



ADDTECH

VALUE ADDING TECH PROVIDER

ANNUAL REPORT
2001/02

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Financial information from Addtech AB will be published as follows:

Interim reports

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| April 1, 2002 – June 30, 2002 | August 20, 2002 |
| April 1, 2002 – September 30, 2002 | November 18, 2002 |
| April 1, 2002 – December 31, 2002 | February 3, 2003 |

Financial report for the year ended March 31, 2003
May 12, 2003

Annual Report for the 2002/2003 operating year
End of June 2003

All reports are available upon request from Addtech AB

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This document is in all respect a translation of the Swedish original annual report.

ADDTECH IN BRIEF

- Addtech is a technology-trading group where 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.
- The Addtech Group has about 1 100 employees divided among several subsidiaries active in some ten countries.
- Addtech is organized in three business areas:
 - Production Systems* supplies system solutions primarily for production processes in the electronics, engineering and automotive industries.
 - Transmission Systems* manufactures and markets transmission components, machine parts and hydraulic and automation systems for the manufacturing industry and its aftermarket.
 - Component Systems* develops and markets niche components and sub-systems for the manufacturing industry with a significant element of customer-specific solutions.
- Addtech's financial year is April 1 to March 31.

| | 2001/2002 | 2000/2001 | 1999/2000 |
|------------------------------------|-----------|-----------|-----------|
| Net revenues, MSEK | 2 360 | 2 502 | 2 023 |
| Operating income, MSEK | 86 | 214 | 161 |
| Income after financial items, MSEK | 81 | 207 | |
| Net income for the year, MSEK | 53 | 149 | |
| Operating margin, % | 3.6 | 8.6 | 8.0 |
| Earnings per share, SEK | 1.92 | 5.36 | |
| Equity per share, SEK | 15.70 | 14.90 | |
| Dividend per share, SEK* | 1.20* | | |
| Return on equity, % | 12 | 36 | |
| Equity/assets ratio, % | 41 | 34 | |
| Average number of employees | 1 155 | 940 | 811 |

* As proposed by the Board of Directors

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

Net revenues amounted to MSEK 2 360 (2 502). Operating income not including items affecting comparability amounted to MSEK 85 (201). A cash dividend of SEK 1.20 per share is proposed. Sales of transmission products and mechanical components showed a positive development during the year with good capacity utilization. Sales of components and sub-systems for the machinery and vehicle industry from the Group's sharply niched units were stable. The Group's telecom-related businesses, on the other hand, suffered a sharp decline. Addtech's share was listed on the O-list of the Stockholm Stock Exchange on September 3 after distribution of the Company from Bergman & Beving. The price performance of the share has been stable, essentially following index for the market. In a bid to adapt Addtech to the current market climate, a savings program was implemented during the year, which will lower overall costs by about MSEK 40. One of the effects of the program was that the number of employees declined by close to 100 persons. Addtech acquired three companies during the year with total annual revenues of about MSEK 70.

The operating year now ended, Addtech's first as an independent listed company, was exciting in many ways. The most important event, naturally, was the spin-off from Bergman & Beving and the market listing September 3 last year. The attention this has brought, and the hence ensuing daily evaluation of our efforts, has been stimulating.



“We are well positioned at the prospect of an improved economy”
2

From a business point of view the year was marked by major, rapid and dramatic changes. We started out with high expectations for growth and entered the year with great expectations. When the first signals of a downturn in the telecom sector came, the data were fraught with uncertainty and were to some extent ambiguous. As we now know, all the news about closings, restructuring and deferrals have not only shaken the industry, but have also affected the overall business climate. Naturally we have been affected as well, but the result shows that we have managed to come through the difficult economic climate in an acceptable manner. For 2001/02 revenues amounted to MSEK 2 360 (2 502) and income before taxes was MSEK 81 (207).

Risk diversification over several industries

The weakening trend and the restructuring shows the risks of being overly dependent on one or a small number of customers. None of Addtech's customers account for more than five percent of sales. We also work in narrow segments in a number of industries that find themselves at varying stages of the economic cycle. This has made it possible for us to come through the year with positive results for each quarter despite the overall weak economy. This is important, both internally and towards the financial markets.

The market situation has meant that the major thrust of our efforts has been in the area of cost-cutting and structural action. The fact that adapting to current market conditions has been comparatively smooth and rapid is a tribute to a widespread willingness to change and to the operational flexibility in the Group. These qualities, in

combination with straight and open communication, makes our employees more motivated and ready to accept measures that are necessary in the Group, but perhaps trying for the individual.

The past year was not without forward-looking initiatives, among which were three acquisitions. The job of integrating these companies, as well as the acquisitions made during the fall of 2000, is an important part of our internal work.

If we look at our three business areas, it is Addtech Production Systems, with a large element of production machinery, which has been hardest hit by the current weak corporate capital spending climate. Addtech Component Systems has a substantial part of its sales to the telecom industry, but has fared better thanks to a growing share of deliveries to the vehicle industry. With its focus on customers in mechanical industry and its aftermarket, Addtech Transmission Systems is the business area that has performed best in the current business climate.

Our goals and strategies

In Addtech, the market has gained a stable, long-term issue in a technology trading company that has always been profitable. Our profitability goal is to achieve profit growth, expressed as income after financial items, of at least 15 percent annually over a business cycle. Also, the return on equity should be at least 25 percent over a business cycle.

In order to achieve these goals we have three clear strategies: to create market-leading positions, growth by acquisition, and business and organizational development.

We will achieve market-leading positions by refining and developing existing operations. The process includes identifying and developing profitable business

ideas in specific niches. In today's situation it is important to develop further existing business relations. To achieve this, physical presence with customers as well as suppliers is important. We must get there and participate!

Corporate acquisitions are a natural element of our growth strategy. By making continual evaluations we are seeking new targets, both as a complement to existing operations and as new initiatives in closely related areas. The expansion will take place within the framework of our established business logic and with a clear profitability objective.

Business and organizational development means that the Company is distinguished by high adaptability and willingness to change in the interest of satisfying customer needs and by using the Company's resources in an optimal way.

Strong corporate culture

An important part of Addtech's structural capital is our strong corporate culture, which is distinguished by entrepreneurial spirit. Within the Group there must be room and clear incentives for "intrapreneurs" who independently are able to realize their own business ideas and projects for the purpose of complementing, refining and developing products and services. This creates a dynamic setting and makes Addtech an attractive employer with good development potential for the individual employee.

The Business School constitutes an important part of the Group's development. Our basic requirements for growth, profitability and development are fostered here. This is also where our corporate philosophy and culture that are our concept for success is disseminated. Access to

skilled and committed associates is essential to Addtech. We have succeeded well in that regard and we will continue to nurture this development to the benefit of the Group as well as the individual.

Well prepared for the future

In closing, I wish to emphasize that our long-term goals and our firmly established strategy remains on course despite a currently weak business climate.

This means that we must:

- utilize our willingness to change and our adaptability so that a majority of our resources are used where the best business opportunities exist;
- hibernate in the best way possible with those parts of the operations judged to harbor the best opportunities when the market situation improves; and
- quickly and efficiently close those businesses that due to structural and other changes are judged to lack the right prerequisites for the future.

Our long-term mindset is important and crucial to the development. Given the well-conceived structural action taken, our organization is well adapted to the current market situation. We are, in other words, well positioned to meet an improved economy.

SOLNA, JUNE 2002



ROGER BERGQVIST
PRESIDENT

THE ADDTECH SHARE

Addtech's class B share is listed on the O-list of the Stockholm Stock Exchange since September 3, 2001. The share was listed in conjunction with the distribution of Addtech to the shareholders of Bergman & Beving.

Market performance of the share

By the last day of the financial year, March 31, 2002, the share had advanced by 4.9 percent. During the same period the SAX All-Share index grew by 4.8 percent.

The latest quoted price for the Addtech share on the first day of trading, September 3, 2001, was SEK 41 and by the last trading day before the end of the financial year, March 28, 2002, a bid price of SEK 43 was quoted. The highest share price quoted during this period, SEK 48, occurred December 28, 2001 and the lowest price, SEK 27.50, was quoted September 21, 2001.

Trading in the share*

During the period from September 3, 2001 until March 31, 2002 just short of 4.4 million shares valued at just over MSEK 120 were traded. Relative to the total number of shares outstanding, this is equivalent to a turnover rate of 29 percent on an annual basis. The turnover rate on the O-list as a whole during the 2001 calendar year was 107 percent. Broken down by trading day, a total of just over 30 000 Addtech shares per day were traded at an average value of just over SEK 830 000.

Repurchase of own shares

Based on an authorization by an extra general meeting of shareholders held December 17, 2001 to acquire up to 10 percent of all class B shares outstanding, the Company made a purchase December 20, 2001 of 1 331 400 own shares, equivalent to just short of 5 percent of the total number of class B shares outstanding. The transaction took place in conjunction with the closing of a share swap agreement the Company had previously entered into with Svenska Handelsbanken.

Incentive program

In December 2001 56 members of senior management were awarded a total of 700 000 personnel options. To make this possible, an extra general meeting of shareholders held December 17, 2001 resolved a transfer of up to 700 000 class B shares in the Company in connection with the possible redemption of these options.

The redemption price has been set at SEK 44.80, which is equivalent to 110 percent of the average market price of the Addtech share during the period December 3 through December 7, 2001. These shares have been repurchased at an average price of SEK 34.84. If all outstanding personnel options are exercised in full, the number of shares outstanding increases by 2.6 percent.

Share capital

The share capital of Addtech amounts to SEK 55 728 464 divided into 1 113 478 class A shares and 26 750 754 class B shares. The nominal amount of each share is SEK 2 for both classes. Each class A share entitles its holder to ten votes and each class B share entitles its holder to one vote. All shares entitle its holder to the same right to dividends. Only the class B share is listed on the Stockholm Stock Exchange.

Dividend policy

The Group's dividend policy states that 30–50 percent of the Group's average income after taxes over an economic cycle will be distributed to the shareholders. The Group's long-term financing needs and growth plans should always be taken into account, however. Against the background of this policy, the Board of Directors is proposing a dividend for 2001/02 of SEK 1.20 per share.

Ownership structure

At the prospect of stock exchange listing, Addtech was distributed to the shareholders of Bergman & Beving in proportion to the ownership stake in Bergman & Beving at the time. The ownership in Addtech therefore largely reflects the ownership in Bergman & Beving at the time of distribution of the shares.

* In the interest of comparability, the turnover data have been adjusted for the repurchase of 1 331 400 own shares made in conjunction with the closing of a share swap contract.

Evolution of share capital

| Event | Class A | | | | | Class B | | | | |
|---|---------------|------------------|-----------------------------|-----------------|---------------------|---------------|------------------|-----------------------------|-----------------|---------------------|
| | Change number | Number of shares | Proportion of share capital | Number of votes | Proportion of votes | Change number | Number of shares | Proportion of share capital | Number of votes | Proportion of votes |
| At time of listing | | 1 840 286 | 7% | 18 402 860 | 41% | | 26 023 946 | 93% | 26 023 946 | 59% |
| 2001/02 Conversion from class A to class B shares | -726 808 | 1 113 478 | 4% | 11 134 780 | 29% | +726 808 | 26 750 754 | 96% | 26 750 754 | 71% |

Major owners in Addtech

| Shareholder | Number of shares | | Percentage of | | Size classes Number of shares | % of share capital | Number of owners | Percentage of owners |
|--|------------------|-------------------|---------------|--------------|---|--------------------|------------------|----------------------|
| | class A shares | class B shares | Capital | Votes | | | | |
| Robur | | 4 749 817 | 17.0% | 12.5% | 1-500 | 1 | 2 457 | 67 |
| Pär Stenberg | 279 152 | 999 822 | 4.6% | 10.0% | 501-1 000 | 2 | 553 | 15 |
| Anders Börjesson (family) | 293 000 | 20 500 | 1.1% | 7.8% | 1 001-10 000 | 6 | 553 | 15 |
| Tom Hedelius | 278 000 | 5 400 | 1.0% | 7.4% | 10 001-50 000 | 5 | 73 | 2 |
| Handelsbankens Pensionsstiftelse | | 1 500 000 | 5.4% | 4.0% | 50 001-100 000 | 4 | 14 | 0 |
| Alecta | | 1 407 440 | 5.1% | 3.7% | 100 001- | 82 | 43 | 1 |
| SEB Fonder | | 1 348 000 | 4.8% | 3.6% | | 100 | 3 693 | 100 |
| Addtech (repurchase of own shares) | | 1 331 400 | 4.8% | 3.5% | Owners by category | | | |
| Carl T Sävä | 30 000 | 973 982 | 3.6% | 3.4% | Foreign owners | | | |
| Jan Wallanders och Tom Hedelius Stiftelse för Samhällsvetenskaplig Forskning | 114 152 | | 0.4% | 3.0% | Swedish owners | | | |
| Fjärde AP-Fonden | | 1 075 775 | 3.9% | 2.8% | of whom | | | |
| Skandia | | 997 100 | 3.6% | 2.6% | Institutions and mutual funds | | | |
| Andra AP-fonden | | 900 014 | 3.2% | 2.4% | Private investors incl. closely held entities | | | |
| AMF Pension | | 800 000 | 2.9% | 2.1% | | | | |
| AMF Pension Fonder | | 797 300 | 2.9% | 2.1% | | | | |
| Handelsbanken | | 630 000 | 2.3% | 1.7% | | | | |
| Tredje AP-fonden | | 600 000 | 2.2% | 1.6% | | | | |
| Total, 17 largest shareholders | 994 304 | 18 136 550 | 68.7% | 74.1% | | | | |

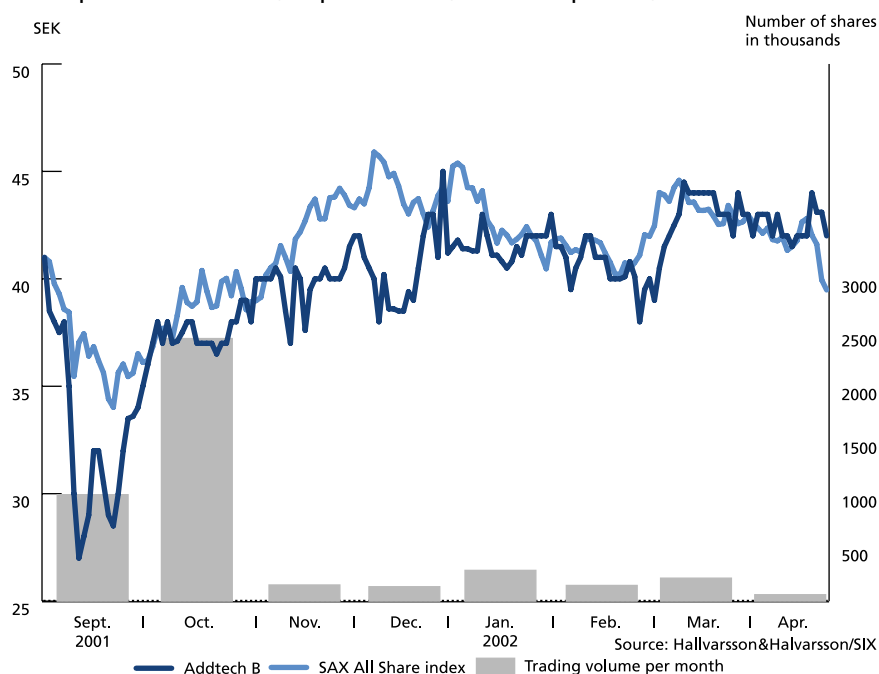
| Financial indicators | 2001/2002 |
|--|------------|
| Earnings per share, SEK | 1.92 |
| P/E ratio | 22 |
| Dividend per share, SEK | 1.20* |
| Dividend yield, % | 2.8* |
| Last paid quotation, SEK | 43 |
| Average number of shares outstanding | 27 495 817 |
| Number of shares outstanding at year-end | 26 532 832 |
| Number of shareholders at year-end | 3 693 |

* Board of Directors' proposal

Analysts who follow Addtech

Handelsbanken Investment Banking
Andreas TheorénAlfred Berg
Gustaf LindskogCarnegie Fondkommission
Gustaf von Essen

Share price Addtech B, September 3, 2001 – April 23, 2002



GROUP PRESENTATION

Value-Added-Creating Technology Trade

Addtech is a technology-trading group where business acumen is combined with cutting-edge competence. Based on high-technology industrial components and systems, Addtech together with customers and suppliers creates solutions that lead to better products as well as optimized production processes. Solutions offered are in many cases customer-specific. Addtech's subsidiaries, each of which focuses on a limited number of niches, are in many cases leaders within their respective area of operation.

Business concept

“Value Adding Tech Provider”

– Addtech offers high-technology industrial components and systems to industrial companies. Through competence and know-how in well-defined niches, Addtech creates customer-specific solutions.

Who, what and how

To whom? The Group's customers are found primarily in Nordic manufacturing industry and its aftermarket and include multi-national manufacturers as well as their suppliers. The most important customer segments are the mechanical, telecom, automotive and electronic industries. Addtech has or has had business relationships with most Nordic companies in these segments. Aside from in the Nordic region, where most of the sales are concentrated, Addtech also does business in the United Kingdom, Austria, Germany, Poland and the Baltic States.

Examples of industrial customers are ABB, MAN B&W, Siemens Elema, Sandvik, Saab, Ericsson, Nokia, Atlet, Volvo, Scania, Tetra Pak and BT Industries. Among sub-suppliers to manufacturing industry who are Addtech customers are found Flextronics, Autoliv, Konstruktionsbakelit, Allgon and others.

Addtech is not dependent on any one individual customer. During 2001/02 the ten largest customers accounted for less than 15 percent of sales.

What? Addtech combines trade and technology with business acumen and cutting-

edge competence. This means that the Group, within the framework of the products, combines different solutions throughout the entire chain – from development and technology to logistics and organization.

Addtech takes a holistic view, which means that its subsidiaries look to the customers' entire product cycle, from development to end user. This leads to customer-adapted solutions based on industrial components and systems. This approach creates real value-added for the customer.

Addtech's subsidiaries become a refining and value-added-creating link between manufacturer and customer.

How? Addtech's business is largely based on personal sales and is marked by long-standing and close relationships with suppliers as well as customers. Through deep customer relationships, Addtech's subsidiaries are often offered opportunities of participating in the development of products and applications. Together with a keen sense for customer requirements and desires, different products are then combined into optimal solutions.

Since the Group in many cases participates in the product and application development effort, very long-term business relationships are created.

Collaboration with suppliers is also of a long-term nature. Addtech's subsidiaries have more than 20-year relationships with several important suppliers. This has resulted in cooperation that in many cases can be described as partnerships.

Addtech cooperates with suppliers in Europe, Asia and North America. No supplier represents more than five percent of the Group's purchases. Examples of suppliers are Hitachi, Mulco, Saia-Burgess and Teradyne.

Business concept

Addtech's basic business concept is based on value-creating technology trade, which means the creation of value by being a link between manufacturer and customer. This is achieved when sellers and project managers in Addtech's subsidiaries take the entire product cycle into account based on in-depth knowledge of the customer's business.

Four cornerstones

The business concept is based on the following cornerstones:

- Value-added as Addtech's companies identify the need and offers optimal solutions that lead to technical and economic value added.

- For Addtech, cutting-edge competence means that the business is concentrated to a limited number of niches, which makes it possible to maintain cutting-edge competence in these areas.
- Partnership means that Addtech's units function as a unifying and refining link with customers as well as suppliers through very close cooperation.
- Business acumen means that Addtech's staff is encouraged to take personal responsibility for its unit's business relationships. This feature is strengthened by high technical competence and a keen sense of profitability on the part of all sales representatives.

Goals

Addtech's long-term profitability goal is to achieve earnings growth, expressed as income after financial items, of at least 15 percent per year over a business cycle. The return on equity should be at least 25 percent on a long-term basis.

These goals are supported by firmly established profitability thinking in the organization and a keen business sense. This creates good opportunities for profitability in all elements of every business transaction. Addtech's calculations include not only the cost of delivering the end product, but also the cost of the total business process.

Development strategy

To achieve these goals, Addtech has adopted three strategies:

- To achieve market-leading positions
- Growth through acquisitions
- Business and organizational development

Market-leading positions

Addtech's strategy is to achieve leading positions in priority niches and to expand the business gradually to adjacent segments through business and organizational deve-

lopment. The market is therefore never static, but changes constantly as the business evolves. Even though 2001/02 was a recession year with limited growth, the long-term assessment is that the market as such does not constitute a limiting factor for Addtech's future growth. The process of developing market-leading positions includes identifying and developing profitable business opportunities in those niches, which Addtech has prioritized as being strategic. These will be refined and complemented by future acquisitions. This expansion strategy is founded on a focus on customer-adapted solutions and on satisfying the market's increasing demand for service, support and systems know-how.

Growth by acquisition

Addtech has a clear growth profile, which means that opportunities for expansion, geographically as well as organically and through acquisitions, are continually evaluated. One requirement, however, is that expansion takes place with a clear profitability focus, and primarily in areas that belong to the Group's core business.

The Group has made about 25 acquisitions since 1996. Addtech currently finds itself in a consolidation phase, which has meant that acquisitions have been occurring at a slower rate. Smaller acquisitions are made to strengthen the market position. Major acquisitions of a structural character may take place to establish the Group within complementary niches.

Business and organizational development

The Addtech Group is distinguished by high adaptability and willingness to change, in part to satisfy customer needs, in part to concentrate the Group's resources in an optimal way.

Addtech's corporate culture is distin-

guished by entrepreneurial spirit, which means that there is room and incentive in the Group for employees to run projects independently to complement and develop the Group's offering of products and services.

Organization

Addtech's business is conducted in some 50 focused subsidiaries assembled in nine divisions with a well-defined business concept. The divisions are grouped in three business areas:

- Production Systems
- Transmission Systems
- Component Systems

Focus on profitability

The subsidiaries operate independently, but control their business with the aid of clear, Group-wide goals in the form of economic key indicators.

Profit centers as well as individual pro-

jects are evaluated based on their capacity to contribute to achieving the Group's goals. Internal benchmarking among subsidiaries also provides important tools for development of businesses.

Market

Addtech operates in the market for high-tech industrial components and systems with emphasis on Nordic manufacturing industry. The market is made up of a number of different segments, among them the telecom, automotive and electronics industries, where Addtech delivers to certain specific niches. It is therefore difficult to define and quantify the size of the relevant market.

One way of measuring growth potential in Addtech's markets is to look at sales growth in the Group's most important customer segments. In the Swedish market, which accounts for about 50 percent of Addtech's revenues, the variation in growth

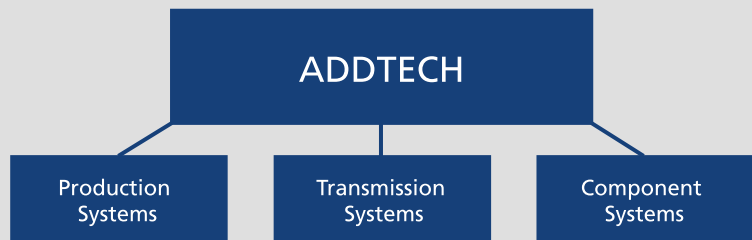
among different segments is large. During the past year, i.e. between April 2001 and March 2002, the telecom industry in particular had a weak development, while other industries showed a stable situation.

In Finland, which with 22 percent of sales is Addtech's second largest market, the growth rate has been higher than in Sweden in recent years. The primary motor behind this development has been the telecom industry, which weakened during the past year, however.

Addtech's market is marked by ever growing integration between customer and supplier, which agrees with Addtech's strategy and approach, according to which we often speak more of partners than of customers and suppliers.

Pricing pressures in the markets for products of a capital investment character and standard components are on the rise, at the same time as the trend towards out-

The organization allows a great degree of freedom and flexibility in the operative units, at the same time as synergies and cooperation advantages are achieved as the companies are tied together in the divisions. Since decision and reporting routes are short, the subsidiaries are able to adapt quickly to the requirements of the market and the customers.



sourcing puts a sharper focus on production costs. This makes for increased requirements for the type of knowledge and service content that constitutes the basis for Addtech's business concept.

Competitive situation

The players in Addtech's market can be divided into three categories:

- volume distributors
- producers with their own sales
- small and medium-sized agency businesses.

The Group traces its origin to a number of agency firms, but there is also in-house production. This means that Addtech competes with players in all of these categories.

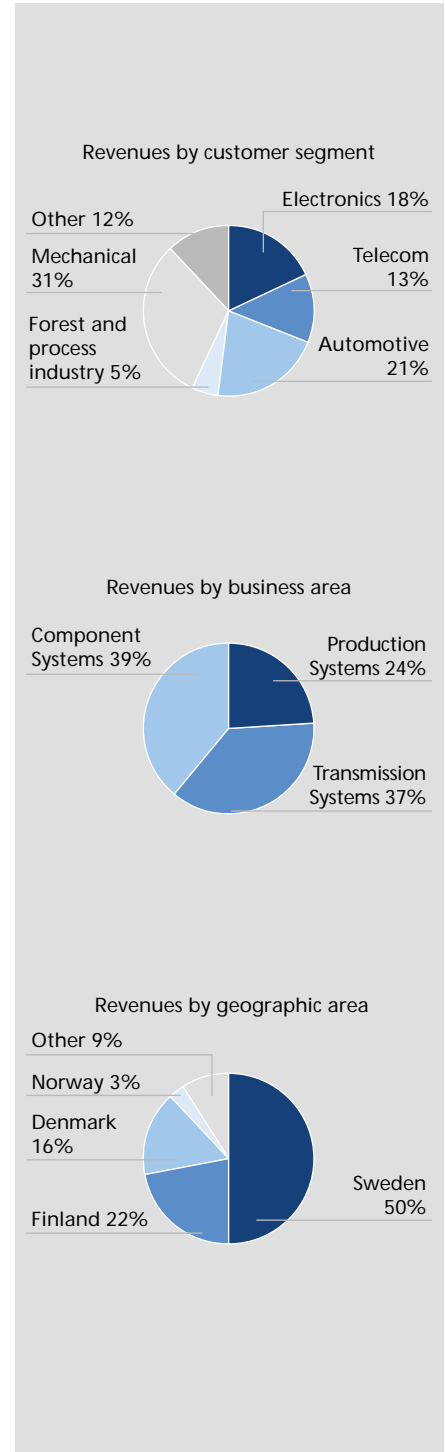
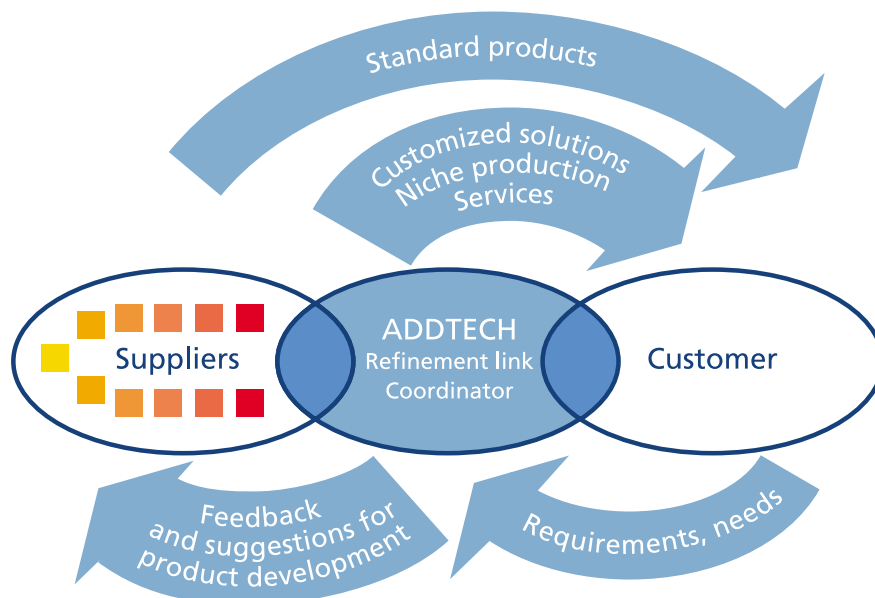
Addtech's focus is to operate in well-defined niches. The fact that development is in the direction of a greater need for service and support means that the competition from volume distributors and producers is limited. The competitors closest in comparison

to Addtech are OEM International, Beijer Electronics and ElektronikGruppen.

There are a number of major players that work with broad product lines in the Nordic markets. Overall, their products are more standardized than Addtech's. For these companies, product line breadth, volume products and low price are important competitive factors. Among volume producers are found Arrow, Avnet and Würth.

Manufacturers with their own sales are often global companies with local subsidiaries. These companies often choose only their own products, which leads to a rather narrow product line. Examples of such producers are Agilent, AMP and Bosch.

There is a large number of smaller and medium-sized agency firms in the market. Their primary strength is their closeness to their customers. Examples of such companies are Östergrens, SKS and Gycom.





Betech Seals A/S, which is a part of Addtech Transmission Systems, has developed and sells vibration absorbers used in wind power stations.

Caldaro AB, which is a part of Addtech Component Systems, designs and



develops products such as joysticks used as controls in equipment like forest machinery.



K.M.C. Ytbehandling AB, which is a part of Addtech Production Systems, delivers systems such as surface treatment facilities custom designed to meet customer requirements. The picture shows burr removal with glass beads as the blasting medium.



PRODUCTION SYSTEMS

Business area Production Systems provides system solutions and materials used in customer production processes. An important part of the business is systems for testing and quality assurance. The most important industries for Production Systems are the electronics, engineering and automotive industries. The business area, which at the end of the financial year had about 210 employees, had revenues of MSEK 570, which is equivalent to 24 percent of Addtech's total revenues.

Operations

Production Systems offers products and services in all phases of production – from research and development to final testing. This is done in close collaboration with customers and suppliers. Operations are focused on manufacturing companies in the electronics, engineering and automotive industries. Since Production Systems combines solid know-how and an understanding of the whole, the business area has an offer that can contribute to optimizing customer's production processes.

By offering advice, Production Systems can impact decisions in several steps of the production process. Aside from machinery, services and materials are added. The Business Area's operations are distinguished by a high content of knowledge. Complex partial solutions that are central to the customer's entire production chain place high

demands on the competence in terms of installation, integration and maintenance offered by the business area.

In connection with the sale of systems, service and support agreements are often concluded with respect to material for the production. This creates a long-term customer relationship and a continuing flow of revenue.

Testing and monitoring are increasingly an integrated part of production, which reduces the risk of errors in final testing of the products. This is in line with Production Systems' holistic thinking and offer.

Adaptation to a lower volume of business continued during the last quarter of the financial year as a result of the sharp downturn in the telecom sector. A balance has had to be struck between on the one hand a short-term need to cut back to remedy an unsatisfactory earnings situation and a

longer-term need to keep talent for a rebound in the basically interesting telecom market. The action program includes a reduction in the number of employees by about 30 percent.

Market

The mainstay of Production Systems' market is Nordic manufacturing industry. Examples of customers are Ericsson, Flextronics, Nokia, Scania, SSAB and Volvo.

The part of the business area's sales that is of a capital investment character is closely related to the overall industrial economic development, which impacts customer need for capacity. Rapid technology shifts, opportunities for streamlining and new more stringent environmental requirements are important determinants for capital investments.

A trend that has become more pronounced in recent years is that more and

PRODUCTION SYSTEMS – SELECTION OF PRODUCTS AND SERVICES

| PRODUCTS | DESCRIPTION |
|--|--|
| Machinery | |
| Production equipment | For example, components and circuit board assembly for the electronics industry for the manufacture of complete electronic boards in telecom equipment. Cleaning, tumbling and air-blasting plants for the engineering industry. |
| Environmental technology systems | Industrial plants and ultra-filters for cleaning and recycling of oil and metal-containing processes/liquids. Centrifuges for separation of particles, during tumbling for example. Plants for the recycling of industrial detergents. |
| Testing systems | |
| Function testing | Control and fault-searching of mounted circuit boards and their electronic functionality. |
| Optical testing systems | For the control of component location, connections and soldering quality of circuit boards. |
| Fixtures | Customer-specific fixtures for various types of testing systems for checking circuit boards. |
| Balancing and coordinating machinery | Mounting and measurement of chassis components. |
| Materials | |
| Electrostatic protection | Various types of protection for the electronics manufacturing industry, including ESD packagings and ESD-secure workplace equipment. |
| Consumables | Various types of production materials and cleaning chemicals after mechanical processing and for electronic production. |
| SERVICES | |
| System solutions, system optimization, process development, adjustment, training, consulting services and service and maintenance. | |

more companies choose to focus on core competence. This means that customers are increasingly asking for complete and ready solutions for testing and quality assurance. Since the companies in Production Systems sell testing equipment, production systems and services in conjunction therewith, the business area is often an interesting partner.

Examples of competitors in the Nordic Region are ElektronikGruppen, Agilent, OEM International and Beijer Electronics.

The market is distinguished by pricing pressures on machinery and systems of a capital investment character. To compensate for this, Production Systems has increased the proportion of service sales, supplementary service and materials.

A rapid slowdown of machinery investments in most industries during 2001/02, and major structural changes in the telecom industry in Sweden and Finland, created

excess supply of machinery and systems, with pricing pressures as a result.

Outlook

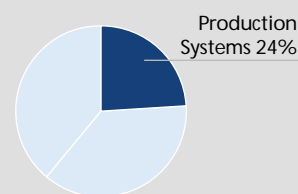
In a bid to improve the business area's margins and to reduce its dependence on the state of the economy, Production Systems is striving to increase the service content in its offer. In parallel herewith activities are under way to coordinate the business area's operations on a Pan-Nordic basis. The intention is to increase cost-efficiency and to take advantage of synergies between the companies.

An ever-growing number of Nordic export companies are moving their production to low-cost countries. However, their research and product development remain in the Nordic Region in most cases, which means that procurement of Production Systems' systems solutions and services is often handled here.

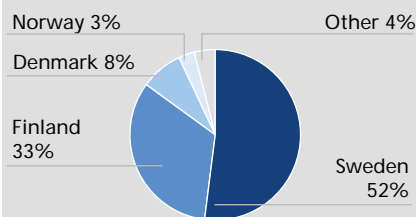
PRODUCTION SYSTEMS

| | 2001/2002 | 2000/2001 | 1999/2000 |
|-----------------------------|-----------|-----------|-----------|
| Net revenues, MSEK | 570 | 805 | 619 |
| Operating income, MSEK | -16 | 60 | 44 |
| Operating margin, % | -2.8 | 7.5 | 7.2 |
| Capital expenditures, MSEK | 4 | 8 | 8 |
| Average number of employees | 258 | 250 | 199 |

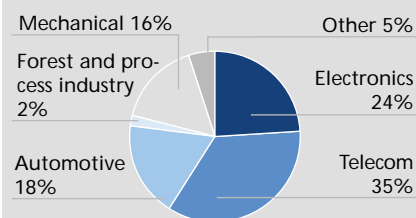
Proportion of Addtech's net revenues

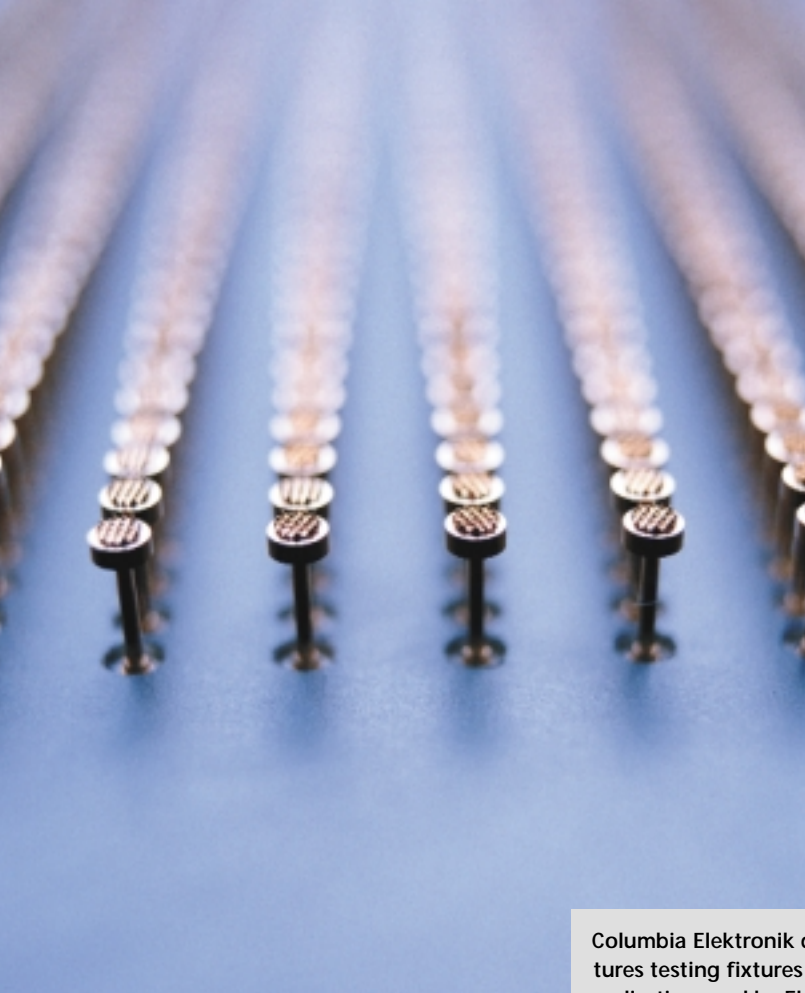


Revenues/Market



Revenues/Customer segments





Columbia Elektronik develops and manufactures testing fixtures for circuit boards. One application used by Electrolux is testing of circuit boards for its new self-propelled vacuum cleaner with the aid of fixtures from Columbia.



COLUMBIA – An example of a company

“We are often involved already when a circuit card is designed.”

– The ability to test circuit boards in a secure and effective manner is a vital part of an electronics company’s entire production chain. The testing can otherwise become a bottleneck in the system. So says Henning Essén, President of Columbia Elektronik AB, which is a part of Addtech’s business area Production Systems. Columbia manufactures fixtures – testing rigs – for functional testing of circuit boards, control boards and electronic systems. The end product, in other words the product of which the tested boards are a part, can be everything from Electrolux’s new self-propelled vacuum cleaner to Ericsson’s and Nokia’s mobile telephones.

Specially designed products

Columbia’s fixtures consist of an aluminum frame filled with advanced technology content. The “visible” part is a myriad of springing pins that activate functions. There are no standard products – all fixtures are unique and have been developed for a specific circuit board, even though the starting point is a number of modules.

The company, located in Krokek in Kolmården, was started by Henning Essén and his brother Stefan in 1975. It was acquired in 1986 by the group that is today Addtech. Columbia has a staff of 26 and has revenues of about MSEK 35. Since operations consist of advanced counseling

as well as manufacturing and commerce, it is a good example of an Addtech company. Columbia gives its customers added value by providing knowledge that affects the entire production chain.

Columbia is the only company in Sweden entirely specialized in fixtures. The primary competitors are customers that make their own fixtures, which is more common among small and medium-sized companies than among large companies.

The largest export market is Finland, where Nokia is an important customer. But the fixtures are sold all over Europe, to the American continents and South East Asia. A large portion of the exports is tied to Ericsson and Nokia.

Customers remain since inception

– We are working with the same basic design as when we started 27 years ago, says Henning Essén. Obviously the technology used by us and our customers has been changed many times over, but the fixtures look much the same.

Several of the customers have also remained with the company since inception. Columbia has even had the same contact person for more than 25 years with some companies.

– For us it is important to become involved in a project as early as possible. It is not unusual for companies to order fixtures

just before the products into which the circuit board is going to be installed is put into production. Even if the making of a new fixture only takes 5–10 days, the total development period can be up to six weeks. The ideal situation is when a customer ask us to become involved in the design of the card so that the testing can be as effective as possible.

Proximity to the customer important

– To build fixtures requires proximity to the customer, says Henning Essén. Work is often performed at a rapid pace with many informal conversations. It is then a great advantage to be able to visit the customer. Even if many electronics companies have outsourced much of their manufacturing to other countries, the development work remains in Sweden, which is to our advantage.

Columbia is relatively insensitive to overall economic trends. Customer development work is a more important determinant for the flow of new orders.

– We cooperate with several companies in Addtech. In larger projects, for example, we have regular collaboration with Tecono, a seller of parts of manufacturing lines for electronic production. Another company in the Group that we work with is KonTest, a seller of different types of testing systems and developer of programs for customer testing objects.

TRANSMISSION SYSTEMS

The companies in Transmission Systems develop and market transmission components, machine parts and hydraulic and automation systems for manufacturing industry and its aftermarket. The business area, with about 530 employees, had revenues during the financial year of MSEK 869, which is equivalent to 37 percent of Addtech's total revenues. Transmission Systems, that among other things produces chains, gaskets and machine parts, is the part of the Addtech Group with the largest proportion of in-house manufacturing.

Operations

Transmission Systems markets transmission components, machine parts and automation systems for manufacturing industry and its aftermarket. The main products manufactured in-house are chains, gaskets and machine parts. The products are largely supplied directly from leading producers in the world market.

The business area's products manufactured in-house have a high degree of added value and are in most cases typical niche products. Transmission Systems has a holistic approach to customer operations, which means that the subsidiaries are often involved in the entire production cycle –

from development to maintaining service and the aftermarket for complements and spare parts.

Since the companies are involved in the development work, the opportunities are good for satisfying customer needs and giving manufacturers the right conditions. This leads to added value since the solutions are optimal, technically as well as economically.

Operations during 2001/02 were affected by the general economic downturn. The dispersion over several market segments in which the business area is active created a semblance of balance during the year. Units with a large proportion of their sales to the aftermarket have enjoyed stable order book-

ings despite a weaker general economy and have performed well.

Market

Transmission Systems' customers are found in several different industries. Even if these follow the general industrial economy, there is a certain degree of stabilization gained since customers find themselves in different phases of the economic cycle.

Important industries are machine and equipment manufacturers, the engineering, automotive, wood products and paper pulp industries, and companies that are active in medical technology and ergonomics. Examples of customers are BT Industries,

TRANSMISSION SYSTEMS – SELECTION OF PRODUCTS AND SERVICES

| PRODUCTS | DESCRIPTION |
|--|---|
| Mechanical transmission | |
| Belt transmission | Precision power transmission for printer applications, for example. |
| Chain transmission | Power transmission for lift applications on trucks, for example. |
| Electromechanical transmission | |
| Motor/gear transmission | Tool gear operation for magazines in tool machines. |
| Linear actuators | Damper control in, for example, ventilation or silo applications. |
| Linear axles | For handling applications. |
| Machine parts | |
| Gaskets | For diesel engines. |
| Seals | In hydraulic applications. |
| Linear and roller bearings | Linear bearings for fast and precise linear movements in assembly applications. |
| Hydraulics | |
| Hydraulic components | Special cylinders for rototilts. |
| Hydraulic systems | Systems for lifting trucks. |
| SERVICES | |
| Design, system construction, assembly, trials and testing. | |

MAN B&W, Siemens Elema, Tamrock and Tetra Pak.

Competitors in the Nordic region are a large number of smaller and medium-sized companies in the sub-segments of the business area. Major competitors include SKS, BR. Klee, JensS and parts of OEM International.

Among Transmission Systems' competitive advantages are that the proportion of refined and customized products is greater than at many competitors and that the subsidiaries work with a number of strong, leading brand names.

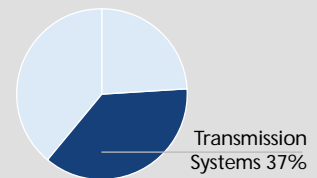
Outlook

Transmission Systems' subsidiaries are not only suppliers of machine parts and components, but just as much a problem solver. The sales force is in its entirety made up of personnel with a technical background. Since each company works in specific product areas, each sales representative can build up in-depth knowledge about the company's product line. This profile is well suited to growing customer demand for value added beyond the product itself. The increased proportion of value-added services opens new markets at the same time as the pressure on margins on simpler products and services is counteracted.

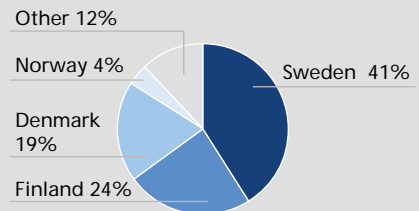
TRANSMISSION SYSTEMS

| | 2001/2002 | 2000/2001 | 1999/2000 |
|-----------------------------|-----------|-----------|-----------|
| Net revenues, MSEK | 869 | 729 | 584 |
| Operating income, MSEK | 40 | 53 | 51 |
| Operating margin, % | 4.5 | 7.3 | 8.8 |
| Capital expenditures, MSEK | 8 | 26 | 12 |
| Average number of employees | 529 | 406 | 331 |

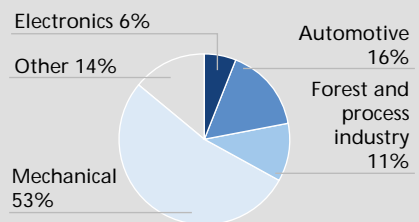
Proportion of Addtech's net revenues



Revenues/Market



Revenues/Customer segments



TUBE CONTROL – An example of a company

“We see ourselves as a link between customer and supplier when it comes to hydraulic solutions.”

– Tube Control stands for design in cooperation with customer as well as supplier, certain manufacturing and assembly of hydraulic systems. Our strength is that we deliver turn-key systems. This is how Peter Johansson, President of Tube Control AB, summarizes the company’s business. Tube Control is a part of Addtech’s business area Transmission Systems.

Tube Control is divided into two main operations – block solutions for hydraulics and cylinders. The products are used on, among other, forest machines and trucks, and also in industrial installations such as lifting tables.

The mobile market, i.e. end products that stand on wheels, account for 70 percent of operations, while industrial applications account for 30 percent.

Materials handling important

The most important segment for Tube Control is materials handling, with world-leading companies such as BT Industries and Kalmar Industries as significant customers. Overall, Tube Control’s market can be defined as advanced Nordic manufacturing companies with a world-leading position in their respective niches. Through marketing

companies, Tube Control is represented in Denmark, Finland and Norway.

Tube Control has about 50 employees and has revenues of about MSEK 100, which makes the company a significant player in the market.

Problem solver

Tube Control sees itself more as a problem solver than as a supplier of components.

This is reflected in the way the company markets itself.

– We prefer to present ourselves based on how we work and how we attack problems rather than on the product itself. In most cases this leads to a situation where we are asked to provide a quote for a function containing a variety of hardware. Our preferred position is that of being perceived more as a company with cutting-edge competence than as a distributor, says Peter Johansson.

This approach also guides Tube Control’s participation at trade shows and exhibitions. Rather than displaying components, the company shows off finished products in which the components are included.

Handling the aftermarket in an efficient manner is something that Tube Control sees

as extremely important.

– We are, for example, extremely careful to adapt ourselves to the needs of the customer in terms of aftermarket deliveries, which among other things means that we help the customer handle our products in a rational fashion. That makes their total cost as low as possible.

Great market potential

Hydraulics is a major and a vital part of many products. Even though Tube Control is focused on certain market segments, there is a very large development potential. One example can be a front loader that in terms of value consists of more than 40 percent hydraulics. With the complexity of the need for this application, Tube Control’s resources are utilized to the greatest extent possible.

– One of our competitive tools in the market is that we have built powerful and high-class IT support. Much of our design work is performed digitally as we work with multi-dimensional models of, for instance, a hydraulic pack. The digital models passed electronically among us, suppliers and customers are so exact that they fit into the whole after minimal adjustments.



Tube Control designs and delivers hydraulic packs used in many types of trucks. Advanced IT support is used in the design process.



COMPONENT SYSTEMS

A common trait for the companies that are part of Component Systems is that they develop and sell advanced components and sub-systems for the manufacturing industry, with a large element of customer-specific solutions. The business area has 360 employees and had revenues of MSEK 923 during the financial year, equivalent to 39 percent of Addtech's revenues.

Operations

Components sold by the companies in Component Systems are largely customer-adapted and often developed in partnership with the supplier and the customer. To meet the market's demands for prompt, flexible and cost-efficient solutions, these companies have built local and global networks of suppliers and collaboration partners. These networks include competence in project management, design, prototype development, assembly and quality assurance.

The companies often participate in development work at customer design and

development departments. High demands for cutting-edge competence, flexibility and ability to cooperate have to be met.

Operations are focused on high-tech products with good profitability. The companies in the business area adapt and assemble sub-systems based on standard components purchased from suppliers with leading market positions and strong brand names. In addition hereto, the business area offers complementary standard components.

The market situation during the year was affected by the downturn in the telecom sector, and to a certain degree by the overall

economic weakness with resultant lower demand for components. Deliveries to customers within the machinery and special vehicles segment were stable.

Market

The principal customer group is Nordic manufacturing industry and its aftermarket. The focus is on mechanical industry, the telecom industry and the automotive industry. Market demand in the areas of Component Systems largely follows that of the general industrial economy.

The products and solutions offered by

COMPONENT SYSTEMS – SELECTION OF PRODUCTS AND SERVICES

| PRODUCTS | DESCRIPTION |
|--|---|
| Electronics | |
| Industrial control systems | Industrial computers for monitoring telephone networks, for example. Touch panels/displays for ticket and cash dispensers, etc. |
| Electronic components | Crystals, HF and opto-components used in satellite and marine communications equipment. |
| Electro-mechanics | |
| Compact motors | DC motors for the positioning of fiber in fiber welding. Step motors for controlling ventilation in cars. Synchronous motors for heating and ventilation in buildings. Brushless servomotors for controlling laser instruments. |
| Connection technology | Contactors and cables for use in environments imposing high demands such as wind-power plants and drilling rigs. |
| Switches | Micro-switches and push-buttons on control panels in lift functions and white-goods, status indication in doors and hatches, for example. |
| Controls | Joysticks for controlling construction equipment and industrial applications. |
| Measuring and testing | Camera solutions for monitoring fiber joining. Measuring instruments for electric power applications. |
| Specialty materials | Metals for high temperatures, such as in cooling components for electronic applications. Permanent magnets for engine ignition systems. |
| Power supply | |
| Batteries | Special batteries for applications in electric trucks, vehicles for the disabled and work platforms. |
| Transformers | Transformer for electronic energy measurements and other applications. |
| Contactors | Contactors for base stations, for example. |
| SERVICES | |
| Project management, design, prototype construction, assembly, and quality assurance. | |

the companies in the business area are primarily included as components of customers' own production. Example of customers are Allgon, Atlet, BT Industries, Ericsson, GN Nettet, Timberjack, Volvo and Saab.

In the Nordic market the companies in Component Systems compete with parts of OEM International, Beijer Electronics and ElektronikGruppen. The business area has been able to counteract some of the pricing pressures that afflict standard components by emphasizing development of complex sub-systems in partnership with its customers.

Outlook

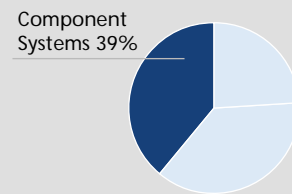
Ever-sharper customer focus on core operations leads to outsourcing, a smaller number of suppliers and demands for deeper relationships and partnerships. This is a trend that agrees with the business concept of Component Systems – to offer the market complete sub-systems.

Customers see a need to profile their products by giving them their own identity. In order for this to be successful, a substantial portion of the components are unique and customized. This speaks for Component Systems, which offers this type of solution.

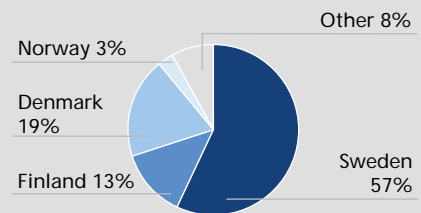
COMPONENT SYSTEMS

| | 2001/2002 | 2000/2001 | 1999/2000 |
|-----------------------------|-----------|-----------|-----------|
| Net revenues, MSEK | 923 | 971 | 826 |
| Operating income, MSEK | 61 | 91 | 68 |
| Operating margin, % | 6.6 | 9.4 | 8.2 |
| Capital expenditures, MSEK | 9 | 8 | 8 |
| Average number of employees | 360 | 278 | 274 |

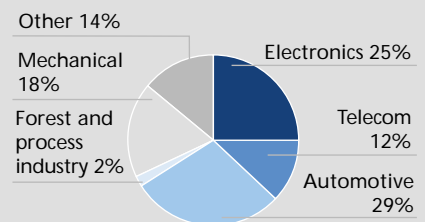
Proportion of Addtech's net revenues



Revenues/Market



Revenues/Customer segments



TESCH SYSTEM – An example of a company “We would rather sit in the ‘customer’s kitchen’ and solve problems with the help of various ingredients.”

– A condition for developing the optimal ingredients, and hence the right offer to the customer in different industries, is that we have a network of partners. So says Patrik Nilsson, President of Tesch System, a part of business area Component Systems. Tesch System is divided into two operating branches – connection technology and industrial automation. The company has no manufacturing of its own, instead developing solutions in collaboration with the customer and suppliers. The starting point is often a standard component that is modified and then included in a customer-unique solution.

Both trucks and antennas

Tesch delivers connection technology that is a part in everything from trucks and road machines to antennas. Automation products can, for instance, be included in a network that connects an industrial robot with a control unit. Common to all solutions, regardless of how used, is that they are developed in close cooperation among the customer, Tesch and the supplier.

Tesch System, which is located in Stockholm, was started in 1964. It was acquired in 1988 by the group that today is Addtech. The company has a staff of about 15 and about MSEK 80 in sales. Patrik Nilsson has been President since 1999. Between 80 and 85 percent of revenues come from connection technology, while the relatively newly started automation business accounts for

between 15 and 20 percent.

– Between 60 and 70 percent of what we sell is customer-unique solutions. This is illustrated by the fact that we stopped catalog sales more than five years ago, says Patrik Nilsson. The only standard products we sell are certain products for the aftermarket.

Tesch’s projects are typically of a long-term nature. From the first contact with a customer until an order is received can take as much as two years.

The sales representatives are application engineers

– An order is always the result of a situation where we have demonstrated that we understand the customer’s needs and often find solutions, the existence of which the customer was not aware. We thus do not just sell a product, but more the knowledge of both our part of the manufacturing chain and the application. We do not have sales representatives in the traditional sense. Those who work for us are more of application engineers.

The specialist competence is reflected in Tesch’s organization. From having been geographically divided, we are now organized along technology and application area lines. It certainly takes a different form of technological expertise to lead a project for a truck manufacturer than to do the same for an antenna company.

Tesch works solely with long-term part-

ners and suppliers. The company has a total of some 30 suppliers, ten of which participate in Tesch’s development work and thus have the status of partners.

Three years from start to production

Patrik Nilsson chooses to describe the business with two case studies.

– Allgon, a maker of base stations for wireless communication and antennas was about to develop an entirely new “antenna family”. Our task was to lead the work of developing – and ultimately delivering – the antenna connection. The design effort took 12 months while it took 18 months from project start until the antenna was put into production. We, the supplier and obviously Allgon worked together during the entire process.

Another example Patrik Nilsson chooses to bring up is when Atlet, a manufacturer of trucks, set out to develop a new control handle for a truck arm. The project, based on combining the requirements for design and ergonomics with manufacturing economy, was shared by Tesch and Atlet’s industrial designer. Tesch’s role was that of project leader.

– From project start to production took three years, says Patrik Nilsson. That gives you an idea of the long-term nature of our work.



Together with partners, Tesch System has developed and designed the cable harness and connectors for the unit – PSU, Power Supply Unit – used to convert 230V AC power to +24V or –48V DC power for base station applications.



PERSONNEL AND COMPETENCE

Skilled and motivated co-workers are crucial to Addtech's success. Addtech has succeeded well in this regard, which can be ascribed to the decentralized corporate culture marked by responsibility and freedom which stimulates personal development and fosters business acumen.

Addtech's high degree of decentralization means that each subsidiary handles human resource issues independently. Responsibility for personnel and recruitment typically rests with the President of each subsidiary.

Employees

The average number of employees in the Group increased during 2001/02 by 23 percent, to 1 155 persons (940).

Since the organization is highly decentralized, only nine persons work at the head office. The Group has personnel in the Nordic Region, Germany, the Baltic States, the United Kingdom, Austria and Poland. More than half of the employees are employed in Sweden. The proportion of women in the Group is about 27 percent. Personnel turnover, adjusted for effects resulting from action programs implemented during the year, was 11 percent (15 percent). The average period of employment is eight years and the average age about 40 years.

Competence

Many of the co-workers in Addtech have a technical background, which is a competitive advantage since most of the sales work involves technical problem-solving. Career opportunities in the Group are good and recruitment to leading positions is to a large

extent internal. Most operative managers in the Addtech Group have previously worked in technical support or as sales representatives in the Group. The excellent opportunities for personal development have resulted in a situation where many choose to make a career within the Group.

It is important for Addtech as well as the individual employee that there is continuous competence development. Development takes the form of internal and external training, including in the internal training program "The Business School."

The leaders of the Group's units are assembled on a number of occasions each year. This stimulates discussion and dialogue around development issues in the Group's different areas.

The Business School and management meetings are important fora for rooting the corporate culture that has been crucial for the Group's successful development.

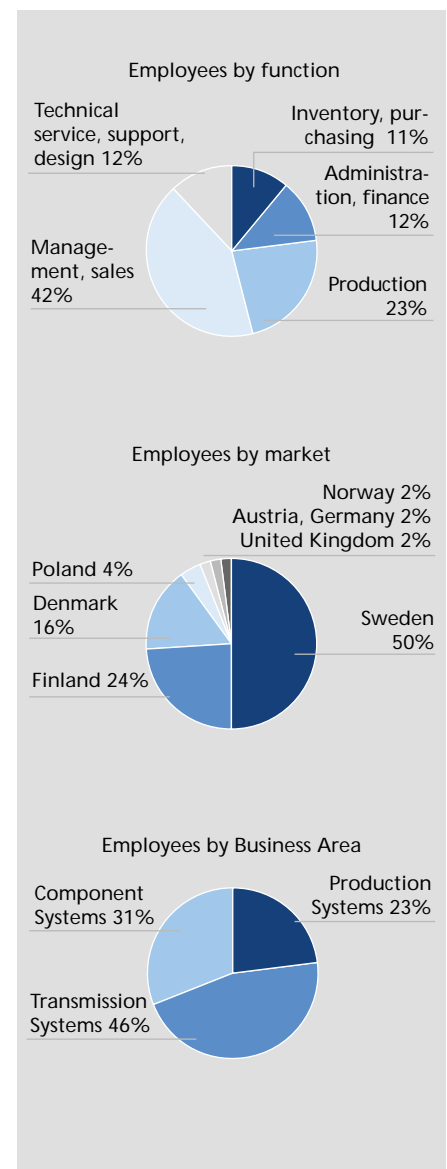
Competence development is also accomplished in close cooperation with technically advanced suppliers. One example of this is that key personnel from Addtech regularly spend time for shorter or longer periods at suppliers in Asia, Europe and the United States.

Policy of equality

For a few years now, Sweden has had a law on equality between men and women. One of the provisions of the law is that companies must establish a plan for its work on equality.

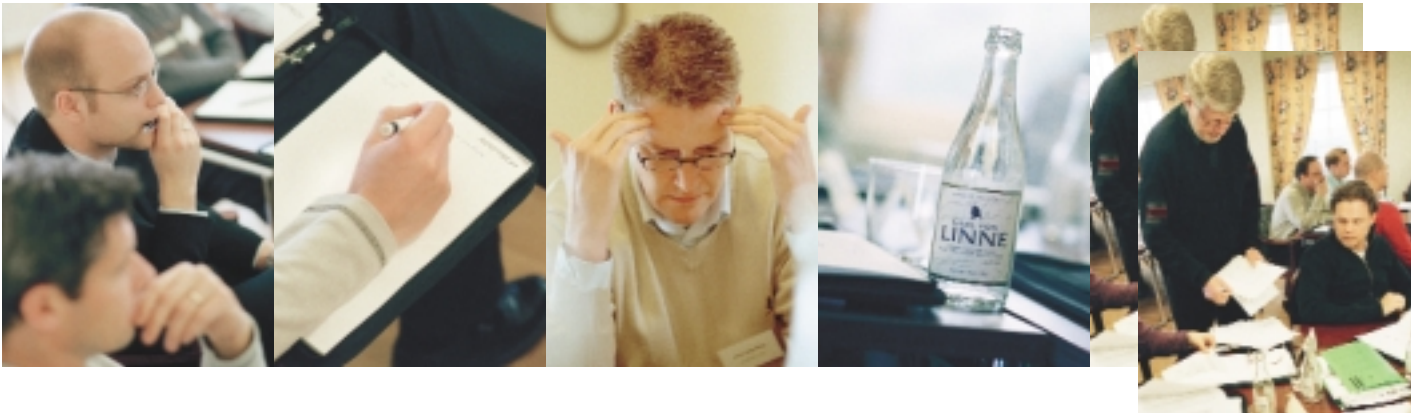
Management of the Addtech Group feels that it is important for all resources existing in the group to be utilized in the best way

possible. One way of accomplishing this is to give men and women the same opportunities for personal development. An equality policy has been adopted by the Board of Directors to emphasize this approach.



THE BUSINESS SCHOOL

An opportunity for personal and professional development



The purpose of the business school is to further develop the competence of and to motivate employees within Addtech. It is also a way of spreading the word on our corporate culture and to meet with co-workers. The Business School is divided into several different courses depending on the tasks and experience of participating employees. The courses are to a large extent based on practical exercises and case studies.

Håkan Franzén, who is responsible for The Business School, says that interest on the part of employees in the Group has been great.

– There has been a need within the Group for further development as sales representatives and leaders, and to strengthen business acumen and profitability thinking. The courses also contribute to building networks to spread the message of our common corporate culture.

Henrik Wilhemsson has been a sales representative at Columbia for eight years. In the spring of 2002 he attended the Business Acumen course, aimed at skilled sales reps with at least two years of experience.

Henrik has previously taken the course How to succeed in business.

– The Business Acumen course contained many practical exercises that I will be able to apply when calling on customers. The part of the course dealing with negotiation techniques is an example of useful things I have learned. All sales exercises were video-taped, which proved to be extremely instructive. It was then possible to see what needed improvement and how different sales situations may evolve. In addition to the practical exercises, we performed profitability calculations using various models.

Daniel Jansson attended the course How to succeed in business in the spring of 2002. He started as a sales representative at ESD-Center in November 2001.

This course is aimed at sales representatives with a few months of experience. Daniel says that he has benefited greatly from the course since he is new as sales representative. The course includes both theory to get a clearer structure in the sales work and practical exercises, such as delivery technique and sales exercises.

– We learned that it is important to be prepared in all steps of a business relationship and to build confidence. We simulated selling and buying situations and made presentations. Since I have worked in my previous professional career as a purchaser, it was easy for me to put myself in the role of a buyer, which is important to do in a sales situation.

Roger Niva also attended the course How to succeed in business. Roger started out in December 2001 as a technical sales representative at Caldaro. Roger says that he has learned to argue in favor of a product in a way that is always from the point of view of the customer. What are the benefits of the product for the customer and what does the product ultimately mean to the customer?

Even if Roger has worked before as a seller of advanced technical products, what you learn at this course is to structure the sales work in a more efficient manner.

– One example is that now I always prepare an agenda before the customer call and I write a report of the dialogue with the customer immediately after the meeting.

SENSITIVITY AND RISK ANALYSIS

Addtech's result and financial position, as well as the strategic position, are affected by a number of internal factors over which Addtech exerts control, and a number of factors where the possibilities of affecting the course of events is limited. The most important risk factors for Addtech are the state of the market, the competitive situation in combination with structural changes and the development of foreign exchange rates. During the 2001/02 operating year, the overall economic situation was the factor with the greatest impact on earnings. The downturn in the telecom sector was the single most important factor leading to sharply lower capital spending.

The state of the market

The market in which Addtech is active largely follows the general trend in industry. Thanks to industry diversification, which means that Addtech's customers find themselves in different phases of the economic cycle and focus on a number of niches, Addtech becomes less sensitive to economic cycles. And thanks to Addtech's efforts in the aftermarket, that is technology, service, support and consumables, the sensitivity to economic cycles is further reduced.

Competitive situation

The number of players in Addtech's market is shrinking in number but growing in size since a consolidation of technology trade is

in progress. This leads to gradually mounting competition with certain pricing pressures as a result, at the same time as it becomes harder for new companies to establish themselves. Addtech's strategy includes achieving market-leading positions within specific niches with an offering of products and services where the price is not the deciding factor.

Structural changes among customers

As structural changes and consolidation among customers progress, the requirement for added value in supplier offerings are accentuated. To meet these requirements the units that act outward in the market must be of a certain stature in terms of financial strength as well as in terms of service content and product offerings. If Addtech fails to live up to these requirements, lower sales may result.

There is a clear trend in, among other, the telecom industry to outsource parts of the production to contract manufacturers. This involves a risk as well as an opportunity for Addtech since the contract manufacturer may choose other suppliers at the same time as new business opportunities may present themselves.

Financial policy

The financial risks are defined in the Group's financial policy: currency, interest and cred-

it risks. The policy expresses the ambition to eliminate or reduce these risks, and responsibility and authority for risk management. The policy prescribes that liquid funds not tied up in current operations are to be invested in financial instruments with at least the same rating as the Swedish Government or with established Swedish banks. In addition to the estimated capital need for the following year, an extra 20 percent should be secured in the form of available liquidity or through credit commitments.

Currency policy

The foreign exchange risks the Group is primarily exposed to is exchange rate changes on future payment flows. The Group's main currency flows are attributable to imports from Europe, Asia and North America. During 2001/02, imports comprised more than 90 percent of purchases. The most important currencies for Addtech are EUR, USD, JPY, GBP and CHF. To the greatest extent possible, Addtech eliminates the effects of exchange rate changes by using currency clauses in its customer contracts, by sales in the same currency as purchases and by forward contracts.

The accounts are also affected by translation of subsidiary results and net assets to SEK. These currency risks are not hedged at the present time.

Net currency flows 2001/02 (MSEK)*

| | |
|-----|------|
| EUR | -190 |
| USD | -80 |
| CHF | -60 |
| JPY | -50 |
| GBP | -50 |

* “-” indicates negative net flow

Future level of capital expenditures

During the past three years capital expenditures in tangible fixed assets have amounted

to MSEK 93, most of it in IT equipment, machinery and other equipment.

Investments in corporate acquisitions amounted to MSEK 242 during the same period.

The most important determinant of the future level of capital expenditures therefore is the rate of corporate acquisitions.

Seasonal variations

Addtech’s business is distinguished by limited exposure to seasonal variations. The

business volume normally follows the seasonal pattern of producing industry, which means lower sales during the summer months. Based on a historical pattern, about 45 percent of the result is generated during the first two quarters, i.e. the period April – September, and about 55 percent during the last two quarters of Addtech’s financial year, October – March. Major deviations from this pattern can occur in the event of major cyclical changes during a financial year.

SENSITIVITY ANALYSIS

| Factor | Change | Impact on operating income MSEK |
|---|--------|---------------------------------|
| Sales of volume | +/-5% | +10/-30 |
| Payroll costs | +3% | -15 |
| Currency effects on purchases and sales | | |
| - EUR | +/-5% | -10/+10 |
| - USD | +/-5% | -4/+4 |
| - CHF | +/-5% | -3/+3 |
| - JPY | +/-5% | -3/+3 |
| - GBP | +/-5% | -2/+2 |
| Translation effects | | |
| - EUR | +/-5% | +1/-1 |
| - DKK | +/-5% | +1/-1 |

Addtech’s result is affected by a number of factors. Those with the biggest effect are shown in the table. Reported effects should only be seen as an indication and do not include any effect of offsetting action the Company may take upon the

occurrence of such events.

A minor volume increment in the Group’s different businesses can be expected to have a positive effect on operating income at the level of the gross margin in each respective business. However, after a certain increase

the business reaches such a level of capacity utilization that resources must be expanded. Stepped effects present themselves, which tends to lower the earnings effect of incremental business volume to a level approaching the operating margin.

In the event of lower volume, the negative effect on operating income can be assumed to be greater in the short term than the corresponding positive effect resulting from a volume increase. Active measures must be taken to meet the negative effect so that it in the slightly longer term will approach the operating margin.

It should also be noted the group’s different units operate under varying conditions in terms of such parameters as gross margin and capacity utilization. This leads to varying ability of coping with a volume increase within the framework of the existing operations, or reducing resources in the case of a volume decrease.

ENVIRONMENT, QUALITY AND ETHICS

Environment

The primary focus of the Addtech Group is trade and distribution. The Group also has limited manufacturing operations. Environmental aspects affecting the Group are therefore largely linked to distribution and packaging, and to the environmental impact of suppliers. The environmental aspects affecting the Group can be summarized in three key words: Waste, Transport and Product.

Waste is a concern mainly for the manufacturing companies, but also for companies in the Group that sell products of such a character that the seller is responsible for recovering the products when they have been consumed.

Transport is a concern for the entire distribution chain from suppliers, via Addtech and to the customers. Addtech companies demand that suppliers handle transportation in a way that corresponds to the Group's environmental requirements. The term Transport also includes the travel of sales representatives, which in the case of Addtech accounts for a not insignificant part of the environmental aspect.

Product means that environmental considerations must be made throughout the entire product cycle. If, for instance, equivalent products can be purchased on similar terms in different parts of the world, the alternative where transportation is most environmentally economical should be chosen. The composition and assembly of delivered products should also be as environmentally friendly as possible.

The environmental work is an integrated part of the Group's business operations.

This work is conducted both locally in subsidiaries and at the Group level. The starting point of these efforts is the Group-wide environmental policy. Some ten companies in the Group are certified according to the ISO 14001 environmental management system.

Quality

Much like the environmental work, the quality work is a natural extension of the business operations. It encompasses all aspects of the operation, from purchasing routines to inventory management and deliveries. Before a new supplier is engaged, a careful evaluation from a quality point of view is made. The quality of deliveries to the Group is also followed up. The quality work also includes the handling of documents.

How the work is carried out in detail varies from company to company. One model applied by several companies is that a number of quality goals have been set up and are measured each month. The measurement includes four points: time of delivery to customer, time of delivery from supplier, the condition of the goods upon arrival from the supplier and returns from customers. The measurement gives rise to an index number that is the basis for improvements.

Most of the Group's units work in accordance with quality management systems ISO 9001 and 9002. By May 2002, about half of the Group's companies had received certification.

Ethics

Work is under way in the Group to adopt an ethics policy. The objective is to ensure that

Addtech assumes social responsibility and displays ethical commitment in its role of employer, in its business relations, towards the capital markets and towards society in general. A number of different criteria will therefore be stipulated for each of these roles.

Addtech's environmental policy

The environmental policy of the Addtech Group expresses a desire to take our part of the responsibility to improve the environment and to contribute to a sustainable development. Recycling of resources will be an important aspect of the Group's business operations.

The environmental work will be conducted within the framework of our business concept and will be an integrated part of all operative work. With high competence among our co-workers, and by constantly developing our knowledge about environmental effects, we are in a position to take a holistic approach to environmental issues.

Environmental measures will be taken as far as economically and technically feasible, and motivated from an environmental point of view. The responsibility for day-to-day environmental work rests with each individual company in the Group.

ADMINISTRATION REPORT

April 1, 2001 – March 31, 2002

The Addtech Group was formed in March 2001 with Addtech AB as parent company. Following a resolution by the owners of Bergman & Beving AB at the regularly scheduled Annual General Meeting held in August 2001, Addtech was distributed to the shareholders and was listed on the O-list of the Stockholm Stock Exchange.

NET REVENUES AND INCOME

Revenues of the Addtech Group during the financial year amounted to MSEK 2 360 (2 502). MSEK 273 hereof was additional business volume generated by newly acquired units. Currency effects affected revenues by MSEK 84 in a positive direction.

The year was marked by a pronounced slowdown for the Group's telecom and electronics-related businesses, especially for investment type products. The drop in demand was seen early during the year and no discernible improvement has occurred.

In spite of the overall economic slowdown, most units – with the exception of those related to telecom – were able to maintain sales at a satisfactory level. Units focused on niche production of transmission products and machine parts had a positive development during the year and good capacity utilization. Sales of components and sub-systems from the Group's sharply niched units to the machinery and vehicle industries were also stable.

In order to counter a weaker business climate, a forceful action program was launched. On an annual basis this program is expected to reduce costs by about MSEK 40. Action taken involved some 100 employees, equivalent to a reduction of

close to 10 percent from the level at the end of June 2001 when the action program was initiated. Operating income was affected on a current basis by costs for personnel reductions and other structural measures.

Operating income, not including items affecting comparability, amounted to MSEK 85 (201) and income after financial items was MSEK 80 (194). Added to this result are income affecting comparability of MSEK 4, as a result of sales of real estate, and costs affecting comparability of MSEK 3, attributable to listing Addtech on the O-list of the Stockholm Stock Exchange. For the preceding year there was income affecting comparability of MSEK 13 as a consequence of repaid SPP funds.

Income after taxes amounted to MSEK 53 (149), or SEK 1.92 per share (5.36). The effective tax rate was 32 percent (28).

BUSINESS AREAS

Production systems

Net revenues declined by 29 percent to MSEK 570 (805). Revenue added by newly acquired units amounted to MSEK 31. Operating income amounted to MSEK –16 (60).

The sharp economic downturn in the telecom industry caused sales to drop significantly during the financial year. The uncertainty with respect to investment decisions brought on by structural changes in telecom and the industry's overall low propensity to invest were also negatives.

The decline in results compared to the year before was due to lower sales in combination with an organization that was dimensioned for a higher business volume. In addition hereto, certain project-related business aimed at environmental solutions

had a negative impact on earnings.

Adjustments were made during the year to cope with a lower volume of business. The action program involves a reduction of the number of employees by about 30 percent. A balance has had to be struck between on the one hand a short-term need to cut back to remedy an unsatisfactory earnings situation and a longer term need to keep talent for a rebound in the basically interesting telecom market.

Transmission Systems

Net revenues increased by 19 percent to MSEK 869 (729). Revenue added by newly acquired units amounted to MSEK 153. Operating income amounted to MSEK 40 (53).

The business area's combination of sales of components to producing customers and their aftermarket provided for an overall stable market situation during the year.

Niche production of transmission products and machine parts grew during the year and capacity utilization was good. Several new contracts were won in these areas.

The volume increase added by the acquisition of the FB Group had only a marginal impact on income for the year.

The lower operating income is explained largely by a negative result in a manufacturing unit with elements of contract production. Cost reductions implemented led to a situation where further negative impact was limited during the fourth quarter.

Component Systems

Net revenues decreased by five percent to MSEK 923 (971). Revenue added by newly acquired units amounted to MSEK 89. Ope-

rating income amounted to MSEK 61 (91).

The market situation was affected primarily by the weak trend in the telecom industry and to some degree also by weakness in the overall economy, with lower demand for components and systems as a result.

Sales of components and sub-systems for machinery and special vehicles were stable.

PROFITABILITY

The return on capital employed was 15 percent during the financial year (38) and return on equity was 12 percent (36).

FINANCIAL POSITION AND CASH FLOW

The equity ratio stood at 41 percent at the end of the financial year (34). Shareholders' equity per share amounted to SEK 15.70 (14.90).

The Group's financial indebtedness amounted to MSEK 74 at year-end. This is an increase by MSEK 58 since the beginning of the year.

Cash flow from current operations amounted to MSEK 41. Excluding taxes paid of MSEK 50 attributable to last year's result, cash flow from current operations amounted to MSEK 91 (173). Investments in fixed assets amounted to MSEK 21. Disposals amounted to MSEK 25. Financing operations were affected by repurchase of own shares in an amount of MSEK 46.

CORPORATE ACQUISITIONS

Addtech acquired two companies during the financial year with aggregate sales of MSEK 40. In addition, an agreement was concluded to acquire an additional company, possession to be taken in May 2002.

EMPLOYEES

At the end of the financial year the number of employees was 1 100, which can be compared with 1 162 at the beginning of the year. The number of employees increased

by 10 during the year due to acquisitions. The average number of employees was 1 155 (940).

REPURCHASE OF OWN SHARES

An extra General meeting of shareholders in Addtech AB held December 17, 2001 resolved a mandate for the Board of Directors to repurchase own shares equivalent to a maximum of 10 percent of all outstanding shares. The purpose of the buyback is to give the Board of Directors increased freedom of action in its work with the Company's capital structure and to fulfill the Company's obligation under the incentive program decided by the Board of Directors. The mandate to the Board of Directors also includes an opportunity to sell repurchased shares in connection with corporate acquisitions.

At the end of December Addtech repurchased 1 331 400 of its own class B shares, which is also the Company's total number of shares held in treasury. These shares are equivalent to 4.8 percent of all shares issued and 3.5 percent of the votes. The shares were repurchased at an average price of SEK 34.84. With this purchase, Addtech has fulfilled the Company's obligation under the option program for members of senior management resolved by the extra general meeting of shareholders held December 17, 2001.

The Board of Directors has decided to propose to the regularly scheduled Annual General Meeting a renewed mandate for repurchase of own shares. The proposal includes a mandate for the Board of Directors – to remain in effect until the next following regularly scheduled Annual general Meeting – to acquire shares up to 10 percent of all outstanding shares in the Company. Purchases shall be made over the Stockholm Stock Exchange. The mandate is also proposed to include an opportunity to

use repurchased shares for payment in connection with acquisitions or to sell repurchased shares in ways other than over the Stockholm Stock Exchange as a way of refinancing acquisitions.

INCENTIVE PROGRAM

In December 2001 the Board of Directors awarded 700 000 so-called personnel options to 56 members of senior management in the Group. To make this possible, the extra general meeting of shareholders held December 17, 2001, resolved that the Company will convey up to 700 000 class B shares in the Company in connection with any redemption of these personnel options. The redemption price has been set at SEK 44.80, equivalent to 110 percent of the average price of the Addtech share during the period December 3 – 7, 2001. These shares have been repurchased at an average price of SEK 34.84. If the personnel options are exercised, the number of shares outstanding will increase by 2.6 percent (1.9 percent of the votes).

FUTURE PROSPECTS

The weaker economy and the extensive restructuring in the telecom industry have had a negative effect on the Company's operations.

In order to meet the effects of the weaker business climate, a program to increase efficiency has been implemented, whereby the cost level has been lowered by MSEK 40 on an annual basis. Further measures are being taken in a few additional areas of operation, but the main part of the Group's operations have been adapted to the current demand situation.

Addtech's long-term growth and profitability goals remain unchanged. With a cost level adapted to a weak economy and a strong financial position, Addtech has excellent opportunities for positive earnings

performance, in existing operations as well as through acquisitions.

WORK OF THE BOARD OF DIRECTORS

Addtech's Board of Directors consists of five directors, including the Company's President. Members of the Group's management group attend board meetings to make presentations and as secretary.

During the operating year the Board of Directors held seven meetings, three of which were per capsulam. The work of the Board of Directors includes issues concerning the Group's strategy and goals, and acquisitions and capital expenditures. In connection with the year-end closing of the books for the operating year, the auditors reported on their findings in connection with their examination and gave their assessment on the state of internal controls in the Group.

The Board of Directors has adopted rules of procedure to govern the distribution of responsibilities between the Board of Directors and the President, and what type of current information should be made available to the Board of Directors.

A compensation committee and an audit committee have been formed within the Board of Directors, consisting of Chairman Anders Börjesson, Vice Chairman Tom Hedelius and President Roger Bergqvist.

The compensation committee deals with salaries and other employment terms for the President and other members of senior management. The President does not participate in decisions regarding the President's employment terms.

Issues concerning the composition of the Board of Directors are prepared by a nomination committee consisting of the Chairman and the Vice Chairman. The work of the nomination committee includes contacts with major shareholders.

The Board of Directors is presented on page 50.

ENVIRONMENTAL IMPACT

The Group conducts operations requiring a special permit in three Swedish subsidiaries. None of the Group's companies are involved in environmentally related disputes.

Active environmental work is conducted in the Group and some ten companies are certified according to ISO 14001.

PARENT COMPANY

The Parent Company's net revenues amounted to MSEK 27 (–) and income after financial items was MSEK 321 (–). This result includes items affecting comparability in the amount of MSEK –3 and dividends and group contributions from subsidiaries in an amount of MSEK 320 (–).

DIVIDEND

The Board of Directors proposes a dividend of SEK 1.20 per share. The total dividend payment amounts to MSEK 32.

The Group's dividend policy states that 30 to 50 percent of the Group's average income after taxes should be paid as dividends to the shareholders.

PROPOSED ALLOCATION OF EARNINGS

The Group's unrestricted shareholders' equity amounted to MSEK 356 as of March 31, 2002. MSEK 11 is required for restricted reserves.

The following amounts are available for distribution by the Parent Company, Addtech AB:

| | |
|-------------------------|------------------------|
| Retained earnings | SEK 297 885 000 |
| Net income for the year | SEK 306 598 000 |
| | <u>SEK 604 483 000</u> |

The Board of Directors and the President propose that the funds available for distribution be allocated as follows:

| | |
|--|------------------------|
| A dividend to the shareholders of SEK 1.20 per share | SEK 31 839 000 |
| To be transferred to the legal reserve | SEK 11 146 000 |
| To be carried forward | SEK 561 498 000 |
| | <u>SEK 604 483 000</u> |

Solna, June 17, 2002

Anders Börjesson
Chairman

Tom Hedelius
Vice Chairman

Urban Jansson

Lars Spongberg

Roger Bergqvist
President

Our Audit Report was submitted June 17, 2002

George Pettersson
Authorized Public Accountant

Thomas Thiel
Authorized Public Accountant

CONSOLIDATED STATEMENT OF INCOME

Comparative data for the Group are reported on a pro forma basis in accordance with the assumptions set forth on page 41 hereof.

| MSEK | | 2001/2002 | 2000/2001 |
|---|-----------|------------|------------|
| Net revenues | Note 1 | 2 360 | 2 502 |
| Cost of goods sold | | -1 662 | -1 773 |
| Gross profit | | 698 | 729 |
| Selling expenses | | -436 | -396 |
| Administrative expenses | | -191 | -145 |
| Items affecting comparability | Note 5 | 1 | 13 |
| Other operating income and expense | Note 6 | 14 | 13 |
| Operating income | Notes 1–4 | 86 | 214 |
| Financial income and expense | Note 7 | -5 | -7 |
| Income after financial items | | 81 | 207 |
| Taxes | Note 9 | -26 | -58 |
| Minority interest | | -2 | 0 |
| Net income for the year | | 53 | 149 |
| Earnings per share, SEK | | 1.92 | 5.36 |
| Earnings per share not including items affecting comparability, SEK | | 1.91 | 5.02 |
| Average number of shares outstanding after repurchases ('000) | | 27 496 | 27 864 |
| Number of shares outstanding after repurchases ('000) | | 26 533 | 27 864 |

Net revenues

Net revenues of the Addtech Group decreased by 6 percent to MSEK 2 360 (2 502). MSEK 273 consisted of additional sales volume from units acquired. Currency effects affected revenues by MSEK 84 in a positive direction.

Operating income

The Group's operating income amounted to MSEK 86 (214). This result includes items affecting comparability as a consequence of sales of real estate in an amount of MSEK 4 and costs in the amount of MSEK 3 attributable to the listing of Addtech on the O-list of the Stockholm Stock Exchange. For the preceding year items affecting comparability in the amount of MSEK 13 relating to refunded SPP funds were additional. The operating margin was 3.6 percent (8.6).

Adjusted for items affecting comparability the operating margin was 3.6 percent (8.0). Costs for personnel reductions and other structural measures were charged to operating income during the year. The lower margin is explained primarily by the fact that the Group's capacity was dimensioned for a higher business volume, and that newly acquired units only marginally affected earnings.

The single largest of the Group's cost

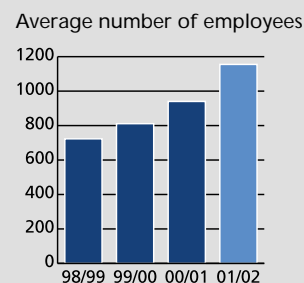
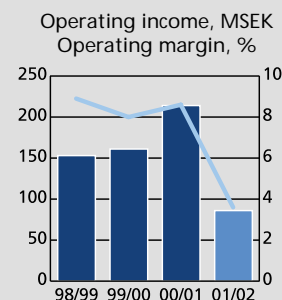
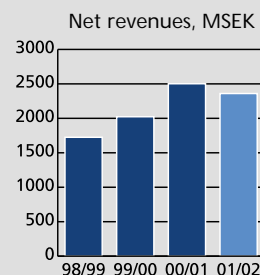
items refers to personnel costs, which make up 20 percent of the Group's net revenues and about 60 percent of the Group's overhead. Depreciation and amortization account for about 5 percent of the Group's overhead. The item other operating income and expense, net, amounted to MSEK 14 (13). This item consists primarily of rental income, compensation for agency rights and gains on sales of fixed assets, not including the result of sale of real estate, which is reported as an item affecting comparability.

Net financial items

Net financial items amounted to MSEK -5 (-7). The decrease is explained by lower interest-bearing liabilities than those on which the Group's pro forma balance sheet for the 2000/2001 financial year were based.

Taxes

The year's tax expense amounted to MSEK 26 (58), equivalent to 32 percent (28). Deferred taxes due to year-end appropriations are included in an amount of MSEK 4 (-11). Unutilized tax loss carryforwards amounted to MSEK 2 at year-end. The total weighted nominal tax rate for the Group's operations was 29 percent during the year.



CONSOLIDATED BALANCE SHEET

| MSEK | | March 31, 2002 | | March 31, 2001 | |
|---|---------|----------------|--------------|----------------|--------------|
| ASSETS | | | | | |
| Fixed assets | | | | | |
| Intangible fixed assets | Note 10 | 13 | | – | |
| Tangible fixed assets | Note 11 | 176 | | 211 | |
| Financial assets | Note 12 | 6 | 195 | 7 | 218 |
| Current assets | | | | | |
| Inventories | Note 13 | 347 | | 376 | |
| Current receivables | Note 14 | 407 | | 472 | |
| Short-term investments | | 0 | | 0 | |
| Cash and bank balances | | 92 | 846 | 151 | 999 |
| Total assets | | | 1 041 | | 1 217 |
| SHAREHOLDERS' EQUITY AND LIABILITIES | | | | | |
| Shareholders' equity | | | | | |
| Restricted equity | | | | | |
| Share capital | Note 16 | 56 | | 56 | |
| Restricted reserves | | 5 | | – | |
| Unrestricted equity | | | | | |
| Unrestricted reserves | | 303 | | 210 | |
| Net income for the year | | 53 | 417 | 149 | 415 |
| Minority interest | | | | | |
| | | | 6 | | 6 |
| Provisions | | | | | |
| Interest-bearing provisions | | | | | |
| Pensions and similar commitments | Note 18 | 72 | | 64 | |
| Non-interest-bearing provisions | | | | | |
| Deferred taxes | Note 19 | 50 | | 49 | |
| Other provisions | | 1 | 123 | 1 | 114 |
| Long-term liabilities | | | | | |
| Interest-bearing liabilities | | | | | |
| Due to credit institutions | Note 20 | 82 | | 86 | |
| Other liabilities | | 10 | | 10 | |
| Non-interest-bearing liabilities | | | | | |
| Other liabilities | | 0 | 92 | 0 | 96 |
| Current liabilities | | | | | |
| Interest-bearing liabilities | | | | | |
| Due to credit institutions | Note 21 | 2 | | 6 | |
| Other liabilities | | 0 | | 1 | |
| Non-interest-bearing liabilities | | | | | |
| Operating liabilities | Note 22 | 401 | 403 | 579 | 586 |
| Total shareholders' equity and liabilities | | | 1 041 | | 1 217 |
| Pledged assets | Note 23 | | 52 | | 74 |
| Contingent liabilities | Note 23 | | 5 | | 8 |

Assets

The Group's total assets declined by 14 percent to MSEK 1 041 (1 217). Currency effects of translating the Group's foreign units entailed a decrease of MSEK 7.

Fixed assets

Buildings and land decreased during the year by MSEK 14 to MSEK 94 (108). Depreciation amounted to MSEK 3. Two of the Group's properties were sold for a capital gain of MSEK 4. The book value of these properties amounted to MSEK 12.

Machinery declined by MSEK 9 to MSEK 34 (43) and equipment declined by MSEK 11 to MSEK 46 (57). Depreciation against these assets amounted to MSEK 11 and MSEK 22, respectively.

Inventories and accounts receivable

Inventories stood at MSEK 347 at financial year-end. This is equivalent to 15 percent of net sales during the fourth quarter of the financial year annualized and corrected for acquisitions (13 percent at the end of the preceding financial year).

Accounts receivable amounted to MSEK 340, which is equivalent to 15 percent of net sales during the fourth quarter of the financial year annualized (15). The Group's working capital (inventories and accounts receivable less accounts payable) was equivalent to 21 percent of net sales at financial year-end (18).

Shareholders' equity

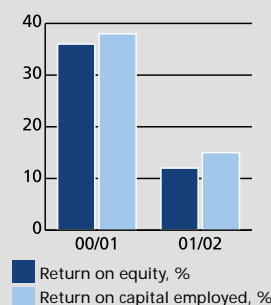
Shareholders equity increased by MSEK 2 to MSEK 417 (415). Repurchases of own shares reduced shareholders' equity by MSEK 46. Shareholders equity was affected by translation differences in the amount of MSEK -4. The equity/assets ratio at the end of the financial year stood at 41 percent (34).

Liabilities and provisions

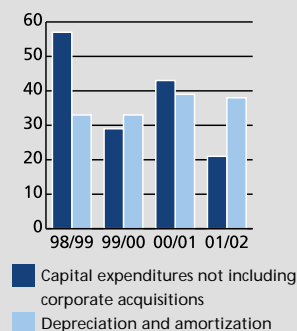
Interest-bearing liabilities decreased during the year by MSEK 9 to MSEK 94 (103) and interest-bearing provisions increased by MSEK 8 to MSEK 72 (64). The increase is attributable to the Group's pension liability.

The Group' net financial indebtedness increased by MSEK 58 to MSEK 74 (16).

Return on equity and capital employed, %



Capital expenditures, depreciation and amortization 4 years



CONSOLIDATED STATEMENT OF CASH FLOW

| MSEK | | 2001/2002 | 2000/2001 |
|--|---------|------------|-------------|
| Income after financial items | | 80 | 207 |
| Adjustment for items not included in cash flow | Note 24 | 41 | 30 |
| Taxes paid | | -87 | -7 |
| Cash flow from current operations before changes in working capital | | 34 | 230 |
| Changes in | | | |
| inventories | | 32 | -4 |
| operating receivables | | 73 | -44 |
| operating liabilities | | -98 | 41 |
| Change in working capital | | 7 | -7 |
| Cash flow from current operations | | 41 | 223 |
| Investment operations | | | |
| Acquisition of companies and business units | | -13 | -195 |
| Investments in fixed assets | | -21 | -43 |
| Sales of fixed assets | | 25 | 18 |
| Cash flow from investment operations | | -9 | -220 |
| Financing operations | | | |
| Repurchase of own shares | | -46 | - |
| Change in interest-bearing liabilities | | -8 | -* |
| Other financing | | -36 | -* |
| Cash flow from financing operations | | -90 | -* |
| Cash flow for the year | | -58 | 3 |
| Liquid funds at beginning of year | | 151 | -* |
| Cash flow for the year | | -58 | -* |
| Translation difference in liquid funds | | -1 | -* |
| Liquid funds at year-end | | 92 | 151 |

* The Addtech Group was capitalized March 31, 2001. Certain data has therefore been omitted.

Cash flow from current operations

Adjustment for items not included in cash flow includes depreciation and amortization according to plan in an amount of MSEK 38 (39).

Current taxes exceed the Group's tax expense by MSEK 61. This is due primarily to settlement of tax liabilities from the 2000/01 financial year.

The Group's working capital declined by MSEK 7 during the year. The working capital of units acquired during the year amounted to MSEK 6. The decline in inventories is due primarily to a lower volume of business.

Cash flow from current operations amounted to MSEK 41. Not including paid taxes of MSEK 50 attributable to the preceding year's income, cash flow was MSEK 91 (173).

Investment operations

The year's investments in tangible fixed assets in the amount of MSEK 21 primarily refers to office equipment. Payments for acquired businesses amounted to MSEK 13 (195), MSEK 12 of which referred to intangi-

ble assets. The Group's statement of cash flow has been adjusted for acquired businesses.

Financing operations

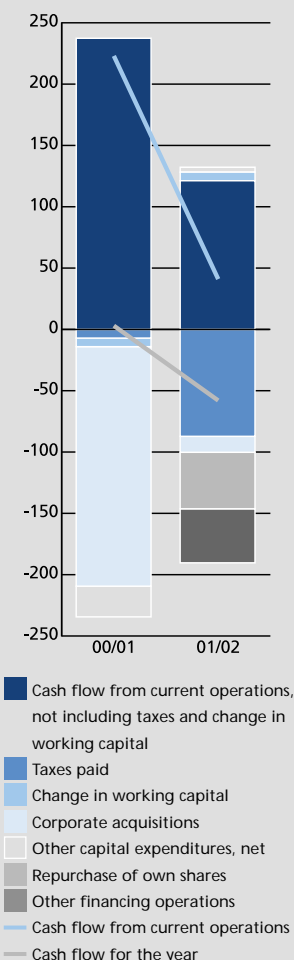
Repurchase of own shares entailed a payment of MSEK 46. Interest-bearing liabilities declined during the year by MSEK 8.

Corporate acquisitions/disposals

The following adjustments have been made due to the value of assets and liabilities in companies acquired during the year:

| | 2001/02 |
|------------------------------------|---------|
| Fixed assets | 14.2 |
| Inventories | 6.0 |
| Receivables | - |
| Interest-bearing liabilities | - |
| Other liabilities and provisions | -7.0 |
| Purchase price | 13.2 |
| Liquid funds in acquired companies | - |
| | 13.2 |

Statement of cash flow, MSEK



PARENT COMPANY STATEMENT OF INCOME

| MSEK | | 2001/2002 | 2000/2001 |
|-------------------------------------|-----------|------------|-----------|
| Net revenues | Note 1 | 27 | - |
| Administrative expenses | | -27 | - |
| Items affecting comparability | Note 5 | -3 | - |
| Operating profit | Notes 2-4 | -3 | - |
| Financial income and expense | Note 7 | 324 | - |
| Income after financial items | | 321 | - |
| Year-end appropriations | Note 8 | -8 | - |
| Income before taxes | | 313 | - |
| Taxes | Note 9 | -6 | - |
| Net income for the year | | 307 | - |

PARENT COMPANY STATEMENT OF CASH FLOW

| MSEK | | 2001/2002 | 2000/2001 |
|--|---------|------------|-----------|
| Income after financial items | | 321 | - |
| Adjustment for items not included in cash flow | Note 24 | -319 | - |
| Current taxes | | -3 | - |
| Cash flow from current operations before changes in working capital | | -1 | - |
| Changes in | | | |
| short-term receivables and liabilities to Group companies | | -5 | - |
| operating receivables | | -19 | - |
| operating liabilities | | 9 | - |
| Change in working capital | | -15 | - |
| Cash flow from current operations | | -16 | - |
| Investment operations | | | |
| Investments in fixed assets | | -2 | - |
| Sales of fixed assets | | 0 | - |
| Cash flow from investment operations | | -2 | - |
| Financing operations | | | |
| Repurchase of own shares | | -46 | - |
| Change in long-term receivables and liabilities to Group companies | | 50 | - |
| Change in other interest-bearing liabilities | | 33 | - |
| Cash flow from financing operations | | 37 | - |
| Cash flow for the year | | 19 | - |
| Liquid funds at beginning of year | | - | - |
| Cash flow for the year | | 19 | - |
| Liquid funds at year-end | | 19 | - |

PARENT COMPANY BALANCE SHEET

| MSEK | | March 31, 2002 | | March 31, 2001 | |
|---|---------|----------------|--------------|----------------|------------|
| ASSETS | | | | | |
| Fixed assets | | | | | |
| Tangible fixed assets | Note 11 | 1 | | - | |
| Financial assets | | | | | |
| Shares in Group companies | Note 12 | 887 | | 347 | |
| Due from Group companies | Note 12 | 75 | 963 | 53 | 400 |
| Current assets | | | | | |
| Due from Group companies | | 97 | | - | |
| Other short-term receivables | Note 14 | 19 | | - | |
| Short-term investments | | - | | - | |
| Cash and bank deposits | | 19 | 135 | - | - |
| Total assets | | | 1 098 | | 400 |
| SHAREHOLDERS' EQUITY AND LIABILITIES | | | | | |
| Shareholders' equity | | | | | |
| Restricted equity | | | | | |
| Share capital | Note 16 | 56 | | 56 | |
| Legal reserve | | 0 | | - | |
| Unrestricted equity | | | | | |
| Retained earnings | | 298 | | 344 | |
| Net income for the year | | 307 | 661 | - | 400 |
| Untaxed reserves | Note 17 | | 8 | | - |
| Provisions | | | - | | - |
| Long-term liabilities | | | | | |
| Interest-bearing liabilities | | | | | |
| Due to credit institutions | Note 20 | 33 | | - | |
| Due to Group companies | | 292 | | - | |
| Non-interest-bearing liabilities | | | | | |
| Other liabilities | | 0 | 325 | - | - |
| Current liabilities | | | | | |
| Interest-bearing liabilities | | | | | |
| Due to credit institutions | | - | | - | |
| Due to Group companies | | 92 | | - | |
| Non-interest-bearing liabilities | | | | | |
| Operating liabilities | Note 22 | 12 | 104 | - | 0 |
| Total shareholders' equity and liabilities | | | 1 098 | | 400 |
| Pledged assets | Note 23 | | - | | - |
| Contingent liabilities | Note 23 | | 70 | | - |

COMMENTS TO THE FINANCIAL STATEMENTS

Amounts in MSEK unless otherwise specifically stated.

Accounting principles

The Financial statements of the Addtech Group have been compiled in accordance with the Swedish Annual Accounts Act and in accordance with the recommendations of the Swedish Financial Accounting Standards Council.

Change in accounting principles

Recommendation RR9 of the Swedish Financial Accounting Standards Council is applied from April 1, 2001. The change in principle has been applied retroactively, which means that the tax expense for the year of comparison rises by MSEK 2 and that the deferred tax liability decreases by MSEK 15, which, in turn, increases opening shareholders' equity by MSEK 15.

Consolidated accounting

The consolidated financial statements include the Parent Company and all companies in which the Parent Company directly or indirectly owns more than 50 percent of the votes.

The consolidated financial statements have been compiled in accordance with the recommendation on consolidated accounting of the Swedish Financial Accounting Standards Council (RR 1:96), and applying the purchase method of accounting. The use of this method means that the assets and liabilities of acquired subsidiaries are reported at market value in accordance with a concurrent acquisition analysis. If the cost of the shares in a subsidiary exceeds the estimated market value of the company's net assets according to the acquisition analysis, the difference is carried as goodwill. Goodwill is capitalized and is amortized over its estimated economic life. In the normal case the period of depreciation is 5 or 10 years. For particularly significant acquisitions, an economic life of 20 years may be warranted. Consolidated equity includes the Parent Company's equity and the portion of equity in subsidiaries earned after the time of acquisition.

Companies acquired during the year are included in the consolidated income

statement with value from the time after the acquisition. Companies sold during the year are included for the period they have been part of the Group.

Year-end appropriations and untaxed reserves

The consolidated statement of income and balance sheet are reported without year-end appropriations and untaxed reserves.

The year-end appropriations in individual companies have been allocated so that the tax portion is included in the Group's tax expense, while the remainder is included in net income for the year.

Untaxed reserves have been allocated so that the deferred tax liability is reported as a provision, while the remainder is reported among untaxed reserves.

The deferred tax liability has been calculated individually for each company, as a rule using the local tax rate for the following year. If the rate of taxation is changed, the change in the tax liability is taken as a tax expense for the year.

Receivables

Receivables are carried in the amount by which, after individual assessment, they are expected to be collected.

Translation of foreign subsidiaries

In compiling the consolidated financial statements, foreign subsidiaries are translated according to the current rate method. This means that assets and liabilities are translated using the year-end rate of exchange and all items in the income statement are translated using the year's average rate of exchange. Translation differences are carried directly to equity without affecting the year's income.

Receivables and liabilities in foreign currency

Receivables and liabilities in foreign currency have been translated using the year-end rate of exchange. Translation differences on operating receivables and operating liabilities are included in operating income, whereas the difference on financial receivables and

liabilities are reported among financial items.

To the extent receivables and liabilities are hedged by futures contracts, they are translated using the future rate of exchange.

Translation differences

Translation differences attributable to loans in foreign currency raised for the purpose of hedging subsidiary net assets are reported – after deduction of taxes – directly against equity, where also the corresponding translation difference is reported.

Similar reporting is applied to translation differences on long-term loans to foreign subsidiaries, which are regarded as additional investment in the subsidiaries.

Depreciation and amortization

Depreciation and amortization according to plan is based on the cost of the fixed assets in question and their estimated economic life. The following economic lives are applied:

| | |
|----------------------------|--------------|
| Machinery and equipment | 3–10 years |
| Buildings | 15–100 years |
| Land improvements | 20 years |
| Agency rights and goodwill | 5–20 years |

Revenue recognition

Sales revenue is recorded upon delivery of products and services according to the terms and conditions of each respective customer contract and is equivalent to the sales amount after deduction of value added tax, returns, discounts and rebates.

Revenue from projects in progress is reported gradually as projects are completed. If the costs to complete such a contract are estimated to exceed remaining revenue, a provision is set aside to cover the estimated loss.

Inventories

Inventories are carried at the lower of cost and market according to the first-in-first-out method (FIFO). Due consideration is given to the risk of obsolescence. In the case of semi-finished and finished goods manufactured in house, cost consists of direct manufacturing

costs and a reasonable markup for indirect manufacturing costs.

Taxes

In the consolidated financial statements taxes consist of current taxes as well as deferred taxes. Current taxes are calculated based on taxable income for the current period. Deferred taxes are calculated on the difference between amounts reported in the Group and taxable residual values. Deferred taxes are taxes calculated on temporary differences to be paid in the future. The calculation takes place without discounting to present value and using the applicable tax rate in each respective country. Due consideration is given to the value of tax loss carry-forwards based on the extent to which they will result in lower tax payments in the future.

Leasing

Significant financial leasing contracts are reported in the consolidated balance sheet as a fixed asset and liability, and in the income statement the leasing cost is allocated to operating expense (depreciation) and interest. Other leasing undertakings are reported according to the rules for operational leasing, that is outside the balance sheet and the entire cost is reported as operating expense. There are no significant financial leasing contracts at present.

Costs for research and development

Expenditure for own research and development is expensed as incurred.

Items affecting comparability

Recommendation number 4 of the Swedish Financial Accounting Standards Council is applied, which means that the income effects of certain events and transactions of a significant nature are specified within each respective level of result. Examples of such events and transactions are capital gain or loss on sale of business segments and significant fixed assets, write-downs and restructuring costs.

Comparative data

All comparative data for the Group in the Annual Report are pro forma with the following assumptions:

Formation of the Group

Addtech AB was formerly a dormant company in the Bergman & Beving Group. On March 1, 2001 Addtech AB was capitalized through an equity issue totaling MSEK 56

and an unconditional shareholder contribution of MSEK 344.

On March 31, 2001 Addtech AB acquired all shares outstanding in Bergman & Beving Industry AB from Bergman & Beving AB. The purchase price was equivalent to Bergman & Beving's book value of MSEK 347.

Addtech AB was not previously the parent company of the companies in Bergman & Beving's business area Industry, so no separate consolidated financial statements have been compiled.

Pro forma accounting

The pro forma accounts are based on the structure of the Addtech Group at the time of the formation of the Addtech Group. Businesses which were not a part of the Addtech Group, but which were previously a part of Bergman & Beving's business area Industry were removed as of March 31, 1998. Businesses acquired and sold from other companies in the Bergman & Beving Group during the period March 31, 1998 – March 31, 2001 were included in the pro forma financial statements as if acquisition and sale had taken place March 31, 1998. Businesses acquired outside the Bergman & Beving Group and which were part of the Addtech Group at the time of formation, are included from the date of acquisition.

The pro forma accounting for Addtech AB was compiled based on purchase price paid in the amount of MSEK 347 at the time of acquisition of Bergman & Beving Industry AB from Bergman & Beving AB. The purchase price corresponded to the reported value of all identifiable assets and liabilities in the group in which Bergman & Beving Industry AB was the parent company. Reported goodwill in the Industry Group is not an identifiable asset. This item is therefore not reported in the new Group.

Business area Industry's historical capital structure differed at the time of formation from that of the present Addtech Group.

Against this background, it was concluded that it would be meaningless to include financial items and taxes in the historical income statements. The pro forma income statement for the 1998/1999 and 1999/2000 financial years only include operating items, which means that they only go down as far as the level of operating income before financial items. A complete pro forma income statement is provided for the 2000/2001 financial year.

The above consideration also applies to the balance sheets, where only operating capital is reported for the years ended

March 31, 1999 and March 31, 2000, respectively. A complete balance sheet as of March 31, 2001 is provided.

In view hereof the cash flow statements for the years 1998/1999 and 2000/2001 contain cash flow from operations and investment activities, not including the effects of corporate acquisitions.

Key figures for Addtech's historical financial performance are based on the pro forma financial statements. As a result, certain key financial indicators have been omitted for the 1998/1999 and 1999/2000 financial years.

Pro forma adjustments

(The following pro forma adjustments have been made for all years unless otherwise specifically noted.)

- As of March 31, 2001 the total goodwill in the Bergman & Beving Group attributable to business area Industry amounted to MSEK 292. Goodwill in the Addtech Group amounted to zero MSEK as of March 31, 2001. Since amortization of this goodwill will not be charged to income in the future, historical goodwill amortization reported in Bergman & Beving AB has been eliminated.

The effect hereof is that goodwill amortization decreased by MSEK 32 in 2000/2001 compared with the amount reported in the Bergman & Beving annual report.

- As of March 31, 2001 Addtech was capitalized through a new share issue and a shareholder contribution, partially utilized for the acquisition of Industry. In the pro forma accounts for 2000/2001 this has been taken into account through an entry of interest income based on the assumption that the capitalization had taken place at the beginning of the year. Interest was computed at a rate of 4 percent.

- In the pro forma accounts, the acquisition of Vactek from Bergman & Beving MediTech as of March 31, 2001 was reported as if the acquisition became effective as of April 1, 1998.

- Since all the receivables from and liabilities to other companies in the Bergman & Beving Group were liquidated ahead of the stock exchange listing, these items have been reported net in the pro forma balance sheet as of March 31, 2001 under the item liquid funds.

- Group contributions received for and rendered to other companies in the Bergman & Beving Group have been treated in accordance with a statement from the Swedish Financial Accounting Standards Council's Urgent Issues Committee.

NOTES

Note 1 Net revenues and operating income by business area and geographic market

By business area

| | Net revenues | | Operating income* | |
|---|--------------|--------------|-------------------|------------|
| | 2001/02 | 2000/01 | 2001/02 | 2000/01 |
| Production Systems | 570 | 805 | -16 | 60 |
| Transmission Systems | 869 | 729 | 40 | 53 |
| Component Systems | 923 | 971 | 61 | 91 |
| Parent Company/ Consolidation eliminations | -2 | -3 | 0 | -3 |
| | 2 360 | 2 502 | 85 | 201 |

*Operating income not including items affecting comparability.
Net revenues and operating income by quarter is found on page 48.

By geographic market

| | Net revenues | |
|-----------------|--------------|--------------|
| | 2001/02 | 2000/01 |
| Sweden | 1 178 | 1 217 |
| Finland | 523 | 606 |
| Denmark | 385 | 428 |
| Norway | 74 | 62 |
| Other countries | 200 | 189 |
| | 2 360 | 2 502 |

MSEK 27 of the Parent Company's net revenues are attributable to Group companies.

Note 2 Employees and personnel expenses

| Average number of employees | 2001/02 | | | 2000/01 | | |
|-----------------------------|------------|------------|--------------|------------|------------|------------|
| | Men | Women | Total | Men | Women | Total |
| Sweden | | | | | | |
| Parent Company | 5 | 2 | 7 | 4 | 2 | 6 |
| Other companies | 431 | 147 | 578 | 385 | 120 | 505 |
| Finland | 201 | 76 | 277 | 160 | 56 | 216 |
| Denmark | 127 | 64 | 191 | 132 | 53 | 185 |
| Norway | 16 | 3 | 19 | 14 | 2 | 16 |
| Other countries | 62 | 21 | 83 | 8 | 4 | 12 |
| | 842 | 313 | 1 155 | 703 | 237 | 940 |

| Salaries and compensation | 2001/02 | | | 2000/01 | | |
|---------------------------|-------------------------------------|-------------------|--------------------|-------------------------------------|-------------------|--------------------|
| | Board of Directors and President | Of which bonus | Other employees | Board of Directors and President | Of which bonus | Other employees |
| Sweden | | | | | | |
| Parent Company | 6.5 | 0.2 | 1.5 | 3.3 | 0.8 | 2.9 |
| Other companies | 25.4 | 2.5 | 157.0 | 20.8 | 4.1 | 138.2 |
| Finland | 7.4 | 0.4 | 81.5 | 6.5 | 1.1 | 61.5 |
| Denmark | 8.7 | 0.4 | 75.4 | 10.9 | 0.5 | 66.9 |
| Norway | 1.6 | 0.3 | 6.8 | 1.4 | 0.4 | 5.2 |
| Other countries | 4.5 | 0.1 | 9.5 | 0.8 | - | 2.4 |
| Total | 54.1 | 3.9 | 331.7 | 43.7 | 6.9 | 277.1 |

Data for the year of comparison for the Parent Company refers to the then group parent company Bergman & Beving Industry AB.

Note 2 (cont'd)

Salaries, compensation and social benefits

| | Group | | Parent Company | |
|---|--------------|--------------|----------------|-------------|
| | 2001/02 | 2000/01 | 2001/02 | 2000/01 |
| Salaries and other compensation | 385.8 | 320.8 | 8.0 | 6.2 |
| Contractual pensions to directors and President | 11.2 | 7.4 | 1.5 | 0.6 |
| Contractual pensions to others | 30.6 | 22.0 | 0.5 | 1.5 |
| Other social benefits | 81.6 | 69.5 | 3.2 | 2.0 |
| Total | 509.2 | 419.7 | 13.2 | 10.3 |

Personnel options to members of senior management

In December 2001 the Board of Directors awarded 700 000 so-called personnel options to 56 members of senior management in the Group. To make this possible, the extra general meeting of shareholders held December 17 resolved that the Company will convey up to 700 000 class B shares in the Company in connection with any redemption of these personnel options. The President has been awarded 100 000 options and other executives have been awarded between 5 000 and 70 000 options per person. The redemption price is set at SEK 44.80, equivalent to 110 percent of the average market price of the Addtech share during the period December 3 – 7, 2001. These shares have been repurchased at an average price of SEK 34.84. If the personnel options are exercised, the number of shares outstanding increases by 2.6 percent (1.9 percent of the votes).

The options are not transferable and are only exercisable so long as the holder is an employee of the Company. The options are thus not classified as securities. For these and other reasons, the options have been awarded without consideration in any form.

Note 2 (cont'd)

The personnel option program may entail social benefits costs for the company. In the event of annual price appreciation of 10 percent these costs, if all options are utilized at the expiry date, will be about MSEK 2.2.

Information about compensation to directors, President and other senior executives

The group "Board of Directors and President" includes directors, President and executive vice presidents of the Parent Company.

Board of Directors

The Board of Directors has divided the fee adopted by the Annual General Meeting of SEK 800 000 (-) among the directors who are not employees of the parent Company, of which the Chairman has received SEK 250 000, the Vice Chairman 200 000 and other members SEK 150 000 each.

President of the Parent Company

The Company's President, Roger Bergqvist, was paid a fixed salary of SEK 1 830 000 and a bonus of SEK 69 000. Taxable benefits of SEK 90 000 were in addition hereto. Pension premiums have been paid equivalent to premiums according to the ITP plan. The President's retirement age is 65 years. A bonus, in addition to the fixed salary, may be payable up to 30 percent of the fixed salary. A secondary bonus of 20 percent, equivalent to a maximum of 6 percent of the fixed salary, may be payable of bonus received and used for buying shares in Addtech AB. The period of notice is 12 months when termination is at the initiative of the Company and six months when termination is at the initiative of the President. In the case termination is at the initiative of the Company, the President is entitled to a severance payment equivalent to one year's salary in addition to salary during the period of notice. No severance payment is payable in the case of termination at the initiative of the President. SEK 388 000 (258 000) of the Parent Company's pension costs refers to the President. The Company's outstanding pension liability to the President amounts to SEK 46 000 (43 000).

Other members of Group management

For other members of Group management fixed salaries have been paid in an amount of SEK 3 318 000 and bonuses of SEK 83 000. Taxable benefits of SEK 242 000 were in addition hereto. Pension premiums have been paid equivalent to premiums according to the ITP plan. The retirement age is 65 years. A bonus, in addition to the fixed salary, may be payable up to 30 percent of the fixed salary. A secondary bonus of 20 percent may be payable of bonus received and used for buying shares in Addtech AB. The period of notice is 12 months when termination is at the initiative of the Company and six months when termination is at the initiative of the employee. A severance payment of up to one year's salary is payable. No severance payment is payable in the case of termination at the initiative of the employee.

Note 3 Fees to auditors

| | Group | | Parent Company | |
|---|------------|------------|----------------|----------|
| | 2001/02 | 2000/01 | 2001/02 | 2000/01 |
| Audit assignments | | | | |
| KPMG | 2.9 | 1.8 | 0.3 | - |
| Other auditing firms | 0.3 | 0.8 | - | - |
| Total fees for audit assignments | 3.2 | 2.6 | 0.3 | - |
| Other assignments | | | | |
| KPMG | 0.7 | 0.3 | 0.1 | - |
| Other auditing firms | 0.2 | 0.1 | - | - |
| Total fees for other assignments | 0.9 | 0.4 | 0.1 | - |
| Total fees to auditors | 4.1 | 3.0 | 0.4 | - |

By audit assignments is meant examination of annual accounts and the management by the Board of Directors and the President. Everything else is other assignments.

Note 4 Depreciation and amortization according to plan

Depreciation and amortization according to plan by function

| | Group | | Parent Company | |
|--------------------------|--------------|--------------|----------------|----------|
| | 2001/02 | 2000/01 | 2001/02 | 2000/01 |
| Cost of goods sold | -15.1 | -14.0 | - | - |
| Selling expenses | -10.1 | -11.5 | - | - |
| Administrative expenses | -10.7 | -10.9 | -0.5 | - |
| Other operating expenses | -2.4 | -2.3 | - | - |
| | -38.3 | -38.7 | -0.5 | - |

Depreciation and amortization according to plan by class of assets

| | Group | | Parent Company | |
|------------------------|--------------|--------------|----------------|----------|
| | 2001/02 | 2000/01 | 2001/02 | 2000/01 |
| Goodwill | -0.9 | - | - | - |
| Buildings | -3.0 | -2.2 | - | - |
| Leasehold improvements | -1.0 | -0.8 | - | - |
| Machinery | -11.0 | -11.5 | - | - |
| Equipment | -22.4 | -24.2 | -0.5 | - |
| | -38.3 | -38.7 | -0.5 | - |

Note 5 Items affecting comparability

| | Group | | Parent Company | |
|---------------------------------------|------------|-------------|----------------|----------|
| | 2001/02 | 2000/01 | 2001/02 | 2000/01 |
| Income items affecting comparability | 4.1 | 13.8 | - | - |
| Expense items affecting comparability | -3.4 | -0.6 | -3.4 | - |
| | 0.7 | 13.2 | -3.4 | - |

Income items affecting comparability 2001/02 consist of gains on sale of real estate. Expense items affecting comparability 2001/02 consist of costs attributable to the listing of Addtech on the O-list of the Stockholm Stock Exchange. The preceding year's income items affecting comparability referred to repaid SPP funds and expense items affecting comparability consisted of result on sale of real estate.

Note 6 Other operating income and expense

| | Group | |
|-------------------------|-------------|-------------|
| | 2001/02 | 2000/01 |
| Other operating income | 16.9 | 15.0 |
| Other operating expense | -3.0 | -1.6 |
| | 13.9 | 13.4 |

Note 7 Financial income and expense

| | Group | | Parent Company | |
|--|------------|----------|----------------|----------|
| | 2001/02 | 2000/01 | 2001/02 | 2000/01 |
| Result from shares in Group companies | | | | |
| Dividend income | - | - | 290.0 | - |
| Group contribution | - | - | 30.2 | - |
| | - | - | 320.2 | - |
| Result from financial assets | | | | |
| Interest income | | | | |
| Group companies | - | - | 6.5 | - |
| Other | 0.5 | - | - | - |
| | 0.5 | - | 6.5 | - |

COMMENTS TO THE FINANCIAL STATEMENTS

Note 7 (cont'd)

| | Group | | Parent Company | |
|---|--------------|--------------|----------------|----------|
| | 2001/02 | 2000/01 | 2001/02 | 2000/01 |
| Other interest income | | | | |
| Interest income | | | | |
| Group companies | - | - | 1.2 | - |
| Other | 8.3 | 10.9 | 0.8 | - |
| | 8.3 | 10.9 | 2.0 | - |
| Interest expense and similar items | | | | |
| Interest expense | | | | |
| Group companies | - | - | -2.0 | - |
| Other | -13.7 | -17.6 | -2.2 | - |
| | -13.7 | -17.6 | -4.2 | - |
| Financial income and expense | -4.9 | -6.7 | 324.5 | - |

Note 8 Year-end appropriations – Parent Company

| | Parent Company | |
|-------------------------------------|----------------|----------|
| | 2001/02 | 2000/01 |
| Change in timing difference reserve | -7.8 | - |
| | -7.8 | - |

If the Parent Company had reported deferred taxes on year-end appropriations in accordance with the same principles as in the consolidated accounts, the deferred tax expense would have been MSEK 2.2 (-).

Note 9 Taxes

| | Group | | Parent Company | |
|-----------------------|--------------|--------------|----------------|----------|
| | 2001/02 | 2000/01 | 2001/02 | 2000/01 |
| Current taxes | | | | |
| Swedish | -16.2 | -19.7 | -6.5 | - |
| Foreign | -13.3 | -25.4 | - | - |
| Deferred taxes | 3.4 | -12.9 | - | - |
| | -26.1 | -58.0 | -6.5 | - |

The year's tax expense of MSEK 26.1 (58.0) is equivalent to 32.4 % (28.0) of income after financial items.

| | Group | |
|--|--------------|-------------|
| | 2001/02 | 2001/02 % |
| Income before taxes | 80.5 | |
| Weighted average tax based on national tax rates | -23.1 | 28.7 |
| Tax effect of: | | |
| Non-deductible expenses | -2.7 | 3.3 |
| Adjustments from prior years | -0.3 | 0.4 |
| | -26.1 | 32.4 |

Note 10 Intangible fixed assets

| | Goodwill |
|---|-------------|
| Accumulated cost | |
| Opening balance | - |
| Capital expenditures | 13.5 |
| Sales and disposals | - |
| Translation differences for the year | - |
| Closing balance | 13.5 |
| Accumulated amortization according to plan | |
| Opening balance | - |
| Amortization according to plan | -0.9 |
| Sales and disposals | - |
| Translation differences for the year | - |
| Closing balance | -0.9 |
| Closing residual value according to plan | 12.6 |
| Opening residual value according to plan | - |

Note 11 Tangible fixed assets (see page 45)

Note 12 Financial assets (cont'd on page 46)

| | Group | | Parent Company | |
|--|------------|------------|----------------|--------------|
| | 3/31/02 | 3/31/01 | 3/31/02 | 3/31/01 |
| Shares in Group companies, see separate specification, page 46 | - | - | 886.8 | 347.3 |
| Other long-term securities holdings | 5.3 | 5.4 | - | - |
| Deferred tax claim | - | - | - | - |
| Other long-term receivables | 0.8 | 1.7 | - | - |
| | 6.1 | 7.1 | 886.8 | 347.3 |

| | Parent Company |
|----------------------------------|----------------|
| Shares in Group companies | |
| Accumulated cost | |
| Opening balance | 347.3 |
| Capital expenditures | 539.5 |
| Sales | - |
| Closing balance | 886.8 |
| Accumulated writeups | |
| Opening and closing balance | - |
| Accumulated writedowns | |
| Opening and closing balance | - |
| Closing book value | 886.8 |
| Opening book value | 347.3 |

Capital expenditures of MSEK 539.5 refer to intra-Group restructuring.

Continued on page 46.

Note 11 Tangible fixed assets

| Group | Buildings and land | Leasehold improvements | Machinery | Equipment | Construction in progress | Total |
|---|--------------------|------------------------|--------------|---------------|--------------------------|---------------|
| Accumulated cost | | | | | | |
| Opening balance | 137.1 | 8.6 | 132.3 | 170.0 | - | 448.0 |
| Capital expenditures | 0.9 | 0.6 | 2.6 | 16.2 | 0.1 | 20.4 |
| Sales and disposals | -14.8 | -0.1 | -12.9 | -29.6 | - | -57.4 |
| Translation differences for the year | -0.5 | 0.0 | -1.0 | -0.6 | - | -2.1 |
| Closing balance | 122.7 | 9.1 | 121.0 | 156.0 | 0.1 | 408.9 |
| Accumulated depreciation according to plan | | | | | | |
| Opening balance | -29.6 | -5.4 | -89.2 | -113.4 | - | -237.6 |
| Depreciation according to plan | -2.9 | -1.0 | -11.0 | -22.4 | - | -37.3 |
| Sales and disposals | 3.1 | 0.0 | 12.2 | 24.8 | - | 40.1 |
| Translation differences for the year | 0.2 | 0.1 | 1.0 | 0.6 | - | 1.9 |
| Closing balance | -29.2 | -6.3 | -87.0 | -110.4 | - | -232.9 |
| Accumulated writeups | | | | | | |
| Opening and closing balance | 1.0 | - | - | - | - | 1.0 |
| Accumulated depreciation of writeups | | | | | | |
| Opening balance | -0.6 | - | - | - | - | -0.6 |
| Depreciation according to plan | -0.1 | - | - | - | - | -0.1 |
| Closing book value | -0.7 | - | - | - | - | -0.7 |
| Closing residual value according to plan | 93.8 | 2.8 | 34.0 | 45.6 | 0.1 | 176.3 |
| Opening residual value according to plan | 107.9 | 3.2 | 43.1 | 56.6 | - | 210.8 |

| Parent Company | Equipment | Tax assessment values, Swedish properties | |
|---|-------------|---|------------------|
| | | 2001/02 | Group 2000/01 |
| Accumulated cost | | | |
| Opening balance | - | Buildings 56.4 | 62.6 |
| Capital expenditures | 1.8 | Land 14.3 | 10.7 |
| Sales and disposals | -0.2 | Leasing fees | |
| Closing balance | 1.6 | 2001/02 | Group 2000/01 |
| Accumulated depreciation according to plan | | | |
| Opening balance | - | Leasing fees paid during the year | 14.8 8.2 |
| Depreciation according to plan | -0.5 | Amounts of future annual payments: | |
| Sales and disposals | 0.1 | 1 year after current financial year | 13.1 11.1 |
| Closing balance | -0.4 | 2 years after current financial year | 8.9 8.6 |
| | | 3 years after current financial year | 2.8 3.9 |
| | | 4 years after current financial year | 0.8 0.5 |
| | | 5 years after current financial year | 0.3 0.0 |
| Closing residual value according to plan | 1.2 | | 25.9 24.1 |
| Opening residual value according to plan | - | Refers primarily to equipment. | |

COMMENTS TO THE FINANCIAL STATEMENTS

Note 12 Tangible fixed assets (cont'd from page 44)

| Specification of shares in subsidiaries | Number of shares | Currency | Par value | Holding % | Book value |
|---|------------------|----------|-----------|-----------|--------------|
| Addtech Component Systems AB, 556236-3076, Stockholm | 1 750 | SEK | 100 | 100 | 0.1 |
| Addtech-Logit AB, 556625-4719, Solna | 1 000 | SEK | 100 | 100 | 0.1 |
| Addtech Production Systems AB, 556199-7866, Järfälla | 5 000 | SEK | 100 | 100 | 3.9 |
| Addtech Service Center AB, 556625-7092, Solna | 1 000 | SEK | 100 | 100 | 0.1 |
| Addtech Transmission Systems AB, 556546-3469, Sollentuna | 500 000 | SEK | 100 | 100 | 297.3 |
| Adiator AB, 556554-2783, Stockholm | 1 000 | SEK | 100 | 100 | 63.8 |
| Betech Seals Development A/S, 68132, Copenhagen | 2 | DKK | | 100 | 131.6 |
| Bevinggruppen AB, 556192-5081, Huddinge | 100 000 | SEK | 100 | 100 | 64.9 |
| ICM Inductive Component & Material AB, 556468-6706, Stockholm | 5 000 | SEK | 100 | 100 | 11.8 |
| MotionComp AB, 556557-4208, Stockholm | 10 000 | SEK | 100 | 100 | 88.6 |
| NE Nordic Energy System Development AB, 556467-0924, Sölvesborg | 1 000 | SEK | 100 | 100 | 73.2 |
| Provitech AB, 556527-8602, Sollentuna | 4 000 | SEK | 100 | 100 | 0.4 |
| Ritaren 3 AB, 556061-5667, Sollentuna | 50 000 | SEK | 100 | 100 | 41.0 |
| Teleinstrument Nordic AB, 556020-4496, Sollentuna | 10 000 | SEK | 100 | 100 | 67.2 |
| TestPoint AB, 556578-4294 | 10 000 | SEK | 100 | 100 | 42.8 |
| | | | | | 886.8 |

| Due from Group companies | Parent Company |
|--------------------------|----------------|
| Opening balance | 52.7 |
| Increase during the year | 22.2 |
| Decrease during the year | - |
| Closing balance | 74.9 |

A complete specification as required by law has been attached to the annual accounts filed with the Swedish Patent & Registration Office. This specification is available upon request from Addtech AB, P.O. Box 508, SE-169 29 Solna.

Note 13 Inventories

| | Group | |
|-------------------------------------|--------------|--------------|
| | 3/31/02 | 3/31/01 |
| Raw materials and consumables | 21.5 | 22.8 |
| Work in progress | 13.4 | 13.6 |
| Finished goods and goods for resale | 308.1 | 333.6 |
| Advance payments to suppliers | 4.5 | 5.7 |
| | 347.5 | 375.7 |

Note 14 Short-term receivables

| | Group | | Parent Company | |
|-------------------------------------|--------------|--------------|----------------|---------|
| | 3/31/02 | 3/31/01 | 3/31/02 | 3/31/01 |
| Accounts receivable | 340.1 | 423.5 | 0.1 | - |
| Tax claims | 8.3 | - | - | - |
| Other receivables | 33.7 | 30.2 | 18.2 | - |
| Prepaid expenses and accrued income | 24.5 | 18.5 | 1.0 | - |
| | 406.6 | 472.2 | 19.3 | - |

Note 15 Shareholders' equity

| Group | Share capital | Restricted reserves | Unrestricted reserves | Total |
|---|---------------|---------------------|-----------------------|--------------|
| Opening balance | 55.7 | 0.0 | 344.3 | 400.0 |
| Effect of changed accounting principle | | | 15.2 | 15.2 |
| Opening balance adjusted for new principle | 55.7 | 0.0 | 359.5 | 415.2 |
| Transfer between restricted and unrestricted equity | | 5.7 | -5.7 | 0.0 |
| Repurchase of own shares | | | -46.4 | -46.4 |
| Translation difference for the year | | | -4.4 | -4.4 |
| Net income for the year | | | 52.9 | 52.9 |
| Closing balance | 55.7 | 5.7 | 355.9 | 417.3 |

Note 15 (cont'd)

| Accumulated translation difference | 3/31/02 | 3/31/01 |
|-------------------------------------|-------------|---------|
| Opening balance | - | - |
| Translation difference for the year | -4.4 | - |
| | -4.4 | - |

| Parent Company | Share capital | Legal reserve | Unrestricted reserves | Total |
|--------------------------|---------------|---------------|-----------------------|--------------|
| Opening balance | 55.7 | - | 344.3 | 400.0 |
| Repurchase of own shares | | | -46.4 | -46.4 |
| Net income for the year | | | 306.6 | 306.6 |
| Closing balance | 55.7 | 0.0 | 604.5 | 660.2 |

Note 16 Share capital

The share capital as of March 31, 2002 consists of (a) 1 113 478 class A shares, each with a nominal value of SEK 2 entitling its holder to 10 votes per share and (b) 26 750 754 class B shares, each with a nominal value of SEK 2 entitling its holder to 1 vote per share. 1 331 400 class B shares were repurchased within the framework of the Company's current buyback program. Net, after deduction of repurchased shares, the number of class B shares outstanding is 25 419 354.

Note 17 Untaxed reserves

| | Parent Company | |
|---|----------------|---------|
| | 3/31/02 | 3/31/01 |
| Timing difference reserve | 7.8 | - |
| | 7.8 | - |
| Allocations to timing difference reserve have been made as follows: | | |
| | 3/31/02 | |
| Allocation for tax assessment 2003 | 7.8 | |
| | 7.8 | |

MSEK 2.2 of the Parent Company's untaxed reserves totaling MSEK 7.8 consists of deferred taxes included in the item deferred taxes in the consolidated balance sheet.

Note 18 Pensions and similar commitments

| | Group | |
|-------------------------------|-------------|-------------|
| | 3/31/02 | 3/31/01 |
| Provision for pensions, PRI | 69.7 | 62.1 |
| Provision for pensions, other | 2.7 | 1.9 |
| | 72.4 | 64.0 |

Note 19 Deferred taxes

| Group | 3/31/01 | | |
|--------------------------------------|---------|-------------|-------|
| | Claims | Liabilities | Net |
| Fixed assets | 9.0 | -8.7 | 0.3 |
| Tax loss carryforwards | 0.7 | - | 0.7 |
| Untaxed reserves | - | -51.8 | -51.8 |
| Other | 0.8 | - | 0.8 |
| Deferred taxes, net, closing balance | 10.5 | -60.5 | -50.0 |
| Deferred taxes, net, opening balance | 15.2 | -64.2 | -49.0 |

Note 20 Long-term liabilities to credit institutions

| | Group | | Parent Company | |
|--|------------|-------------|----------------|----------|
| | 3/31/02 | 3/31/01 | 3/31/02 | 3/31/01 |
| Committed credit facility | | | | |
| Approved limit | 204.3 | 106.4 | 106.5 | - |
| Unutilized portion | -126.8 | -42.6 | -73.5 | - |
| Credit facility utilization | 77.5 | 63.8 | 33.0 | - |
| Liabilities to credit institutions | | | | |
| Maturing within 2 years | 1.4 | 6.1 | - | - |
| Maturing within 3 years | 1.0 | 2.1 | - | - |
| Maturing within 4 years | 0.6 | 2.5 | - | - |
| Maturing within 5 years | 0.7 | 1.8 | - | - |
| Maturing after 5 years | 1.0 | 9.6 | - | - |
| | 4.7 | 22.1 | - | - |
| Long-term liabilities to credit institutions | 82.2 | 85.9 | 33.0 | - |

The Addtech Group's long-term liabilities to credit institutions were divided among the following currencies as of March 31, 2002:

| Currency | Local currency | MSEK |
|----------|----------------|-------------|
| SEK | 0.0 | 0.0 |
| EUR | 3.8 | 34.3 |
| DKK | 38.2 | 46.4 |
| NOK | 1.3 | 1.5 |
| Total | | 82.2 |

Note 21 Current liabilities to credit institutions

| | Group | |
|------------------------------------|------------|------------|
| | 3/31/02 | 3/31/01 |
| Liabilities to credit institutions | 1.8 | 6.0 |
| Current liabilities | 1.8 | 6.0 |

The Addtech Group's short-term liabilities to credit institutions were divided among the following currencies as of March 31, 2002:

| Current liabilities | Local currency | MSEK |
|---------------------|----------------|------------|
| EUR | 0.1 | 0.8 |
| DKK | 0.8 | 1.0 |
| Total | | 1.8 |

Note 22 Operating liabilities

| | Group | | Parent Company | |
|---|--------------|--------------|----------------|----------|
| | 3/31/02 | 3/31/01 | 3/31/02 | 3/31/01 |
| Advance payments from customers | 1.9 | 4.3 | - | - |
| Accounts payable | 218.7 | 282.4 | 1.3 | - |
| Notes payable | 0.8 | - | - | - |
| Tax liabilities | - | 49.8 | 3.5 | - |
| Other liabilities, non-interest-bearing | 75.7 | 128.0 | 1.7 | - |
| Accrued expenses and prepaid income | 103.8 | 114.6 | 5.3 | - |
| | 400.9 | 579.1 | 11.8 | - |

Accrued expenses and prepaid income contain the customary items, such as social benefit costs, vacation pay liabilities, bonuses, rents and interest.

Note 23 Pledged assets and contingent liabilities

| | Group | | Parent Company | |
|---|-------------|-------------|----------------|----------|
| | 3/31/02 | 3/31/01 | 3/31/02 | 3/31/01 |
| Pledged security for liability to credit institution | | | | |
| Real estate mortgages | 11.5 | 17.3 | - | - |
| Corporate mortgages | 40.7 | 56.6 | - | - |
| | 52.2 | 73.9 | - | - |
| Contingent liabilities | | | | |
| Guaranties and other contingent liabilities | 5.5 | 8.0 | - | - |
| Guaranties for subsidiaries | - | - | 69.7 | - |
| | 5.5 | 8.0 | 69.7 | - |

Note 24 Adjustment for items not included in cash flow

| | Group | | Parent Company | |
|---|-------------|-------------|----------------|----------|
| | 2001/02 | 2000/01 | 2001/02 | 2000/01 |
| Depreciation and amortization | 38.3 | 38.7 | 0.5 | - |
| Result on sales of companies and facilities | -8.1 | -2.2 | - | - |
| Change in pension liability | 8.3 | 6.4 | - | - |
| Group contribution/dividends not paid | | | -320.2 | |
| Other | 3.0 | -12.7 | 0.2 | - |
| | 41.5 | 30.2 | -319.5 | - |

AUDIT REPORT

To the Annual General Meeting of Shareholders of Addtech AB (publ), organization number 556302-9726.

We have examined the Annual Accounts, the consolidated financial statements, the accounting records and the management by the Board of Directors and the President of Addtech AB (publ.) for the financial year April 1, 2001 – March 31, 2002. Responsibility for the accounting records and management rests with the Board of Directors and the President. Our responsibility is to render our opinion on the Annual Accounts, the consolidated financial statements and the management based on our audit.

The audit has been performed in accordance with generally accepted auditing standards in Sweden. This means that we have planned and performed the audit in such a way as to get reasonable assurance that the Annual Accounts and the consolidated financial statements contain no material errors. The audit procedure includes examination of a sample of supporting documentation for amounts and other information in the accounting records. An audit also includes a test of the accounting principles, and the Board of Director's and the management's application thereof, and forming an opinion of the aggregate information contained in the Annual Accounts and the consolidated financial statements. We have also examined significant decisions, actions and circumstances in the company to allow us to form an opinion as to whether any Director or the President is liable

for damages to the company, or in any other way has acted contrary to the Companies Act, the Annual Accounts Act or the Articles of Association. We are of the opinion that my audit gives me a reasonable ground for my statements below.

The Annual Accounts and the consolidated financial statements are prepared in accordance with the Annual Accounts Act and therefore provide a true and fair picture of the Company's and the Group's performance and financial position in accordance with generally accepted accounting standards in Sweden.

We recommend that the Annual General Meeting adopts the Statement of Income and the Balance Sheet for the Parent Company and the Group, deals with the earnings in the Parent Company in accordance with the recommendation contained in the Administration Report and that the members of the Board of Directors and the President be granted discharge from liability for the financial year.

Stockholm, June 17, 2002

George Pettersson
Authorized Public Accountant

Thomas Thiel
Authorized Public Accountant

QUARTERLY DATA

| Revenues and income by business area | Net revenues | | | Operating income* | | |
|---|--------------|--------------|--------------|-------------------|------------|------------|
| | 2001/2002 | 2000/2001 | 1999/2000 | 2001/2002 | 2000/2001 | 1999/2000 |
| MSEK | | | | | | |
| Production Systems | 570 | 805 | 619 | -16 | 60 | 44 |
| Transmission Systems | 869 | 729 | 584 | 40 | 53 | 51 |
| Component Systems | 923 | 971 | 826 | 61 | 91 | 68 |
| Parent Company and consolidation eliminations | -2 | -3 | -6 | 0 | -3 | -2 |
| Group total | 2 360 | 2 502 | 2 023 | 85 | 201 | 161 |

| Net revenues, quarterly data | 2001/2002 | | | | 2000/2001 | | | |
|---|------------|------------|------------|------------|------------|------------|------------|------------|
| | Q 4 | Q 3 | Q 2 | Q 1 | Q 4 | Q 3 | Q 2 | Q 1 |
| MSEK | | | | | | | | |
| Production Systems | 118 | 131 | 138 | 183 | 227 | 229 | 179 | 170 |
| Transmission Systems | 212 | 220 | 212 | 225 | 232 | 186 | 151 | 160 |
| Component Systems | 237 | 244 | 213 | 229 | 260 | 269 | 221 | 221 |
| Parent Company and consolidation eliminations | 0 | 0 | -1 | -1 | -1 | -1 | 0 | -1 |
| Group total | 567 | 595 | 562 | 636 | 718 | 683 | 551 | 550 |

| Operating income, quarterly data | 2001/2002 | | | | 2000/2001 | | | |
|---|-----------|----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | Q 4 | Q 3 | Q 2 | Q 1 | Q 4 | Q 3 | Q 2 | Q 1 |
| MSEK | | | | | | | | |
| Production Systems | -9 | -16 | 0 | 9 | 18 | 20 | 11 | 11 |
| Transmission Systems | 7 | 7 | 12 | 14 | 13 | 14 | 13 | 13 |
| Component Systems | 13 | 15 | 15 | 18 | 22 | 24 | 22 | 23 |
| Parent Company and consolidation eliminations | 1 | 0 | -1 | 0 | -1 | -1 | 0 | -1 |
| Group total | 12 | 6 | 26 | 41 | 52 | 57 | 46 | 46 |

* Operating income not including items affecting comparability.

Roger Bergqvist



Anders Claeson



Kennet Göransson



Johnny Öhman

GROUP MANAGEMENT

Roger Bergqvist, born 1948.
President in Addtech AB.
Employed by the Group since 1973.
Ownership: 9 000 class B shares.
Personnel options: 100 000.

Anders Claeson, born 1956.
Executive Vice President in
Addtech AB.
Employed by the Group since 1982.
Ownership: 3 300 class B shares.
Personnel options: 70 000.

Kennet Göransson, born 1963.
Executive Vice President and
Chief Financial Officer in
Addtech AB.
Secretary to the Board of Directors.
Employed by the Group since 1995.
Ownership: 2 300 class B shares.
Personnel options: 70 000.

Johnny Öhman, born 1939.
Executive Vice President in
Addtech AB.
Employed by the Group since 1971.
Ownership: 1 000 class B shares.
Personnel options: 70 000.

AUDITORS

George Pettersson, born 1964.
Authorized Public Accountant, KPMG.
Auditor in Addtech since 1997.

Thomas Thiel, born 1947.
Authorized Public Accountant, KPMG.
Auditor in Addtech since 2001.

DEPUTY AUDITORS

Björn Sande, born 1960.
Authorized Public Accountant, KPMG.
Deputy Auditor in Addtech
since 2001.

Joakim Thilstedt, born 1967.
Authorized Public Accountant, KPMG.
Deputy Auditor in Addtech
since 2001.

BOARD OF DIRECTORS

Anders Börjesson



Tom Hedelius



Urban Jansson



Lars Spongberg



Roger Bergqvist

BOARD OF DIRECTORS

Anders Börjesson, born 1948.
Chairman since 2001.
Other assignments:
Chairman in Boomerang AB, Cibenon AB and Lagercrantz Group AB. Vice Chairman in Bergman & Beving AB.
Ownership (family): 293 000 class A shares and 20 500 class B shares.

Tom Hedelius, born 1939.
Vice Chairman since 2001.
Doctor h.c. Economics. Honorary Chairman in Svenska Handelsbanken AB. Other assignments: Chairman in Anders Sandrews stiftelse, Bergman & Beving AB, Industrivärlden AB and Svenska

le Carbone. Vice Chairman in Lagercrantz Group AB, Telefonaktiebolaget LM Ericsson, Jan Wallanders och Tom Hedelius stiftelse. Director in SCA AB and Volvo AB.
Ownership: 278 000 class A shares and 5 400 class B shares.

Urban Jansson, born 1945.
Director since 2001.
Other assignments: Chairman in Plantagen AB, Proffice AB and other assignments. Director in Ahlstrom Corp, Anoto Group, Pyrosequencing AB and SEB AB and other assignments.
Ownership: 25 000 class B shares.

Lars Spongberg, born 1945.
Director since 2001.
Other assignments:
Director in Aerocrine AB, Allgon AB, Biora AB, Cibenon AB, Gyros AB, Intervalor AB, Munters AB, Provexa AB, Skyways Holding AB and in portfolio companies in Nordic Capital.
Ownership: 0.

Roger Bergqvist, born 1948.
Director since 2001.
President in Addtech AB.
Ownership: 9 000 class B shares.
Personnel options: 100 000.

FOUR-YEAR SUMMARY

| MSEK unless otherwise stated | 2001/2002 | 2000/2001 | 1999/2000 | 1998/1999 |
|---|-----------|-----------|-----------|-----------|
| Net revenues | 2 360 | 2 502 | 2 023 | 1 725 |
| Operating income | 86 | 214 | 161 | 153 |
| Operating income not including items affecting comparability | 85 | 201 | 161 | 153 |
| Financial income and expense | -5 | -7 | | |
| Income after financial items | 81 | 207 | | |
| Net income for the year | 53 | 149 | | |
| Intangible fixed assets | 13 | - | | |
| Tangible fixed assets | 176 | 211 | 167 | 183 |
| Financial fixed assets | 6 | 7 | 8 | 7 |
| Inventories | 347 | 376 | 269 | 234 |
| Short-term receivables | 407 | 472 | 344 | 287 |
| Liquid funds | 92 | 151 | | |
| Total assets | 1 041 | 1 217 | | |
| Shareholders' equity | 417 | 415 | | |
| Minority interest | 6 | 6 | | |
| Interest-bearing liabilities and provisions | 166 | 167 | | |
| Non-interest-bearing liabilities and provisions | 452 | 629 | 395 | 329 |
| Total shareholders' equity and liabilities | 1 041 | 1 217 | | |
| Capital employed | 589 | 588 | | |
| Financial indebtedness | 74 | 16 | | |
| Operating margin, % | 3.6 | 8.6 | 8.0 | 8.9 |
| Profit margin, % | 3.4 | 8.3 | | |
| Return on equity, % | 12 | 36 | | |
| Return on capital employed, % | 15 | 38 | | |
| Equity ratio, % | 41 | 34 | | |
| Debt equity ratio | 0.4 | 0.4 | | |
| Interest coverage ratio | 6.9 | 12.8 | | |
| Earnings per share, SEK | 1.92 | 5.36 | | |
| Earnings per share not including items affecting comparability, SEK | 1.91 | 5.02 | | |
| Shareholders' equity per share, SEK | 15.70 | 14.90 | | |
| Dividend per share, SEK* | 1.20 | | | |
| Cash flow from current operations | 41 | 223 | | |
| Average number of employees | 1 155 | 940 | 811 | 723 |
| Number of employees at year-end | 1 100 | 1 162 | 823 | 758 |

* As proposed by the Board of Directors.

The Addtech Group was capitalized March 31, 2001. Certain data has therefore been omitted. All comparative data are pro forma and based on the assumptions presented in the comments to the financial statements on pages 40-41.

The dilutive effect of outstanding personnel options is marginal.

Definitions

Capital employed

Balance sheet total, less non-interest-bearing provisions and liabilities.

Debt equity ratio

Interest-bearing liabilities in relation to shareholders' equity plus minority interest.

Earnings per share

Income after taxes in relation to average number of shares outstanding.

Equity ratio

Shareholders' equity, plus minority interest in percent of balance sheet total.

Interest coverage ratio

Income after financial items, plus interest expense, plus/minus translation differences in relation to interest expense plus/minus translation differences.

Net interest-bearing liabilities

Interest-bearing liabilities, less liquid funds and short-term investments.

Operating margin

Operating income in percent of net revenues.

Personnel turnover

Number of employees who have left the Company in relation to average number of employees.

Profit margin

Income after financial items in percent of net revenues.

Return on capital employed

Income after financial items, plus interest expense, plus/minus translation differences in percent of balance sheet total, less non-interest-bearing provisions and liabilities.

Return on equity

Income after taxes in percent of shareholders' equity.

Shareholders' equity per share

Shareholders' equity divided by the number of shares outstanding at year-end.

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WELCOME TO THE ANNUAL GENERAL MEETING!

The regularly scheduled Annual General Meeting will be held at 4:00 p.m., Tuesday, August 20, 2002 at IVA konferenscenter, Grev Turegatan 16, Stockholm.

Notice of participation

Shareholders who wish to participate in the proceedings of the Annual General Meeting must

(a) be entered in the share register maintained by VPC AB not later than Friday, August 9, 2002, and

(b) file notice of their desire to attend not later than 3:00 p.m., Thursday, August 15, 2002 to the Company's head office under address Adtech AB (publ), P.O. Box 508, SE-169 29 Solna, Sweden, telephone +46-8-470 49 00, fax +46-8-470 49 01, or

info@addtech.com. Such notice must contain the following information: name of shareholder, personal registration number (organization number) and information about the number of shares represented.

In order to exercise their voting rights, shareholders whose shares are registered in the name of a bank's trust department, or in the name of a stockbroker as nominee, must temporarily register their shares in their own name. Such registration must be completed not later than by Friday, August 9, 2002.

Payment of dividend

The resolutions of the Annual General Meeting will include the date by which shareholders must be registered in the share register maintained by the VPC AB in order

to be entitled to receive dividend. The Board Directors has proposed Friday, August 23, 2002 as record date.

On the condition that the Annual General Meeting adopts this proposal, dividends will be disbursed by VPC AB Wednesday, August 28, 2002 to shareholders of record as of August 23, 2002.

Change of address and bank account

Shareholders who have changed their name, address or account number should immediately report such change to their custodian or to their institution of account (bank). A special form for the purpose is available at all Swedish bank branch offices.

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