

Addtech Group

Value Adding Tech Provider

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.

Interim report April 1 – June 30, 2001 (3 months)

- **Net revenues increased by 16 percent to MSEK 636 (550)**
- **Operating income amounted to MSEK 41 (46)**
- **Income after financial items amounted to MSEK 40 (45)**
- **The equity ratio increased to 37 percent (34)**
- **As previously announced, the Board of Directors of Addtech's owner, Bergman & Beving AB, has decided to propose to the regularly scheduled Annual General Meeting to be held August 22 to distribute Addtech to Bergman & Beving's shareholders. The first day for listing is expected to be September 3.**

All comparative data are pro forma pursuant to assumptions set forth in Information to the shareholders of Bergman & Beving AB regarding distribution of subsidiaries Addtech AB and Lagercrantz Group AB. Comparative data for prior years have been adjusted for the effect of applying recommendation RR9 on income taxes of the Swedish Financial Accounting Standards Council.

NET REVENUES AND INCOME

Net revenues for the first three months of the financial year increased by 16 percent to MSEK 636 (550). The increase is explained by added business volume in units acquired during the past operating year.

The general economy has gradually weakened during the spring in several of the Group's markets, which has affected operations. Especially hard hit has been machinery and equipment of an investment character. For several of the Group's important markets, such as the electronics and telecommunications markets, it is uncertain when an economic turnaround can be expected.

Targeted action in the form of cost-cutting and organizational changes has been initiated to counteract the effects of the weaker business climate.

Operating income amounted to MSEK 41 (46), which is equivalent to an operating margin of 6.4 percent. The deteriorating margin is explained by additional sales volume with limited profit

contribution from acquired companies during the period.

Income after financial items declined to MSEK 40 (45).

Income after taxes amounted to MSEK 28 (32), or SEK 0.98 per share (1.13). The corresponding values for the most recent past 12-month period were MSEK 145 and SEK 5.21, respectively, as compared with the preceding operating year, MSEK 149 and SEK 5.36, respectively.

MSEK	April – June 2001	2000	Change %
Net revenues	636	550	16
Operating income	41	46	-11
– in % of net revenues	6.4	8.3	
Income after financial items	40	45	-11
– in % of net revenues	6,2	8,1	
Earnings per share, SEK	0.98	1.13	-13

BUSINESS AREAS

PRODUCTION SYSTEMS

offers systems solutions, primarily for the production processes of the electronics, engineering and vehicle industries.

Net revenues increased by 8 percent to MSEK 183 (170). Operating income declined to MSEK 9 (11).

Production Systems, where production equipment for the electronics and telecom industry is an essential part of the business, was the unit in the Group hardest hit by the economic slowdown. The business situation is weaker than at this time one year ago. The decline applies to all countries, but is especially marked in Finland, where production in the electronics and telecom industries has declined during the spring.

While investment equipment has dropped, sales of production material is stable. Demand for solutions for systems integration have increased.

The business area's units focused on mechanical industry and the vehicle industry have been brought together in a new division, TestPoint, during the period. TestPoint has entered into several major contracts for delivery of measuring and testing systems for the auto industry with delivery over the coming 12-month period.

TRANSMISSION SYSTEMS

markets transmission components, machinery elements and automation systems for the manufacturing industry and the aftermarket. Chains, gaskets and machinery elements are mainly manufactured in-house.

Net revenues increased by 41 percent to MSEK 225 (160). The increase in continuing operations is 5 percent. Operating income increased to MSEK 14 (13).

The combination of sales of components to producing customers in manufacturing and the aftermarket has resulted in a stable market situation with good demand.

Proprietary production of chains, transmissions and machinery elements has seen a favorable development. Market coverage in the area of hydraulics has been strengthened during the period. Orders from truck manufacturers totaling MSEK 80 for delivery over the next two years have also been won.

COMPONENT SYSTEMS

develops and markets component solutions for the manufacturing industry and the aftermarket.

Net revenues increased by 4 percent to MSEK 229 (221). Operating income declined to MSEK 18 (23).

The market situation has been affected by the slowdown in the electronics and telecom industry, with resultant weaker demand for components and systems.

Among major orders during the period can be noted agreements for delivery of system solutions integrating contactors and leads valued at MSEK 20. The application is for base stations and shipments commenced during the month of July.

PROFITABILITY

The return on capital employed for the past 12-month period was 36 percent, compared to 38 percent for the preceding financial year. The corresponding numbers for return on equity were 34 percent and 36 percent, respectively.

FINANCIAL POSITION AND CASH FLOW

Addtech's equity ratio was 37 percent at the end of the period, as compared with 34 percent at the beginning of the financial year. Shareholder's equity per share amounted to SEK 15.95, as compared with SEK 14.90 at the beginning of the financial year.

The Group's net debt amounted to MSEK 52 at the end of the period, which is an increase of MSEK 36 compared to the situation at the beginning of the financial year. The primary reasons for the increase is an increase in working capital and final settlement of purchase money for companies acquired during the preceding year.

The Group's strong financial position, with low leverage and low net debt, makes for good opportunities for expansion by acquisition.

Cash flow from current operations amounted to MSEK 5 during the period. Investments in fixed assets amounted to MSEK 6, and disposals were made in an amount of MSEK 4.

Summary statement of cash flow

MSEK	Apr – Jun 2001	Full year 2000/01
Income after financial items	40	207
Adjustment for items affecting comparability	–	–13
Adjustment for items not included in cash flow	9	43
Taxes paid	–7	–7
Change in working capital	–37	–7
Cash flow from current operations	5	223
Net investment in fixed assets	–2	–25
Acquisitions and divestitures of subsidiaries	0	–195
Financing operations	–13	–*
Cash flow for the period	–10	3
Liquid funds at beginning of period	151	–*
Translation diff. in liquid funds	1	–*
Liquid funds at end of period	142	151

*The Addtech Group was capitalized March 31, 2001. Some data therefore omitted.

CORPORATE ACQUISITIONS

No corporate acquisitions were made during the period. Integration of companies acquired during the preceding year continued.

EMPLOYEES

The number of employees at the end of the period was 1 197, as compared with 1 162 at the beginning of the period.

PERSONNEL OPTIONS

The Board of Directors intends to offer members of senior management in the Addtech Group so-called synthetic options.

ACCOUNTING PRINCIPLES

This interim report has been compiled in accordance with recommendation RR20 Interim Reporting of the Swedish Financial Accounting Standards Council.

The Swedish Financial Accounting Standards Council's recommendation RR9 Income taxes is being applied starting with this interim report. Comparative data for prior years have therefore been adjusted. As a result thereof, equity has increased by MSEK 15.

In all other respects the same accounting principles and bases for forming a judgement as presented in Bergman & Beving's Annual Report for 2000/2001 have been applied. A statement on accounting principles applied is included in the listing prospectus to be available shortly by reason of Addtech's impending listing on the O-list of the Stockholm Stock Exchange (Stockholmsbörsen AB).

PARENT COMPANY

The Parent Company's net revenues amounted to MSEK 6 (–) and income after financial items was MSEK 0 (–).

FUTURE OUTLOOK

The weakened economic activity with lower production and declining capital spending has had a negative effect on the Group's operations. The market situation has become gradually weaker and the negative trend is particularly evident in the parts of the Group dependent on the telecom and electronic industry. There is uncertainty as to when a turnaround in the economy can be expected.

BUSINESS AREAS

Net revenues by business area MSEK	3 months ending		12 months ending	
	Jun. 30, 2001	Jun. 30, 2000	Jun. 30, 2001	Mar. 31, 2001
Production Systems	183	170	818	805
Transmission Systems	225	160	794	729
Component Systems	229	221	979	971
Parent Company and consolidation eliminations	-1	-1	-3	-3
Addtech Group	636	550	2 588	2 502

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

Income by business area MSEK	3 months ending		12 months ending	
	Jun. 30, 2001	Jun. 30, 2000	Jun. 30, 2001	Mar. 31, 2001
Production Systems	9	11	58	60
Transmission Systems	14	13	54	53
Component Systems	18	23	86	91
Parent Company and consolidation eliminations	0	-1	-2	-3
Operating income	41	46	196	201
- in % of net revenues	6.4	8.3	7.6	8.0
Financial income and expense	-1	-1	-7	-7
Income after financial items	40	45	189	194
- in % of net revenues	6.2	8.1	7.3	7.8

Income data are before items affecting comparability.

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

Income data are before items affecting comparability.

THE GROUP IN BRIEF

The Addtech Group was capitalized March 31, 2001. Certain values depending on capitalization have therefore been omitted for periods and points in time prior to March 31, 2001.

STATEMENT OF INCOME MSEK	3 months ending		12 months ending	
	Jun. 30, 2001	Jun. 30, 2000	Jun. 30, 2001	Mar. 31, 2001
Net revenues	636	550	2 588	2 502
Operating expenses	-595	-504	-2 392	-2 301
<i>Of which depreciation</i>	-10	-8	-41	-39
Items affecting comparability	-	-	13	13
Operating income	41	46	209	214
<i>- in % of net revenues</i>	6.4	8.3	8.1	8.6
Financial income and expense	-1	-1	-7	-7
Income after financial items	40	45	202	207
<i>- in % of net revenues</i>	6,2	8,1	7,8	8,3
Taxes	-12	-13	-57	-58
Minority interest	-0	-	-0	-0
Result for the period	28	32	145	149
Earnings per share, SEK	0.98	1.13	5.21	5.36
Earnings per share not including items affecting comparability, SEK	0.98	1.13	4.87	5.02
Average number of shares outstanding ('000)	27 864	27 864	27 864	27 864
Number of shares outstanding at end of period ('000)	27 864	27 864	27 864	27 864

BALANCE SHEET, MSEK	Jun. 30, 2001	Mar. 31, 2001
Tangible fixed assets	205	211
Financial assets	8	7
Inventories	395	376
Short-term receivables	444	472
Liquid funds	142	151
Total assets	1 194	1 217
Shareholder's equity	444	415
Minority interest	6	6
Interest-bearing liabilities and provisions	194	167
Non-interest-bearing liabilities and provisions	550	629
Total shareholder's equity, provisions and liabilities	1 194	1 217

KEY FIGURES	3 months ending		12 months ending	
	Jun. 30, 2001	Jun. 30, 2000	Jun. 30, 2001	Mar. 31, 2001
<i>Return on capital employed, %</i>			36	38
<i>Same not including items affecting comparability</i>			34	36
<i>Return on equity, %</i>			34	36
<i>Same not including items affecting comparability</i>			32	34
<i>Average number of employees during the period</i>	1 177	823	1 018	940
<i>Number of employees at end of period</i>	1 197	832	1 197	1 162
			Jun. 30, 2001	Mar. 31, 2001
Shareholder's equity per share, SEK			15.95	14.90
Debt equity ratio			0.4	0.4
Equity ratio, %			37	34

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

Change in shareholder's equity

MSEK	Apr – Jun 2001
Opening balance	400
Effect of change in accounting principle	15
Opening balance adjusted for new principle	415
Translation difference for the period	1
Income for the period	28
Closing balance	444

Effect of changed accounting principles – RR 9

MSEK	Pro forma 2000/01	Adjustment	Adjusted pro forma
Income after financial items	207		207
Taxes	-56	-2	-58
Income for the period	151	-2	149
Fixed assets	218		218
Current assets	999		999
Total assets	1 217		1 217
Shareholder's equity	400	15	415
Liabilities and provisions	817	-15	802
Total shareholder's equity, provisions and liabilities	1 217	0	1 217

Acquisitions and divestitures since April 1, 2000

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

* Annual revenues and number of employees at time of acquisition.

Stockholm, August 20, 2001

Roger Bergqvist
President

Auditors' Review Report

We have reviewed this interim report in accordance with Swedish generally accepted standards for such reviews. A review is significantly less in scope than an examination in accordance with generally accepted auditing standards.

During our review nothing came to our attention to indicate that the interim report does not comply with the requirements of the Act governing Securities Exchanges and Clearing Operations and the Annual Accounts Act.

Stockholm, August 20, 2001

George Pettersson
Authorized Public Accountant

Thomas Thiel
Authorized Public Accountant

Interim report for the period April 1, 2001 – September 30, 2001 will be presented November 13, 2001.

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