a continued weak business climate has been augmented. The number of employees will shrink by about 90 persons from the level at the end of June of the current financial year.

Operating income is burdened by current expenses for personnel reduction and other structural measures. The overall effect of these measures is that costs are reduced by MSEK 30 on an annual basis, of which the effect during the current financial year will be about MSEK 10.

Operating income during the second quarter was burdened by items affecting comparability in an amount of MSEK 3 and amounted to MSEK 23, as compared with MSEK 59 during the preceding year, including items affecting comparability of MSEK 13.

Operating income not including items affecting comparability amounted to MSEK 26 (46), equivalent to an operating margin of 4.7 percent (8.4). The lower margin is explained, in part, by added volume in acquired units until now only contributing marginal earnings and in part by the fact that the organization was dimensioned for a larger business volume. Measures have been initiated in units acquired during the year to raise results to a satisfactory level, and in several other units measures to improve efficiency are instituted to adapt the organization to the lower business volume.

Income after financial items, not including items affecting comparability, declined to MSEK 24 (45).

Currency losses on liquid funds had a negative effect on net financial items in the amount of MSEK 1. Without these losses the net of financial items during the second quarter was on a par with the first quarter net financial items as well as with the net of financial items during the first quarter and during the corresponding periods one year ago.

BUSINESS AREAS

Income figures in the comments to the Group's business areas do not include items affecting comparability.

Production Systems

provides systems solutions primarily for production processes in the electronics, engineering and automotive industries.

	3 months ending		6 months ending		12 months ending	
	Sep. 30, 2001	Sep. 30, 2000	Sep. 30, 2001	Sep. 30, 2000	Sep. 30, 2001	Mar. 31, 2001
Net revenues	138	179	321	349	777	805
Operating income	0	11	9	22	47	60
- in percent of net revenues	0.1	6.2	2.8	6.1	6.1	7.5

- Continued weak demand for production equipment for the electronics and telecom sectors.
- Forceful action program to reduce costs in the business area.

Net revenues declined by 8 percent till MSEK 321 (349). Added business volume from newly acquired units amounted to MSEK 31. Operating income declined to MSEK 9 (22).

Production Systems, where production equipment for the electronics and telecom sectors make up a substantial proportion of operations, is the unit of the Group most severely affected by the economic downturn. Market conditions are significantly weaker than during the corresponding period one year ago and order bookings were weak during the second quarter. Just during the last few weeks, however, a couple of major projects in the area of equipment for electronics production have resulted in orders worth about MSEK 25.

Sales during the second quarter of production materials dropped slightly following a prior period of relative stability.

An extensive action program is being implemented to counteract the effects of the weak market situation.

Transmission Systems

markets transmission components, machine parts and automation systems for the manufacturing industry and after-market. In-house manufacturing is conducted primarily in the case of chains, gaskets and machine parts.

	3 months ending		6 months ending		12 months ending	
	Sep. 30, 2001	Sep. 30, 2000	Sep. 30, 2001	Sep. 30, 2000	Sep. 30, 2001	Mar. 31 2001
Net revenues	212	151	437	311	855	729
Operating income	12	13	26	26	53	53
- in percent of net revenues	5.8	8.6	6.0	8.5	6.2	7.3

- Continued good capacity utilization in producing units.
- Stable demand for components for mechanical industry.

Net revenues increased by 40 percent to MSEK 437 (311). Added business volume from newly acquired units amounted to MSEK 110. Operating income was unchanged compared to the preceding year and amounted to MSEK 26 (26). The lower operating margin, operating income in percent of net revenues, is explained by weak results in units acquired during the preceding year.

The combination of sales of components to producing customers in mechanical industry and after-market has meant a stable market situation.

In-house production of chains, transmissions and machine elements continues to show a positive development and capacity utilization is good in the business area's producing units.

Component Systems

develops and markets niche electro-mechanical and electronic component solutions for the manufacturing industry and the after-market.

	3 months ending		6 months ending		12 months ending	
	Sep. 30, 2001	Sep. 30, 2000	Sep. 30, 2001	Sep. 30, 2000	Sep. 30, 2001	Mar. 31, 2001
MSEK	2001	2000	2001	2000	2001	2001
Net revenues	213	221	442	442	971	971
Operating income	15	22	33	45	79	91
- in percent of net sales	6.8	10.1	7.4	10.3	8.1	9.4

- Continued weak market situation for the units doing business in telecom and electronics.
- Stable sales to the machinery and automotive sectors.

Net revenues were unchanged compared to the preceding year and amounted to MSEK 442 (442). Added business volume from newly acquired units amounted to MSEK 51. Operating income declined to MSEK 33 (45).

The market situation has been affected by weakening in the electronics and telecom sectors, with flagging demand for components and systems as a result.

A stable sales volume was recorded in sales to the machine and automotive industries. This is true for components as well as systems solutions for trucks and forest machinery.

PROFITABILITY

The return on capital employed for the past 12-month period was 29 percent, as compared with 38 percent for the preceding financial year. The corresponding figures for return on equity were 27 percent and 36 percent, respectively.

FINANCIAL POSITION AND CASH FLOW

The equity ratio at the end of the period was 40 percent, as compared with 34 percent at the beginning of the financial year. Shareholders' equity per share amounted to SEK 16.90, as compared with SEK 14.90 at the beginning of the financial year.

The Group's net financial indebtedness amounted to MSEK 34 at the end of the period, which is an increase by MSEK 18 compared to the situation at the beginning of the financial year.

Cash flow from current operations amounted to MSEK 30 during the period. Capital expenditures in fixed assets amounted to MSEK 12 and disposals amounted to MSEK 6.

Summary statement of cash flow

	Jul. – Sep., 2001	Apr. – Sep., 2001	Full year 2000/ 2001
MSEK			
Income after financial items	21	61	207
Adjustment for items not included in cash flow	11	20	30
Current taxes	-21	-28	-7
Change in working capital	14	-23	-7
Cash flow from current operations	25	30	223
Net investments in fixed assets	-4	-6	-25
Acquisitions and disposals	0	0	-195
Financing operations	-2	-15	—*
Period's cash flow	19	9	3
Liquid funds at beginning of period	142	151	—*
Translation difference in liquid funds	3	4	—*
Liquid funds at the end of the period	164	164	151

* The Addtech Group was capitalized March 31, 2001, so certain data have been omitted.

**Items affecting comparability for the preceding year, primarily attributable to SPP funds, are reported as Adjustment for items not included in cash flow.

CORPORATE ACQUISITIONS

Component Systems has made complementary acquisitions of operations in sales of special components during the period.

EMPLOYEES

The number of employees was 1 161 at the end of the period, which can be compared to 1 162 at the beginning of the financial year. The action program initiated during the period will have the effect that the number of employees at the end of the year will be about 1 100.

DISTRIBUTION OF SHARES

The share capital at the end of the period was MSEK 55.7. After the reporting period, 721 000 class A shares have been converted to class B shares, upon which the distribution on classes of shares is as follows:

Class of share	Shares outstanding
Class A shares	1 119 286
Class B shares	26 744 946
Total	27 864 232

REPURCHASE OF OWN SHARES

The Board of Directors has decided to propose to an extra general meeting of shareholders to be held December 17, 2001 to resolve a mandate for the Board of Directors to repurchase own shares up to

10 percent of outstanding votes and shares. The purpose of the repurchase program is to give the Board of Directors freedom of action in its work with the Company's capital structure and to secure the Company's obligations in connection with the proposed option program. The proposal includes a mandate for the Board of Directors to use repurchased shares in connection with an incentive program, or for reduction of the share capital. The mandate for the Board of Directors is also proposed to include the eventuality of using repurchased shares as payment in corporate acquisitions.

During the fall Addtech AB has entered into a share swap agreement with Svenska Handelsbanken, who has acquired 1 331 400 shares at an average cost of SEK 34.43. The purpose of the share swap agreement was for it to function as a hedge for the share-related incentive program for senior management. Because of partially changed conditions, the incentive program has been amended, which is communicated in a separate press release. This will also affect the share swap agreement.

ACCOUNTING PRINCIPLES

The interim report has been prepared in accordance with recommendation RR20 – Interim Reporting of the Swedish Financial Accounting Standards Council. Recommendation RR9 – Income Taxes has also been applied. In all other respects the same accounting principles and bases for forming judgments as presented in Addtech's listing prospectus have been used.

PARENT COMPANY

The Parent Company's net revenues amounted to MSEK 13 (–) and income after net financial items was MSEK –3 (–). This result includes items affecting comparability in an amount of MSEK –3.

FUTURE OUTLOOK

The weaker economy has had a negative impact on the Group's business. Order bookings are lower than during the corresponding year-ago period. Current year order bookings are also lower than invoicing. In order to meet the effects of the weaker business situation the previously initiated action program has been augmented. Further measures are being taken to adapt the organization to prevailing market conditions, for instance in the telecom industry.

Addtech's long-term growth and profitability goals remain intact. A weaker general economic situation, combined with Addtech's high profitability and

strong financial position, mean good opportunities for | making acquisitions.

BUSINESS AREAS

All comparative data in the interim report are pro forma in accordance with the assumptions presented in Addtech's listing prospectus. Comparative data for prior years have been adjusted for the effect of applying recommendation RR9 – Income taxes of the Swedish Financial Accounting Standards Council.

Net revenues by business area	3 months ending		6 months ending		12 months ending	
	Sep. 30, 2001	Sep. 30, 2000	Sep. 30, 2001	Sep. 30, 2000	Sep. 30, 2001	Mar. 31, 2001
MSEK						
Production Systems	138	179	321	349	777	805
Transmission Systems	212	151	437	311	855	729
Component Systems	213	221	442	442	971	971
Parent Company and consolidation eliminations	-1	0	-2	-1	-4	-3
Addtech Group	562	551	1 198	1 101	2 599	2 502

Net revenues by business area	2001/02				2000/01	
	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
MSEK (quarterly data)						
Production Systems	138	183	227	229	179	170
Transmission Systems	212	225	232	186	151	160
Component Systems	213	229	260	269	221	221
Parent Company and consolidation eliminations	-1	-1	-1	-1	0	-1
Addtech Group	562	636	718	683	551	550

Income by business area	3 months ending		6 months ending		12 months ending	
	Sep. 30, 2001	Sep. 30, 2000	Sep. 30, 2001	Sep. 30, 2000	Sep. 30, 2001	Mar. 31, 2001
MSEK						
Production Systems	0	11	9	22	47	60
Transmission Systems	12	13	26	26	53	53
Component Systems	15	22	33	45	79	91
Parent Company and consolidation eliminations	-1	0	-1	-1	-3	-3
Operating income	26	46	67	92	176	201
- in % of net revenues	4.7	8.4	5.6	8.3	6.8	8.0
Financial income and expense	-2	-1	-3	-2	-8	-7
Income after financial items	24	45	64	90	168	194
- in % of net revenues	4.2	8.2	5.3	8.2	6.5	7.8

Income figures do not include items affecting comparability.

Income by business area	2001/02				2000/01	
	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
MSEK (quarterly data)						
Production Systems	0	9	18	20	11	11
Transmission Systems	12	14	13	14	13	13
Component Systems	15	18	22	24	22	23
Parent Company and consolidation eliminations	-1	0	-1	-1	0	-1
Operating income	26	41	52	57	46	46
- in % of net revenues	4.7	6.4	7.3	8.4	8.4	8.3
Financial income and expense	-2	-1	-4	-1	-1	-1
Income after financial items	24	40	48	56	45	45
- in % of net revenues	4.2	6.2	6.7	8.3	8.2	8.1

Income figures do not include items affecting comparability.

GROUP SUMMARY

STATEMENT OF INCOME MSEK	3 months ending		6 months ending		12 months ending	
	Sep. 30 2001	Sep. 30 2000	Sep. 30 2001	Sep. 30 2000	Sep. 30 2001	Mar. 31 2001
Net revenues	562	551	1 198	1 101	2 599	2 502
Operating expenses	-536	-505	-1 131	-1 009	-2 423	-2 301
<i>Of which depreciation</i>	-10	-9	-20	-17	-42	-39
Items affecting comparability	-3	13	-3	13	-3	13
Operating income	23	59	64	105	173	214
<i>- in % of net revenues</i>	4.1	10.7	5.3	9.5	6.7	8.6
Financial income and expense	-2	-1	-3	-2	-8	-7
Income after financial items	21	58	61	103	165	207
<i>- in % of net revenues</i>	3.7	10.5	5.1	9.3	6.4	8.3
Taxes	-6	-16	-18	-29	-47	-58
Minority interest	-1	-	-1	-	-1	-0
Net income for the period	14	42	42	74	117	149
Earnings per share, SEK	0.52	1.51	1.50	2.64	4.22	5.36
Earnings per share, not including items affecting comparability, SEK	0.60	1.18	1.58	2.31	4.29	5.02
Average number of shares outstanding ('000)	27 864	27 864	27 864	27 864	27 864	27 864
Number of shares outstanding at end of period ('000)	27 864	27 864	27 864	27 864	27 864	27 864

BALANCE SHEET, MSEK	Sep. 30, 2001	Mar. 31, 2001
Tangible fixed assets	204	211
Financial assets	9	7
Inventories	398	376
Short-term receivables	409	472
Liquid funds	164	151
Total assets	1 184	1 217
Shareholders' equity	470	415
Minority interest	6	6
Interest-bearing liabilities and provisions	198	167
Non-interest-bearing liabilities and provisions	510	629
Total shareholders' equity, provisions and liabilities	1 184	1 217

RATIOS	6 months ending		12 months ending	
	Sep. 30, 2001	Sep. 30, 2000	Sep. 30, 2001	Mar. 31, 2001
<i>Return on capital employed, %</i>			29	38
<i>Same not including items affecting comparability</i>			29	36
<i>Return on equity, %</i>			27	36
<i>Same not including items affecting comparability</i>			27	34
<i>Average number of employees during the period</i>	1 177	843	1 094	940
<i>Number of employees at end of period</i>	1 161	894	1 161	1 162
	Sep. 30, 2001		Mar. 31, 2001	
Shareholders' equity per share, SEK	16.90		14.90	
Debt equity ratio	0.4		0.4	
Equity ratio, %	40		34	

All measurements of return computed based on average equity since March 31, 2001.

The Addtech Group was capitalized March 31, 2001, so certain values depending on the capitalization have been omitted

for periods and points in time before March 31, 2001.

Change in equity

MSEK	April – September 2001
Opening balance	400
Effect of change in accounting principle	15
Opening balance adjusted for new principle	415
Translation difference for the period	13
Net income for the period	42
Closing balance	470

Effect of change in accounting principle – RR 9

MSEK	Pro forma 2000/01	Adjust- ment	Adjusted pro forma
Income after financial items	207		207
taxes	-56	-2	-58
Net income for the period	151	-2	149
Fixed assets	218		218
Current assets	999		999
Total assets	1 217		1 217
Shareholders' equity	400	15	415
Liabilities and provisions	817	-15	802
Total equity, provisions and liabilities	1 217	0	1 217

Acquisitions and disposals since April 1, 2000

Date	Acquisition (disposal)	Business area	Revenues (MSEK)*	Number of employees*
2001/02 Q 1	Companies with sales of special components	Component Systems	10	2
2000/01 Q 4	Tufvassons Transformator AB	Component Systems	60	68
2000/01 Q 4	Nordic Battery Power AB	Component Systems	25	4
2000/01 Q 4	Harring Industri A/S	Component Systems	20	13
2000/01 Q 3	FB Industri Holding AB	Transmission	230	173
2000/01 Q 2	ESD-Center AB	Production Systems	60	20
2000/01 Q 2	Vilokan Sweden AB	Production Systems	35	12
2000/01 Q 1	KMC Ytbehandling AB	Production Systems	35	13

* Annual revenues and number of employees at time of acquisition

Stockholm, November 13, 2001

Roger Bergqvist
President

This report has not been subject to review by the Company's auditors.

An interim report for the period April 1, 2001 – December 31, 2001 will be presented February 5, 2002.

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