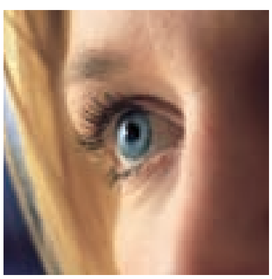
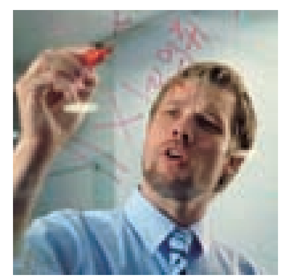
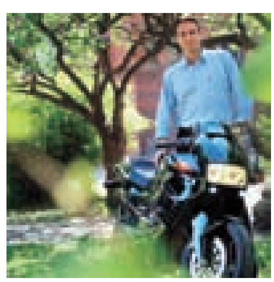
ADDTECH

ANNUAL REPORT 07/08







CALENDAR

Interim Report Q1
1 April – 30 June 2008
Published on 16 July 2008

Annual General Meeting 2008/2009
Held on 25 August 2009

Interim Report Q2
1 April – 30 September 2008
Published on 29 October 2008

Interim Report Q3
1 April – 31 December 2008
Published on 9 February 2009

Year-end report
1 April 2008 – 31 March 2009
Published on 11 May 2009

All financial information is published on Addtech's website, www.addtech.com, as soon as announced. The annual report is distributed to shareholders who have ordered it via Addtech.

All amounts are expressed in millions of Swedish kronor (MSEK) for the Group unless otherwise stated.

This Annual Report is also available in Swedish

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ADDTECH IN BRIEF

“A value-adding technology trading company”

Addtech is a value-adding technology trading company that develops and sells products, sub-systems and solutions to the industrial and service sectors in northern Europe. Annual revenue is approximately SEK 4.3 billion. The Group runs its operations in about 80 subsidiaries, which together have some 1,500 employees.

NORDIC REGION – THE HOME MARKET

The emphasis for Addtech’s business is on the Nordic region, but the rest of northern Europe is growing in importance. Markets outside the Nordic region comprise Estonia, Poland, the UK, Germany, Austria, and China. Addtech also exports to an additional 20 countries.

WELL-DEFINED NICHES

Addtech strives to be the market leader in well-defined niches, where customers demand carefully selected products and sub-systems, often in small and medium-sized volumes. The majority of customers are manufacturers in the mechanical, vehicle, telecom and electronics industries as well as laboratories in healthcare and research in the Nordic region.

GROWTH THROUGH ACQUISITIONS

Addtech has a sharp focus on growth, achieved organically as well as through acquisitions. Since its listing in 2001, Addtech has implemented about 30 company acquisitions.

STRONG CORPORATE CULTURE

A strong corporate culture distinguished by technical expertise, entrepreneurial spirit and business skills creates good opportunities for generating value added, profitability and growth.

VALUE-ADDING BUSINESS MODEL

Customers

Addtech offers its customers a technically innovative co-operation partner that develops the products, sub-systems or solutions that best satisfy customer needs, based on each customer’s unique situation and approach.

The Group’s offering of standard and specialised products, sophisticated equipment and value-adding services enables customers to enhance their products or boost productivity without reducing quality or increasing costs.

Suppliers

Addtech offers suppliers profitable cultivation of a valuable customer base in northern Europe. The Group’s in-depth customer relationships pave the way for participation in product and service development, which is fed back to the suppliers in the form of requirements and specifications, as well as access to other valuable market information

The Group has an international network of leading suppliers. Close collaboration with suppliers in product modification and development strengthens the Group’s ability to offer its customers the most innovative and competitive solutions available.

THE 2007/2008 FINANCIAL YEAR

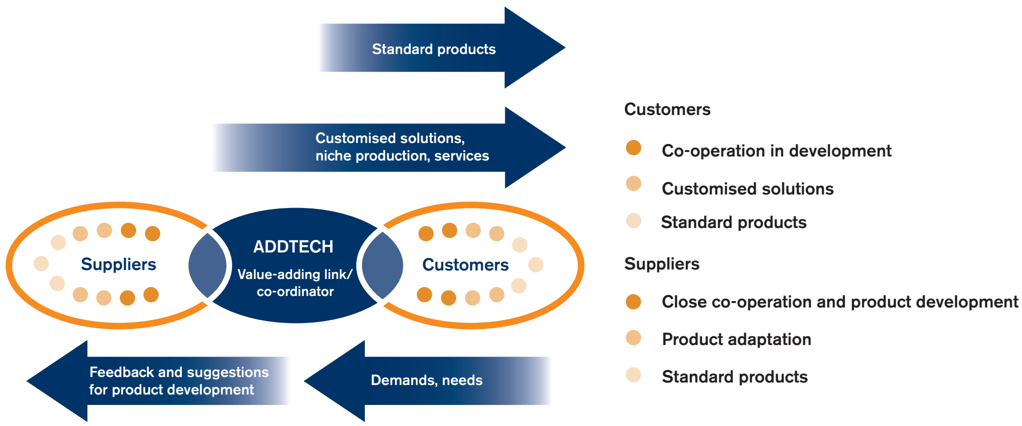
- Earnings per share rose by 14 percent to SEK 12.70 (11.15).
- Return on equity totalled 48 percent (54) and the equity ratio was 34 percent (32).
- The Board of Directors proposes a cash dividend of SEK 7.00 (6.00) per share.
- Eleven company acquisitions were completed during the year with total annual revenue of MSEK 375.

KEY INDICATORS

	2007/2008	2006/2007	2005/2006
Revenue, MSEK	4,198	3,661	3,362
Operating profit, MSEK	415	360	271
Profit for the year, MSEK	287	256	194
Operating margin, %	9.9	9.8	8.1
Earnings per share, SEK	12.70	11.15	8.00
Shareholders’ equity per share, SEK	29.90	24.40	19.90
Dividend per share, SEK	7.00*	6.00	4.00
Return on equity, %	48	54	41
Equity ratio, %	34	32	33
Average number of employees	1,368	1,235	1,198

* As proposed by the Board of Directors

"The business model – a dynamic process"



Employees – a refining link

The Group's employees are known for their ability to create innovative solutions that meet customer needs. The flexibility and entrepreneurship of Addtech employees strengthen the operations of suppliers, customers and the Group.

Addtech offers employees in its subsidiaries a flexible organisation characterised by great freedom with responsibility, as well as outstanding development opportunities in business skills, technology and international trade.

Shareholders

Addtech offers its shareholders a long-term investment with relatively low risk. The Group's overarching goal is to achieve annual earnings growth exceeding 15 percent combined with profitability.

The Group was listed on the OMX Nordic Exchange Stockholm in September 2001, and from that time until the balance sheet date the share price has climbed by 213 percent, from SEK 41.00 to SEK 128.50. Average total return including dividends has been 21 percent annually.

PRODUCTS AND SERVICES

Standard products

Sales of standard products constitute an important foundation in Addtech's business. These sales lead to long-term customer relationships that provide in-depth understanding of customers' businesses, needs and requirements, which in turn broadens the potential for increased value creation.

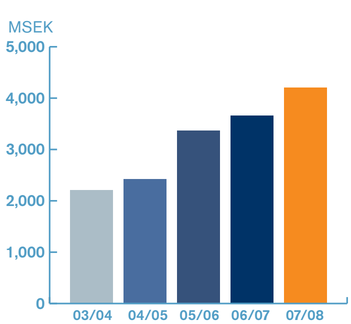
Special products

Specially adapted products are increasingly important to Addtech and our customers. To an ever greater extent, customers are seeing the Group as a partner in efforts to increase the value of their products through more efficient product development.

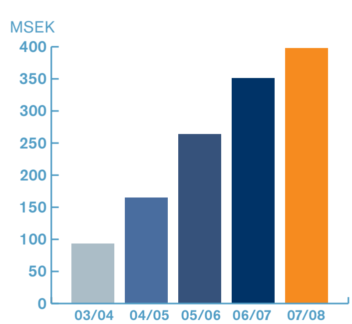
Services

Addtech customers face tough competition and demands for short time-to-market – challenges that the Group can help customers tackle using its technology and knowledge-intensive services. This also applies to a growing number of aftermarket services in training, service and support.

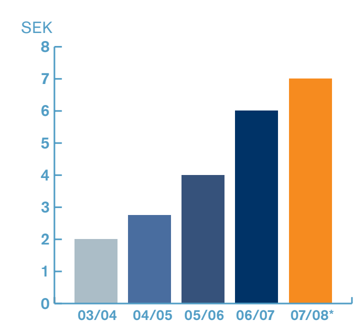
REVENUE



PROFIT BEFORE TAX



DIVIDEND



* As proposed by the Board of Directors

“Proactive organisational structure”

The Group has changed its organisation, effective as of the start of the new financial year. The motive for the change is to reinforce the conditions for profitable growth. The operations are organised in four business areas: Addtech Components, Addtech Energy & Equipment, Addtech Industrial Solutions and Addtech Life Science.

ADDTECH COMPONENTS

Addtech Components markets and sells components and sub-systems in mechanics, electro-mechanics and hydraulics to customers in the manufacturing industry.

ADDTECH ENERGY & EQUIPMENT

Addtech Energy & Equipment markets and sells battery solutions, products for power transmission, and equipment and material for industrial production processes. Its customers are in the commercial vehicle industry, the energy and telecom sector, and in engineering.

ADDTECH INDUSTRIAL SOLUTIONS

Addtech Industrial Solutions markets and sells machinery components, automation solutions, polymer products and customised products in electro-mechanics and circuitry. Own-brand products are marketed and sold to local and global industrial customers.

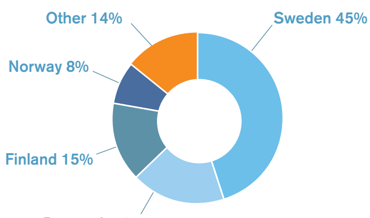
ADDTECH LIFE SCIENCE

Addtech Life Science markets and sells instruments and consumables to laboratories in health care and research, diagnostic equipment to the health care industry, and process and analytical equipment to industry.

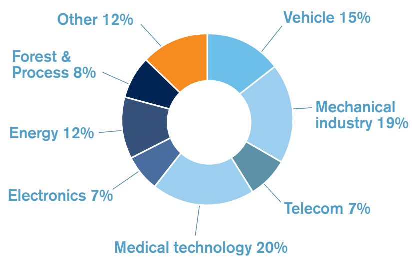
Expenditure refers to the 2007/2008 financial year Amounts in MSEK	Revenue	Operating profit	Operating margin	Number of employees 1)
ADDTECH COMPONENTS	1,095	105	9.6%	266
ADDTECH ENERGY & EQUIPMENT	839	82	9.8%	298
ADDTECH INDUSTRIAL SOLUTIONS	1,525	172	11.3%	511
ADDTECH LIFE SCIENCE	752	65	8.6%	256
Group total	**4,198**	**415**	**9.9%**	**1,368**

1) Refers to average number

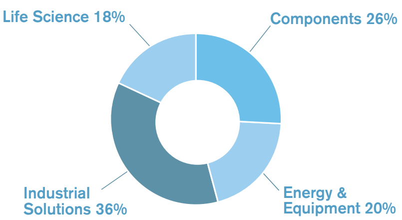
REVENUE BY GEOGRAPHICAL MARKET



REVENUE BY CUSTOMER SEGMENT



REVENUE BY BUSINESS AREA



In the last financial year Addtech delivered its best annual results ever. Revenue and operating income both increased by 15 percent and totalled BSEK 4.2 and MSEK 415 respectively. In the beginning of the new financial year, our organisational structure was improved further to enhance the conditions for continued profitable growth.

Addtech has taken several important steps forward over the least few years. Since the group was formed and subsequently listed on the stock exchange in 2001 the organisation and its employees have established the Addtech name on the market, expanded the group significantly, developed many successful companies and increased profitability. Everyone in the group can feel proud to have contributed to this progress. Today Addtech is one of the Nordic region's leading technology trading companies.

WINNING LONG-TERM STRATEGY

Addtech's overarching, long-term strategy is to create market-leading positions in carefully selected and well defined niches with a high knowledge and technology content in which customers demand adapted products, solutions and subsystems.

We can see how our business model is becoming increasingly relevant. As the business sector becomes increasingly complex, many of our customers are focusing on their core activities to a greater degree. These means that Addtech's companies must be able to meet customers' need for flexible, adapted value-adding products and solutions – the core of our business concept.

In my opinion, Addtech's strong growth is very much due to our group's deeply rooted corporate culture and consistent actions. Our culture includes key concepts like operating mobility, entrepreneurship, decentralised responsibility and a business culture that is permeated by business acumen combined with a strong focus on profitability. Using this as a foundation, the group's companies have managed to nurture long-term profitable business relationships with market-leading customers and suppliers. In some cases these relationships have lasted for decades. Consistent actions include key concepts like good long-term planning, carefully planned decisions and efficient implementation. Our corporate culture combined with our consistent approach leads to a continuity that creates confidence in Addtech and ultimately results in long-term profitable growth.

"Customers and suppliers benefit from improved focus and broader competence."

FOCUS INCREASES POTENTIAL

In the beginning of the new financial year we created a clearer, better focused organisation. This reorganisation means that we have created business units under each business area consisting of Group companies with similar markets, operations, goals and strategies.

This paves the way for more intense collaboration between companies in the same business unit. Customers and suppliers benefit from improved focus and broader competence. We can now offer our customers total solutions to a greater degree, while international suppliers are offered an established, competent marketing and sales channel for the entire Nordic market with almost 25 million inhabitants. Addtech's focus on business units increases potential for profitable growth, both in existing operations and through acquisitions.

SUCCESSFUL ACQUISITION PROCESS

Acquisitions are one of Addtech's most important growth strategies. Through a large number of successful acquisitions we have acquired the experience necessary to identify attractive companies, carry out effective acquisition processes and then successfully integrate the companies into the Group. The latter is especially important, since the full value of these companies is only achieved when they are refined in our environment. Here we have found the right formula, as can be seen in the strong financial performance in our most recent acquisitions. The success of the acquisition process is linked to the skill of the Group's companies, through their proximity to the market and international network, in identifying suitable companies for acquisition.

Over the past year we carried out eleven carefully selected corporate acquisitions with aggregate revenue of MSEK 375, which represents an increase in business volume of 10 percent. Addtech will continue to acquire companies in new, attractive customer segments and/or market niches in order to realise the strategies of our business units. In the long run, acquisitions can lead to new successful business units, which has been the case when we have gradually laid the foundations for new business units through acquisitions in expansive areas like energy, medical technology and the processing industry.

CONFIDENT ABOUT THE FUTURE

The 2007/2008 financial year was characterised by strong demand in both the private and public sectors. Our business improved on a broad front with respect to products for export-oriented manufacturing firms as well as capital goods and consumables for end customers in the industrial and service sectors.

All business areas strengthened their positions during 2007/2008 and the future is looking bright as well. We will continue to develop our strong position on the Nordic market and also complete our profitable expansion outside the Nordic region within our strongest market niches. We are already well on our way out into Europe. Addtech's sales outside the Nordic region increased by 26 percent to just under MSEK 600 during the year.

I believe that we have a good balance between customer segments and geographical markets, strong positions in carefully selected niches and healthy partnerships with leading international suppliers. Our Group companies are competitive with their high knowledge and technology content and offer our customers a value-adding, long-term partnership.

All of this, combined with the fact that we have a top growth rate compared to comparable actors on the market, plus that Addtech has a strong balance sheet and a good cash flow, means that Addtech has the necessary "components" for continued success.

I would like to finish as I started, by highlighting our Group's over 1,500 employees, who preserve and refine our business-driven corporate culture. They are characterised by their technical competence, entrepreneurial spirit, focus on profitability and willingness to take their decentralised business responsibility. All of our employees made the last financial year the best ever in the Group's history, and I am convinced that we can work together to create continued profitable growth – in true Addtech spirit!

Johan Sjö
President and CEO

Addtech works closely with customers, global manufacturers and suppliers to offer customised products, solutions and sub-systems to technology-intensive and knowledge-intensive industrial and service companies in clearly defined niches in Northern Europe.

BUSINESS CONCEPT

Addtech offers high-tech, customised components and systems to industrial companies and the service industry. The Group's companies serve as a value-enhancing link between customers and manufacturers or suppliers. Addtech adds value through close co-operation with customers, manufacturers and suppliers and the advanced technological know-how of its employees.

GOALS

Financial goals

Addtech's overriding goal is to achieve growth combined with profitability. The objective is earnings growth of at least 15 percent per annum over the course of a business cycle.

The target is for each individual unit to achieve a P/WC ratio (operating profit as a percentage of working capital) of at least 45 percent. The P/WC ratio encourages high operating profit and low levels of tied-up capital. When combined with the growth target of 15 percent, this provides good conditions for profitable growth.

Operating goals

Addtech aims to be a leading technology trading company in selected niches and to be regarded by customers and suppliers as their most competent long-term partner.

STRATEGIES FOR PROFITABLE GROWTH

Profitable growth is achieved through continuous business and organisational development. Addtech has three core strategies for reaching its goals:

Market-leading positions

Addtech sets out to be a market leader and build positions in selected and well-defined niches with high knowledge and technology content and where customers demand carefully selected products, solutions and sub-systems often in small and medium volumes. Market leadership is a critical factor for achieving stable growth and sustainable profitability.

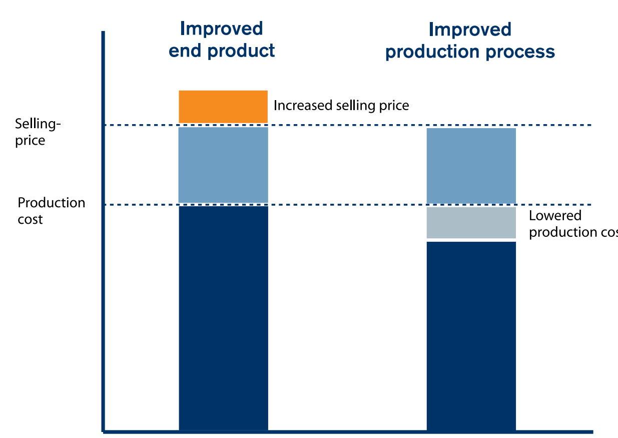
Operating mobility

Addtech is noted for its flexible organisational structure with quick-thinking and innovative employees who recognise new business opportunities. The Group seeks to capitalise on the growth potential of its subsidiaries and product areas by dividing or merging businesses either in whole or in part. Operating mobility involves having effective procedures in place for integrating new operations into the Group.

Acquisitions

Addtech works at all times to strengthen its operations through bolt-on acquisitions and by building and expanding its positions in chosen niches. Acquisitions are also made in new niches where the Group sees opportunities to become a market leader. The ability to apply the Group business model is vital to success in all acquisitions.

How Addtech adds value



Addtech adds value in different ways. We help customers to increase their sales margins by helping them to develop improved end-products. In other cases, we add value by reducing customers' production costs through enhanced production processes that yield higher productivity.

TECHNOLOGY TRADING AND VALUE ADDED

Addtech is a technology trading company that focuses on carefully selected market niches where demand exists for technical application expertise and customised solutions. The primary business is trade in components, products and sub-systems. We aim to add value for customers by improving their end-products and/or making their production processes more efficient.

Addtech aims to be an active partner in developing concepts and products with clients. Sales are achieved through close relationships with customers, manufacturers and suppliers – combined with high levels of technological know-how and business acumen. The business is similar to a technology consultancy in some respects, but differs from a consultancy by generating income primarily from subsequent trading.

The business model is based on the need for a link between customer and manufacturer that helps the customer choose a supplier and technology from an increasingly complex supplier base. Addtech customers gain access to a technologically innovative partner that assembles the right components, solutions or sub-systems in each specific case. Addtech's solid and close co-operation with manufacturers and suppliers ensures high levels of quality and increases the probability of innovative and competitive solutions.

Valuable customer base

Having business relations with Addtech also adds value for manufacturers and suppliers. Strong customer relationships enable global suppliers to harness the opportunities available in the valuable Nordic market. Addtech's suppliers also gain access to significant market information via dialogue and product specifications.

KEY FACTORS FOR SUCCESS

The business model has been successful and Addtech has enjoyed favourable growth in annual revenues and profitability since floating on the stock market in 2001. The key factors driving this performance are:

Employees with technical expertise and business skills

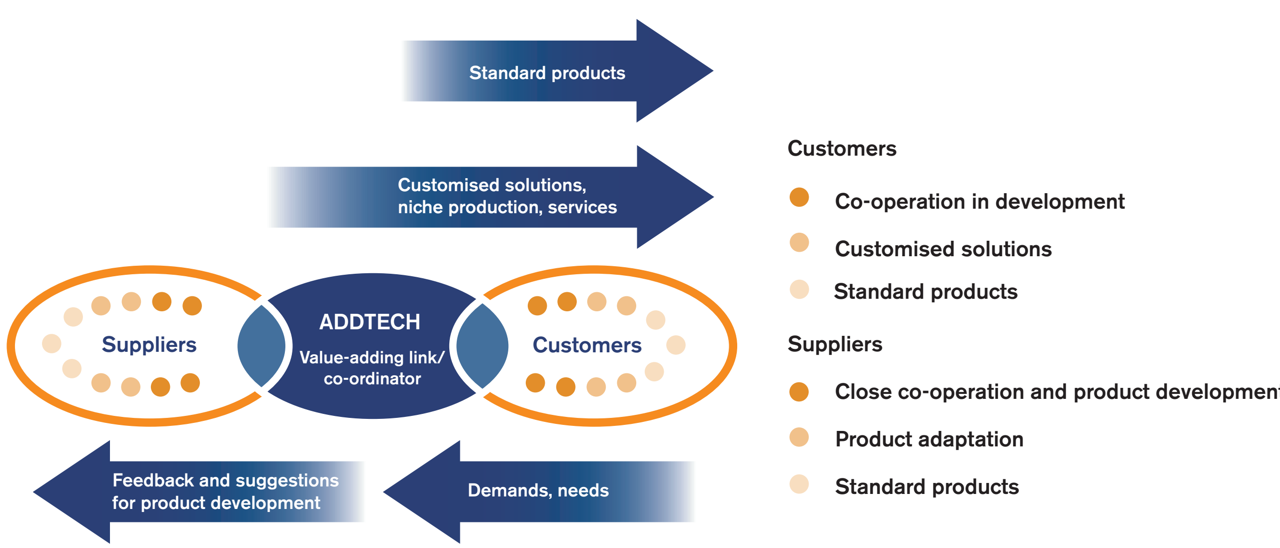
The business model is based on our people continuously developing existing and new business through their business skills, technical expertise and entrepreneurial approach. Employees who enjoy their tasks, build on their skills, and work hard to sell the products, solutions and sub-systems that add substantial value for our clients, are the most crucial factor behind the success of our business model

Decentralised organisation and small-scale approach on large scale

The 80 or so subsidiaries and their employees in the Addtech Group have a large measure of independence combined with responsibility. Addtech combines the flexibility, efficiency and personal touch of a small enterprise with the resources, networks and long-term thinking of a large corporation. By taking a small-scale approach right across our operations we maximise the ability of a small business to achieve long-term growth and profitability.

Consistency and strong business culture

Addtech has a deeply rooted culture based on a strong business orientation, a firm focus on profitability and an ethical approach. These distinctive factors are teamed with the consistency that comes from good planning, a long-term approach, diligent decision-making and effective implementation.



The technology trading market continued to grow in 2007/2008 as a result of further strong demand for products, solutions and sub-systems from industrial and service companies in Northern Europe. Addtech strengthened its position in key market segments.

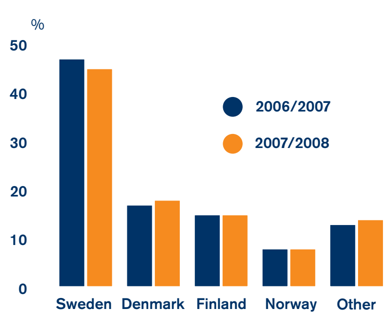
ADDTECH'S MARKET

Addtech operates in the international technology trading market, where players buy, adapt and sell technology-based products, sub-systems and solutions. The Group focuses on carefully selected niches with high technology and knowledge content. Expertise across many areas makes Addtech an important partner for industrial and technology-intensive service businesses in the private and public sectors in Northern Europe.

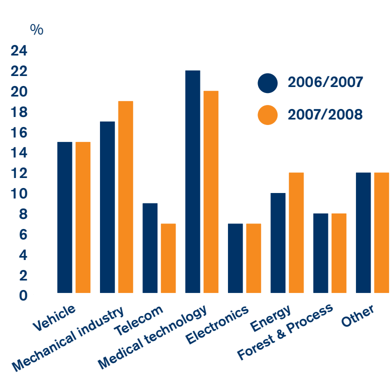
The north-European market

Addtech's operational focus is on the Nordic countries, although markets outside the region have grown in importance in recent years. Outside the Nordic region, Addtech has a presence in Austria, Estonia, Germany, Poland, the United Kingdom and China and exports products to a further 20 nations.

REVENUE BY GEOGRAPHICAL MARKET



REVENUE BY CUSTOMER SEGMENT



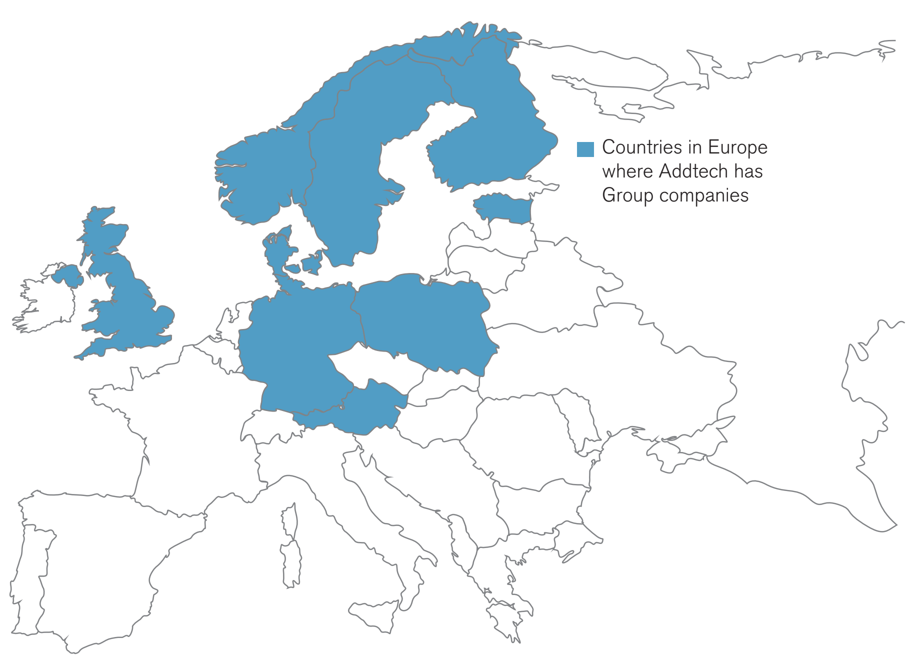
Market drivers

The long-term growth and profitability of the technology trading market depends on the size and diversity of the industrial and service sectors. Northern Europe's relatively high payroll costs have spurred the development of knowledge-intensive, automated and specialised industrial and service sectors. This has resulted in differentiation of the value chain, increased trade and greater reliance on external suppliers for product development and component adjustment as well as for service and other aftermarket services.

Growth and profitability

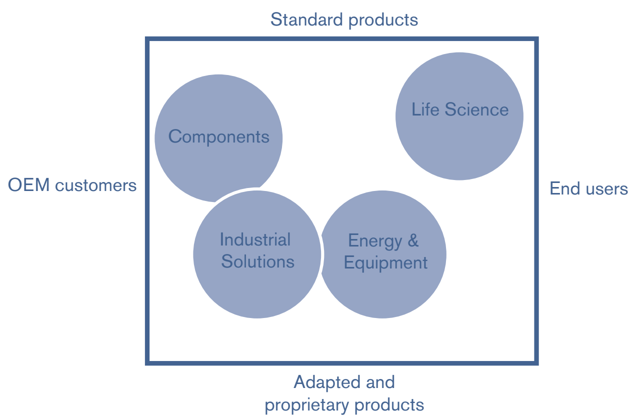
In the short term, growth and profitability are closely tied to the state of the economy in industry and the conditions prevailing in Addtech's markets.

Addtech's focus on infrastructure, the service sector and narrow market niches reduces sensitivity to economic volatility. However, growth and profitability still depend entirely on the state of competition in our customers' markets – and customers' ability to perform well domestically and/or internationally. It is therefore crucial when selecting customers that the investments in niche markets offer long-term sustainability. Addtech evaluates its various markets on an ongoing basis to ensure they offer scope for reaching Group financial targets.



CUSTOMERS

Addtech sells products and solutions to manufacturers and end users. Our customers primarily work in mechanical engineering, the vehicle industry, energy, forest products and processing, and telecom in Northern Europe; other main customers are medical and research laboratories in the Nordic region.



Addtech's business areas focus on different customer groups and areas of use. Addtech Components and Addtech Industrial Solutions mainly sell products and solutions to OEM customers. Addtech Energy & Equipment and Addtech Life Science are primarily oriented to end users.

Addtech's sales to manufacturers – OEM customers – comprise the components and solutions used in the products that industry customers produce, often for the global market. The Group offers for example products for special vehicles or production machines for customers, with whom Addtech often work closely on the conceptual and product development. The results are incorporated into an end product and sold under multi-year supply contracts.

Industrial and service companies are themselves end customers in the end user segment. Here Addtech provide solutions that improve clients' manufacturing processes. Equipment, consumables and high standards of service are prime considerations in this area.

No single customer accounts for more than 3 percent of total revenue, despite the fact that Addtech in many cases work on parallel – yet independent –projects for the same client. The 10 largest customers account for just over 10 percent of Addtech Group revenue.

SUPPLIERS AS PARTNERS

Trading of components and sub-systems manufactured by global and market-leading suppliers accounts for some 75 percent of Addtech's annual revenue. The Group has long-standing and close relationships with these suppliers, and these links act as a source of valuable expertise in technology development, applications and products.

Strong suppliers make Addtech an attractive and competitive partner. At the same time, technology trading companies are a cost-effective sales and marketing channel for suppliers on account of their local market knowledge, solid customer relationships, broad application expertise and understanding of how customers use the products.

Addtech subsidiaries work closely with a large number of carefully selected suppliers. More than 70 percent of Group purchasing is from non-Nordic suppliers in Europe, the United States and Asia. No single supplier accounts for more than 3 percent of total Group purchasing, which limits our reliance on individual suppliers.

COMPETITORS AND COMPETITION

The technology trading market is fiercely competitive when it comes to standard components. Competition lessens as the amount of value-added in the component, solution or sub-system increases. Lower levels of competition can also apply to low-volume products or where established processes and customer relationships are an important factor in the transaction.

Addtech's 80 or so subsidiaries face widely varying degrees of competition and it is not possible to name any specific main competitor, because each unit operates in a unique market with high levels of specialisation. Competitors include businesses with independent agency companies; technology trading firms like Addtech, such as Indutrade, OEM and Elektronikgruppen; and suppliers that sell directly to the Nordic market.

Increased market concentration

Many small technology trading businesses (known as agency companies) operate in the Nordic region. However, the trend is towards increased concentration as large technology trading enterprises acquire these smaller, often family-owned, agency companies. The larger players are gaining market share due to their financial resources, strong marketing organisations and professional management – attributes that make them more competitive and profitable. This restructuring of the technology trading market is expected to continue as many agency companies are on the verge of generational shifts.

One of Addtech's main strategies is to be a market leader in clearly defined niches. This entails every subsidiary always working towards being number one or number two in its chosen niche. Being a market leader is crucial to achieving sustainable growth and profitability.

CAREFULLY CHOSEN NICHES

Addtech continually evaluates all markets, product areas and customer segments to ensure its current or future market leadership. At product level, we recognise and encourage success that is consistent with the Group's business concept and business model. Narrower margins may sometimes result in subsidiaries withdrawing from deals or markets that do not offer sufficient profitability.

We operate in niches with high technology and knowledge content and often with low or medium trading volumes. This means that the customer is focused on a limited market or that Addtech's service content or product quality are considered more important than product cost. Customers must also be prepared to pay for the value added that we provide.

PROPRIETARY NICHE PRODUCTION

Around 15 percent of Addtech Group revenue is from proprietary production. Producing our own niche products is essential for meeting customer demands and for effective adaptation of standard components to customer specifications. It is also crucial for producing prototypes and/or entire sub-systems.

Manufacturing products or systems with proprietary design is a line of business that has evolved from Addtech's successful development of sub-systems that over time have attained market-leading positions, for their own account under their own brand.

"adding value for both customers and suppliers"

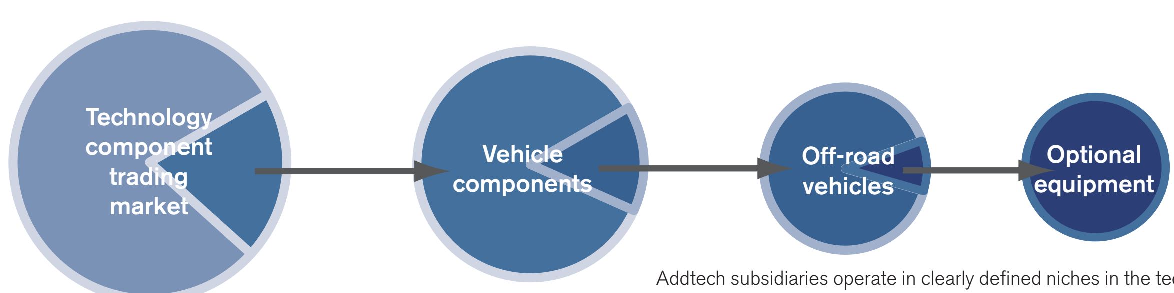
MARKET-LEADING SUPPLIERS

Close contacts and a day-to-day exchange of skills with market-leading suppliers are another success factor that helps Addtech companies retain or attain market leadership. A supplier's specialist skills and expertise are a key ingredient in what Addtech offers end customers. The stronger our suppliers, the better our product offering.

QUALITY

Quality plays a central role in our business activities and product offering and is critical in terms of attaining market-leading positions. It is a core element in what we offer, and we work constantly to ensure that our employees, products and processes deliver high quality. Procedures in all areas – from purchasing and inventory management to product delivery – are continuously improved to ensure that we create high-quality products and services.

Group companies conform to the quality standards applicable in their respective sectors. These standards are generally very high in knowledge-intensive and technology-intensive industries and in Addtech's markets. Several Addtech subsidiaries have environmental and/or quality certification. Environmental certification is in accordance with ISO 14001 or EMAS (Eco-Management and Audit Scheme) and quality certification is for example according to ISO 9001. Certification places high demands on rigorous operating systems and procedures and customers often require that our suppliers are ISO-certified.



Addtech subsidiaries operate in clearly defined niches in the technology trading market, serving clients in the industrial and service sectors. The diagram shows one example of a defined market niche.

Operating mobility is an important Addtech strategy and a key success factor. The business structure changes continuously as part of the Group's drive to achieve profitable growth. The organisational changes introduced in spring 2008 were a natural step forward in sharpening the focus of Addtech subsidiaries on niche business.

OPERATING MOBILITY – STRATEGIES AND SUCCESS FACTORS

Addtech aims to ensure operating mobility and a positive attitude to change among all employees and throughout the organisation and our business processes. This serves as a strategy and key success factor to help us achieve our goal of profitable growth.

Operating mobility means that Addtech is unafraid of organisational change. The Group sees changes in the organisational structure as a powerful tool for achieving its full growth and earnings potential across the various business units, subsidiaries and product areas. In practical terms, it involves a constant process of creating the optimal organisational structure by merging or demerging within the Group businesses, either in whole or in part.

DECENTRALISED FREEDOM WITH RESPONSIBILITY

The Addtech Group consists of some 80 wholly owned operating subsidiaries within a decentralised structure. Subsidiaries operate with extensive freedom with responsibility. Independence is fundamental for retaining and recruiting business-minded people but must not be so extensive as to prevent the Group from exploiting the crossover in skills and knowledge between subsidiaries in the same market or technology area.

ORGANISATIONAL STRUCTURE FOR CONTINUED PROFITABLE GROWTH

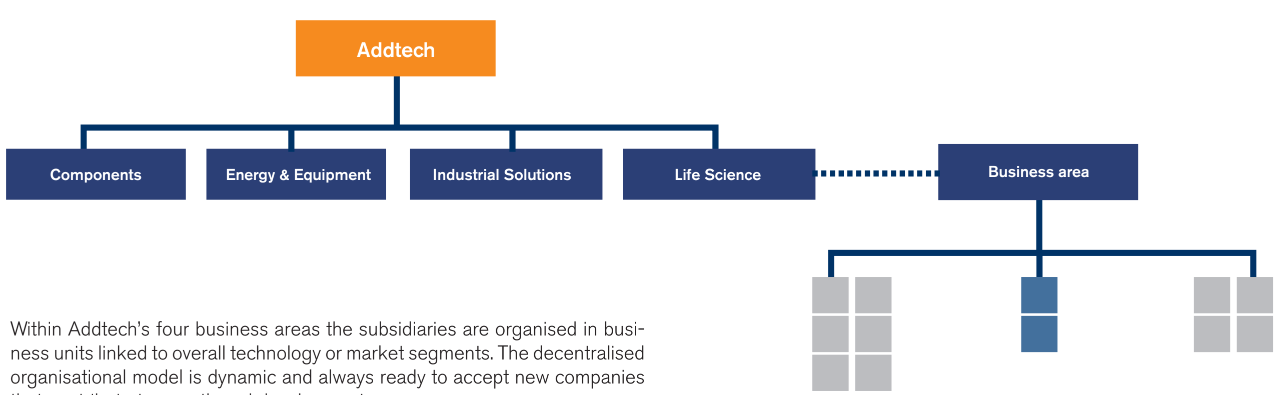
Focus on business units

Based on Addtech's overall strategies and success factors, the Group restructured the organisation at the start of the 2008/2009 financial year to establish an improved platform for continued profitable growth.

Subsidiaries with a similar customer base and/or products and solutions were merged into business units within the four business areas. Companies in the same business unit benefit from being part of a group of affiliated companies with a shared vision and similar strategies, customers, products or solutions.

The new structure will provide added focus in the Group's parts e.g. the business units and with that for the Group as a whole. This will pave the way for profitable growth, both in existing businesses and via acquisitions.

Each business unit has a manager who often doubles as Managing Director of one of the constituent companies. The new structure offers extended internal career opportunities and will enhance the Group's ability to retain and attract talented people with entrepreneurial skills.



Within Addtech's four business areas the subsidiaries are organised in business units linked to overall technology or market segments. The decentralised organisational model is dynamic and always ready to accept new companies that contribute to growth and development.

Partial restructuring of business areas

The Group will continue to report performance based on four business areas, but in a couple of cases names have been changed to better reflect the nature of the business. Addtech's business areas are now Components, Energy & Equipment, Industrial Solutions and Life Science.

Components and Industrial Solutions are the two business areas that have seen the greatest changes as a result of the reorganisation, with some subsidiaries having been moved to Industrial Solutions and others integrated with Components.

Components has been divided into country oriented business units: Denmark, Finland, Norway and Sweden.

The country oriented organisational structure reflects the fact that Components' agency companies are mostly country-based.

Positive change at all levels

The organisational changes will lead to greater focus and higher efficiency in all parts of the Group. They create clearer lines of responsibility between Group management and the business area and business unit managements. They also provide for more effective management of subsidiaries at business unit level, bringing them closer to customers and suppliers.

The principal advantages at company level are:

- More effective management at business unit level of planning, decision-making and monitoring of strategies, targets, growth and profitability.
- Increased scope for organic growth based on internal cross-over of knowledge and expertise.
- Ability to develop cooperation with fellow subsidiaries in the same business unit, creating synergies without compromising the independence of the individual subsidiaries.

The reorganisation also has benefits for employees:

- Extended opportunities for committed people with business skills to develop within the Group.
- Greater incentives for entrepreneurs to sell their businesses to Addtech and remain in charge as part of a larger but focused business unit.

For Addtech as a whole, the focus on the organisation e.g. business units increases the Group's ability to achieve profitable growth through the mechanisms mentioned above and because we expect the new organisation to promote the emergence of new business units.

GOVERNANCE

Each subsidiary is managed by a Managing Director who has responsibility for developing the company's business within the financial frameworks that apply across the Group. Subsidiaries are grouped in business units headed by managers who report to the Business Area Managers. Business Unit Managers often also hold the position of subsidiary Managing Director, while a Business Area Manager may also be in charge of a business unit. This structure ensures close contact with the operating side of the business.

Addtech's key financial ratio is P/WC. This stands for operating profit divided by working capital and is how Addtech measures profitability. As well as a measure of profitability, P/WC may also be used as a barometer of performance at product, customer or market level.

At Addtech there is a healthy spirit of internal competition among business units and subsidiaries. Addtech also benchmark performance between the Group's various subsidiaries and business units. Business area and business unit managements are closely involved and play an active role at board level and in operational discussions.

Operating mobility

Jan Eriksson, Managing Director Compotech Provider

FOCUSING, TRIMMING AND BOOSTING PERFORMANCE WITH ACQUISITIONS

Compotech's Managing Director Jan Eriksson has worked at Addtech since joining the Group in 1985 as a sales representative for Bergman & Beving Elektronik. His career is a practical testimony to operating mobility and the readiness for change that Addtech demands from staff and subsidiaries. In his 24 years at the company, Jan has been involved in building businesses, hiving them off and repositioning them in new constellations. On a personal level, he has faced challenges and achieved success but also encountered setbacks and occasions when he has been forced to start again.

> **"We encourage subsidiaries to develop in related niches, but as soon as a department threatens to dilute the core business then it becomes an issue of refining the structure."**

STARTING AGAIN IS TOUGH

"Compotech is the third company I've worked for in the Group and it can be tough to have to start again from scratch when successful businesses are demerged into new, standalone enterprises. On the other hand, maybe this is why we are successful: we always try to give successful employees the chance to focus on and develop their specialties and market niches.

Addtech's continuous drive to establish market-leading positions is epitomised by the words focus, trimming and boosting performance with acquisitions. Subsidiaries operate independently but the Group follows their progress keenly, analysing customer groups and product areas on the basis of their growth, profitability and potential. Subsidiaries are encouraged to develop in related niches, but as soon as a department threatens to dilute the core business we rationalise the business, sometimes by disposal but mostly through an intra-Group demerger."

BOOSTING PERFORMANCE WITH ACQUISITIONS

"When we hive off a business we have to be sure there is a sufficient market base and that we have the potential to be a market leader in the new niche. Where we are weak we try to 'dope' the business by adding acquisitions or through strategic recruitment. The most recent demerger that I and Compotech were involved in was when we moved our automation department to the Addtech Group company Metric Industrial to stay focused on our core electromechanics business."

Acquisitions are a key strategy for profitable growth. Addtech acquires businesses to strengthen its position in carefully selected and clearly defined niches. Our philosophy – freedom with responsibility and a small-scale approach on a large scale – attracts entrepreneurs to sell their businesses to Addtech.

Addtech's third main strategy for profitable growth involves strengthening existing businesses through small bolt-on acquisitions. The Group also seeks to expand and add to its businesses by continuously acquiring companies in new niches where the Group has the potential to be a market leader.

ACQUISITIONS FOR DEVELOPMENT

Addtech acquires companies with a view to keeping and developing them over the long term. A steady stream of new suppliers and companies is important for developing the Group's business areas/units and market position. For their part, the companies we acquire gain a financially strong, well-established and committed owner with clear performance and profitability targets.

The acquired companies also contribute to Addtech's continued development as a leading technology trading group by adding their professionalism and enriching the Group's corporate culture.

Extensive experience of acquisitions

Addtech is highly experienced in acquiring and developing companies, applying a clear and well-established process to identify, monitor and enter dialogue with potential candidates over long periods. When considering acquisitions, the candidates are evaluated based on a number of factors such as:

- Do the company's products and services generate significant value-added for the customer?
- Does the company have strong relationships with its suppliers?
- Are sales made through personal cultivation of customer relationships?
- Do the services and products have a high knowledge and technology content?
- Is the company a market leader, or does it have the potential along with existing Group companies to become one in a clearly defined niche?
- Would the acquisition strengthen Addtech's platform for growth and profitability?

If a company that is well run and profitable meets these criteria, it has strong potential to progress as part of the Addtech Group. When a company is aquired it is expected to contribute to Group profitability in both the short term and the long term and that the business has growth potential. Addtech subsidiaries are typically wholly owned.

ATTRACTIVE AND ENTREPRENEURIAL PLACE TO WORK

Amid the competition for acquisitions, Addtech is an attractive owner for entrepreneurial family businesses. The owner encounters a buyer intent on developing the business over the long term while retaining its small-scale character and unique identity. Many of the aquired companies feel part of a wider collective once they have been part of the Group for a period and gained access to Addtech's internal networks.

Acquired companies usually continue under their existing name with like-minded colleagues, an approach that promotes a spirit of entrepreneurship and personal commitment to the business. Addtech is pleased when the former owner/s and senior managers remain operationally involved post-acquisition as this is beneficial in terms of retaining know-how within the Group and adds genuine entrepreneurs to the Addtech sphere.

Longer acquisition process reduces risk

Most Addtech acquisitions are made after a period of contact with the company in question. The acquisition process builds confidence on both sides and minimises any risk of misunderstanding or false expectations.

EXPAND AND DEVELOP GRADUALLY

Addtech's niche focus is highlighted by the Group's structure of different business units in each business area. This makes it easier for entrepreneurs interested in selling their companies to Addtech to understand how their businesses – and they themselves – will fit into the Group.

Future acquisitions will primarily be in Addtech's existing areas of business, enabling the Group to grow in step with market changes. This approach shortens the time it takes the Group to establish a presence in interesting niches that offer growth potential. In the longer run, it also promotes the emergence of new business areas. Addtech has completed some 30 acquisitions since being listed on the stock market in 2001.

Abatel

Ronald Jansson, former owner and Managing Director of Abatel
Åke Darfeldt, Addtech Energy & Equipment business area manager
Jesper Björkén, Managing Director Abatel

Battery maker Abatel was acquired by Addtech in late 2005. The then owner and founder Ronald Jansson was looking to reduce his involvement in the business and had contacted an agent to sell the company. The agent contacted five potential buyers, including Åke Darfeldt, Business Area Manager for Addtech Energy & Equipment.

"Addtech was the natural choice: it was good for our staff and good for Abatel."

Addtech was initially not that interested, seeing Abatel as a profitable and well run business but more of a competitor than a potential business fit. However, as discussions progressed it emerged that the businesses were indeed a good match as the true nature of Abatel's business was battery consulting focused on sales of high-tech battery solutions. Abatel was thus an ideal component in Addtech's drive to develop its presence in the battery market.

As Åke Darfeldt puts it, "The battery market is very interesting. Technologies are developing fast and customers need plenty of support in finding the right battery solution. A rapid shift is under way from lead batteries to cleaner and lighter technologies, which is being driven by growing demand for wireless capability, mobility and reliability. We see it especially in manufacturing sectors like telecoms, medical technology and vehicle."

ADDTECH WAS THE NATURAL CHOICE

For Ronald Jansson, Abatel's founder and then owner, choosing Addtech was not easy initially. Many factors had to be weighed up and price was obviously a key aspect. The long-term prospects of the business finally convinced him to choose Addtech.

"Addtech was the natural choice," Roland says. "Addtech was good for our staff and good for Abatel. They inspired confidence, they didn't seem to be in any hurry and they were interested in getting to know me and the business. Addtech also provided resources and ideas for ways in which Abatel could develop and expand in the battery market as part of the Addtech Group."

Ronald Jansson has since handed over job of Managing Director to Jesper Björkén. Jesper joined the company in 1996 and was at the time of the sale one of Abatel's top sales representatives, with responsibility for the company's largest customers. It was clear from an early stage that Jesper was the best candidate to succeed Ronald as Managing Director.

Now with seven months behind him in his new position he says, "The handover went smoothly. We'd worked closely together for a long time and the process had been approved by Abatel and Addtech. Addtech also gave me time to find my feet as the head of an Addtech Group business. I went on the Business School's training programme and learned more about Addtech's way of doing business."

Addtech employees are part of a business-driven and entrepreneurial business culture with a capacity for developing technically innovative customer solutions. Being close to customers and suppliers enhances their ability to respond to new needs and demands.

BROAD SCOPE FOR DEVELOPMENT

Addtech aims to be an attractive employer that offers extensive opportunities for personal growth. Working at Addtech provides many options for combining technology with business while assuming personal responsibility for projects. The Group's position as an important player in many niches provides openings for development in many technology areas and the opportunity to work with demanding customers and leading global suppliers.

Internal recruitment is Addtech's most important tool for ensuring a supply of managers. External sourcing of candidates takes place alongside internal recruitment. Addtech's many acquisitions also serve as a prime recruitment source in the form of skilled and highly motivated entrepreneurs who become part of the Group. With the right matching and support, these people can make further progress in the Addtech organisation. Most of the Group's senior managers began their sales careers in one of the subsidiaries.

Business-driven culture

Addtech's corporate culture and shared core values serve as a source of guidance for employees. The corporate culture is rooted in strong business skills and high levels of technical expertise, combined with individual freedom and a willingness to take personal responsibility.

The attitude and approach of Addtech employees are vital factors when customers and suppliers choose to do business with the group. Addtech's employees are known for their ability to create innovative solutions that meet customer needs.

Business skills also include an ability to see to the individual company's long-term profitability and growth based on doing business that brings benefits to all parties.

Decentralisation promotes entrepreneurship

The Group's decentralised organisational structure encourages high levels of entrepreneurship among Addtech employees. It is important to maintain a small-scale approach on a large scale across the Group.

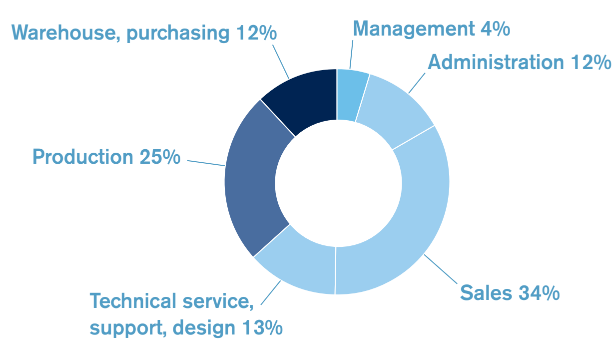
Addtech subsidiaries have close relationships between management and staff that are rarely possible in larger organisations. The subsidiaries also have close ties with customers and suppliers, which makes them more attuned to market demands.

Freedom with responsibility as a driving force

At Addtech, operating powers and responsibilities rest with the subsidiaries – in close proximity to suppliers and customers – enabling the companies to adapt Addtech's products and services to customer expectations and market changes. The fact is that freedom with responsibility is one of the Group's key drivers.

The Group's dynamic and flexible organisational structure provides a strong platform for Business Unit Managers and subsidiary Managing Directors to develop their respective businesses. The price of this freedom is that the parties involved must deliver what is required. As the favourable results show, the approach has proved successful.

WORK CATEGORIES IN THE GROUP



EMPLOYEES

	2007/2008	2006/2007	2005/2006
Average number of employees	1,368	1,235	1,198
– male	71%	71%	70%
– female	29%	29%	30%
Age distribution			
up to 29	11%	10%	9%
30–49	60%	60%	61%
50 and older	29%	30%	30%
Average age	43	43	43
Personnel turnover (adjusted for restructuring programmes and disposals)	13%	12%	12%
Average length of employment	10 years	10 years	10 years

INVESTING IN SKILLS DEVELOPMENT

Addtech sees a growing demand for skills against a backdrop of constant change and competitive pressures in various sectors and as customers demand ever-increasing speed and flexibility. The Group takes a long-term approach on a variety of levels aimed at stimulating increased internal knowledge transfer, encouraging personal development and strengthening the business culture. The Addtech Business School and inter-Group projects are key mechanisms in this context.

Development via transfer of skills and know-how

Human capital is Addtech's greatest competitive asset and it is crucial that managers and staff in our subsidiaries work together in ways that benefit customers and the Group alike.

A strong culture of openness and cross-fertilisation of ideas is key to developing the Group's human capital. Transfer of skills and know-how among Addtech employees benefits the subsidiaries as well as the Group. Example of internal networks to strengthen the business culture and skills levels include the Addtech Business School, Managing Directors' meetings and active cooperation between the business units and subsidiaries of the four business areas.

Business School helps employees – and the Group – to grow

Addtech Business School is an important platform for fostering the entrepreneurial business culture, developing employees' business skills and increasing professionalism at all levels. Its primary aim is to train and motivate staff to become committed, successful members of the Group.

The Business School's various programmes offer courses adapted to employees' experience and role and are aimed both at new members of staff and senior managers alike.

EMPLOYEES AND DEVELOPMENT

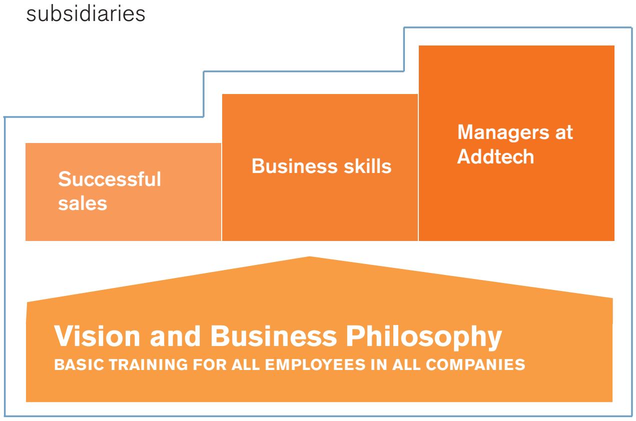
Business skills and entrepreneurship play a key role in a corporate culture that is vital for ensuring that Addtech employees show commitment and professionalism when meeting customers and suppliers. The corporate culture is founded on the interplay between technical expertise, individual freedom and a willingness to assume great personal responsibility.

During the year the Business School extended its programme to strengthen employees' skills and understanding of external business conditions as market complexity and competition grow. The strong international dimension to Addtech's business operations is a key driver in this regard.

FOUR COMPLEMENTARY COURSES

Addtech Business School aims to support managers and employees in their professional and personal development. This is not simply about helping them to be more skilled and effective; it also involves raising their levels of commitment and confidence inside and outside the workplace. Addtech Business School teaches four courses:

- Vision and Business Philosophy – for all Group employees and especially important for staff in newly acquired subsidiaries
- Successful sales – for internal and external sales representatives with a minimum six months' experience
- Business skills – for experienced sales representatives with a minimum two years' experience and who have attended the Successful Sales course.
- Managers at Addtech – for new managers with staff responsibilities and Managing Directors of newly acquired subsidiaries



IN CLOSE TOUCH WITH THE MARKET

The Vision and Business Philosophy course covers areas such as the business model, profit awareness, business philosophy and ethics. It also addresses the value of having a vision and goals for a company's future development. Seminars enable employees to work together to understand how these concepts affect daily operations in each subsidiary and how to apply them.

The Successful sales course increases participants' understanding of financial contexts and how to generate profitability. It makes sales representatives more effective by giving them a clearer structure for their work, improved preparations and targets for customer contacts, stronger presentation technique, and extended knowledge of business law and delivery conditions. Participation by buyers from client companies adds a hands-on dimension that helps participants to understand important issues in terms of maintaining long-term business relationships.

Business skills is an advanced course for senior sales representatives in Addtech subsidiaries. It provides practical tools for more focused and profit-driven sales by exerting more effective influence over decision-making. For example, the course includes realistic negotiation training using video cameras and business case simulations.

The Managers at Addtech course highlights Addtech's approach to management and leadership. Discussions and training in active employee management techniques cover areas such as recruitment, training, development opportunities, attitudes, follow-up and incentives. The aim is for participants to gain a 'driver's licence' for the manager's role.

BUSINESS SCHOOL STRENGTHENED

During the year the Business School appointed Patrik Hahne, formerly Managing Director of Tesch System, part of Addtech Industrial Solutions, as responsible for the Business School. Patrik will drive the Business School forward within the scope of the remit set by Group management and with its support.

SUPPLIERS IMPORTANT FOR KNOWLEDGE TRANSFER

A significant interchange of knowledge takes place between Addtech and the suppliers. Key people at Addtech also regularly spend time with suppliers in Europe, Asia and the United States. These relationships are important in maintaining high levels of technical expertise in the technology areas where Addtech subsidiaries operate.

Addtechs Business School

Patrik Hahne, responsible for the Addtech Business School

TRAINING THAT MEETS EVERYDAY CHALLENGES

Patrik Hahne, previously Managing Director of Tesch System AB, part of Addtech Industrial Solutions, took up a new position within the Group at the start of the year. He is now responsible for the Addtech Business School, a business-critical part of the organisation in which Patrik has been involved for the last few years.

The restructuring launched on 1 April 2008 is just one of the factors behind the creation of his new job and the remodelling of Addtech's internal training programmes, Patrik Hahne explains.

"In the last few years we've made changes at the Business School to enable us to be better at meeting the needs of our employees in their everyday work. The business world is getting ever more complex and so is our business – especially when it comes to key aspects like value added. Many of our customers are focusing increasingly on their core businesses, which means our companies must be able to offer products and services that these customers need to buy from external partners."

BOTH OLD AND NEW SKILLS IMPORTANT

One of the Business School's other primary roles is to make sure that Addtech employees can move quickly enough and adapt to meet the new demands of suppliers and customers as the competition in their markets changes.

"Our employees have always been good at technology and sales, but we also need to make sure we develop 'new' skills fast enough," Patrik says. "The Group is already well positioned in this regard. Our 80 subsidiaries operate close to the market and are well acquainted with the progress lines of their customers and suppliers. Our employees can adapt quickly to new ways of doing successful business. This is why it is important that the Business School strengthens, trains and develops this competitive advantage further."

"The Group's 80 subsidiaries operate close to the market and are well acquainted with the progress lines of their customers and suppliers."

Ethical business practices and environmental management are part of Addtech's business concept and are well integrated in the Group's operating activities. They are good for business, with transparency and accountability strengthening the bond of trust between the Group and employees, investors and partners.

ETHICAL PRACTICE IS GOOD FOR BUSINESS

The market sets increasingly high ethical and environment standards, making it important to manage the business in the interests of long-term sustainability. Addtech promotes an ethical approach based on transparency and accountability. This is reflected primarily at subsidiary level through internal relations among employees and external contacts with customers and suppliers.

Places demands on suppliers and partners

Observing high ethical and environmental standards creates business advantages by strengthening the bond of trust between the Group and its employees, investors and partners.

Addtech works continuously with its business partners to achieve positive change and encourages them to follow the approach outlined in the Addtech "Code of Conduct".[1] The code states that the Group will under no circumstances accept corruption, bribes or other unfair, anti-competitive inducements. All sales and marketing of Group products and services must comply with applicable national laws and regulations. Group companies may not purchase products from suppliers that cannot, on request, provide written assurances that child labour is not permitted in their business and that they provide safe and healthy working conditions for their staff.

Group companies are responsible for ensuring that suppliers and sub-contractors comply with the Addtech's "Code of Conduct", in areas where Addtech has influence.

Environmental accountability

Addtech's environmental policy expresses the Group's desire to accept its share of responsibility for improving the environment and for helping to achieve sustainable development.[2]

The principle of environmental awareness and conservation of natural resources is an important consideration for the Group's business activities. Environmental management is within the framework of Addtech's business concept and is well integrated in the Group's operating activities.

By drawing on our employees' skills and continually expanding our understanding of environmental impacts, we can achieve a holistic approach to environmental issues. Environmental measures will be taken as long as they are economically and technically feasible and justifiable on environmental grounds.

Responsibility for day-to-day environmental management rests with each Group subsidiary.

ENVIRONMENTAL MANAGEMENT IN THREE AREAS:

Products

Environmental aspects are taken into consideration through the entire product cycle – from development and design to purchasing and recycling. It is important that Group subsidiaries meet all relevant requirements in their individual sectors. Environmental management also gives rise to strategic business opportunities when subsidiaries create solutions that are environmentally beneficial for the customer's business. Wind power is one specific area where several Group companies are active in this regard.

Addtech has extensive expertise in the environmental requirements applicable to different parts of the business. As a result, subsidiaries can quickly help customers with solutions for meeting new environmental requirements or identifying low environmental impact alternatives when choosing between materials with equivalent properties.

Waste

Waste is an issue primarily for Addtech's manufacturing companies, which manage disposal of all waste generated during development as well as recycling waste where possible. Some subsidiaries offer products that they are required to take back and dispose of after use. All subsidiaries work to recycle returnable packaging and consumables.

Transport

Transportation issues concern the entire value chain, from supplier to customer. Aspects such as price, delivery time and environmental impact are taken into account when choosing the mode of transport. The overall assessment serves as the basis for the choice of carrier.

1 The Addtech Code of Conduct can be downloaded in PDF format from www.addtech.com.
2 The Addtech Environmental Policy can be downloaded in PDF format from www.addtech.com.

Addtech Components' niche markets developed robustly and in 2007/2008 the business area achieved its best profit ever. Revenue reached MSEK 1,095, corresponding to 26 percent of Addtech's total revenue.

BUSINESS

Addtech Components markets and sells components and sub-systems in mechanics, electro-mechanics and hydraulics to customers in the Nordic manufacturing industry.

Components focuses on traditional technology trading, based on suppliers' range of components. Customisation is a major part of the business area's operations and is conducted jointly with customers and suppliers. Components' constant aim is to increase the value added of its offering; the subsidiaries provide sub-system solutions to meet customers' more complex needs.

Long-term relationships with leading international suppliers are crucial to success and are thus a priority. The business area endeavours to further develop and broaden its agency operations, for example by acting as a distributor for the same supplier in as many Nordic countries as possible.

Examples of products in mechanics and electro-mechanics are linear units, ball screws, electric motors, switches, sensors and transducers. The hydraulics section, which also comprises pneumatics, vacuum and compressed air products, sells components and solutions such as valves, pumps, installations and filters.

COUNTRY-BASED BUSINESS UNITS

Unlike Addtech's other business areas, Components is organised in market-oriented national units instead of business units. The country-based organisational model was chosen, because Components' agency companies are based in each country, which means that local support and expertise are critical factors for success. These country-based business units give Addtech a better focus on the conditions and opportunities of each geographical market, which in turn paves the way for cross-sales and other joint ventures between subsidiaries.

The business unit **Denmark** markets and sells components, solutions and sub-systems in mechanics, electro-mechanics and hydraulics to customers in the Danish manufacturing industry. Energy and medical technology are examples of market areas that have developed strongly.

The **Finnish** business unit markets and sells components, solutions and sub-systems – mainly in mechanics and electro-mechanics, such as customised automation components in the forestry and process management industry.

The business unit **Norway** markets and sells components, solutions and sub-systems in hydraulics and mechanics, chiefly to marine, subsea and offshore related industries.

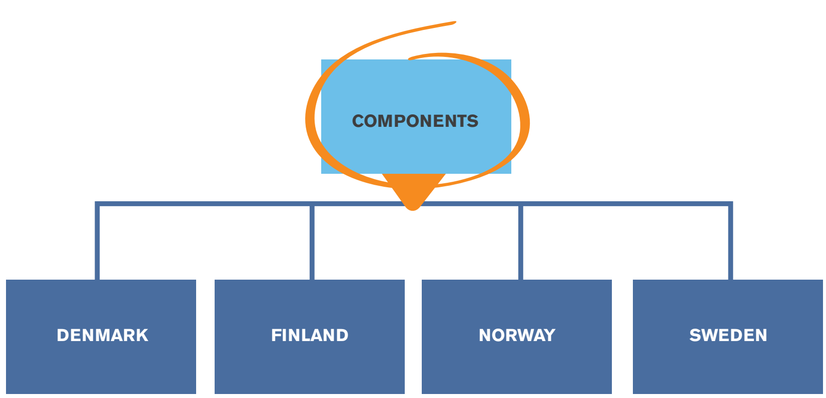
The **Swedish** business unit markets and sells components, solutions and sub-systems in mechanics, electro-mechanics and hydraulics. This unit runs broad agency operations, with sales to most of the market segments in the Components business area.

CUSTOMERS AND MARKET

The Nordic countries constitute the business area's main market. About 90 percent of sales go to Nordic OEM customers, mainly export-oriented manufacturing companies in the engineering, energy, medical technology and special vehicles industry.

Customers include manufacturers of forestry machinery, advanced medical equipment and wind turbines.

Subsidiaries usually sell standard components, but also a significant proportion of customised products. Customised solutions currently account for more than half of the business area's revenue.



Compotech

Henrik Blennow, sales engineer

FROM ORDER TO PROBLEM-SOLVING

Compotech trades electro-mechanical components and motors and belongs to Addtech's original core business. Compotech has a strong focus on value-enhancing sales. For Henrik Blennow, sales engineer at Compotech for the last three years, this means visiting fellow subsidiaries to get to know their businesses and expand his own knowledge. This type of networking can be very useful, he explains.

"I received an inquiry from design consultancy HotSwap about a small electric motor. The easy response would have been just to send them what they ordered. But I went to see them instead to find out how they planned to use the motor. When I was there I found that the design wasn't really ready, so we started working together on a variety of potential integrated solutions. I realised immediately that there was scope for selling more Addtech products."

The end customer, Norwegian medical technology company Laerdal Medical, had commissioned HotSwap to build an interactive eye that could show symptoms, for instance by reacting to light and blinking, using a pre-programmed pattern. The eye can be used in Laerdal's patient simulators for medical training, which in turn are used to diagnose medical conditions and trauma, including epilepsy.

BENEFITS OF SEEING THE BIG PICTURE

After meeting HotSwap, Henrik suggested that Compotech should deliver the entire eye. Another few meetings were held, after which it was agreed that Addtech would supply two motors with adapted axles and an aperture from Addtech subsidiary Tekno Optik. Henrik won the assignment because the final design of the eye was closer to a human eye and was capable of being used in Laerdal's patient simulators.

"Because I knew the specialist areas of other Addtech companies I was lucky enough to be able to put together a much better solution – both for the customer and for Addtech. The Laerdal patient simulator shows it can really be worth getting to grips with the customer's problems and seeing the big picture, and that the expertise we have in the Addtech network is a very valuable resource."

"Because I knew the specialist areas of other Addtech companies, I was lucky enough to be able to put together a much better solution – both for the customer and for Addtech."

DEVELOPMENT

The business area continued to show good earnings performance during the year and can therefore report its best operating profit ever. Components' niche markets displayed strong growth, and the demand for production components from the export industry propelled the rise in volume. The main reason for the profit increase was higher revenue, but the operation's constant focus on creating value added also contributed.

ACQUISITIONS

Addtech Components acquired three businesses during the year:

Chemo Electric A/S, which sells electro-mechanical components to leading OEM customers in Denmark that operate in medical technology and other manufacturing.

Allan Rehnström Tryckluft-Vakuum AB, selling components and customised solutions in the fields of vacuum and compressed air to the Swedish OEM industry.

Trading operations in Inline Dreamteam AB, which comprise sales of linear actuators and control equipment in applications for comfort, rehab and ergonomic products. In Sweden this business represents leading suppliers in the product field.

After the end of the financial year, the business area acquired a further two companies: **MiniTec Finland Oy** and **MiniTec Estonia OÜ**. MiniTec sells profiles and linear systems to production lines in the manufacturing industry.

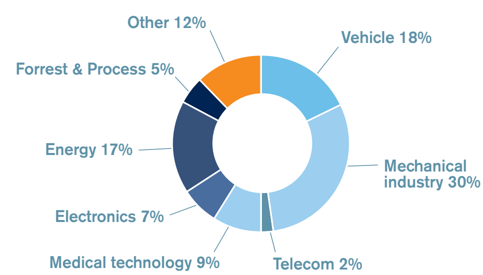
ALLAN REHNSTRÖM TRYCKLUFT-VAKUUM

Chemo Electric as

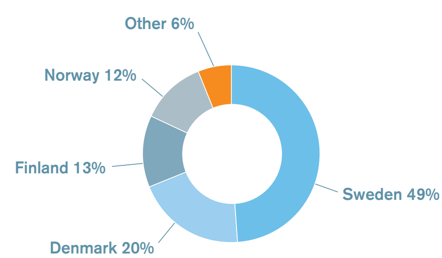
MiniTec FINLAND OY LTD

MiniTec ESTONIA OÜ

Revenue by customer segment



Revenue by market



EXAMPLES OF CUSTOMERS

Tetra Pak, Danfoss, Metso, ABB, BT Industries and Gambro

EXAMPLES OF COMPETITORS

Indutrade, OEM International and SKS Group.

Key indicators	2007/2008	2006/2007	2005/2006
Revenue, MSEK	1,095	1,004	894
Operating profit, MSEK	105	92	80
Operating margin, %	9.6	9.2	8.9
Operating capital, MSEK	180	130	95
Return on operating capital, %	58	71	84
Investments in property, plant and equipment, MSEK	3	4	3
Average number of employees	266	254	243

Movetec

Markku Suominen, Managing Director

TECHNICAL CONSULTANTS AND SALES PEOPLE

The Finnish company Movetec customises and sells complete solutions for operation and control of electronic motors and mechanical components. It is a thriving business with a number of leading OEM customers, including Laserplus, a maker of laser cutting equipment as the one on the picture above.

"We have been able to grow due to hard work by our skilled and dedicated staff, and by adding new technologies, products and customers," says Movetec Managing Director and founder Markku Suominen. "Quality at the delivery point and in our products is a key concept for us and Movetec has a good reputation in the industry. There's a spirit of teamwork here that shows through when we look after customers and help them meet their challenges. We operate both as consultant and seller, with a strong emphasis on helping to find solutions to customers' problems."

Movetec has its own mechanics workshop where it customises and works on components for use in customer-specific solutions. Proximity to the workshop is crucial and adds value for customers.

"The advantage of our approach is that we identify and design creative solutions," Markku says. "Once we've 'sold' the solution to an industrial customer we may continue delivering it until production of the next generation starts. In the meantime, our sales representatives consult with the customer's development department designing the next-generation solution."

"The advantage of our approach is that we identify and design creative solutions."

SYNERGIES ON OFFER

Markku was recently appointed Business Unit Manager for Finland and given the job of developing the Finnish side of the Components business. Although the organisational structure is in its infancy, he can already see potential synergies.

"Addtech Components' Finnish subsidiaries sometimes have the same customers but we rarely compete against each other. I'm sure the synergies will come if we increase the level of knowledge transfer. Having a shared vision makes it easier to focus on the right markets and to see how best to strengthen the business through acquisitions."

Markku adds, "We see growth as an interesting challenge for the business unit."

Addtech Energy & Equipment achieved an 18 percent rise in revenue and improved its profitability through company acquisitions and larger volumes in 2007/2008. Revenue reached MSEK 839, equivalent to 20 percent of Addtech's total revenue.

BUSINESS

Addtech Energy & Equipment markets and sells battery solutions, power transmission products, and equipment and material to industrial production processes. Its customers are mainly in the energy and telecom sectors, the commercial vehicle industry and in engineering.

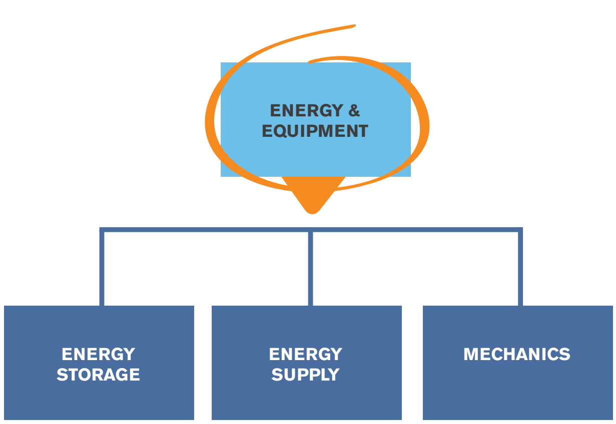
Examples of products are industrial batteries, electrical power products, production machinery and consumables. In addition to trading, this area's companies also manufacture niche products under their own brands.

Value-adding adaptation of standard components and solutions, in close collaboration with customers and suppliers, mainly takes place in niches for battery solutions and power transmission products. Certain companies also offer aftermarket services such as training, service and support, which generate both long-term customer relationships and recurring revenue streams.

BUSINESS UNITS

The companies in Energy & Equipment are divided into three business units:

Energy Storage mainly markets customised battery solutions with related power supply. Subsidiaries with their own brands include Abatel and CellTech, which focus on tailored battery solutions and Batteriunion, which concentrates on battery solutions for electric vehicles, such as wheelchairs and forklift trucks.



Energy Supply produces and markets electrical power products for low, medium and high voltage distribution. Subsidiaries with their own brands include Gevea and Tufvassons.

Mechanics primarily markets equipment and material for mechanical surface treatment and related service, support and training.

CUSTOMERS AND MARKET

The Nordic countries are the business area's main market. Sales are evenly distributed between OEM customers and the end-user segment. Customers mainly operate in the energy sector, telecom and the automotive industry. Sales outside the Nordic region account for 14 percent of revenue, and the most important non-Nordic markets are Poland and the Baltic States.

In the areas of batteries, electrical power products and transformers, Energy & Equipment's companies hold leading market positions in niches with a stable demand for new purchases and aftermarket services. Important applications for batteries include medical technology equipment, specialised vehicles and telecom facilities.

The energy market is in an interesting development phase, in part due to investments in infrastructure for power grids. Addtech sees, above all, the Baltic region as a highly interesting market. Countries such as Poland, Estonia, Latvia and Lithuania are enjoying strong economic growth, which is also driving the electricity market.

Sales of production equipment and accessories have increased as a result of the robust business cycle.

Gevea

Hans Andersén, Managing Director

ENERGY AS A PRIORITY AREA

Addtech has identified electricity distribution and safety as priority growth areas. Medium-voltage electricity distribution is a stable, local and safety-conscious market characterised by proximity to the customer and many small, specialised players.

Åke Darfeldt, Business Area Manager for Addtech Energy & Equipment, says, “We think we've found an interesting niche in electricity distribution where we can operate alongside the major global suppliers. We also see that society's demand for energy is rising and that we have a period of investment in front of us as a large part of the North European grid is modernised.”

“We think we've found an interesting niche in electricity distribution where we can operate alongside the major global suppliers.”

GEVEA – A STRATEGIC BUILDING BLOCK

Norrköping-based Gevea was the strategic building block Addtech needed to build the new Energy Supply business unit. Acquiring Gevea gave Addtech valuable leading-edge skills in coupling equipment for medium-voltage networks, and extensive expertise in the Northern European power supply market. More than 60 percent of Gevea's sales are exports, with around half being to non-Nordic markets such as the United Kingdom, Estonia, Latvia and Poland. Hans Andersén, Gevea's Managing Director and the company's former owner, says the acquisition by Addtech will make it possible to accelerate Gevea's development.

“I can see opportunities for organic growth in the export market, for instance by combining our products with those from other suppliers. We also see considerable growth potential through further acquisitions, like the recent purchase of Eurolaite, our Finnish distributor. The goal is to increase Gevea's value-enhancing technology trading so that dealing directly with customers becomes a natural part of how we do business.”

TARGETING THE BALTIC REGION

Addtech and Gevea see the Baltic region as a highly attractive market. Economies like Poland, Estonia, Latvia and Lithuania are growing fast, which is also driving the electricity market.

“Poland is a good example of an attractive market that's growing really fast,” Hans says. “Rising demand for energy, combined with an undersized and poorly maintained power grid means major investment is more or less unavoidable. That's something we want to benefit from based on the strong position we've already built up.”

BUSINESS AREA
ENERGY & EQUIPMENT

DEVELOPMENT

Higher volume and ongoing adaptation of the operation led to a rise in profits and an improved operating margin in Energy & Equipment.

For example, the market for the business area's energy products and battery solutions improved during the past financial year.

ACQUISITIONS

Addtech Energy & Equipment acquired during the year, **Eurolaite Oy.** A company that sells equipment for electricity distribution. Its main customers are Finnish power grid operators and distributors.

EUROLAITE

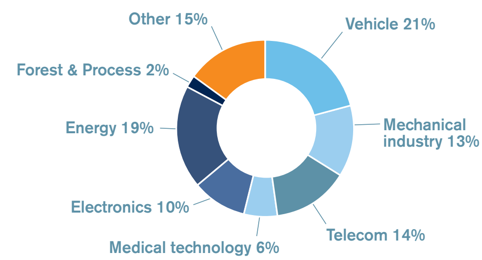
EXAMPLES OF CUSTOMERS

ABB, Ahlsell, Atlet, Ericsson and Sandvik.

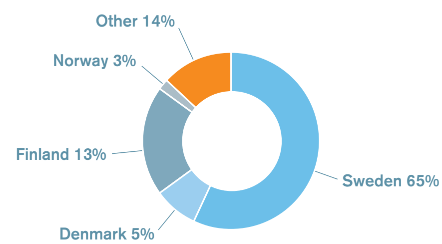
EXAMPLES OF COMPETITORS

G&L Beijer, Indutrade and OEM International.

Revenue by customer segment



Revenue by market



Key indicators	2007/2008	2006/2007	2005/2006
Revenue, MSEK	839	714	629
Operating profit, MSEK	82	61	41
Operating margin, %	9.8	8.5	6.5
Operating capital, MSEK	171	126	92
Return on operating capital, %	48	48	45
Investments in property, plant and equipment, MSEK	5	4	9
Average number of employees	298	273	266

CellTech

Joakim Aspe, Managing Director
Eva Håkansson, “Swedish association of Green Motorists”

THE DEVELOPMENT CENTRE – AN INVALUABLE COMPETITIVE FACTOR

In collaboration with its affiliated companies in the Energy Storage business unit, CellTech, which has facilities in Sölvesborg and Järfälla, has invested in a development centre for customised battery solutions. The centre is needed to enable the company to follow and evaluate manufacturers and the development of battery technology so that Addtech’s battery companies always offer their customers the best solution for their requirements. The aim of the centre is to ensure that Addtech’s battery companies are invited to take part in customers’ product development processes at an early stage.

“Growing demands for reliability and long service life have meant that increasingly advanced electronics are being used together with the batteries to protect them and to control and monitor their operation. Finding the right battery solution has become a science”, says Joakim Aspe, Managing Director of CellTech AB. “The Development Centre brings further added value to our services”.

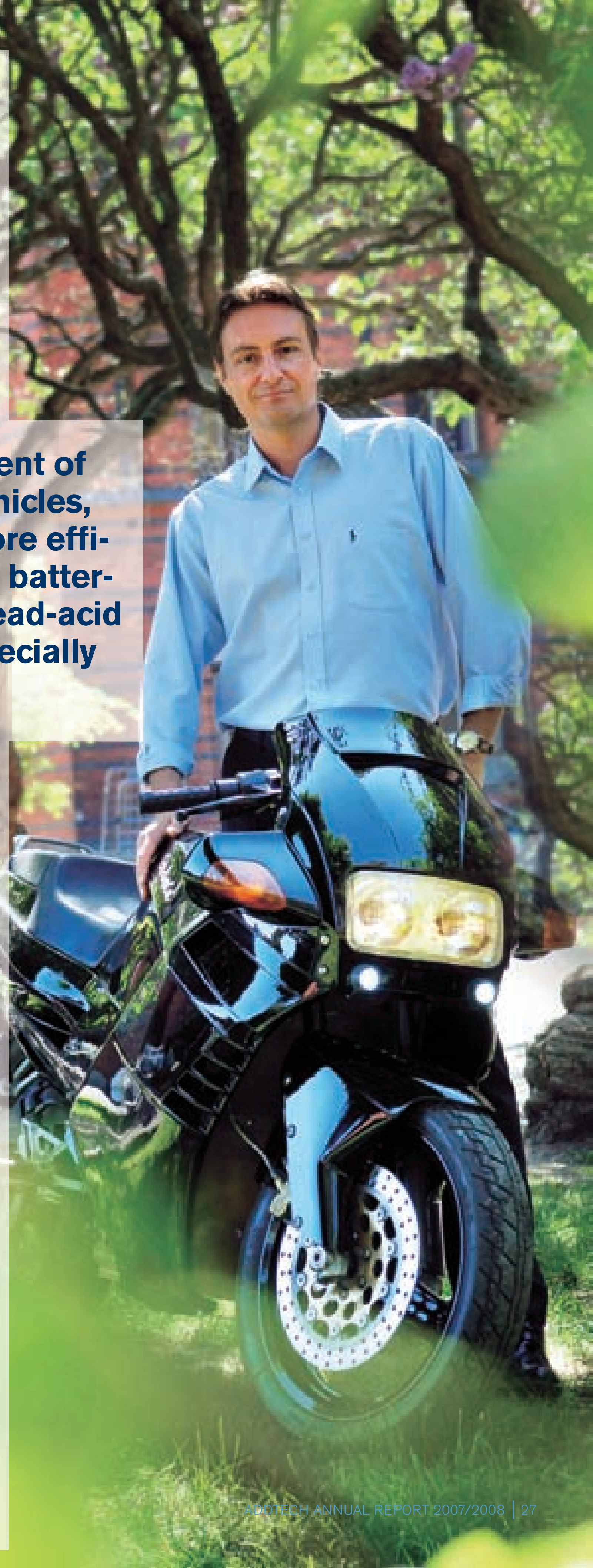
“The development of batteries for vehicles, which require more efficient and cleaner batteries than today’s lead-acid batteries, is especially exciting.”

Today’s battery solutions involve much more than just battery cells and electric power. Wireless devices and mobility lead to increased demands. Batteries need to be more than just light, quick to charge and compact; they are also becoming more and more “intelligent”, with microprocessors and software to balance the cells, to calculate the remaining operating time and to optimise the charging process.

“The technology is developing so rapidly that it is absolutely essential to have access to the top expertise in the field. It is also a big advantage to be able to offer the customer expertise close at hand. And customers have not been slow to respond. We’ve already had several exciting development projects where we’ve been involved in specifying the product to be ordered,” says Joakim Aspe with satisfaction.

The future prospects for the battery market are exciting. The threat of climate change, a runaway oil price and stricter environmental requirements are driving the development of the technology. The development of batteries for vehicles, which require more efficient and cleaner batteries than today’s lead-acid batteries, is especially exciting. A completely new technology is now being tested in collaboration with Eva Håkansson of “Swedish Association of Green Motorists”: lithium-iron-phosphate batteries, seen as the vehicle batteries of the future. They hold four times more energy per kilogram than lead-acid batteries, and therefore provide four times the range per charge. The first test involves a 100 percent electrically-powered motorcycle (pictured) fitted with a battery weighing just over 50 kg. The battery can power the motorcycle for 80 km per charge, at speeds of over 100 km/h.

“Horsepower and top speed aren’t the bottlenecks now,” says Eva Håkansson. “It’s the range”.



Addtech Industrial Solutions developed well and reinforced its positions in each market niche in 2007/2008. Revenue in the business area totalled MSEK 1,525, equivalent to 36 percent of Addtech's revenue.

BUSINESS

Addtech Industrial Solutions is the Group's business area with the highest proportion of sales that comprise products developed and manufactured in house – often marketed under own brands. The business area includes several companies that are very advanced in their creation of value that is both knowledge and technology intensive. Industrial Solutions thus trades in suppliers' components and sub-systems as well as in in-house products and brands.

The companies in this business area conduct extensive marketing of their products and solutions internationally. The area's offering includes gaskets, seals, vibration dampers, chains, electric motors, gear units, power and signal transmission components, automation components, and measuring and testing systems.

BUSINESS UNITS

The companies in Industrial Solutions are divided into four business units.

Customised Solutions offers tailored solutions in electromechanical applications as well as products and solutions for power and signal transmission. Items include HMI/MMI products, such as joysticks and pedals for forest machinery and forklift trucks, and connecting devices and cabling for telecom. The companies in Customised Solutions market their products and solutions internationally.

MI Group sells productivity-increasing automation components and electronic materials and testing systems to industrial manufacturing firms in the Nordic countries.

Motion Technology produces and sells machinery components such as conveyor chains, roller bearings and wheels for industrial applications. The business unit markets its products internationally via its own subsidiaries. FB – in chain products – is one of its own brands.

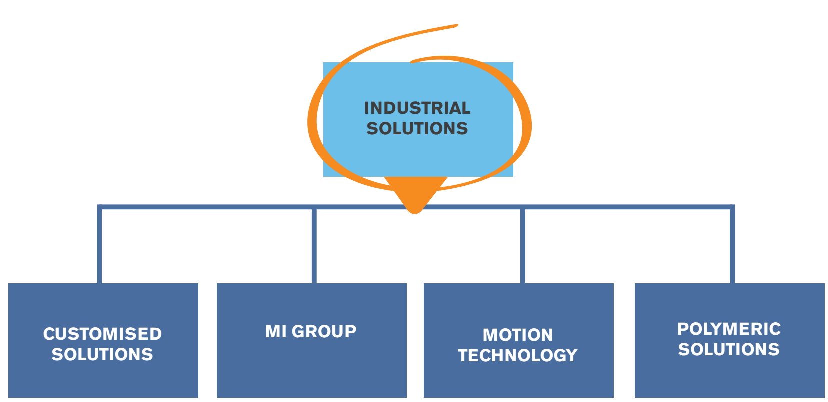
Polymeric Solutions works with a combination of customised solutions and in-house manufactured products in the fields of gaskets, seals and vibration dampers. The offering is marketed internationally. Own brands include Addfric and Adcoat in seals and gaskets.

CUSTOMERS AND MARKET

The companies in Industrial Solutions develop and market products manufactured in-house/own brands to industrial customers in several industries in the international market.

The focus of the business area's agency activities includes solutions in automation, electronics, electro-mechanics and hydraulics for manufacturing industries in the Nordic market.

About 27 percent of the business area's revenue comes from markets outside the Nordic countries – partly through sales from own subsidiaries in the United Kingdom, Germany, China and Austria, and partly through exports.



Metric Industrial Oy

Pekka Jolanki, Managing Director

PAN-NORDIC PRESENCE

MI Group, a business unit that is part of Addtech Industrial Solutions, consists of 10 companies. In addition to four Metric Industrial companies, the business unit includes Amitra and Matronic of Finland, ESD-Center, Tecono and Tekno Optik of Sweden and Teleinstrument of Denmark.

Pekka Jolanki, Managing Director of Metric Industrial Oy, is also Business Unit Manager of MI Group in the Nordic region.

"By reducing throughput time and increasing availability and quality we improve productivity for our industrial customers."

INCREASING INDUSTRIAL CUSTOMERS' PRODUCTIVITY

MI Group supplies high-tech, productivity-enhancing automation solutions, systems, components and materials to industrial clients. Pekka explains the core business:

"By reducing throughput time and increasing availability and quality we improve productivity for our industrial customers. This requires an understanding of the customer's needs at an early stage of the project so we can supply the solution with the best and most cost-effective technology – whether we're talking about customised system solutions or standard components."

ADDING VALUE THROUGH SYSTEMS KNOW-HOW

This is where MI Group's value added comes in:

"MI Group adds value for industrial automation customers primarily through our systems know-how," Pekka explains. "We supply complete applications and sub-systems on the basis of the different system components and software that we have put together and tested." A good example of such a sub-system is Metric Industrial's delivery of a client-specific machine vision hardware to a Finnish supplier of quality control inspection systems in the paper manufacturing industry (see picture). By using web-cameras, a more effective control of the production process is made possible.

INDUSTRIAL AUTOMATION AS A GROWTH AREA

International demand is strong for quality Nordic products offering high levels of technology and know-how and manufactured by the types of company with which MI Group has partnerships. The robust state of the Nordic engineering industry is leading to increased investment in automation technology. Approximately 90 percent of MI Group sales are to national and international industrial customers in the Nordic region.

DEVELOPMENT

Industrial Solutions continued to expand well in all areas of technology, and was therefore able to strengthen its positions in its market niches during the past year.

The improvement in volume and profit can largely be attributed to the continued stable business climate for replacement components as well as the increased demand for production components.

ACQUISITIONS

Addtech Industrial Solutions made three acquisitions during the year:

Amitra Oy, which sells material and equipment for environmental testing, EMC protection and EMC testing to industrial end users in electronics and other industrial sectors, chiefly in the Finnish market.

Codan Tech A/S, which produces and sells customer-specific moulded and extruded rubber parts – mainly to Danish manufacturing customers in the machinery, food, and medical technology sectors.

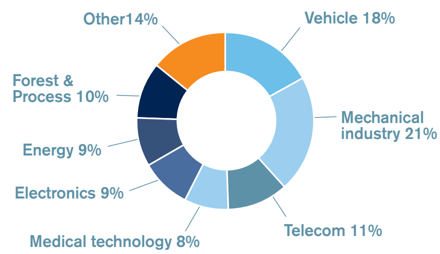
Moving Hjulex AB, which sells wheels, castors, and gravity conveyors to OEM customers and distributors, most of which are based in the Nordic countries.

Amitra Oy

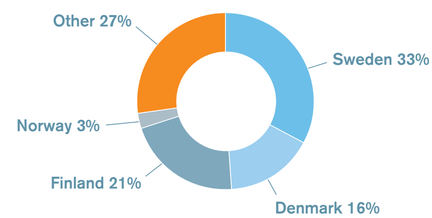
CODANTECH
A World of Flexible Rubber Solutions

MOVING
Hjulex

Revenue by customer segment



Revenue by market



EXAMPLES OF CUSTOMERS

ABB, BT Industries, MAN B&W, Vestas Wind Systems and the Volvo Group.

EXAMPLES OF COMPETITORS

Fr Ramström, OEM International and Indutrade.

Key indicators	2007/2008	2006/2007	2005/2006
Revenue, MSEK	1,525	1,238	1,168
Operating profit, MSEK	172	151	122
Operating margin, %	11.3	12.2	10.4
Operating capital, MSEK	384	287	211
Return on operating capital, %	45	52	58
Investments in property, plant and equipment, MSEK	17	11	8
Average number of employees	511	427	435

Caldaro

Stefan Aase, Managing Director

WORLD-LEADING CUSTOMERS WITH HIGH DEMANDS

Caldaro is part of the Customised Solutions business unit and a leading supplier of customised man-machine interface (MMI) control solutions primarily to demanding OEM companies in the Nordic region, the United Kingdom and Germany. Caldaro is best known internationally for its tailor-made joysticks, handles and pedals, which are used by some of the world's top construction equipment manufacturers.

"Our basic approach is to create a solution that is as flexible and competitive as possible," says Caldaros Managing Director Stefan Aase, outlining how the company produces specially adapted handles for excavators. "This may involve using products we've already developed previously, but mainly it's about working closely with the customer to develop an optimal solution. Our customers have clear requirements and high levels of ambition. By combining this with our expertise we can design flexible and competitive solutions."

"Caldaro's mix of cutting edge internal and external competencies enables us to develop value-enhancing solutions with the right 'feel', which is so important in MMI solutions."

VALUE CREATION AS A SUCCESS FACTOR

Caldaro's network of external partners with leading positions in various specialist technology-related areas plays a key role in adding value for customers. MMI solutions for excavators are a prime example. The company can call on a wide-ranging internal and external competency mix when putting projects together: design engineers, industrial designers, test institutes, production engineers, quality engineers and toolmakers.

Stefan explains that value creation is one of Caldaro's success factors.

"Our flexibility in terms of the market gives us competitive advantages. Caldaro's mix of cutting edge internal and external competencies enables us to develop value-enhancing solutions with the right 'feel', which is so important in MMI solutions. We're also able to customise at relatively small volumes because we're so cost-efficient, while at the same time creating a platform for long-term cooperation as our customers grow."

Addtech Life Science expanded well and displayed higher operating profit in 2007/2008. Revenue in the business area totalled MSEK 752, equivalent to 18 percent of Addtech's total revenue.

BUSINESS

Addtech Life Sciences markets and sells instruments and consumables to laboratories in health care and research, diagnostics equipment for the health care sector, and process and analysis equipment for industry. The business area focuses on products from globally successful suppliers; its main market comprises the Nordic countries. Examples include blood-gas equipment for the health care sector, chromatography instruments for research, and chemical analysis equipment for the process industry.

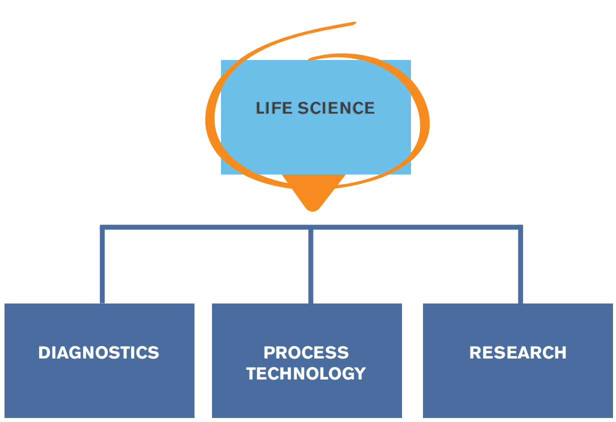
Companies in the business area create value added for their customers by providing knowledge-intensive services such as application knowledge, training, support and service. This is made possible by the employees' extensive technical and application know-how, enabling customers to acquire optimal solutions and products with maximum user benefit.

BUSINESS UNITS

The companies in Addtech Life Science are divided into three business units:

Diagnostics sells and markets diagnostic reagents and instruments with related consumables. Its customers are principally in health care and the pharmaceutical industry.

Process Technology sells and markets analysis and measuring equipment to customers in the forestry, pulp, chemicals, food, energy and pharmaceutical industries.



Research sells and markets basic laboratory instruments and analysis and measuring instruments to customers in the pharmaceutical industry, health care, and universities and other colleges of higher education.

The Group companies in the three business units add values such as technology and application knowledge, consultation, training, scientific seminars and technical service. Calibration is also offered in process engineering.

CUSTOMERS AND MARKET

Addtech Life Science sells its products and services to end users in the Nordic countries. Customers are mainly in health care and research, as well as in the process, food and pharmaceutical industries.

The subsidiaries have strong market positions in their respective areas of operation. They are important partners for customers as well as suppliers, a fact which is gaining importance at the same pace as the continuously growing knowledge and technology content of the products. These developments also create an increasing – and for Addtech profitable – need for aftermarket services.

Customers represent globally competitive Nordic companies and organisations in industry and research. The market for diagnostic equipment in health care is stable over time and mainly affected by the general economy.

DEVELOPMENT

Addtech Life Science as a whole experienced a positive trend, with sales growth and improved operating profit during the year.

This business area has a market-leading position in equipment and consumables for blood-gas analysis and coagulation. This position was built through long-term, successful sales work in an expanding market.

Operations in process engineering also advanced their market positions and grew in terms of volume and earnings.

The laboratory products market is experiencing severe price pressure, so the business area implemented measures to heighten efficiency with the aim of improving profits.

Bergman Diagnostika AS

Tove Nyhus, Managing Director

PARTNERSHIPS CREATING VALUE ON DIFFERENT LEVELS

The Group companies in Addtech Life Science's Diagnostics business unit work closely together to create value for each other, their customers and their suppliers – and, of course, for the Addtech Group as a whole.

By working together the companies create value in different ways and at different levels, says Tove Nyhus, Managing Director of Bergman Diagnostika AS, a Norwegian technology trading company specialising in analysis instruments and associated equipment and services. Its customers are primarily in the health and medical care sectors in Norway, including research institutes.

The fellow subsidiaries work together across the Nordic countries, exchanging knowledge and communicating good examples. Examples include successful strategies for specific products or customer segments.

SAME AGENCIES IN SEVERAL NORDIC COUNTRIES

Close relations between the Managing Directors and sales managers of the Nordic fellow subsidiaries is another aspect that creates value added, Tove Nyhus explains.

"My three fellow Managing Director's and I and our sales managers meet at least twice a year to learn from each other and see what we can do to develop our partnerships. One specific area involves having the same agencies in different Nordic countries, which is a win-win situation for all concerned."

EVERYONE GAINS FROM COOPERATION

Close cooperation is also positive for the companies themselves, because it allows them to increase sales. Suppliers and customers have much to gain as well, Tove Nyhus explains.

"It's attractive to our leading international suppliers as it gives them a single sales and marketing channel for the Nordic market, with a population of close to 25 million. It's also positive for customers because it allows us to broaden the product offering and in some cases to negotiate contracts on improved terms."

"One specific area involves having the same agencies in different Nordic countries, which is a win-win situation for all concerned."

ACQUISITIONS

Addtech Life Science acquired four businesses during the year.

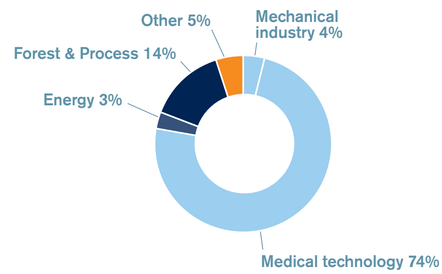
LabRobot Products AB, develops and sells Dilucup dilution cups used by microbiology laboratories in the food industry. Its customers are principally in Europe.

Kouvo Automation Oy sells equipment for measuring levels, flows and weights to the Finnish energy, chemicals, paper and pulp industries – as well as to Finnish manufacturers of installations for such industries.

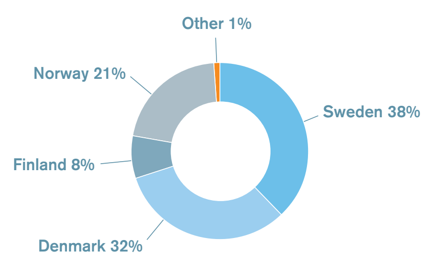
Immunkemi F&D AB delivers diagnostic and research reagents to hospital laboratories, universities and other higher education colleges, and pharmaceutical companies.

The business in S.E.G. Process sells equipment in the area of flow technology, focused on gases and small flows. Its customers mainly comprise companies in the medical technology industry and engineering as well as universities and other colleges of higher education in Sweden.

Revenue by customer segment



Revenue by market



EXAMPLES OF CUSTOMERS

AstraZeneca, Karolinska Institutet, Novo Nordisk, Sahlgrenska University Hospital and LKAB.

EXAMPLES OF COMPETITORS

Roche, VWR International and Endress+Hauser

Key indicators	2007/2008	2006/2007	2005/2006
Revenue, MSEK	752	720	675
Operating profit, MSEK	65	56	34
Operating margin, %	8.6	7.8	5.0
Operating capital, MSEK	218	186	173
Return on operating capital, %	30	30	20
Investments in property, plant and equipment, MSEK	7	8	11
Average number of employees	256	249	239

Insatech A/S

Alan Christoffersen, Managing Director

MEASUREMENTS MUST NEVER LIE

Insatech A/S is a leading Danish supplier of analysis and measuring instruments to the processing industry. The company has a DANAK-accredited laboratory that calibrates measuring instruments for pharmaceutical industry clients[1].

Calibration is about quality assurance and credibility. Pharmaceutical company decision-makers must be able to rely on measuring results being correct. This requires reliable measuring methods. Decisions based on incorrect data can have disastrous results – for patients and companies alike.

“For pharmaceutical companies, calibration is about quality assurance and credibility.”

QUALITY ASSURANCE IS A GIVEN

National and international authorities set high standards for the pharmaceutical industry. Quality assurance is a given in the pharmaceutical business, says Alan Christoffersen, Managing Director of Insatech A/S.

“An important element in quality assurance is regular calibration of measuring instruments by an accredited calibration laboratory that provides traceability and can verify measurement certainty. Our accreditation is a guarantee that our work is impartial, correct and based on internationally recognised standards.”[2]

ONE-STOP SHOP FOR CALIBRATION

Insatech A/S has amassed an extensive knowledge pool through its longstanding experience of calibration. The company offers a wide range of services, ranging from traceability to electrolytic conductivity – which can involve measuring the purity of ultrapure water or concentrations of chemicals in highly concentrated forms.

“We offer our clients a wide range of services,” Alan Christoffersen says. “Apart from identifying which measuring instruments require regular calibration, we draw up a long-term plan for when and how the different instruments should be inspected. Fundamentally, what we do is to take overall responsibility for the calibration process. This gives our customers greater security, shorter lead-times and lower costs.”

1 DANAK is Denmark’s national body for accreditation and is responsible for inspection issues according to the Technical Conformity Assessment Act. This means that they assess the competence of companies that perform analysis, testing, calibration, certification and inspection.

2 Insatech A/S is accredited according to the international ISO 17025:2005 standard. The company fulfils DANAK’s competence requirements for testing and calibration laboratories. The standard stipulates traceability to national and international norms through an unbroken chain and that the laboratory states its best measurement capability.

Multi-Year Summary

Effective 1 April 2005, Addtech applies International Financial Reporting Standards (IFRS).
Comparative data for the 2004/2005 financial year have been restated to IFRS, but not data for 2003/2004 and earlier.

MSEK unless stated otherwise	2007/2008	2006/2007	2005/2006	2004/2005	2003/2004	2002/2003	2001/2002
Revenue	4,198	3,661	3,362	2,422	2,210	2,275	2,360
Operating profit[1]	415	360	271	170	96	98	86
Financial income and expenses	-17	-9	-7	-5	-3	-5	-5
Profit after financial items	398	351	264	165	93	93	81
Profit for the year	287	256	194	119	64	64	53
1) For the purpose of comparison, data are provided on the following items included in the above operating profit:							
Sale of businesses	–	–	–	–	-7	–	–
Sale of property	0	4	–	–	–	13	4
Closing of businesses	–	–	–	–	–	-9	–
Listing costs	–	–	–	–	–	–	-3
Total	**0**	**4**	**–**	**–**	**-7**	**4**	**1**
Intangible non-current assets	521	359	210	174	35	29	13
Property, plant and equipment	180	178	180	176	147	159	176
Financial non-current assets	12	18	15	10	11	7	6
Inventories	527	452	391	356	298	313	347
Current receivables	691	649	520	455	362	373	407
Cash and cash equivalents	78	73	110	159	121	97	92
Total assets	**2,009**	**1,729**	**1,426**	**1,330**	**974**	**978**	**1,041**
Shareholders' equity	664	547	459	460	410	432	417
Minority interests	12	9	6	5	4	3	6
Interest-bearing liabilities and provisions	434	332	215	189	99	101	166
Non-interest-bearing liabilities and provisions	899	841	746	676	461	442	452
Total shareholders' equity and liabilities	**2,009**	**1,729**	**1,426**	**1,330**	**974**	**978**	**1,041**
Capital employed	1,110	888	680	656	513	536	589
Operating capital	1,032	814	570	497	392	439	497
Financial net liabilities	356	259	105	32	-22	4	74
Operating margin, %	9.9	9.8	8.1	7.0	4.3	4.2	3.6
Profit margin, %	9.5	9.6	7.9	6.8	4.2	4.0	3.4
Return on equity, %	48	54	41	28	15	15	12
Return on capital employed, %	42	48	41	32	19	18	15
Equity ratio, %	34	32	33	35	42	44	41
Debt/equity ratio, times	0.6	0.6	0.5	0.4	0.2	0.2	0.4
Interest coverage ratio, times	16.2	21.4	20.9	17.7	10.5	8.6	6.9
Earnings per share (EPS), SEK	12.70	11.15	8.00	4.85	2.50	2.45	1.90
EPS, after dilution, SEK	12.50	11.00	7.90	4.80	2.50	2.45	1.90
Cash flow per share, SEK	14.45	9.25	11.00	8.10	6.20	6.40	1.50
Shareholders' equity per share, SEK	29.90	24.40	19.90	18.80	16.70	16.80	15.70
Dividend per share, SEK	7.00[2]	6.00	4.00	2.75	2.00	1.50	1.20
Average number of shares outstanding after repurchases, '000s	22,385	22,652	24,073	24,486	25,534	26,446	27,496
Average number of shares adjusted for dilution, '000s	22,678	22,977	24,366	24,616	25,534	26,446	27,496
Market price of share at 31 March, SEK	128.50	149.75	106.00	68.00	39.50	27.00	43.00
Turnover rate of the share, %	20	29	41	13	21	20	29
Cash flow from operating activities	324	209	265	197	159	169	41
Cash flow from investing activities	-196	-183	-124	-124	-32	-41	-9
Cash flow from financing activities	-123	-63	-192	-35	-103	-123	-90
Cash flow for the year	5	-37	-51	38	24	5	-58
Average number of employees	1,368	1,235	1,198	958	996	1,072	1,155
Number of employees at year-end	1,537	1,306	1,211	1,198	966	1,035	1,100

2) As proposed by the Board of Directors.

Quarterly data	2007/2008				2006/2007			
Revenue by business area (MSEK)	Q 4	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
Components	315	276	247	257	274	258	226	246
Energy and Equipment	205	237	192	205	203	190	161	160
Industrial Solutions	423	375	370	357	340	314	284	300
Life Science	215	203	150	184	202	183	156	179
Parent Company and Group items	-3	-3	-3	-4	-4	-4	-6	-1
Addtech Group	**1,155**	**1,088**	**956**	**999**	**1,015**	**941**	**821**	**884**

Quarterly data	2007/2008				2006/2007			
Profit by business area (MSEK)	Q 4	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
Components	41	21	20	23	32	21	19	20
Energy and Equipment	17	22	20	23	18	18	14	11
Industrial Solutions	47	36	49	40	47	34	35	35
Life Science	22	17	7	19	14	15	10	17
Parent Company and Group items	-1	-2	-4	-2	6	-1	-3	-2
Operating profit	**126**	**94**	**92**	**103**	**117**	**87**	**75**	**81**
– as % of revenue	*10.9*	*8.6*	*9.6*	*10.3*	*11.5*	*9.2*	*9.1*	*9.2*
Financial income and expenses	-6	-3	-5	-3	-1	-3	-3	-2
Profit after financial items	**120**	**91**	**87**	**100**	**116**	**84**	**72**	**79**
– as % of revenue	*10.4*	*8.4*	*9.1*	*10.0*	*11.4*	*8.9*	*8.8*	*8.9*

Revenue by business area	12 months ending		
MSEK	31 Mar. 2008	31 Mar. 2007	31 Mar. 2006
Components	1,095	1,004	894
Energy and Equipment	839	714	629
Industrial Solutions	1,525	1,238	1,168
Life Science	752	720	675
Parent Company and Group items	-13	-15	-4
Addtech Group	**4,198**	**3,661**	**3,362**

Profit by business area	12 months ending		
MSEK	31 Mar. 2008	31 Mar. 2007	31 Mar. 2006
Components	105	92	80
Energy and Equipment	82	61	41
Industrial Solutions	172	151	122
Life Science	65	56	34
Parent Company and Group items	-9	0	-6
Operating profit	**415**	**360**	**271**
– as % of revenue	*9.9*	*9.8*	*8.1*
Financial income and expenses	-17	-9	-7
Profit after financial items	**398**	**351**	**264**
– as % of revenue	*9.5*	*9.6*	*7.9*

- **Capital employed**
  Total assets, less non-interest-bearing liabilities and provisions.
- **Cash flow per share**
  Cash flow from operating activities, divided by the average number of shares outstanding.
- **Debt/equity ratio**
  Interest-bearing liabilities and interest-bearing provisions in relation to shareholders' equity.
- **Earnings per share (EPS)**
  Profit for the year attributable to shareholders, in relation to the average number of shares outstanding.
- **Earnings per share (EPS), after dilution**
  Profit for the year attributable to shareholders, in relation to the average number of shares outstanding, adjusted for additional number of shares as if all outstanding options were exercised by employees.
- **Employee turnover**
  Number of employees who left the Company during the year, in relation to average number of employees.
- **Equity ratio**
  Shareholders' equity as a percentage of total assets.
- **Financial net liabilities**
  Interest-bearing liabilities and interest-bearing provisions, less cash and cash equivalents.
- **Interest coverage ratio**
  Profit after net financial items, plus interest expense, plus/minus exchange differences in relation to interest expense plus/minus exchange differences.
- **Operating capital**
  Capital employed, less cash and cash equivalents.
- **Operating margin**
  Operating profit/loss as a percentage of revenue.
- **Profit margin**
  Profit after net financial items as a percentage of revenue.
- **Return on capital employed**
  Profit after net financial items, plus interest expense, plus/minus exchange differences, as a percentage of average capital employed.
- **Return on equity**
  Profit after tax attributable to shareholders, as a percentage of the shareholders' proportion of average equity.
- **Return on operating capital**
  Operating profit as a percentage of average operating capital.
- **Shareholders' equity per share**
  Equity attributable to shareholders, divided by the number of shares outstanding at the balance sheet date.
- **Shares outstanding**
  Total number of shares, less the number of shares repurchased by the Company.

Addtech's income and financial position, as well as its strategic position, are affected by a number of internal factors under Addtech's control and by a number of external factors over which Addtech has limited influence. The most important risk factors for Addtech are the state of the economy, structural changes and the competitive situation.

STATE OF THE ECONOMY

The markets in which Addtech is active largely follow overall industry trends. Through the business unit of Addtech Life Science, trends in the national economy have assumed greater importance, as these trends influence operating and capital expenditure in health care and research. Addtech's sensitivity to the economy is reduced by the Group's focus on multiple niches and the Group's some 80 subsidiaries diversified interests, as the dependence of customers' businesses on the business cycle varies. Addtech's significant sales of technical service, support and consumables to the aftermarket, as well as to laboratories and health care, further reduce the Group's sensitivity to the economy as a whole.

STRUCTURAL CHANGES AMONG CUSTOMERS

Structural changes among and consolidation by customers accentuate demands for added value in offerings from suppliers. To meet these demands, business units active in the market must have sufficient financial strength as well as significant service content and product offerings. In recent years, a clear trend has emerged in certain industries of outsourcing part of production to contract manufacturers. This involves risks as well as opportunities for Addtech, because a contract manufacturer could choose other suppliers, or new business opportunities could materialise.

The effects of increased internationalisation, by which production is relocated to different countries, have been limited, except in the early 2000s as telecommunications and electronics firms relocated. The Group's exposure to a large number of industries and the fact that no single customer accounts for more than about three percent of consolidated revenue reduce the potential impact of individual companies deciding to relocate abroad. Undeniable added value and the unique quality of Addtech's offering to customers generate opportunities to deliver outside the immediate geographic area.

COMPETITIVE SITUATION

Change and consolidation within the value-added technology trading industry are constantly altering the competitive situation. Economies of scale may pressure prices, but Addtech's strategy includes achieving market-leading positions in specific niches, offering products and services for which price is not the sole deciding factor.

FUTURE LEVEL OF CAPITAL SPENDING

During the past three years, capital spending on tangible and intangible non-current assets has totalled MSEK 125, mostly in IT equipment, machinery and other equipment. During the same period, investment in corporate acquisitions totalled MSEK 415. Over time, the key determinant of the future level of capital spending is the pace of corporate acquisitions.

SEASONAL VARIATIONS

Overall, Addtech's business has limited vulnerability to seasonal variations. Business activities normally follow the seasonal pattern of manufacturing, which means lower sales during the summer months. Based on historical results, less than half of the revenue is generated in the first two quarters of Addtech's financial year (April–September), more than half in the last two quarters (October– March). Major deviations from this pattern may occur if general business conditions change rapidly during the course of a year. In individual business areas, such as Addtech Life Science, seasonal variations can be substantial.

CHANGES IN VOLUME OF SALES

A small increase in volume in any business of the Group can be expected to improve operating profit in line with the gross margin in that business. However, once volume has increased a certain amount, a level is reached at which resources must be expanded. In that case, incremental effects tend to reduce the marginal income from additional volumes to a level that eventually approaches the operating margin. When volumes decline, the short-term negative effect on operating income may be greater than the analogous positive effect of greater volumes. Actions must be taken to deal with this negative effect so that, in the slightly longer term, it approaches the operating margin. It should also be noted that the Group's different businesses operate under varying conditions with respect to gross margins and capacity utilisation, for instance.

Thus different operations have different abilities to cope with volume growth, depending on existing resources, or to reduce resources in the event of decreasing volumes. The effects reported should be seen as indications only and do not include any effects of offsetting actions the Company would take in such eventualities.

Sensitivity analysis	Change	Effect on operating profit
Income statement items		
Sales volume	+/-5%	+20/-70 MSEK
Cost of sales	+/-1%	+/-28 MSEK
Payroll expenses	+1%	-8 MSEK
Overheads, not including payroll expenses	+1%	-5 MSEK

FINANCIAL RISKS

For a discussion of the Group's financial risks, refer to Note 3.

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1 April 2007 – 31 March 2008

The Board of Directors and the President of Addtech AB (publ), company ID number 556302-9726, hereby submit their annual accounts and consolidated financial statements for the 2007/2008 financial year. The annual accounts and the audit report are on pages 40-80.

THE BUSINESS

Addtech is a leading technology trading group that develops and sells components, systems and equipment in clearly defined niches to industrial companies and the service industry. Customers are primarily manufacturers in the mechanical, energy, vehicle, telecom and electronics industries and laboratories in the healthcare and research sector in the Nordic region. Addtech provides customers with technological and economic value added. As of the start of the 2008/2009 financial year, the Group is organised in four business areas: Addtech Components, Addtech Energy & Equipment, Addtech Industrial Solutions and Addtech Life Science. The business is conducted through subsidiaries in Sweden, Finland, Denmark, Norway, the United Kingdom, Austria, Germany, Poland, Estonia and China.

Addtech's class B share has been listed on the OMX Nordic Exchange Stockholm since September 2001 and is quoted on the Mid Cap list.

REVENUE AND PROFIT

Addtech Group revenue increased to MSEK 4,198 (3,661) during the financial year. This represented a 15 percent rise, or 4 percent after adjustment for units acquired and disposed of and for foreign exchange differences arising on translation of non-Swedish units. Foreign exchange differences arising on translation of non-Swedish units contributed MSEK 25 to revenue and MSEK 2 to operating profit. Demand was robust across all business areas during the year, leading to higher revenue. Along with a good contribution from acquired businesses, this was the main reason for the increase in profit.

Operating profit rose by 15 percent, to MSEK 415 (360), and profit after financial items increased by 13 percent, to MSEK 398 (351). The operating margin rose to 9.9 percent (9.8).

Net financial items were MSEK -17 (-9). Profit after tax increased by 12 percent to MSEK 287 (256) and earnings per share (EPS) were up 14 percent at SEK 12.70 (11.15). The effective tax rate was 28 percent (27).

BUSINESS AREAS – AS PER THE BUSINESS STRUCTURE FOR THE 2007/2008 FINANCIAL YEAR

ADDTECH COMPONENTS

Revenue at Addtech Components rose by 19 percent to MSEK 1,167 (979) and operating profit increased by 10 percent to MSEK 119 (108). Demand for components was stable during the year and acquisitions led to a substantial rise in revenue. Sales of high-specification and value-added components and subsystems performed well. The product mix and businesses acquired reduced the operating margin somewhat during the latter part of the financial year.

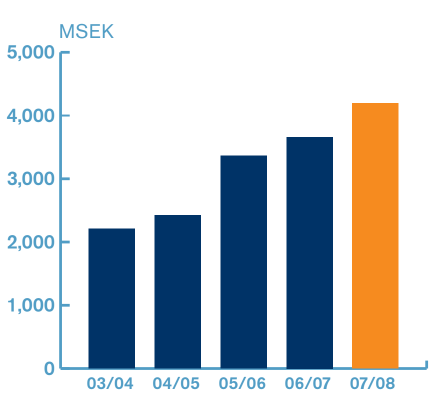
ADDTECH TRANSMISSION

Addtech Transmission's revenue rose by 12 percent to MSEK 1,283 (1,144) and operating profit advanced by 17 percent to MSEK 148 (126). Demand was strong in key product areas, which helped create further sales growth. Combined with effective cost control, the increase in revenue had a favourable impact on profit. Business conditions for replacement components for industrial maintenance and service remained stable during the year. Demand for production components from sectors such as the wind power and offshore industries rose.

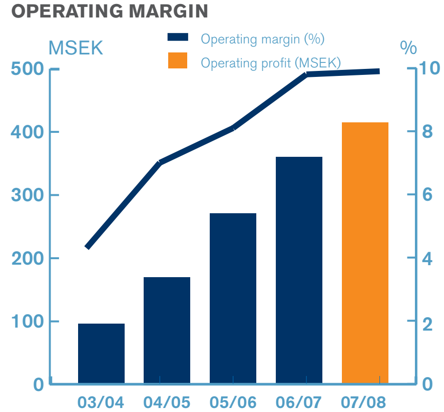
ADDTECH EQUIPMENT

Addtech Equipment's revenue rose by 22 percent to MSEK 1,000 (823) and operating profit increased by 31 percent to MSEK 92 (70). Growth for products and solutions for the energy sector and industrial production processes was stable

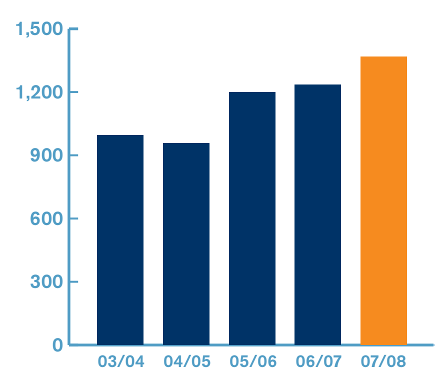
REVENUE



OPERATING PROFIT AND OPERATING MARGIN



AVERAGE NUMBER OF EMPLOYEES



during the year. Strategic acquisitions contributed to a strong increase in revenue and higher profit.

ADDTECH LIFE SCIENCE

Revenue for Addtech Life Science rose by 4 percent to MSEK 752 (720) and operating profit was up 16 percent at MSEK 65 (56). Demand for diagnostics equipment and consumables remained strong during the year. Intense competition in the market for general laboratory equipment necessitated further adjustments in the product range and efficiency measures to meet Group profitability and growth targets.

PROFITABILITY, FINANCIAL POSITION AND CASH FLOW

Return on capital employed was 42 percent (48) and return on equity was 48 percent (54).

At year-end, the equity ratio stood at 34 percent (32). Shareholders' equity per share, calculated using shareholders' interest in equity, totalled SEK 29.90 (24.40). Consolidated net financial liabilities at year-end was MSEK 356 (259) and included pension liabilities of MSEK 178 (172). Cash and cash equivalents, consisting of cash and bank balances together with approved but non-utilised credit facilities, totalled MSEK 505 (422) at 31 March 2008.

Cash flow from operating activities was MSEK 324 (209) during the year, with the MSEK 115 increase reflecting higher operating profit and a smaller increase in working capital compared to the prior year. Investments in non-current assets were MSEK 46 (41) and disposals totalled MSEK 18 (17). Disposals included the sale of a property for MSEK 11. This transaction was earnings-neutral. Share buybacks totalled MSEK 37 (76) for the year.

BUSINESS ACQUISITIONS

Eleven acquisitions with combined annual revenue of around MSEK 375 were completed during the year. The business areas specified relate to the Group structure applicable from the start of the 2008/2009 financial year:

LabRobot Products AB, with annual revenue of MSEK 8, develops and sells equipment and consumables for microbiology laboratories. The company is part of Addtech Life Science, effective from July 2007.

As of 2 July 2007, Chemo Electric A/S is part of Addtech Components. Chemo Electric sells electromagnetic components to leading OEM customers in Denmark and has annual revenue of MDKK 59.

Amitra Oy became part of Addtech Industrial Solutions on 2 July 2007. Amitra has annual revenue of MEUR 2.9 and sells materials and equipment for environmental testing and other purposes to electronics manufacturers and other industrial end-users, primarily in Finland.

Effective on 6 July 2007, Moving Hjulex AB is part of Addtech Industrial Solutions. The company has annual revenue of MSEK 45 and sells machine components to OEM customers and distributors.

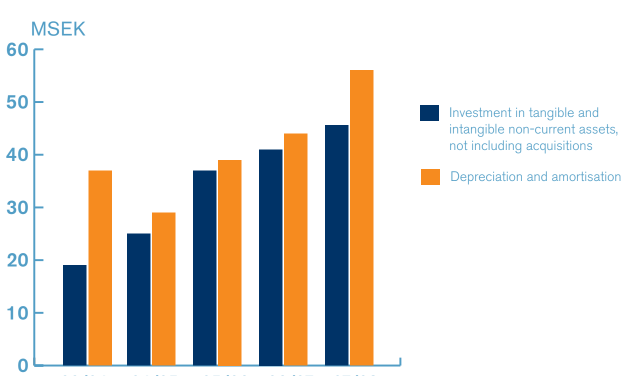
On 31 December 2007 Aratron AB, a subsidiary of Addtech Components, acquired all the trading operations of Inline Dreamteam AB. Inline Dreamteam is a supplier of linear actuators and control equipment for comfort, rehabilitation and ergonomic products and has an annual revenue of MSEK 25.

In early January 2008 Addtech Life Science acquired Kouvo Automation Oy, a company which sells equipment for measuring levels, flows and weights to the Finnish energy, chemical and pulp and paper industries and to Finnish manufacturers of facilities for these industries. Kouvo Automation has annual revenue of MEUR 2.4.

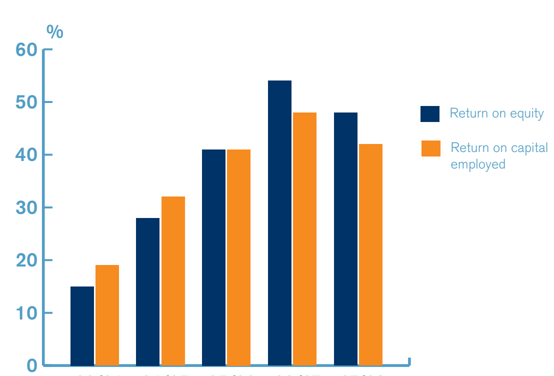
Also in January, Life Science acquired Immunkemi F&D AB, which supplies diagnostic and research reagents to laboratories at hospitals, colleges, universities and pharmaceutical companies. Immunkemi F&D has annual revenue of MSEK 10.

In mid-January Addtech Components acquired Allan Rehnström Tryckluft-Vakuum AB, with revenue of MSEK 22. The company sells compressed air and vacuum components and customised solutions to the Swedish OEM sector.

CAPITAL EXPENDITURES, DEPRECIATION AND AMORTISATION



RETURN ON EQUITY



At the end of January, Addtech Industrial Solutions acquired Codan Tech A/S, a manufacturer and seller of customised rubber parts primarily to Danish companies in the machinery, food processing and medical technology industries. Codan Tech has annual revenue of MDKK 85.

On 1 February 2008, Addtech Energy & Equipment acquired Eurolaite Oy. With annual revenue of MEUR 3, Eurolaite sells electrical power distribution equipment, primarily to Finnish grid operators and power distributors.

In March, the Life Science business area completed another acquisition in the form of S.E.G. Process, which specialises in measurement and flow engineering. S.E.G. Process has annual revenue of MSEK 10.

The combined purchase cost of the companies acquired during the year was MSEK 213, of which MSEK 166 was allocated to goodwill and other intangible assets. The acquisitions had an effect of MSEK 148 on Addtech Group's revenue, MSEK 11 on operating profit and MSEK 4 on profit after tax for the period. Had the acquisitions been effective on 1 April 2007, the estimated effect would have been MSEK 375 on revenue, MSEK 20 on operating profit and MSEK 9 on profit after tax for the period.

EMPLOYEES

At the end of the financial year, the number of employees were 1,537, compared to 1,306 at the beginning of the period. Acquisitions completed during the financial year resulted in the addition of 210 employees. The average number of employees during the year was 1,368, compared to 1,235 in the preceding financial year.

RISKS AND UNCERTAINTIES

Addtech's profit and financial position, as well as its strategic position, are affected by various internal factors within Addtech's control and various external factors over which Addtech has limited influence. Addtech's primary risks relate to the state of the economy, structural change, competition and changes in foreign exchange rates.

In addition, Addtech is affected by financial risks such as transaction exposure, translation exposure, financing risk, interest rate risk and credit and counterparty risk. See Note 3 for a detailed description of how Addtech manages financial risks.

ENVIRONMENT

Group units make active efforts to reduce Addtech's environmental impact. Each company performs this work locally based on its specific circumstances. The Group has an environmental policy. Some 15 companies have earned ISO 14001 certification or equivalent standards. The Group conducts operations requiring a permit according to the Swedish Environmental Code in one subsidiary and operations requiring notification in one other subsidiary. Together these businesses account for about 1 percent of consolidated revenue. No Group companies are involved in any environment-related disputes.

RESEARCH AND DEVELOPOMENT

The Addtech Group conducts very limited in-house research and development. Most R&D relevant to the Addtech product range is performed by suppliers, and continuous dialogue with and feedback to suppliers is part of the Group business model.

LEGISLATION AND ARTICLES OF ASSOCIATION

Addtech AB applies the Swedish Companies Act and the rules pursuant to being listed on OMX Nordic Exchange Stockholm. Addtech AB also complies with its Articles of Association, which are available on the Addtech website.

Addtech is at present not subject to the Swedish Code of Corporate Governance.

WORK OF THE BOARD AND GROUP GOVERNANCE

Board structure

The Board of Directors elected at the 2007 Annual General Meeting comprises: Anders Börjesson (Chairman), Eva Elmstedt, Tom Hedelius (Vice Chairman), Urban Jansson and Lars Spongberg. All Board Directors are independent of the Company and management. Eva Elmstedt, Urban Jansson and Lars Spongberg are also independent of the Company's major shareholders. Roger Bergqvist left the Board of his own volition in early 2008 in conjunction leaving his position as President of Addtech AB.

Board work methods

The Board of Directors annually approves written procedural rules governing its work and internal allocation of Board responsibilities, including committees, decision-making processes, meeting agendas and the work of the Chairman. The Board has issued a directive to the President and a directive regarding financial reporting to the Board, and has also approved various operating policies.

The Board oversees the work of the President through continuous monitoring of the Company's performance and is also responsible for ensuring that the organisation, the management and the guidelines for managing Company affairs are appropriate and that there is effective internal control. The Board is also responsible for developing and monitoring the Company's strategies through plans and targets, decisions on acquisitions, disposals and major investments, and the appointment and remuneration of Group management. The Board and the President are responsible for submitting the annual accounts to the Annual General Meeting.

Board activities

The Board of Directors' procedural rules state that it must meet in conjunction with the finalisation of interim financial reports and in conjunction with an annual strategy meeting. It must also hold a statutory opening meeting once a year and convene as and when required. The Board met on 12 occasions during the year and attendance was very high, with only two Directors unable to attend in three different instances.

The Chief Financial Officer serves as Board secretary. Other employees attend Board meetings as and when required and in relation to specific issues. During the year, the Board addressed a range of issues, including the Group's strategic development, acquisitions, organisation and financial position.

Audit committee

The Board's audit committee members are Directors who are not Company employees. During the year, the audit committee's affairs were integrated with the Board's regular meetings. In conjunction with the approval of the 2007/2008 annual accounts at the May 2008 Board meeting, the Board held discussions with the external auditors and received their report. At this meeting, the Board also discussed matters with the auditors without the President and other members of Group management being present.

Group management

The President heads the operations of the Group as per the requirements of the Companies Act and the frameworks set by the Board. In consultation with the Chairman, the President prepares requisite documentation for Board meetings, makes presentations and explains proposals submitted to the Board. The President is responsible for leading the work of Group management and for making decisions in consultation with other members of Group management. Group management has five members: Johan Sjö, Anders Claeson, Håkan Franzén, Richard Gustavsson and Kennet Göransson. It holds regular operating reviews chaired by the President.

Auditors

The auditors work according to an audit plan that includes comments from the Board and report their findings to Group management and the Board. These reports are submitted during the audit process and in conjunction with approval of the annual accounts. The auditors also attend the Annual General Meeting, at which they present and comment on their work. During the financial year the auditors advised the Group on accounting and tax issues. The Board has guidelines stating which types of non-audit assignment that the Company's auditors may accept; the extent of these assignments is shown in Note 7 on page 64.

The 2005 Annual General Meeting elected KPMG to serve as auditor until the close of the 2009 Annual General Meeting. The principal auditor is George Pettersson, who in 2001-2005 served as the Company's auditor with Thomas Thiel from KPMG.

Internal control

In accordance with the Companies Act, the Board of Directors is responsible for internal control. The Board is responsible for annually evaluating and ensuring the quality of the financial reports it receives and for stipulating the scope and format of these reports. The Board's stipulations mean that the financial reporting must comply with applicable accounting rules and regulations and other requirements incumbent on listed companies.

Addtech's business structure is based on decentralised responsibility for financial results and profitability. Internal control in a decentralised structure is founded on a firmly established process that sets targets and strategies for the various operations. Internal directives and Board-approved policies provide the conditions for clear decision-making channels, powers and responsibilities. The finance policy, reporting manual, treasury manual and instructions for interim reporting are the Group's primary financial documents. In addition, all Addtech operations must comply with the Group's Ethical Guidelines. Addtech has procedures for managing the risks that the Board and Group management deem pertinent to internal control of financial reporting. Examples of such procedures are transaction-related controls, authorisation and investment rules, clear payment procedures and analytical controls performed by the Group Controller function. Controllers at all levels of the Group play a key role in terms of their integrity, expertise and capacity to create the right environment for true and transparent financial reporting.

Annual conferences are held to discuss current financial issues and ensure a healthy flow of knowledge and experience within the Group. The monthly financial review performed via the internal reporting system and analysed and commented on by the Board serves as a key control process at Group level. The financial review includes an evaluation of results of operations compared to relevant targets and previous performance, and a review of key indicators.

Election committee

The 2007 Annual General Meeting authorised the Chairman to establish an election committee for upcoming elections to the Board, by appointing representatives from among the five shareholders who controlled the largest number of votes in the Company at 31 December 2007, to serve with the Chairman. The following were appointed to sit on the committee: Arne Lööw (nominated by the Fourth Swedish National Pension Fund), Marianne Nilsson (nominated by Swedbank Robur) Tom Hedelius and Pär Stenberg and Anders Börjesson (Chairman of the Board).

The election committee's tasks include evaluating the composition of the Board and its work, nominating a person to chair the Annual General Meeting, proposing the election of the Chairman of the Board and Directors, proposing fees to be paid to Board of Directors not employed by the Company and, when applicable, propose a registered auditing firm, audit fees and establishing principles for the election of members to the election committee.

The composition of the election committee was disclosed in the interim report published on 14 February 2008.

Since being appointed, the election committee has held one meeting and its members have received no remuneration. The election committee has the option of enlisting assistance from external consultants, paid for by the Company, insofar as it deems such assistance to be necessary. The election committee did not use any external consultants during the year.

The proposals of the election committee to the Annual General Meeting will be presented in the notice to attend and on the Company's website.

PRINCIPLES FOR REMUNERATION OF SENIOR MANAGEMENT

The Board intends to propose that the Annual General Meeting in August 2008 approves the same principles as in prior year.

These relate to remuneration of the President and other members of Addtech Group management.

Addtech seeks to offer a reasonable and competitive total benefits package capable of attracting and retaining skilled individuals. The size of the overall package varies in relation to the performance of the employee and the Group. It may comprise the different elements stated below.

Basic salary is the main component of total remuneration. Basic salaries should be competitive and reflect the responsibilities of the position concerned. Fixed salaries are reviewed annually.

Variable remuneration is based on growth in Group profit and can be up to 40 percent of basic salary.

The Board of Directors will perform an annual review to determine whether to recommend a long-term incentive programme for adoption by the Annual General Meeting. In the event that it decides to propose such an incentive programme, the Board will examine whether the programme should include allocations of Addtech shares.

Retirement pension and sickness and healthcare benefits should be structured in accordance with applicable rules and market norms. Defined-contribution pensions should be provided where possible.

Other benefits may be agreed with individual or all members of Group management. They are structured to reflect market norms and may account only for a minor portion of an individual's remuneration package.

A notice period of six months applies to termination of employment by a member of Group management. A notice period of 12 months applies in the event of termination by the Company. A member of Group management whose contract is terminated by the Company is entitled to severance pay of up to 12 months' salary, in addition to salary and other employment benefits. No severance pay is payable if the employee initiates termination.

The Board of Directors is entitled to waive the above stated principals in individual cases where special conditions apply.

The remuneration committee has responsibility for preparing and submitting a proposal for the remuneration of the President to the Board. The committee sets the remuneration of other members of Group management based on the President's recommendations. The remuneration committee informs the Board of its decisions.

See Note 6.

PARENT COMPANY

Operations of the Parent Company, Addtech AB, include Group management, Group reporting and financial management.

Parent Company revenue totalled MSEK 33 (29) and profit after financial items was MSEK 324 (447). Profit after financial items includes a share of MSEK 325 (450) net in Group companies. Net investments in non-current assets were MSEK 2 (0). The Parent Company's net financial liability was MSEK 39 at the end of the period, compared to MSEK 130 at the start of the financial year.

SHARE CAPITAL AND SHAREHOLDER STRUCTURE

At 31 March 2008 Parent Company share capital was as shown below. Each share had a quotient value of SEK 2.15.

Share class	Number of shares	Number of votes	Percentage of equity capital	Percentage of votes
A 10 votes	1,103,814	11,038,140	4.7	32.9
B 1 vote	22,529,018	22,529,018	95.3	67.1
Total	**23,632,832**	**33,567,158**	**100.0**	**100.0**

Class A shares can be transferred into class B shares if requested by the holder.

The number of shareholders was 3,609 at 31 March 2008 (including Addtech AB as owner of own shares). Two shareholders each control 10 percent or more of the votes: Anders Börjesson (with family interests) controls shares corresponding to 12.2 percent of the votes and Tom Hedelius (with family interests) controls shares corresponding to 11.6 percent of the votes.

Chapter 6, Section 2a of the Swedish Annual Accounts Act requires listed companies to disclose specific circumstances that may affect the prospects for acquiring the company via a public share offer. No such circumstances exist in respect of Addtech AB.

SHARE BUYBACKS AND INCENTIVE PROGRAMMES

The Annual General Meeting in August 2007 authorised the Board of Directors to buy back up to 10 percent of all shares in the Company up to the 2008 Annual General Meeting. A total of 300,000 shares were repurchased during the financial year at an average price of SEK 122 per share. At 31 March 2008, the Company held a total of 1,425,000 of its own (treasury) shares, acquired at an average price of SEK 96. These shares correspond to 6.0 percent of the number of shares issued and 4.2 percent of the votes. Of the total shares repurchased, 420,000 secure the Company's undertakings to holders of personnel options. During the year the Company held an average of 1,248,093 treasury shares (1,791,458).

The Board of Directors will recommend that the Annual General Meeting in 2008 approves the renewal of the buyback mandate. The mandate would empower the Board to acquire Company shares during the period until the next Annual General Meeting, provided that the number of shares held by the Company does not exceed 10 percent of all shares at any time. All share repurchases would be via the stock market. The proposed mandate would also allow the Board to use repurchased shares for acquisitions or to sell them outside the stock market to finance acquisitions.

The Board will also recommend that the Annual General Meeting authorises a reduction in the share capital of SEK 1,935,000 through the cancellation, without repayment, of 900,000 shares held by Addtech.

In December 2001, a decision was made to award 56 members of senior management a total of 700,000 personnel options. An Extraordinary General Meeting on 17 December 2001 approved the transfer of up to 700,000 class B shares to enable the options to be exercised in the future. The exercise price of SEK 44.80 is equivalent to 110 percent of the average market price of the Addtech share from 3 to 7 December 2001. An Extraordinary Generall Meeting in November 2004 approved an extension of the exercise period for the options to 18 February 2010. A total of 74,000 options for the acquisition of 74,000 shares were exercised in the 2007/2008 financial year. In total 280,000 options have been exercised. Upon full exercise of the options, the number of shares outstanding will increase by 420,000, equivalent to 1.9 percent of the total number of shares outstanding and 1.3 percent of the votes.

EVENTS AFTER THE BALANCE SHEET DATE

At the start of the 2008/2009 financial year Addtech introduced organisational changes aimed at further strengthening the Group's prospects for long-term profitable growth. The Group is now organised in four business areas: Addtech Components, Addtech Energy & Equipment, Addtech Industrial Solutions and Addtech Life Science.

On 30 April Addtech acquired MiniTec Finland Oy and MiniTec Estonia OÜ. The companies, which joined the Components business area and have combined revenue of MEUR 1.6, sell profiles and linear systems for production lines and processing workstations - mainly to the Finnish engineering industry.

On 21 May Addtech acquired Emcomp Holding AB, which via subsidiaries sells customised components and subsystems for power transmission, radio, fibre optics and displays. Emcomp, with revenue of around MSEK 72, is part of the Industrial Solutions business area.

FUTURE PROSPECTS

The market remained robust in 2007/2008. Addtech has a strong financial position and excellent opportunities for future growth. The Group's goal is to deliver annual profit growth of at least 15 percent over a business cycle, combined with profitability.

See page 79 for the proposed dividend and allocation of earnings.

Consolidated Income Statement

MSEK	Note	2007/2008	2006/2007
Revenue	4, 5	4,198	3,661
Cost of sales[2]		-2,832	-2,483
Gross profit		**1,366**	**1,178**
Selling expenses[2]		-647	-554
Administrative expenses[2]		-300	-278
Other operating income	9	26	32
Other operating expenses	9	-30	-18
Operating profit	**3-10, 16**	**415**	**360**
Financial income	11	9	8
Financial expenses	11	-26	-17
Net financial items		**-17**	**-9**
Profit before tax		**398**	**351**
Income tax expense	13	-111	-95
PROFIT FOR THE YEAR		**287**	**256**
Attributable to:			
Equity holders of the Parent Company		284	253
Minority interest		3	3
Earnings per share (EPS), (SEK)	31	12.70	11.15
EPS, after dilution (SEK)	31	12.50	11.00
Dividend per share (SEK)		7.00[1]	6.00
Average number of shares outstanding after repurchases ('000s)		22,385	22,652
Number of shares outstanding at end of period after repurchases ('000s)		22,208	22,434

1) As proposed by the Board of Directors.
2) The distribution of cost of sales and selling and administrative expenses was partially revised. The previous year's figures were adjusted to comply with this.

Consolidated Balance Sheet

MSEK	Note	31/3/08	31/3/07
ASSETS			
NON-CURRENT ASSETS			
Intangible non-current assets	14	521	359
Property, plant and equipment	15	180	178
Other long-term securities holdings	17	11	15
Non-current receivables	17	1	1
Deferred tax assets	13	0	2
Total non-current assets		**713**	**555**
CURRENT ASSETS			
Inventories	18	527	452
Tax assets		2	3
Accounts receivable	3	619	580
Prepaid expenses and accrued income	19	39	41
Other receivables		31	25
Cash and cash equivalents		78	73
Total current assets		**1,296**	**1,174**
TOTAL ASSETS	**27**	**2,009**	**1,729**
EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY	20		
Share capital		51	51
Other contributed capital		344	344
Reserves		9	7
Retained earnings, including profit for the year		260	145
Equity attributable to equity holders of the Parent Company		**664**	**547**
Minority interest		12	9
Total shareholders' equity		**676**	**556**
LIABILITIES			
NON-CURRENT LIABILITIES			
Non-current interest-bearing liabilities	24	68	10
Provisions for pensions	22	178	172
Deferred tax liabilities	13	126	101
Total non-current liabilities		**372**	**283**
CURRENT LIABILITIES			
Current interest-bearing liabilities	25	188	150
Accounts payable		372	354
Tax liabilities		66	41
Other liabilities		115	138
Accrued expenses and deferred income	26	211	194
Provisions	23	9	13
Total current liabilities		**961**	**890**
Total liabilities	**27**	**1,333**	**1,173**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**2,009**	**1,729**

Consolidated Cash Flow Statement

MSEK	Note	2007/2008	2006/2007
OPERATING ACTIVITIES			
Profit after financial items		398	351
Adjustment for items not included in cash flow	29	58	37
Income tax paid		-86	-97
Cash flow from operating activities before changes in working capital		370	291
Cash flow from changes in working capital:			
Changes in inventories		-25	-24
Changes in operating receivables		11	-80
Changes in operating liabilities		-32	22
Cash flow from operating activities		**324**	**209**
INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		-32	-27
Disposal of property, plant and equipment		17	16
Acquisition of intangible non-current assets		-14	-14
Acquisition of subsidiaries, net liquidity effect	29	-168	-160
Disposal of subsidiaries, net liquidity effect	29	–	1
Disposal of financial non-current assets		1	1
Cash flow from investing activities		**-196**	**-183**
FINANCING ACTIVITIES			
Repurchase of own shares		-37	-76
Options exercised by employees		3	4
Borrowings		61	115
Repayment of loans		-15	-15
Other financing		0	1
Dividend paid to equity holders of the Parent Company		-135	-92
Dividend paid to minority interest		0	0
Cash flow from financing activities		**-123**	**-63**
Cash flow for the year		**5**	**-37**
Cash and cash equivalents at beginning of year		73	110
Exchange differences on cash and cash equivalents		0	0
Cash and cash equivalents at year-end		**78**	**73**

Consolidated Statement of Changes in Equity

MSEK	Share capital	Other contributed capital	Reserves	Retained earnings including net profit for the year	Total	Minority interest	Total equity
EQUITY, OPENING BALANCE 1/4/2007	**51**	**344**	**7**	**145**	**547**	**9**	**556**
Effect of hedge accounting as per IAS 39	–	–	-2	–	-2	–	-2
Year's change in translation reserve	–	–	4	–	4	0	4
Profit for the year	–	–	–	284	284	3	287
Net changes recognised directly in equity, excl. transactions with equity holders	**–**	**–**	**2**	**284**	**286**	**3**	**289**
Dividend	–	–	–	-135	-135	0	-135
Options exercised by employees	–	–	–	3	3	–	3
Repurchase of own shares	–	–	–	-37	-37	–	-37
EQUITY, CLOSING BALANCE 31/3/2008	**51**	**344**	**9**	**260**	**664**	**12**	**676**

MSEK	Share capital	Other contributed capital	Reserves	Retained earnings including net profit for the year	Total	Minority interest	Total equity
EQUITY, OPENING BALANCE 1/4/2006	**51**	**344**	**8**	**56**	**459**	**6**	**465**
Effect of hedge accounting as per IAS 39	–	–	1	–	1	–	1
Year's change in translation reserve	–	–	-2	–	-2	0	-2
Profit for the year	–	–	–	253	253	3	256
Net changes recognised directly in equity, excl. transactions with equity holders	**–**	**–**	**-1**	**253**	**252**	**3**	**255**
Dividend	–	–	–	-92	-92	0	-92
Bonus issue	3	–	–	-3	0	–	0
Cancellation of repurchased shares	-3	–	–	3	0	–	0
Options exercised by employees	–	–	–	4	4	–	4
Repurchase of own shares	–	–	–	-76	-76	–	-76
EQUITY, CLOSING BALANCE 31/3/2007	**51**	**344**	**7**	**145**	**547**	**9**	**556**

For comments on shareholders' equity, refer to Note 20.

Parent Company Income Statement

MSEK	Note	2007/2008	2006/2007
Revenue		33	29
Administrative expenses		-34	-37
Other operating income	9	0	4
Other operating expenses	9	-3	0
Operating loss	**6–9, 16**	**-4**	**-4**
Profit from shares in Group companies	11	325	450
Interest income and similar items	11	23	12
Interest expense and similar items	11	-20	-11
Profit after financial items		**324**	**447**
Year-end appropriations	12	-50	-47
Profit before tax		**274**	**400**
Income tax expense	13	-51	-36
Profit for the year		**223**	**364**

Parent Company Balance Sheet

MSEK	Note	31/3/08	31/3/07
ASSETS			
NON-CURRENT ASSETS			
Intangible non-current assets	14	2	0
Property, plant and equipment	15	1	0
Financial non-current assets			
Shares in Group companies	17	1,016	1,006
Receivables from Group companies	17	381	209
Other non-current securities holdings	17	5	9
Other non-current receivables		0	0
Total financial non-current assets		**1,402**	**1,224**
Total non-current assets		**1,405**	**1,224**
CURRENT ASSETS			
Receivables from Group companies		308	286
Prepaid expenses and accrued income	19	3	5
Total current receivables		**311**	**291**
Cash and cash equivalents		33	25
Total current assets		**344**	**316**
TOTAL ASSETS	**27**	**1,749**	**1,540**
EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY	20		
Restricted equity			
Share capital		51	51
Legal reserve		16	16
Unrestricted equity			
Retained earnings		679	477
Profit for the year		223	364
TOTAL SHAREHOLDERS' EQUITY		**969**	**908**
UNTAXED RESERVES	21	174	124
PROVISIONS			
Provisions for pensions and similar obligations	22, 28	9	9
LIABILITIES			
Liabilities to credit institutions	24	57	–
Liabilities to Group companies	24	10	70
Total non-current liabilities	**27**	**67**	**70**
Liabilities to credit institutions	25	169	146
Accounts payable		0	1
Liabilities to Group companies		294	238
Tax liabilities		47	17
Other liabilities		3	8
Accrued expenses and deferred income	26	17	19
Total current liabilities	**27**	**530**	**429**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**1,749**	**1,540**
Pledged assets	28	0	0
Contingent liabilities	28	157	150

Parent Company Cash Flow Statement

MSEK	Note	2007/2008	2006/2007
OPERATING ACTIVITIES			
Profit after financial items		324	447
Adjustment for items not included in cash flow	29	-221	-182
Income tax paid		-20	-35
Cash flow from operating activities before changes in working capital		83	230
Cash flow from changes in working capital:			
Changes in operating receivables		2	-3
Changes in operating liabilities		-7	0
Cash flow from operating activities		**78**	**227**
INVESTING ACTIVITIES			
Acquisition of subsidiaries		-1	-76
Aquisition of property, plant and equipment and intangible non-current assets		-2	–
Disposal of financial non-current assets		1	1
Cash flow from investing activities		**-2**	**-75**
FINANCING ACTIVITIES			
Repurchase of own shares		-37	-76
Personnel options exercised		1	1
Borrowings		79	127
Change in receivables from and liabilities to Group companies		-164	-263
Dividend paid		-135	-92
Group contributions received		188	114
Cash flow from financing activities		**-68**	**-189**
Cash flow for the year		**8**	**-37**
Cash and cash equivalents at beginning of year		25	62
Cash and cash equivalents at year-end		**33**	**25**

Parent Company Statement of Changes in Equity

MSEK	Restricted equity		Unrestricted equity	
	Share capital	Legal reserve	Retained earnings including profit for the year	Total equity
EQUITY, OPENING BALANCE 1/4/2007	**51**	**16**	**841**	**908**
Profit for the year	–	–	223	223
Net changes recognised directly in equity, excl. transactions with equity holders	**–**	**–**	**223**	**223**
Dividend	–	–	-135	-135
Options exercised by employees	–	–	10	10
Repurchase of own shares	–	–	-37	-37
EQUITY, CLOSING BALANCE 31/3/2008	**51**	**16**	**902**	**969**

MSEK	Restricted equity		Unrestricted equity	
	Share capital	Legal reserve	Retained earnings including profit for the year	Total equity
EQUITY, OPENING BALANCE 1/4/2006	**51**	**16**	**637**	**704**
Profit for the year	–	–	364	364
Net changes recognised directly in equity, excl. transactions with equity holders	**–**	**–**	**364**	**364**
Dividend	–	–	-92	-92
Bonus issue	3	–	-3	0
Cancellation of repurchased shares	-3	–	3	0
Options exercised by employees	–	–	8	8
Repurchase of own shares	–	–	-76	-76
EQUITY, CLOSING BALANCE 31/3/2007	**51**	**16**	**841**	**908**

For comments on shareholders' equity, refer to Note 20.

Note 1 Accounting and valuation policies

General accounting policies

The annual report was prepared as per EU-approved International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretation statements from the International Financial Reporting Interpretations Committee (IFRIC). Recommendation RR 30:06 Supplementary Accounting Standards for Groups, of the Swedish Financial Reporting Board (formerly the Swedish Financial Accounting Standards Council) was also applied.

As per its listing agreement with the OMX Nordic Exchange Stockholm, the Group also provides information about outstanding incentive programmes and benefits for members of senior management.

The Parent Company's and the Group's accounting policies are consistent with each other, except in the case of reporting pensions, untaxed reserves and year-end appropriations. See also "Accounting policies of the Parent Company".

The Parent Company's annual report and the consolidated financial statements were approved for issue by the Board of Directors on 16 June 2008. The Parent Company's and the Group's consolidated income statements and balance sheets will be submitted for adoption to the Annual General Meeting on 25 August 2008.

Presentation of the Annual Report

The financial reports are stated in million Swedish kronor (MSEK) unless otherwise stated. The Parent Company's functional currency is Swedish kronor, which also constitutes the functional currency for the Parent Company and the Group. Assets and liabilities are recognised at historical acquisition cost, except for certain financial assets and liabilities that are reported at fair value. Assets held for sale are recognised at the lower of the previous carrying amount and fair value, less selling expenses.

Preparing financial reports according to IFRS requires that management make judgments, estimates and assumptions that affect the application of the accounting policies and the amounts recognised for assets, liabilities, revenues and costs. These estimates and assumptions are based on historical experience and numerous other factors deemed reasonable under the circumstances at the time. Estimates and assumptions are reviewed periodically.

The annual report was prepared as per IAS 1 Presentation of Financial Statements, such that separate income statements and balance sheets, and statements of changes in shareholders' equity and cash flow, are prepared and notes are provided that detail disclosures and the accounting policies applied.

Assets are divided into current assets and non-current assets. An asset is considered to be current if it is expected to be realised within 12 months of the balance sheet date or within the company's operating cycle. "Operating cycle" refers to the time elapsed, from the start of production, until the company receives payment for goods or services delivered. The Group's operating cycle is judged to be less than one year.

If an asset does not fulfil the current asset requirement, it is classified as a non-current asset.

Receivables and liabilities, as well as revenue and costs, are only offset if required or if expressly permitted under IFRS.

In Note 27, assets are divided into those with amounts expected to be recovered within 12 months of the balance sheet date and those after 12 months.

Liabilities are divided into current liabilities and non-current liabilities. Current liabilities are liabilities that are to be paid within 12 months of the balance sheet date or, in the case of operational liabilities only, are expected to be paid within the operating cycle. As this takes into account the operating cycle, no non-interest-bearing liabilities, such as accounts payable and accrued personnel costs, are recognised as non-current liabilities.

Note 27 details the amounts of liabilities to be paid within 12 months of the balance sheet date and those payable after 12 months.

Early application of IFRSs and interpretations issued or revised during Addtech's 2007/2008 financial year

No newly issued IFRSs or interpretations were applied early.

New or revised IFRSs that will be adopted during the next period

During the 2007/2008 financial year, IFRS 7 replaced the disclosure requirements in IAS 32 concerning financial instruments. Along with related amendments in IAS 1, this entailed additional disclosure requirements regarding the Group's financial instruments and capital.

No material effects on results of operations or financial position occurred upon application of the new or revised IFRSs and interpretations.

Amendment to the Swedish Annual Accounts Act

Changes to Chapters 5 and 7 of the Annual Accounts Act mean, among other things, that data about salaries and other remuneration, pensions and similar benefits, must be disclosed for each of the Board Directors and the President of the Parent Company. Information about salaries and other remuneration, pensions and similar benefits to Board of Directors, Presidents and people in equivalent positions must be provided. This applies to all companies in the Group. In this respect, members of Addtech's senior management include the Board of Directors, President and Group management of Addtech AB, and the Board of Directors, Managing Directors and Vice Managing Directors of the subsidiaries.

Consolidated financial statements

The consolidated financial statements comply with IAS 27 Consolidated and Separate Financial Statements and IFRS 3, Business Combinations and include the financial statements for the Parent Company and those companies in which the Parent Company has a direct or indirect controlling influence. Such influence exists when the Parent Company, directly or indirectly, is entitled to govern a company's financial and operative strategies to obtain economic benefits. Normally this means that the Parent Company holds more than 50 percent of the voting rights.

Shareholdings in Group companies were eliminated based on the purchase method; in brief, this means that identifiable assets, liabilities and contingent liabilities in the company acquired are valued and reported in the consolidated financial statements as if they had been acquired directly by purchase and not indirectly by acquisition of the company's shares. The valuation is based on fair values. If the value of the net assets is less than the acquisition price, consolidated goodwill arises. If the opposite occurs, the difference is recognised directly in the income statement. Goodwill is determined in local currency and is recognised at acquisition cost, less any impairment losses. Consolidated equity includes the Parent Company's equity and the part of subsidiaries' equity that was earned after the time of acquisition. Companies acquired or disposed of are consolidated or deconsolidated, respectively, from the date of acquisition or disposal.

Intra-Group receivables and liabilities and transactions between companies in the Group, as well as related unrealised gains, are eliminated in their entirety. Unrealised losses are eliminated in the same way as unrealised gains, except in the case of impairment.

Exchange rate effects

Translation of the financial reports of foreign Group companies

Assets and liabilities in foreign operations, including goodwill and other Group surpluses and deficits, are converted to Swedish kronor using the exchange rate prevailing at the balance sheet date. Revenue and costs in foreign businesses are converted to Swedish kronor using the average rate, which is an approximation of the rates prevailing at the time of each transaction. Translation differences that arise in converting the currency of figures for foreign operations are charged directly to equity as a foreign currency translation reserve. This reserve contains translation differences accumulated from 1 April 2004, when IFRS were adopted.

Transactions denominated in foreign currencies

A transaction denominated in a foreign currency is converted to the functional currency at the rate of exchange at the transaction date. Monetary assets and liabilities in foreign currency are converted to the functional currency using the rate prevailing at the balance sheet date. Non-monetary assets and liabilities recognised at historical acquisition cost are recalculated using the exchange rate at the time of the transaction. Exchange differences that arise in conversion are recognised in the income statement. Exchange differences on operating receivables and operating liabilities are included in operating profit or loss, while exchange differences on financial receivables and liabilities are recognised among financial items. The Group uses forward exchange contracts to a certain extent to reduce its exposure to exchange rate fluctuations. Forward exchange contracts are carried at fair value at the balance sheet date.

Financial assets and liabilities, recognition and derecognition

Financial instruments recognised among assets in the balance sheet include cash and cash equivalents, loan receivables, accounts receivable, financial investments and derivatives. The liabilities include accounts payable, loan liabilities and derivatives. A financial asset or financial liability is recognised in the balance sheet when the Company becomes a party to the terms and conditions of the instrument. Accounts receivable are entered in the balance sheet when an invoice has been sent. A liability is entered when the counterparty has completed its undertaking and a contractual obligation to pay exists, even if no invoice has yet been received. A financial asset (or part thereof) is removed from the balance sheet when the rights in the contract are realised or expire or the company loses control over them. A financial liability (or part thereof) is removed from the balance sheet when the obligation in the contract is fulfilled or in some other way ceases to exist. A financial asset and a financial liability are only offset and recognised at the net amount in the balance sheet when the company is legally entitled to offset their amounts and the company intends to settle the items with a net amount or simultaneously realise the asset and settle the liability.

Financial assets and liabilities, valuation and classification

Financial instruments are valued and recognised in the Group as per IAS 39.

A financial instrument that is not a derivative is initially recognised at acquisition cost, equivalent to the instrument's fair value plus transaction costs; this applies to all financial instruments except those in the category of financial assets, which are recognised at fair value in the income statement. When first recognised, a financial instrument is classified based on the purpose for which the instrument was acquired. The classification determines how the financial instrument is valued after initial reporting, as described below.

Note 1 Cont'd.

Financial assets and liabilities valued at fair value in the income statement
This category comprises two sub-groups: financial assets and liabilities held for trading, and other financial assets and liabilities that the company initially chose to place in this category. The Group did not identify any financial asset or liability, when initially recognised, as an item valued at fair value in the income statement. The first group includes derivatives, with the exception of derivatives that are an identified and effective hedging instrument.

Loan receivables and accounts receivable
Loan receivables and accounts receivable are financial assets that are not derivatives that have fixed payments or payments that can be determined, and that are not quoted on an active market. Assets in this category are valued at amortised cost.

Accounts receivable are reported at the amount expected to be recovered, after deduction for doubtful receivables, assessed individually. The expected maturities of accounts receivable are short, so their values are reported at nominal amounts without discounting. Impairment losses regarding accounts receivable are recognised in operating expenses.

Available-for-sale financial assets
This category comprises financial assets not classified in any other category or financial assets that the Company has initially chosen to classify in this category. Shares and participations not recognised as subsidiaries, associates or joint ventures are recognised here. Assets in this category are valued on a current basis at fair value, with changes in value recognised in equity – although not those that are attributable to impairment loss, nor those that apply to interest regarding receivable instruments and dividend income.

Other financial liabilities
Loans and other financial liabilities, such as accounts payable, are included in this category. The liabilities are valued at amortised cost. Accounts payable are included in this category and are valued at nominal amounts without discounting.

Derivatives and hedge accounting
Derivative instruments include currency clauses, forward exchange contracts, options and swaps used to cover the risks of foreign exchange rate fluctuations and exposure to interest rate risks. An embedded derivative is disclosed separately unless closely related to the host contract. Derivatives are initially recognised at fair value, so transaction costs are charged to profit or loss for the period. After initial recognition, the derivatives are valued at fair value as follows: value changes of derivatives are recognised in the income statement based on the purpose for which they are held. When a derivative is used in hedge accounting, changes in value of the derivative are recognised in the income statement on the same line and at the same time as the hedged item.

Even if hedge accounting is not applied, increases and decreases in the value of a derivative are recognised as income and expenses, respectively, in operating profit or loss or in net financial items, based on the intended use of the derivative and whether or not its use is related to an operating item or a financial item. Changes in the value of the call option on Addtech shares, which was purchased to deal with the effects of social security contributions regarding the personnel option programme, are recognised as other operating income or other operating expenses.

In the case of hedge accounting, the ineffective portion is recognised in the same way as changes in the value of derivatives not used for hedging.

Transaction exposure - cash flow hedges
Currency exposure related to future contracted and forecasted flows is hedged either through currency clauses in customer and supplier contracts or by forward exchange contracts or currency options. These derivatives, which protect the forecasted flow, are recognised in the balance sheet at fair value. Changes in value are recognised directly in equity in the hedging reserve until the hedged flow enters the income statement, whereupon the accumulated changes in value of the hedging instrument are transferred to the income statement, where they will meet and match the impact of the hedged transaction on earnings.

Net investments in foreign subsidiaries
Investments in foreign subsidiaries (net assets including goodwill) are currently not hedged.

Financial assets and liabilities, classification

Cash and cash equivalents
Cash and cash equivalents consists of cash and immediately available balances in banks and equivalent institutions, as well as short-term, liquid investments with a maturity from the time of acquisition of less than three months, which are subject to only an insignificant risk of fluctuations in value.

Financial investments and current investments
Financial investments are classified either as financial non-current assets or current investments, depending on the purpose of the holding. If the maturity or the expected period of holding is longer than one year, the financial assets are considered non-current assets, and if they are shorter than one year, current investments.

Non-current receivables and other current receivables
Non-current receivables and other current receivables are receivables that arise when the company provides funds without any intention of trading in the debt instrument. If the anticipated holding period is longer than one year, the receivables are non-current receivables, if shorter, they are other current receivables.

Liabilities
Non-current liabilities have an anticipated term exceeding one year, while current liabilities have a term of less than one year.

Property, plant and equipment

According to IAS 16 Property, Plant and Equipment, these assets are carried at acquisition cost, less accumulated depreciation and impairment losses, if any. The acquisition cost comprises the purchase price, including customs and excise duties, as well as costs directly attributable to the asset to bring it to the location in a condition where it can be utilised as intended by the acquisition. Rebates, discounts and the like are deducted from the purchase price. Examples of directly attributable costs included in the acquisition cost are delivery and handling, installation, legal ratification and consulting services.

Additional expenditure for an item of property, plant and equipment is only added to the acquisition cost if it increases the future economic benefits. All other expenditure, such as expenditure for repair and maintenance, is expensed on a current basis. A decisive factor as to when an item of incremental expenditure should be added to the acquisition cost is whether the expenditure refers to the replacement of identified components or parts thereof, in which case the expenditure is capitalised. Also, if a new component has been created, the expenditure is added to the acquisition cost. Any undepreciated carrying amounts for replaced components, or parts of components, are retired and expensed in conjunction with the replacement.

Acquisition cost does not include any borrowing costs, as these are charged to earnings in the period to which they refer, regardless of how the borrowed funds were applied. Any impairment is reported as per IAS 36 Impairment of Assets.

Depreciation is effected on a straight-line basis over the estimated period of use and taking account of any residual value at the end of that period.

Property, plant and equipment	Period of use
Buildings	15-100 years
Land improvements	20 years
Leasehold improvements	3-5 years
Machinery	3-10 years
Equipment	3-5 years

Property, plant and equipment comprising parts that have various periods of use are treated as separate components.

The carrying amount of an item of property, plant and equipment is removed from the balance sheet upon retirement of or disposal of the asset, or when no future economic benefits are expected to be derived from its use. Gains or losses realised upon the disposal or retirement of an asset consist of the difference between the selling price and the carrying amount of the asset, less direct selling expenses. Gains or losses are recognised as other operating income or other operating expense.

Leases

IAS 17 Leases differentiates between finance and operating leases. A finance lease is characterised by the lessee assuming, in all essential respects, the economic benefits and risks associated with ownership of the asset. If that is not the case, the lease is regarded as an operating lease.

Significant finance leases are recognised as non-current assets, initially valued at the present value of the minimum leasing charges upon commencement. On the liabilities side, the present value of remaining future lease payments is recognised as interest-bearing non-current and current liabilities. The asset is depreciated over the period of use, usually corresponding to the lease period, taking into account any residual value at the end of the period. A test for impairment is performed in accordance with IAS 36 Impairment of Assets.

Note 1 Cont'd.

Lease payments are divided into interest and amortisation of the liability. Other lease obligations are reported as per rules for operating leases, such that leasing charges are expensed as an operating expense on a straight-line basis during the lease period.

Intangible non-current assets

Intangible non-current assets are recognised in accordance with IAS 38 Intangible Assets at acquisition cost, less accumulated amortisation, and are divided between goodwill and other intangible non-current assets. Any impairment of intangible assets is recognised as per IAS 36 Impairment of Assets.

An intangible asset is an identifiable non-monetary asset, without physical substance, that is used for marketing, producing or supplying goods or services, or for rental and administration. To be recognised as an asset, it must be probable that the future economic benefits attributable to the asset will benefit the company and that the acquisition cost can be calculated reliably.

Additional expenditure for an intangible asset is only added to the acquisition cost if it increases future economic benefits beyond the original assessment and if the expenditure can be calculated reliably. All other expenditure is expensed as it is incurred.

Goodwill represents the difference between the acquisition cost, in connection with a corporate acquisition, and the fair value of acquired assets, assumed liabilities and contingent liabilities.

In the case of acquisitions occurring before 1 April 2004, goodwill has been recognised, after testing for impairment, at acquisition cost corresponding to carrying amount as applied in previous accounting policies. The classification and accounting treatment of corporate acquisitions that occurred before 1 April 2004 were not reassessed based on IFRS 3 when the Group's opening balance as of 1 April 2004 was calculated in accordance with IFRS.

Goodwill and intangible non-current assets with indefinable periods of use are valued at acquisition cost, less any accumulated impairment losses. Goodwill and intangible non-current assets with indefinable periods of use are allocated among cash-generating units and are not amortised but are tested for impairment on an annual basis.

Intangible assets aside from goodwill are recognised at their original acquisition costs, less accumulated amortisation and impairments losses. Amortisation is charged on a straight-line basis and is based on the period of use of the assets, which is reviewed on an annual basis. Periods of use are based on historical experience of use of similar assets, areas of application and other specific features of the asset.

Amortisation is included in cost of sales, selling expenses or administrative expenses, depending on where in the business the assets are used.

Development expenses, in which the results of research or other knowledge are applied to achieve new or improved products or processes, are reported as an asset in the balance sheet if the product is technically and commercially viable and the company has sufficient resources to complete development and subsequently use or sell the intangible asset. Other development expenditure is expensed as it is incurred.

Expenditure for internally generated goodwill and trademarks is recognised in the income statement as an expense as it is incurred.

Intangible non-current assets	Period of use
Capitalised development projects	3 years
Software for IT operations	3-5 years
Trademarks	indeterminable
Supplier relationships	10-33 years
Technology	5-15 years
Customer relationships	5-10 years

Goodwill, trademarks and other intangible assets with an indefinable period of use are tested for impairment on an annual basis or as soon as there are indications that the asset in question has diminished in value.

Impairment losses

Property, plant and equipment, intangible assets and shares in subsidiaries and associates

The carrying amounts of the Group's assets are checked at each balance sheet date to ascertain whether there are any indications of impairment. If such indication exists, impairment is determined after calculating the recoverable amount of the asset, which is the higher of an asset's net realisable value and its value in use. Impairment loss is recognised if the recoverable amount is less than the carrying amount. The value in use is calculated as the present value of future payments that the company is expected to receive by using the asset. The estimated residual value at the end of the period of use is included in the value in use. If the recoverable amount of an individual asset cannot be determined, the recoverable amount is instead set at the recoverable amount for the cash-generating unit to which the asset belongs. A cash-generating unit is the smallest group of assets that give rise to continuous payment surpluses independent of other assets or groups of assets. Group goodwill is attributable to the cash-generating unit to which the goodwill is linked. Impairment losses are reversed when the impairment, wholly or partly, no longer exists. However, this does not apply to goodwill and intangible non-current assets with indefinable periods of use.

For goodwill and other intangible assets with indefinable periods of use and for intangible assets not yet ready for use, the recoverable amount is calculated annually.

Financial assets

When accounts are prepared for reporting, the Company assesses whether there is objective evidence that any financial asset or group of assets is impaired. The recoverable amount of loan receivables and accounts receivable recognised at amortised cost is calculated as the present value of future cash flows discounted by the effective interest rate prevailing when the asset was first recognised. Assets with short maturities are not discounted. An impairment loss is charged to the income statement.

Inventories

Inventories are carried at the lower of acquisition cost and net realisable value, which takes the risk of obsolescence into account. The acquisition cost is calculated using the first-in, first-out (FIFO) principle or weighted average prices.

In the case of finished and semi-finished goods manufactured in-house, the acquisition cost comprises direct manufacturing costs and a reasonable portion of indirect manufacturing costs. Normal capacity utilisation is assumed in the valuation.

Shareholders' equity

When own shares are repurchased, the entire purchase price reduces shareholders' equity. Proceeds from the disposal of equity instruments are recognised as an increase in shareholders' equity. Any transaction costs are recognised in equity.

Employee benefits

Employee benefits are recognised in the consolidated financial statements as per IAS 19 Employee Benefits.

Employee benefits after termination of employment, pension obligations

The recommendation differentiates between defined-contribution pension plans and defined-benefit pension plans. In defined-contribution plans, the company pays stipulated fees to a separate legal entity and has no obligation to pay additional fees. Costs are charged to the Group's profit or loss at the rate at which the benefits are earned. In defined-benefit pension plans, benefits are paid to employees and former employees based on salary at the time of retirement and the number of years of service. The Group bears the risk for payment of promised benefits.

The Group's net obligation to defined-benefit plans is calculated individually for each plan by estimating future benefits that employees have earned through employment in current and previous periods. These benefits are discounted to a present value, less any unreported costs related to service in previous periods and the fair value of any plan assets.

Defined-benefit pension plans are both funded and unfunded. When the plans are funded, assets have been separated into plan assets. These plan assets may only be used to pay benefits as per the pension agreements. The net value of the estimated present value of the obligations and the fair value of the plan assets is recognised in the balance sheet, either as a provision or as a non-current financial receivable. When a surplus in a plan cannot be fully utilised, only the portion of the surplus that the company can recover through reduced future fees or repayments is recognised. A surplus in one plan is only offset by a deficit in another plan if the company is entitled to utilise a surplus in one plan to settle a deficit in another plan, or if the obligations are intended to be settled on a net basis.

The pension cost and pension obligation for defined-benefit pension plans are calculated using the Projected Unit Credit Method. This method distributes the cost of pensions at the rate at which employees perform services for the company that increase their right to future benefits. The intention is that expected future pension payouts shall be expensed in a manner that provides an even expense over the employee's period of employment. Anticipated future salary increases and anticipated inflation are taken into consideration in the calculation. The company's obligation is calculated annually by independent actuaries. The discount rate used is equivalent to the interest rate on first-class corporate bonds or, alternatively, government bonds with a maturity equivalent to the average maturity of the obligations and the currency.

Note 1 Cont'd.

Actuarial gains and losses may arise when establishing the obligation's present value and fair value on plan assets. These may arise either because the actual outcome differs from previously made assumptions, or because assumptions were changed. To avoid major changes in pension costs between years, changes within certain limits (the "corridor") are disregarded in the income statement and balance sheet. With the corridor, actuarial gains and losses affect consolidated profit/loss only to the extent they exceed the higher of 10% of the present value of the pension obligation and 10% of the fair value of the plan assets. The portion of the accumulated actuarial gains and losses, at the end of the previous year, that exceeds 10% of the larger of the present value of the obligations and fair value of the plan assets is recognised in profit/loss during the expected average remaining service period of those employees covered by the plan. The reported return on plan assets refers to the estimated return at the start of the year and therefore normally differs from the actual return during the year. The difference is an actuarial gain or loss.

A portion of the Group's defined-benefit pension obligations has been financed by premiums to Alecta. The required information cannot be obtained from Alecta, so these pension obligations are reported as a defined-contribution pension plan.

When the cost of a pension for a legal entity is determined differently than for the Group, a provision or claim for taxes on pension costs is recognised, such as a special employer's contribution for Swedish companies based on this difference. The present value of the provision or claim is not calculated.

Benefits upon termination of employment

A cost for benefits in conjunction with termination of employment is only recognised if the company is obliged by a formal, detailed plan to terminate employment prior to the normal date.

Short-term benefits

Short-term benefits to employees are calculated without discounting and recognised as an expense when the related services are performed.

A provision for the expected costs of bonus disbursements is recognised when the Group has a valid legal or informal obligation to make such payments as a result of services received from employees and where the obligation can be calculated reliably.

Share-based payment

In December 2001, the Board of Directors awarded personnel options to a number of senior managers in the Group.

In accordance with transitional provisions in IFRS 1, Addtech's personnel option programme is not reported as per IFRS 2 except for options newly awarded during the 2005/2006 financial year. In the case of the newly awarded options, the programme is expensed on a current basis until the vesting period has ended. The options were valued at fair value, using the Black-Scholes model, at the time they were awarded.

Provisions, contingent liabilities and contingent assets

A provision is recognised in the balance sheet when the company has a formal or informal obligation as a consequence of a transpired event, and where it is probable that an outflow of resources will be required to settle the obligation, and an accurate estimate of the amount can be made. If the effect is significant, the present value of the provision is calculated.

Provisions are entered for future costs resulting from warranty undertakings. The calculation is based on expenditure during the financial year for similar undertakings or the estimated costs for each undertaking.

Provisions for restructuring costs are recognised when a detailed restructuring plan has been adopted and the restructuring has either begun or been announced publicly.

Contingent liabilities are recognised when possible undertakings exist that stem from events that have occurred, and where the existence of the undertaking is confirmed only by the occurrence or non-occurrence of one or more uncertain future events that are not entirely within the Company's control. Other obligations are also recognised as contingent liabilities if they result from events that have occurred but are not recognised as a liability or provision because it is unlikely that an outflow of resources will be required to settle the undertaking or because the size of the undertaking cannot be determined with sufficient accuracy.

Revenue recognition

Sales revenue and revenue from projects in progress are recognised as per IAS 18 Revenue. The fair value of what has been obtained, or what will be obtained, is recognised as sales revenue. Thus, the Company recognises revenue at the amount of the invoice if the Company receives cash compensation in conjunction with delivery. Deductions are made for value-added tax, returns, discounts and price reductions. Revenue from sales of goods is recognised when certain requirements have been met. These requirements are that material risks and benefits associated with ownership of the goods have been transferred to the purchaser, that the selling company does not retain any interest in ongoing administration nor does it exert any real control over the goods sold, that the revenue can be calculated reliably, that it is likely that the economic benefits that the company will obtain from the transaction will accrue to the company, and that the expenses that have arisen or are expected to arise as a result of the transaction can be calculated reliably.

Revenue from projects in progress is recognised gradually as projects are completed. The degree of completion is determined on the basis of accumulated project expenses at the end of the period as a proportion of estimated total project expenses. If future costs to complete a project are estimated to exceed remaining revenue, a provision is made to cover estimated losses.

Rental income is recognised on a straight-line basis in the income statement based on the terms of the lease.

Financial income and expenses

Interest income on receivables and interest expense on liabilities are computed using the effective interest rate method. The effective rate is the interest rate that makes the present value of all future receipts and payments during the period of fixed interest equal to the carrying amount of the receivable or liability. Issue costs and similar direct transaction costs to raise loans are charged to profit/loss in the period to which they are attributable, regardless of how the borrowed funds were used. The Group does not capitalise interest in the acquisition cost of assets. On an accrual basis, interest income includes any rebates, premiums and other differences between the original value of the receivable and the amount received upon maturity. Interest and dividends are recognised as revenue when it is probable that the economic benefits associated with the transaction will accrue to the Company and that the income can be calculated reliably. Interest income is recognised applying the interest rate that generates an even return on the asset in question. Dividend income is recognised when the shareholder's right to receive dividend is deemed certain.

Income taxes

Income tax is recognised as per IAS 12 Income Taxes. It is reported in the income statement, except when the underlying transaction is recognised directly in equity, in which case the associated tax effect is also reported in equity. Current tax refers to tax that is to be paid or refunded for the current year. This also includes adjustments of current tax attributable to prior periods.

Deferred tax is computed according to the balance sheet method based on temporary differences between carrying amounts and tax bases of assets and liabilities. The amounts are computed depending on how the temporary differences are expected to be settled and by applying the tax rates and tax rules in effect or announced as of the balance sheet date. Temporary differences are not taken into account for Group goodwill, nor in differences attributable to participations in subsidiaries or associates owned by Group companies outside Sweden that are not expected to be taxed in the foreseeable future. In the consolidated financial statements, untaxed reserves are allocated to deferred tax liability and shareholders' equity. Deferred tax assets related to deductible temporary differences and tax loss carry-forwards are only recognised to the extent it is likely they will reduce tax payments in the future.

Segment reporting

The Group's operations are described as per IAS 14 Segment Reporting - business segments and geographical segments. Consequently, operations are divided into primary and secondary segments. Assets and liabilities as well as revenue and costs are attributed to the segment where they are used, earned and consumed, respectively.

The division into primary segments is based on the business area organisation, by which the Group's operations are managed and followed up. These are Addtech Components, Addtech Energy & Equipment, Addtech Industrial Solutions and Addtech Life Science. Operations that do not belong to these business areas are included under the heading Parent Company and Group items.

The division into secondary segments is based on the countries in which the Group conducts business. These countries are Sweden, Finland, Denmark, Norway and Other countries.

Earnings per share

Addtech reports earnings per share (EPS) in direct relation to the income statement.

Calculation of EPS is based on profit or loss for the year in the Group attributable to equity holders of the Parent Company and on the weighted average number of shares outstanding during the year. To calculate EPS after dilution, the average number of shares is adjusted to take into account effects from diluting potential common shares that result from options awarded to employees during reported periods.

Cash flow statement

In preparing the cash flow statement, the indirect method as per IAS 7 Statement of Cash Flows was applied. In addition to flows of cash and bank funds, current investments maturing in less than three months from the acquisition date that can be converted into bank deposits at an amount known beforehand are classified as cash and cash equivalents.

Events after the balance sheet date

Events that occurred after the balance sheet date but whose circumstances were identifiable at the balance sheet date are taken into account in the financial statements. If significant events occur after the balance sheet date but do not affect the recognised results of operations or financial position, the event will be reported under a separate heading in the administration report and in a note.

Note 1 Cont'd.

Related party disclosures
Information about transactions and agreements with closely related companies and natural persons is reported in accordance with IAS 24 Related Party Disclosures. In the consolidated financial statements, intra-group transactions fall outside the reporting requirement.

Changes in accounting policies
When there is a change in accounting policy, comparative figures are restated, unless otherwise prescribed by IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. If a change in accounting policy affects shareholders' equity, the effect is recognised on a separate line in the statement of changes in equity.

Government grants
Government grants refers to support from the government in the form of transfers of resources to a company in exchange for the company fulfilling (in the past or future) certain conditions regarding its operations.

The Group is active in areas where government grants are insignificant in scope.

Personnel information
The Swedish Annual Accounts Act requires more information than stipulated in IFRS, including information about absence due to illness among employees and the gender distribution among members of the Board of Directors and senior management.

Data on gender distribution refer to the situation at the balance sheet date. Here, "members of the Board of Directors" are directors, elected by a general meeting of shareholders, in the Parent Company and directors in business area parent companies reporting directly to the Parent Company. "Members of senior management" are people in Group management, presidents and executive vice presidents in Group companies.

Accounting policies of the Parent Company
The Parent Company applies the same accounting policies as the Group does, except where the Swedish Annual Accounts Act and the Swedish Act on Safeguarding Pension Obligations prescribe different procedures for the Parent Company.

The Parent Company prepared its annual accounts in accordance with the Swedish Annual Accounts Act (1995:1554) and standard RR 32:06 Accounting for Legal Entities, of the Swedish Financial Reporting Board (formerly the Swedish Financial Accounting Standards Council). RR 32:06 prescribes that, in the annual accounts for its legal entity, the Parent Company must apply all EU-approved IFRS and standard interpretations to the greatest extent possible within the scope of the Annual Accounts Act and taking account of the relationship between reporting and taxation. The recommendation spells out which exceptions from and additions to IFRS must be made.

Shares in Group companies are recognised in the Parent Company using the cost method. Dividends received are reported as revenue on condition that they originated in funds earned after the acquisition.

The Parent Company complies with the Swedish Act on Safeguarding Pension Obligations, and not with IAS 19, when calculating defined-benefit pension plans. The most significant differences to the rules in IAS 19 are how the discount rate is determined, that the defined-benefit obligation is calculated based on current salaries without assuming future salary increases and that all actuarial gains and losses are recognised in the income statement as they occur.

The Parent Company reports untaxed reserves including deferred tax liabilities, rather than distributing them between deferred tax liabilities and equity as is done for the Group.

Group contributions and shareholder contributions are reported in the Parent Company as per statement URA 7 Group contributions and shareholder contributions from the Swedish Financial Accounting Standard Council's task group of what was the Swedish Financial Accounting Standards Council and is now the Swedish Financial Reporting Board. Shareholder contributions are recognised directly in the shareholders' equity of the recipient and are capitalised in the contributor's shares and participations, insofar as no impairment is required. Group contributions are reported based on economic reality. Group contributions comparable to dividends are recognised as dividends. Consequently Group contributions received and their current tax effects are recognised in the income statement. Group contributions paid and their current tax effect are recognised directly in retained earnings. In the Parent company, Group contributions received are recognised that are comparable to dividends in net financial items.

Item 70, on financial guarantee contracts, in Recommendation RR 32:06 of the Swedish Financial Reporting Board was applied, so IAS 39 rules for recognising and valuing financial guarantee contracts benefiting subsidiaries were not applied.

Note 2 Critical estimates and assumptions

The carrying amounts of certain assets and liabilities are based in part on estimates and assumptions. This applies particularly to impairment testing of goodwill (Note 14) and to defined-benefit pension obligations (Note 22). Assumptions and estimates are continually evaluated and are based on historical experience and expectations regarding future events deemed reasonable under prevailing circumstances.

Tests are performed each year to determine if goodwill is impaired. The recoverable amount of cash-generating units has been determined by calculating values in use. For these calculations, certain estimates must be made.

A large part of the Group's pension obligations for salaried employees are on a defined-benefit basis and are covered by group policies with Alecta. Currently it is impossible to obtain data from Alecta on the Group's share of obligations and plan assets, so the pension plan with Alecta must be recognised as a defined-contribution plan. The consolidation ratio reported by Alecta does not indicate any deficit, but it is not possible to obtain detailed information from Alecta about the size of the pension obligation.

The present value of pension obligations recognised as defined-benefit plans depends on multiple factors determined on an actuarial basis using a number of assumptions. The assumptions used to determine the present value of the obligation include the discount rate and salary rises. Each change in these assumptions will affect the carrying amount of pension obligations. See also Note 22.

Note 3 Financial risks and risk management

Goals and policy for risk management
Addtech strives for structured and efficient management of the financial risks that arise in operations, which is manifest in the financial policy adopted by the Board of Directors. This policy spells out goals and guidelines for how to manage risks and lays a framework for how to limit such risks. The financial policy expresses the goal of limiting or eliminating financial risks. The policy defines and identifies the financial risks that arise at Addtech and how responsibility for managing these risks is distributed in the organisation. The financial risks defined in the financial policy are transaction exposure, translation exposure, financing risk, interest rate risk and credit and counterparty risk. Operational risks, that is, risks related to operating activities, are managed by each subsidiary's management according to principles approved by the Group's Board of Directors and senior management. Risks such as translation exposure, financing risk and interest rate risk are managed by the Parent Company, Addtech AB.

Currency risks
Currency risk is defined as the risk of a negative effect on earnings resulting from changes in foreign exchange rates. For Addtech, currency risk arises because of future payments in foreign currency ("transaction exposure") and because the Group's equity includes net assets in foreign subsidiaries ("translation exposure").

Transaction exposure
The Group's currency flows are mainly attributable to imports from Europe, Asia and North America. During the year, the Group's payment flows in foreign currencies were distributed as follows:

	Currency flows, gross 2007/2008		Currency flows, net	
	Inflows	Outflows	2007/2008	2006/2007
EUR	765	1,070	-305	-285
USD	140	265	-125	-95
JPY	80	140	-60	-55
CHF	15	55	-40	-35
GBP	50	80	-30	-15

The effects of exchange rate fluctuations are eliminated by buying and selling in the same currency, through currency clauses in customer contracts and, to a limited degree, by forward purchases or sales of foreign currency. Currency clauses are a common method in the industry for handling uncertainty associated with future cash flows. A currency clause means that compensation will be paid for any changes in the exchange rate that exceed a certain predefined level during the contract period. If these thresholds are not reached, for example when the exchange rate changes by less than two percentage points, no compensation is paid. The currency clauses adjust the exchange rate change between the time the order is placed and the invoice date. Currency clauses are symmetrical, which means that compensation is charged or credited when the exchange rate rises or declines, respectively, beyond the predefined thresholds.

Note 3 Cont'd.

Of Group revenue, currency clauses apply to about 20 percent and sales in the purchasing currency represent about 40 percent In certain transactions, there is a direct link between the customer's order and the associated purchase order, which is a good basis for effective currency risk management. However, in many cases the dates of the orders do not coincide, which may reduce the effectiveness of these measures.

The fair value of forward exchange contracts was calculated using forward rates prevailing at the end of the accounting period and the average remaining term. The extent of outstanding forward exchange contracts was limited at the end of the financial year.

The Group has net exposure in several currencies. If each separate currency pair changes by 5 percent the aggregate effect on profits would total about MSEK 20, all things being equal. Inflows and outflows in the same currency mean that the Group's exposure is relatively limited.

All currency flows in the Parent Company are mainly in Swedish kronor, SEK.

Translation exposure

The translation exposure of the Addtech Group is currently not hedged. The Group's equity is divided into foreign currencies as follows:

	Nominal amount, MSEK	Sensitivity analysis, +/– 5% in exchange rate has this effect on Group equity
EUR	144.1	7.2
DKK	138.8	6.9
NOK	52.2	2.6
PLZ	22.7	1.1
GBP	11.2	0.6
CNY	5.3	0.3

When translating the income statement of units with a functional currency other than SEK, a translation effect arises in changed exchange rates. In a change of 1 percentage point in the exchange rates, with the present distribution between the Group's different functional currencies, the effect on revenue amounts to MSEK +/- 20 (20) and MSEK +/- 2 (2) on operating profit.

The exchange rates used in the financial statements are shown in the following table:

Exchange rate	Average rate		Closing day rate	
	2007/2008	2006/2007	31/3/08	31/3/07
DKK 100	124.89	123.55	125.95	125.20
EUR 1	9.31	9.21	9.39	9.33
NOK 100	116.86	114.10	116.55	114.95
GBP 1	13.20	13.59	11.83	13.72
PLZ 1	2.51	2.36	2.66	2.41
USD 1	6.58	7.18	5.95	7.00
JPY 1000	57.68	61.49	59.80	59.35
CHF 1	5.68	5.80	5.98	5.75
CNY 100	88.09	–	85.00	–

Financing risk

Financing risk is defined as the risk that the Group's need for loans cannot be met. To ensure available financing in the future, the Company must secure, in the form of available liquid funds or binding credit facilities ("letters of credit"), access to an amount that is 20 percent higher than the estimated capital requirement for the next 12 months. At 31 March 2008, the Group's contractually agreed unutilised credit facilities ("letters of credit"), in addition to contractual bank overdraft facilities (see Note 25), totalled MSEK 143 (130).

The Parent Company is responsible for the Group's long-term financing as well as its supply of liquidity. The Group's non-current and current interest-bearing liabilities are shown in Notes 24 and 25.

From time to time, Addtech uses currency swaps to manage surpluses and deficits in different currencies. This allows the Group to reduce its financing costs and the Company's liquid funds to be used in an efficient manner.

The fair value of such currency swaps was calculated using forward rates at the end of the accounting period and the average remaining term. The real value is marginal.

Interest rate risk

Interest rate risk is defined as the risk of negative effects on profit/loss due to changes in general interest rates. Addtech's main exposure to interest rate risk is in its debt portfolio. Disregarding the pension liability, interest-bearing external debt totals MSEK 256 (160).

Addtech's assets are relatively short-term. All investments are to mature in less than six months. At 31 March 2008 there were no current investments.

To achieve favourable matching of interest-rate risk, Addtech's financial policy prescribes that a maximum of 50 percent of the debt portfolio, not including the pension liability, may have a period of fixed interest exceeding one year.

At the end of the year the average interest rate was 3.15 percent (2.71) for interest-bearing assets in the Group. The corresponding rate for the Parent Company was 5.35 percent (4.45).

The average rate of interest for all of the Group's interest-bearing liabilities (not including pension liabilities) was 4.83 percent (3.87) at the end of the financial year. The corresponding rate for the Parent Company was 4.20 percent (3.34).

Regarding the present financial net debt, a 1 percentage point change in the interest rate has an impact of MSEK +/- 4 on the Group's net financial terms.

Credit and counterparty risks

Credit risk is defined as the risk that Addtech's counterparties fail to fulfil their contractual obligations. Addtech is exposed to credit risk in its financial dealings, that is, in investing its surplus liquidity and executing forward exchange transactions, and in its commercial operations in connection with accounts receivable and advance payments to suppliers.

Addtech's finance department is responsible for evaluating and managing financial credit risk. The finance policy prescribes that surplus liquidity only be invested with counterparties that have a very high credit rating. As in prior years, in 2007/2008 surplus funds were not invested with any counterparties other than Swedish banks, aside from the Group's normal bank contacts.

To utilise its subsidiaries' detailed knowledge of Addtech's customers and suppliers, Addtech has each company evaluate credit risk in commercial transactions. New customers are assessed before credit is granted, and credit limits set are strictly enforced. Short credit periods are strived for, and the lack of strong concentration of business in individual customers and specific sectors helps minimise risks. No individual customer accounts for more than 3 percent of total credit exposure during a one-year period. The corresponding percentage for the 10 largest customers is less than 12 percent Exposure per customer segment and geographical market is shown on page 6. Bad debt losses totalled MSEK 2.8 (2.5) during the year, equal to 0.1 percent (0.1) of revenue.

Accounts receivable

	31/3/08	31/3/07
Carrying amount	618.5	580.0
Impairment losses	3.8	2.5
Acquisition cost	**622.3**	**582.5**

Change in impaired accounts receivable

	2007/2008	2006/2007
Amount at start of year	-2.5	-2.2
Corporate acquisitions	-0.5	-0.5
Year's impairment loss/reversal of impairment loss	-1.1	0.2
Settled impairment losses	0.3	0.0
Exchange differences	0.0	0.0
Total	**-3.8**	**-2.5**

Time analysis of accounts receivable that are overdue but not impaired:

	31/3/08	31/3/07
<= 30 days	74.3	75.3
31-60 days	12.6	13.0
> 60 days	15.5	14.6
Total	**102.4**	**102.9**

Note 3 Cont'd.

Valuation of financial assets and liabilities at fair value

For listed securities, fair value is determined on the basis of the asset's listed price at the balance sheet date without additions regarding transaction costs at the acquisition date. For foreign exchange contracts, calculation of fair value is based on listed prices. Current and non-current liabilities are carried at amortised cost. The difference between carrying amount and fair value is marginal for these items. Fair value and carrying amount are recognised in the balance sheet as shown in the next table:

MSEK							31/3/08
	Financial assets valued at fair value in the income statement	Derivatives used in hedge accounting	Accounts receivable and loan receivables	Available-for-sale financial assets	Other liabilities	Total carrying amount	Fair value
	Held for trading						
Non-current investments	5[1]	–	–	6[4]	–	11	11
Non-current receivables	–	–	1	–	–	1	1
Accounts receivable	–	–	619	–	–	619	619
Other receivables[2]	0	2	–	–	–	2	2
Total	**5**	**2**	**620**	**6**	**–**	**633**	**633**
Non-current interest-bearing liabilities	–	–	–	–	68	68	68
Current interest-bearing liabilities	–	–	–	–	188	188	188
Accounts payable	–	–	–	–	372	372	372
Other liabilities[3]	–	3	–	–	12	15	15
Total	**–**	**3**	**–**	–	**640**	**643**	**643**

MSEK							31/3/07
	Financial assets valued at fair value via the income statement	Derivatives used in hedge accounting	Accounts receivable and loan receivables	Available-for-sale financial assets	Other liabilities	Total carrying amount	Fair value
	Held for trading						
Non-current investments	9[1]	–	–	6[4]	–	15	15
Non-current receivables	–	–	1	–	–	1	1
Accounts receivable	–	–	580	–	–	580	580
Other receivables[2]	0	3	–	–	–	3	3
Total	**9**	**3**	**581**	**6**	**–**	**599**	**599**
Non-current interest-bearing liabilities	–	–	–	–	10	10	10
Current interest-bearing liabilities	–	–	–	–	150	150	150
Accounts payable	–	–	–	–	354	354	354
Other liabilities[3]	–	1	–	–	23	24	24
Total	**–**	**1**	**–**	**–**	**537**	**538**	**538**

1) Refers to a share option in the Parent Company (see Note 17).
2) Part of other receivables in the consolidated balance sheet.
The Group has no financial liabilities valued at fair value in the income statement.
3) Part of other liabilities in the consolidated balance sheet.
4) Valued at amortised cost.

Net gain/net loss per valuation category, MSEK	2007/2008	2006/2007
Assets and liabilities valued at fair value via the income statement[1]	-3	4
Derivatives	-1	1
Accounts receivable and loan receivables	-3	-2
Available-for-sale financial assets	0	0
Other liabilities	-20	-13
Total	**-27**	**-10**

1) Refers to a change in value of a share option in the Parent Company (see Note 17).

Note 4 Revenue by revenue type

	2007/2008	2006/2007
OEM		
Components	2,428	2,067
Products for end users		
Components	941	801
Machinery/instruments	304	297
Materials	431	389
Services	94	107
Total	**4,198**	**3,661**

OEM components are built into the products that Addtech's customers produce. OEM stands for "original equipment manufacturer". Products for end users comprise all other uses.

Regarding other types of revenue, dividends and interest income are recognised in financial items; refer to Note 11.

Note 5 Segment reporting

The division into business areas reflects Addtech's internal organisation and reporting system. Addtech reports business areas as its primary segments. The four business areas are Addtech Components, Addtech Energy & Equipment, Addtech Industrial Solutions and Addtech Life Science. Geographical markets are reported as secondary segments. This market grouping reflects a natural division of markets in the Group. Intra-Group sales are based on the same prices that an independent party would pay for the product. MSEK 33 (29) of the Parent Company's revenue refer to Group Companies. The Parent Company made no purchases from subsidiaries during the year.

To reinforce the Addtech Group's conditions for long-term profitable growth, the Group changed its organisation as from the start of the 2008/2009 financial year. The organisation comprises four new business areas: Addtech Components, Addtech Energy & Equipment, Addtech Industrial Solutions and Addtech Life Science. The tables below show revenue and operating profit for the organisation that applied until 31 March 2008.

Revenue	2007/2008	2006/2007
Components	1,167	979
Transmission	1,283	1,144
Equipment	1,000	823
Life Science	752	720
Parent Company and Group items	-4	-5
Totalt	**4,198**	**3,661**

Operating profit	2007/2008	2006/2007
Components	119	108
Transmission	148	126
Equipment	92	70
Life Science	65	56
Parent Company and Group items	-9	0
Totalt	**415**	**360**

The tables below show the Group as per the new organisation that applies as of 1 April 2008; the comparative years have been adjusted according to the new organisation.

A. Primary segments

Revenue	2007/2008			2006/2007		
	External	Internal	Total	External	Internal	Total
Components	1,094	1	1,095	1,003	1	1,004
Energy & Equipment	839	0	839	713	1	714
Industrial Solutions	1,513	12	1,525	1,225	13	1,238
Life Science	752	0	752	720	0	720
Parent Company and Group items	–	-13	-13	–	-15	-15
Total	**4,198**	**0**	**4,198**	**3,661**	**0**	**3,661**

Operating profit/loss, assets and liabilities	2007/2008			2006/2007		
	Operating profit	Assets[1)]	Liabilities[1)]	Operating profit	Assets[1)]	Liabilities[1)]
Components	105	408	176	92	327	81
Energy & Equipment	82	354	140	61	318	145
Industrial Solutions	172	688	238	151	572	217
Life Science	65	402	168	56	355	145
Parent Company and Group items	-9	157	611	0	157	585
Total	**415**	**2,009**	**1,333**	**360**	**1,729**	**1,173**

1) Does not include balances in Group accounts or financial transactions with Group companies.

Investments in non-current assets	2007/2008			2006/2007		
	Intangible	Property, plant and equipment	Total	Intangible	Property, plant and equipment	Total
Components	–	3	3	–	4	4
Energy & Equipment	–	5	5	0	4	4
Industrial Solutions	1	17	18	3	11	14
Life Science	1	7	8	0	8	8
Parent Company and Group items	12	0	12	11	0	11
Total	**14**	**32**	**46**	**14**	**27**	**41**

Note 5 Cont'd.

Depreciation/Amortisation of non-current assets	2007/2008			2006/2007		
	Intangible	Property, plant and equipment	Total	Intangible	Property, plant and equipment	Total
Components	3	4	7	1	4	5
Energy & Equipment	4	5	9	2	5	7
Industrial Solutions	6	11	17	3	10	13
Life Science	5	9	14	3	8	11
Parent Company and Group items	6	3	9	5	3	8
Total	**24**	**32**	**56**	**14**	**30**	**44**

Significant income statement items, other than depreciation and amortisation, not giving rise to payments in 2007/2008	Addtech Components	Addtech Energy & Equipment	Addtech Industrial solutions	Addtech Life Science	Parent Comapny and Group items	Total
Capital gains	0	0	1	1	1	3
Change in pension liability	-1	-1	-3	-1	0	-6
Other items	1	0	0	2	-2	1
Total	**0**	**-1**	**-2**	**2**	**-1**	**-2**

B. Secondary segments

By geographical market	2007/2008		2006/2007	
	Revenue, external	Assets[1]	Revenue, external	Assets[1]
Sweden	1,873	1,014	1,711	868
Denmark	749	387	648	249
Finland	634	321	521	189
Norway	347	122	309	105
Other countries	595	75	472	64
Parent Company, Group items and unallocated assets	–	90	–	254
Total	**4,198**	**2,009**	**3,661**	**1,729**

1) Does not include Group account balances. External revenues are based on the customers' location. The carrying amounts of assets are based on where the assets are located.

Investments in non-current assets	2007/2008			2006/2007		
	Intangible	Property, plant and equipment	Total	Intangible	Property, plant and equipment	Total
Sweden	13	10	23	13	17	30
Denmark	1	13	14	1	7	8
Finland	0	5	5	0	1	1
Norway	–	1	1	–	0	0
Other countries	–	3	3	0	2	2
Total	**14**	**32**	**46**	**14**	**27**	**41**

Note 6 Employees and personnel costs

Average number of employees	2007/2008			2006/2007		
	Men	Women	Total	Men	Women	Total
Sweden						
Parent Company	6	4	10	5	4	9
Other companies	448	179	627	403	172	575
Finland	180	80	260	160	67	227
Denmark	182	102	284	170	88	258
Norway	61	16	77	54	14	68
Other countries	91	19	110	80	18	98
Total	**968**	**400**	**1,368**	**872**	**363**	**1,235**

Note 6 Cont'd.

Salaries and remuneration	2007/2008			2006/2007		
	Senior management	of which profit-related remuneration	Other employees	Senior management	of which profit-related remuneration	Other employees
Sweden						
Parent Company	13.2	2.9	2.0	10.6	2.3	1.6
Other companies	39.1	6.4	217.3	40.7	8.7	195.1
Finland	11.1	2.3	89.1	7.7	0.7	74.2
Denmark	13.8	1.0	139.9	13.5	0.4	114.2
Norway	7.4	0.5	40.1	4.4	0.5	35.3
Other countries	6.9	1.5	20.1	6.3	1.1	17.4
Total	**91.5**	**14.6**	**508.5**	**83.2**	**13.7**	**437.8**

In addition to the payroll expenses above, costs totalling MSEK 2.0 were expensed in Swedish Group companies during the year for the depreciation in value of personnel options (appreciation MSEK 8.2). This cost is reversed in the Group. In addition, personnel options in the Parent Company depreciated MSEK 6.2 (appreciation MSEK 15.1) in value, an amount that cannot be charged as a cost according to current accounting rules. Salaries for senior management apart from the Board are stated starting from the 2007/2008 financial year. Senior management comprises Group management, presidents and executive vice presidents in Group subsidiaries. The comparative data for 2006/2007 was adjusted accordingly.

Salaries, remuneration and social security costs	Group		Parent Company	
	2007/2008	2006/2007	2007/2008	2006/2007
Salaries and other remuneration	600.0	521.0	15.2	12.2
Contractually agreed pensions for senior management	16.4	18.4	2.6	2.5
Contractual pensions to others	44.5	40.6	0.3	0.3
Other social security costs	119.3	116.0	3.9	9.0
Total	**780.2**	**696.0**	**22.0**	**24.0**

At year-end, outstanding pension commitments to the Board of Directors and President amounted to MSEK 7.4 (7.5) in the Group and MSEK 2.3 (2.4) in the Parent Company.
Different accounting policies are applied to pension costs in the Parent Company and the Group (see Note 1 Accounting policies).

Proportion of women	Group		Parent Company	
	31/3/08	31/3/07	31/3/08	31/3/07
Board of Directors (not including alternates)	2 %	2 %	20 %	17 %
Other members of senior management	13 %	10 %	0 %	0 %

Absence due to illness, %	Group	
	2007/2008	2006/2007
Total absence due to illness	3.1	3.1
Long periods of absence due to illness	2.1	0.9
Absence due to illness, men	2.4	2.5
Absence due to illness, women	4.6	4.5
Employees, aged up to 29 years	3.9	4.3
Employees, aged 30–49	2.8	2.7
Employees, aged 50+	3.2	3.7

Total absence due to illness in the Parent Company was 1.4 percent (3.5). For employee privacy, the Parent Company's data are not provided by category.

Preparation and decision-making process for remuneration to the Board of Directors, President and Group management

The principle for remuneration to the Board of Directors, President and Group management is that remuneration should be competitive.

The nomination committee proposes Board fees to the Annual General Meeting. Board fees are paid based on a resolution of the Annual General Meeting. No separate fees are paid for committee work.

For remuneration to the President, members of Group management and other members of senior management in the Group, the Board of Directors has appointed a remuneration committee consisting of the Chairman and Vice Chairman of the Board, with the President as the reporting member. A fixed salary, variable remuneration and conventional employment benefits are paid to the President, Group management and other members of senior management. In addition, pension benefits and incentive programmes apply, as described below. The remuneration committee adheres to the guidelines for remuneration to senior management approved by Addtech AB's Annual General Meeting. Information about personnel options related to Addtech AB and held by the Board of Directors and Group management is provided below.

Personnel options to members of senior management

In December 2001, the Board of Directors awarded 700,000 personnel options to 56 members of senior management in the Group. To make this possible, an Extraordinary General Meeting of shareholders held on 17 December 2001 resolved that the Company would transfer a maximum of 700,000 Class B shares in the Company in the event that these options are exercised. The personnel option programme is secured by Addtech's holdings of own shares in treasury (known as treasury shares).

Former President, Roger Bergqvist, was awarded 100,000 options, and other members of Group management 5,000-70,000 per person. The total number of personnel options held for Group management, not including the President, is 142,000. The exercise price is set at SEK 44.80, equivalent to 110 percent of the average market price of the Addtech share during the period 3-7 December 2001. In the 2007/2008 financial year, 74,000 (86,000) options were used for acquisition of 74,000 (86,000) shares at a weighted average share price of SEK 160 (125). A total of 280,000 options have thus been exercised. Upon full exercise of the personnel options, the number of shares outstanding will increase by 420,000, equivalent to 1.9 percent of the number of shares and 1.3 percent of the number of votes.

Following a decision made at an Extraordinary General Meeting of shareholders in November 2004, the exercise period was extended until 18 February 2010 inclusive. The original exercise period was from 19 July 2004 to 18 February 2005. Before the Extraordinary General Meeting decided to extend the personnel option programme, information was provided that the theoretical value transfer resulting from the extension and from the awarding of unutilised personnel options totalled MSEK 3.7. The options are non-transferable, except those of the President and Executive Vice Presidents in the Parent Company,

Note 6 Cont'd.

whose options can be transferred if approved by Addtech's Board of Directors. The options can only be exercised if the holder is still employed by the Company; hence the options are not defined as securities. For this reason and others, the options have been awarded free of charge.

The social security contributions incurred if the personnel options are exercised are expensed on a current basis in line with the market price of the share. The accumulated reserve for social security contributions stands at MSEK 10.8 (15.2), representing a MSEK 4.4 decrease (5.2 increase) in the reserve since the start of the financial year. In the interest of reducing the effect of social security contributions for personnel options, and essentially eliminating this effect starting in the 2006/2007 financial year, in the preceding financial year Addtech purchased a financial derivative contract with a maturity corresponding to the remaining maturity of the personnel option programme.

Board of Directors

The Board fees of SEK 1,475,000 (1,300,000) set by the Annual General Meeting are distributed as per the Annual General Meeting's decision, among those Board Directors who are not employed by the Parent Company.

Parent Company's President

Johan Sjö, current President of the Parent Company, received a fixed salary of SEK 726,000 (-) and variable remuneration of SEK 153,000 (-) for the time he worked as President. Roger Bergqvist, previous President of the Parent Company, received a fixed salary of SEK 1,537,000 (2,011,000) and variable remuneration of SEK 533,000 (706,000) for the time he worked as President. Variable remuneration was expensed during the 2007/2008 financial year and paid during 2008/2009. Taxable benefits for the current President amounting to SEK 24,000 (-) and for the previous President totalling SEK 96,000 (116,000) are additional. From age 65, the President is covered by a defined-contribution pension, the size of which depends on the outcome of pension insurance agreements. During 2007/2008, pension premiums, the size of which is determined annually by the remuneration committee, were paid and amounted to SEK 157,000 for the current President and SEK 750,000 (1,000,000) for the previous President. The variable remuneration is not pensionable income.

In conjunction with his recruitment, the Board of Directors offered Johan Sjö, the President, a long-term incentive programme (LTI), which entitles the President to receive, annually over a five-year period, the equivalent of 20 percent of invested amounts in Addtech shares, up to SEK 3,000,000. As a result, Johan Sjö received a total of SEK 300,000 during the financial year, of which SEK 150,000 is included in his fixed salary during his time as President and SEK 150,000 as fixed salary from 1 October 2007 to 31 December 2007. The LTI remuneration is not pensionable income.

Variable remuneration, based on Group earnings and up to 30 percent of fixed salary, may be payable. In addition, a further premium of 20 percent may be payable of the variable remuneration received – which was used to acquire shares in Addtech AB. The period of notice is 12 months when the Company terminates the employment contract and six months when the President does so. In the case of termination on 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 post-employment remuneration is payable if the employee terminates the employment contract.

Compensation and other benefits for President Johan Sjö

The President is paid a basic salary of SEK 2,040,000. Other taxable benefits of approxametely SEK 150,000 are additional. The company pays for a defined-contribution pension solution of SEK 600,000. Variable compensation, severance and period of notice are according to the principles stated above. In addition, Johan Sjö has been allotted a long-term bond-related incentive -program according to the above. The information refers to a 12-month-period.

Other members of Group management

Other members of Group management were paid a total of SEK 6,528,000 (4,943,000) in fixed salaries and SEK 2,173,000 (1,635,000) in variable remuneration. This variable remuneration was expensed during the 2007/2008 financial year and is paid during 2008/2009. Taxable benefits of SEK 441,000 (382,000) are additional. Persons in Group management are covered from age 65 by pension entitlements based on individual agreements. Existing pension solutions comprise both defined-contribution solutions, where the amount of pension depends on the outcome of pension insurance agreements, and defined-benefit solutions. The cost of the defined-benefit pensions and the defined-contribution schemes is basically equivalent to the ITP plan (pension agreement for private-sector salaried employees). During 2007/2008, a total of SEK 1,723,000 (1,486,000) in pension premiums were paid for the group "Other members of group management". Variable remuneration is pensionable.

Variable remuneration, based on Group earnings and up to 30 percent of fixed salary, may be payable. In addition, a further premium of 20 percent may be payable of the variable remuneration received - which was used to acquire shares in Addtech AB. The period of notice is 12 months when the Company terminates the employment contract and six months when the employee does so. Remuneration upon termination of employment equivalent to no more than one year's salary is payable. No post-employment remuneration is payable if the employee terminates the employment contract.

Remuneration and other benefits during the year	Basic salary/ Board fee	Variable remuneration	Long-term incentive program	Other benefits	Pension costs	Financial instruments	Personnel options	Other remuneration	Total
Chairman of the Board	0.5	–	–	–	–	–	–	–	0.5
Other members of the Board	1.0	–	–	–	–	–	–	–	1.0
President[1)]	2.1	0.7	0.2	0.1	0.9	–	–	–	4.0
Other members of senior management (4.5 persons)[1)]	6.4	2.2	0.1	0.4	1.7	–	–	–	10.8
Total	**10.0**	**2.9**	**0.3**	**0.5**	**2.6**	**–**	**–**	**–**	**16.3**

1) Refers to Roger Bergqvist for 1 April 2007 to 31 December 2007 inclusive, and Johan Sjö for 1 January 2008 to 31 March 2008 inclusive. For the period from 1 January 2008 until and including 31 March 2008, Roger Bergqvist is included in the group other members of senior management. Johan Sjö is included in the group other members of senior management for 1 October 2007 to 31 December 2007, that is prior to his taking the position as President.

Board fees for 2007/2008, SEK '000s		
Name	Position	Fee
Anders Börjesson	Board Chairman	450
Tom Hedelius	Vice chairman	350
Roger Bergqvist	Board member	–
Eva Elmstedt	Board member	225
Urban Jansson	Board member	225
Lars Spongberg	Board member	225
Total		**1,475**

Roger Bergqvist left the Board on 31 December 2007, when he left his position as CEO and President of Addtech AB.

Note 7 Remuneration to auditors

	Group		Parent Company	
	2007/2008	2006/2007	2007/2008	2006/2007
Audit assignments:				
KPMG	5.6	4.7	0.6	0.6
Other audit firms	0.4	0.2	–	–
Total remuneration for audit assignments	**6.0**	**4.9**	**0.6**	**0.6**
Other assignments:				
KPMG	1.2	1.6	0.5	0.7
Other audit firms	0.1	0.1	–	–
Total remuneration for other assignments	**1.3**	**1.7**	**0.5**	**0.7**
Total remuneration to auditors	**7.3**	**6.6**	**1.1**	**1.3**

Note 8 Depreciation and amortisation

Depreciation and amortisation, by function	Group		Parent Company	
	2007/2008	2006/2007	2007/2008	2006/2007
Cost of sales	-12.7	-11.5	–	–
Selling expenses	-25.3	-16.0	–	–
Administrative expenses	-16.5	-15.0	-0.5	-0.6
Other operating expenses	-1.4	-1.3	–	–
Total	**-55.9**	**-43.8**	**-0.5**	**-0.6**

Depreciation and amortisation, by type of asset	Group		Parent Company	
	2007/2008	2006/2007	2007/2008	2006/2007
Intangible assets	-24.1	-13.8	-0.3	-0.3
Buildings and land	-3.2	-3.4	–	–
Leasehold improvements	-1.8	-1.7	–	–
Machinery	-7.7	-6.0	–	–
Equipment	-19.1	-18.9	-0.2	-0.3
Total	**-55.9**	**-43.8**	**-0.5**	**-0.6**

Note 9 Other operating income and expenses

	Group	
	2007/2008	2006/2007
Other operating income		
Rental income	2.0	2.4
Gain on sale of operations and non-current assets	1.2	6.5
Change in value of share option and derivatives	–	5.5
Exchange gains	20.4	13.5
Other	2.9	4.2
Total	**26.5**	**32.1**
Other operating expenses		
Property costs	-3.8	-2.3
Loss on sale of operations and non-current assets	-0.1	-1.0
Change in value of share option and derivatives	-3.7	–
Exchange losses	-21.8	-13.1
Other	-0.9	-1.1
Total	**-30.3**	**-17.5**

Capital gains and losses for 2006/2007 include MSEK 3.6 net on the sale of property.

The change in value of the share option represents the social security contributions attributable to the personnel option programme (see also, in Note 1 Accounting Policies, the section Financial assets and liabilities, valuation and classification, Derivatives and hedge accounting).

	Parent Company	
	2007/2008	2006/2007
Other operating income		
Capital gains on the sale of non-current assets	0,0	0.2
Change in value of share option	–	4.3
Total	**0.0**	**4.5**
Other operating expenses		
Capital losses on the sale of non-current assets	0.0	0.0
Change in value of share option	-2.5	–
Total	**-2.5**	**0.0**

Note 10 Operating expenses

	Group	
	2007/2008	2006/2007
Personnel costs	810.1	719.3
Depreciation and amortisation	55.9	43.8
Impairment of inventories	10.0	16.6
Impairment of doubtful accounts receivable	2.8	2.5

Note 11 Financial income and expenses

	Group	
	2007/2008	2006/2007
Interest income on bank balances	4.7	3.8
Dividends	0.0	0.0
Exchange rate changes	3.3	2.4
Changes in value from revaluation of financial assets/liabilities	0.1	–
Other financial income	1.2	1.5
Financial income	**9.3**	**7.7**
Interest expense on financial liabilities valued at amortised cost	-20.5	-12.6
Exchange rate changes	-4.0	-2.9
Changes in value from revaluation of financial assets/liabilities	0.0	0.0
Other financial expenses	-1.7	-1.7
Financial expenses	**-26.2**	**-17.2**
Net financial items	**-16.9**	**-9.5**

Note 11 Cont'd.

	Parent Company	
	2007/2008	2006/2007
Dividend income	102.8	267.3
Group contributions	222.0	188.3
Impairment losses	–	-6.0
Profit from shares in Group companies	**324.8**	**449.6**
Interest income:		
Group companies	15.8	6.2
Profit from financial non-current assets	**15.8**	**6.2**
Interest income:		
Group companies	5.2	3.4
Other	2.1	1.9
Interest income and similar items	**23.1**	**11.5**
Interest expense:		
Group companies	-8.0	-5.2
Other	-12.1	-5.6
Interest expense and similar items	**-20.1**	**-10.8**
Financial income and expenses	**327.8**	**450.3**

Note 12 Year-end appropriations – Parent Company

	Parent Company	
	2007/2008	2006/2007
Reversal of tax allocation reserve	7.8	–
Provision made to tax allocation reserve	-57.9	-46.7
Total	**-50.1**	**-46.7**

Had the Parent Company reported deferred tax on year-end appropriations as per the policies applied in the consolidated financial statements, the deferred tax expense would have amounted to MSEK 14.0 (13.1).

Note 13 Taxes

	Group		Parent Company	
	2007/2008	2006/2007	2007/2008	2006/2007
Current tax for the period	-107.9	-87.1	-50.6	-33.4
Adjustment from previous years	-0.1	-0.2	–	–
Total current tax expense	**-108.0**	**-87.3**	**-50.6**	**-33.4**
Deferred tax	-2.8	-7.4	–	-2.7
Total reported tax expense	**-110.8**	**-94.7**	**-50.6**	**-36.1**

The year's tax expense of MSEK 110.8 (94.7) represents 28 percent (27) of profit after financial items.

Group	2007/2008	%	2006/2007	%
Profit before tax	397.9		350.5	
Weighted average tax based on national tax rates	-107.8	27.1	-97.1	27.7
Tax effects of:				
Utilisation of prior tax-loss carry-forwards not capitalised	0.0	0.0	0.2	-0.1
Non-deductible costs/non-taxable income	-1.2	0.3	-1.5	0.4
Effect of personnel options	-2.2	0.6	5.6	-1.6
Standard interest on tax allocation reserves	-1.7	0.4	-1.6	0.5
Adjustments from previous years	-0.5	0.0	-0.2	0.1
Effect of changed tax rates	1.3	-0.3	–	–
Other	1.3	-0.3	-0.1	0.0
Reported tax expense	**-110.8**	**27.8**	**-94.7**	**27.0**

Parent Company	2007/2008	%	2006/2007	%
Profit before tax	274.1		400.5	
Weighted average tax based on national tax rates	-76.7	28.0	-112.2	28.0
Tax effects of:				
Effect of personnel options	-1.6	0.6	3.6	-0.9
Standard interest on tax allocation reserves	-1.0	0.4	-0.6	0.1
Non-deductible costs:				
Other	-0.1	0.0	-1.7	0.4
Non-taxable income:				
Dividends from subsidiaries	28.8	-10.5	74.8	-18.7
Reported tax expense	**-50.6**	**18.5**	**-36.1**	**8.9**

Deferred tax assets/liabilities

	31/3/08			31/3/07		
Group	Assets	Liabilities	Net	Assets	Liabilities	Net
Non-current assets	7.7	-74.3	-66.6	4.2	-52.8	-48.6
Untaxed reserves	–	-76.1	-76.1	–	-67.4	-67.4
Pension provisions	10.3	-2.1	8.2	9.9	-1.7	8.2
Other	9.0	-0.4	8.6	9.6	-0.9	8.7
Net reported	-27.0	27.0	0.0	-21.8	21.8	0.0
Deferred taxes, net, at year-end	**0.0**	**-125.9**	**-125.9**	**1.9**	**-101.0**	**-99.1**

Note 13 Cont'd

Group	2007/2008						2006/2007						
	Amount at start of year	Recognised in the income statement	Acquisitions and disposals	Charged to shareholders' equity	Translation differences	Amount at end of year	Amount at start of year	Reclassification	Recognised in the income statement	Acquisitions and disposals	Charged to shareholders' equity	Translation differences	Amount at end of year
Non-current assets	-48.6	6.8	-24.8	–	0.0	-66.6	-22.0	-2.7	-3.1	-20.8	–	0.0	-48.6
Untaxed reserves	-67.4	-8.6	-0.1	–	0.0	-76.1	-66.7	–	3.0	-3.7	–	0.0	-67.4
Pension provisions	8.2	0.0	–	–	0.0	8.2	9.5	–	-1.3	–	–	0.0	8.2
Other	8.7	-1.0	0.1	0.8	0.0	8.6	8.0	2.7	-6.0	4.6	-0.6	0.0	8.7
Deferred taxes, net	**-99.1**	**-2.8**	**-24.8**	**0.8**	**0.0**	**-125.9**	**-71.2**	**0.0**	**-7.4**	**-19.9**	**-0.6**	**0.0**	**-99.1**

Parent Company	2007/2008					2006/2007				
	Amount at start of year	Recognised in the income statement	Acquisitions and disposals	Charged to shareholders' equity	Amount at end of year	Amount at start of year	Recognised in the income statement	Acquisitions and disposals	Charged to shareholders' equity	Amount at end of year
Personnel options	–	–	–	–	–	2.7	-2.7	–	–	–
Deferred taxes, net	**–**	**–**	**–**	**–**	**–**	**2.7**	**-2.7**	**–**	**–**	**–**

There are no non capitalised tax-loss carry-forwards in the Group.

Note 14 Intangible non-current assets

	2007/2008							
	Intangible assets acquired						Intangible assets developed in the Group	
	Goodwill	Supplier relationships, customer relationships and technology	Trademarks	Capitalised R&D expenses	Leases (rental) and similar rights	Software	Software	Total
Accumulated acquisition cost								
Opening balance	219.8	119.3	9.1	6.3	0.2	34.4	2.6	391.7
Corporate acquisitions	67.0	105.7	0.3	–	–	–	–	173.0
Investments	–	–	0.1	1.0	–	11.3	1.1	13.5
Reclassification	–	–	–	-1.1	–	-2.5	–	-3.6
Exchange differences for the year	0.1	0.3	–	0.1	–	0.0	–	0.5
Closing balance	**286.9**	**225.3**	**9.5**	**6.3**	**0.2**	**43.2**	**3.7**	**575.1**
Accumulated amortisation according to plan								
Opening balance	–	-9.7	–	-4.4	0.0	-17.8	-0.7	-32.6
Corporate acquisitions	–	–	-0.1	–	–	–	–	-0.1
Amortisation	–	-15.6	0.0	-0.2	–	-8.1	-0.2	-24.1
Reclassification	–	–	–	0.2	–	2.5	–	2.7
Exchange differences for the year	–	-0.1	–	–	–	-0.1	–	-0.2
Closing balance	**–**	**-25.4**	**-0.1**	**-4.4**	**0.0**	**-23.5**	**-0.9**	**-54.3**
Net book value at year-end	**286.9**	**199.9**	**9.4**	**1.9**	**0.2**	**19.7**	**2.8**	**520.8**
Net book value at start of year	**219.8**	**109.6**	**9.1**	**1.9**	**0.2**	**16.6**	**1.9**	**359.1**

Note 14 Cont'd.

Group	Goodwill	Supplier relationships, customer relationships and technology	Trademarks	Capitalised R&D expenses	Leases (rental) and similar rights	Software	Software	Total
	2006/2007							
	Intangible assets acquired						Intangible assets developed in the Group	
Accumulated acquisition cost								
Opening balance	141.7	55.3	2.2	4.3	0.2	17.3	1.1	222.1
Corporate acquisitions	78.1	64.0	6.9	–	–	0.5	–	149.5
Investments	–	–	–	2.0	0.0	10.1	1.5	13.6
Reclassification	–	–	–	–	–	6.5	–	6.5
Exchange differences for the year	0.0	0.0	–	–	0.0	0.0	–	0.0
Closing balance	**219.8**	**119.3**	**9.1**	**6.3**	**0.2**	**34.4**	**2.6**	**391.7**
Accumulated amortisation								
Opening balance	–	-3.1	–	-3.3	0.0	-5.9	-0.2	-12.5
Corporate acquisitions	–	–	–	–	–	-0.1	–	-0.1
Amortisation	–	-6.6	–	-1.1	–	-5.6	-0.5	-13.8
Reclassification	–	–	–	–	–	-6.2	–	-6.2
Exchange differences for the year	–	0.0	–	–	–	0.0	–	0.0
Closing balance	**–**	**-9.7**	**–**	**-4.4**	**0.0**	**-17.8**	**-0.7**	**-32.6**
Net book value at year-end	**219.8**	**109.6**	**9.1**	**1.9**	**0.2**	**16.6**	**1.9**	**359.1**
Net book value at start of year	**141.7**	**52.2**	**2.2**	**1.0**	**0.2**	**11.4**	**0.9**	**209.6**

	2007/2008		2006/2007	
Parent Company	Software	Total	Software	Total
Accumulated acquisition cost				
Opening balance	1.1	1.1	1.1	1.1
Investments	1.9	1.9	–	–
Closing balance	**3.0**	**3.0**	**1.1**	**1.1**
Accumulated amortisation				
Opening balance	-0.8	-0.8	-0.5	-0.5
Amortisation	-0.3	-0.3	-0.3	-0.3
Closing balance	**-1.1**	**-1.1**	**-0.8**	**-0.8**
Net book value at year-end	**1.9**	**1.9**	**0.3**	**0.3**
Net book value at start of year	**0.3**	**0.3**	**0.6**	**0.6**

Goodwill distributed by business area	Group	
	31/3/08	31/3/07
Addtech Components	45	28
Addtech Energy & Equipment	48	37
Addtech Industrial Solutions	98	68
Addtech Life Science	96	87
Total	**287**	**220**

Impairment testing of goodwill

The carrying value of the goodwill within the Group amounts to MSEK 287 (220). Having adopted IFRS, the Company no longer amortises goodwill regularly but tests goodwill annually in accordance with IAS 36. The most recent assessment took place in March 2008.

Goodwill is allocated among cash-generating units, which usually correspond to the company acquired. In cases where the acquired business is integrated with another Addtech business to such an extent that it is not possible to separate assets and cash flows attributable to the acquired company, the impairment of goodwill is tested at a higher level, though not higher than the segment level.

The recoverable amount was calculated from value in use and based on a current estimate of cash flows for the coming five-year period. Assumptions were made concerning gross margin, overhead costs, working capital required and investments required. In normal cases, these parameters were set to correspond to circumstances prevailing during 2007/2008 with an annual 2 percent rate of increase. When major changes were expected, the parameters were adjusted to better reflect such expectations. Cash flows beyond the five-year horizon were extrapolated based on the assumption of a reduced annual growth rate. Cash flows were discounted using a weighted cost of capital corresponding to roughly 12 percent before tax. These calculations show that value in use significantly exceeds the carrying amount. Consequently, the testing for impairment indicated no impairment loss. The sensitivity of these calculations means that the value of goodwill will continue to be justified even if the discount rate increases by one percentage point or if the long-term growth rate decreases by one percentage point.

Other impairment testing

No events or changes in circumstances were identified that would motivate testing other intangible non-current assets for impairment.

Note 15 Property, plant and equipment

	2007/2008						2006/2007					
	Buildings and land	Leasehold improve-ments	Machinery	Equip-ment	Construc-tion in progress	Total	Buildings and land	Leasehold improve-ments	Machinery	Equip-ment	Construc-tion in progress	Total
Accumulated acquisition cost												
Opening balance	160.2	12.8	127.7	209.2	0.0	509.9	164.7	12.1	112.4	214.0	0.5	503.7
Corporate acquisitions	–	0.3	10.0	9.0	–	19.3	5.4	–	8.2	5.6	–	19.2
Investments	0.7	1.2	10.4	16.6	3.6	32.5	1.3	1.0	7.7	17.5	–	27.5
Disposals and retirement of assets	-13.6	0.0	-12.3	-12.5	–	-38.4	-11.0	–	-0.2	-20.5	–	-31.7
Reclassification	-0.3	–	0.0	1.8	–	1.5	0.5	-0.3	–	-6.7	-0.5	-7.0
Exchange differences for the year	1.4	0.0	0.0	0.5	0.0	1.9	-0.7	0.0	-0.4	-0.7	0.0	-1.8
Closing balance	**148.4**	**14.3**	**135.8**	**224.6**	**3.6**	**526.7**	**160.2**	**12.8**	**127.7**	**209.2**	**0.0**	**509.9**
Accumulated depreciation and impairment losses according to plan												
Opening balance	-53.5	-8.2	-101.4	-168.9	–	-332.0	-54.8	-6.5	-90.0	-172.2	–	-323.5
Corporate acquisitions	–	-0.1	-0.2	-4.2	–	-4.5	-0.7	–	-4.3	-2.8	–	-7.8
Depreciation according to plan	-3.2	-1.8	-7.7	-19.1	0.0	-31.8	-3.4	-1.7	-6.0	-18.9	–	-30.0
Impairment losses	–	–	–	–	–	–	-1.2	–	–	–	–	-1.2
Disposals and retirement of assets	2.8	0.0	9.9	10.4	–	23.1	6.6	–	0.2	18.4	–	25.2
Reclassification	0.3	–	0.0	-0.7	–	-0.4	–	–	-1.4	6.2	–	4.8
Exchange differences for the year	-0.5	0.0	0.0	-0.5	0.0	-1.0	0.0	0.0	0.1	0.4	–	0.5
Closing balance	**-54.1**	**-10.1**	**-99.4**	**-183.0**	**0.0**	**-346.6**	**-53.5**	**-8.2**	**-101.4**	**-168.9**	**–**	**-332.0**
Net book value at year-end	**94.3**	**4.2**	**36.4**	**41.6**	**3.6**	**180.1**	**106.7**	**4.6**	**26.3**	**40.3**	**0.0**	**177.9**
Net book value at start of year	**106.7**	**4.6**	**26.3**	**40.3**	**0.0**	**177.9**	**109.9**	**5.6**	**22.4**	**41.8**	**0.5**	**180.2**

Equipment	Parent Company	
	2007/2008	2006/2007
Accumulated acquisition cost		
Opening balance	1.9	2.2
Investments	0.4	0.1
Disposals and retirement of assets	-0.2	-0.4
Closing balance	**2.1**	**1.9**
Accumulated depreciation according to plan		
Opening balance	-1.6	-1.7
Depreciation	-0.2	-0.3
Disposals and retirement of assets	0.2	0.4
Closing balance	**-1.6**	**-1.6**
Net book value at year-end	**0.5**	**0.3**
Net book value at start of year	**0.3**	**0.5**

Tax-assessed values, Swedish properties	Group	
	31/3/08	31/3/07
Buildings	48.5	29.3
Land	13.5	6.3

Note 16 Leasing

Operating leases	Group		Parent Company	
Addtech as lessee	2007/2008	2006/2007	2007/2008	2006/2007
Leasing charges				
Paid leasing charges for the financial year	82.8	72.7	2.6	2.3
of which variable charges	0.4	0.4	–	–
Future minimum leasing charges under non-cancellable contracts fall due as follows:				
Within one year	55.9	54.5	1.9	1.7
Later than one year and within five years	115.1	89.5	0.4	0.2
Five years or later	12.3	8.5	–	–
	183.3	**152.5**	**2.3**	**1.9**

Significant operating leases primarily constitute rental contracts for premises in which the Group conducts business.

Addtech as lessor

Addtech received a total of MSEK 2.8 (3.5) in lease revenue during the financial year. MSEK 2.2 (1.5) remains to be received within one year and thereafter a total of MSEK 1.7 (3.8) is receivable within five years.

Most operating leases for which Group companies are lessors concern the rental of premises or technical equipment to customers.

Finance leases

At present there are no significant finance leases in the Group.

Note 17 Financial non-current assets

Group	2007/2008 Other non-current securities holdings	Non-current receivables	Total	2006/2007 Other non-current securities holdings	Non-current receivables	Total
Accumulated acquisition cost						
Opening balance	14.5	1.3	15.8	10.7	1.2	11.9
Corporate acquisitions	0.0	–	0.0	0.1	0.2	0.3
Deductions	-1.5	-0.1	-1.6	-0.8	-0.1	-0.9
Additions	0.2	0.0	0.2	0.2	0.0	0.2
The year's unrealised changes in value charged to the income statement	-2.5	–	-2.5	4.3	–	4.3
Closing balance	**10.7**	**1.2**	**11.9**	**14.5**	**1.3**	**15.8**
Accumulated impairment losses						
Opening balance	0.0	-0.1	-0.1	0.0	–	0.0
Impairment losses for the year	–	–	–	–	-0.1	-0.1
Closing balance	**0.0**	**-0.1**	**-0.1**	**0.0**	**-0.1**	**-0.1**
Net book value at year-end	**10.7**	**1.1**	**11.8**	**14.5**	**1.2**	**15.7**

Other long-term securities holdings primarily consist of a share option (see under Parent Company) and shares in housing corporations.

Receivables from Group companies	Parent Company 2007/2008	2006/2007
Opening balance	209.0	2.2
Increase during the year	510.5	294.7
Decrease during the year	-338.0	-87.9
Closing balance	**381.5**	**209.0**

Other non-current securities holdings	Parent Company 2007/2008	2006/2007
Opening balance	8.8	5.2
Additions	–	–
The year's unrealised changes in value charged to the income statement	-2.5	4.3
Deductions	-1.5	-0.7
Closing balance	**4.8**	**8.8**

This amount consists of a share option at fair value, with the change in value recognised in the income statement.

Specification of participations in Group companies	Number of shares	Currency	Quotient value	Holding %	Parent Company Book value 31/3/08	Book value 31/3/07
Addtech Equipment AB, 556199–7866, Järfälla	5,000	SEK	100	100	200.5	198.4
Addtech Transmission AB, 556546–3469, Stockholm	500,000	SEK	100	100	252.5	251.8
Addtech Components AB, 556236–3076, Stockholm	1,750	SEK	100	100	135.5	130.5
Addtech Business Support AB, 556625–7092, Stockholm	1,000	SEK	100	100	2.1	2.1
Ritaren 3 AB, 556061–5667, Sollentuna	50,000	SEK	100	100	25.0	25.0
Addtech A/S, 68132, Copenhagen	2	DKK		100	131.6	131.6
Addtech Life Science AB, 556546–6785, Stockholm	200,000	SEK	100	100	182.6	182.6
Metric Industrial Oy, 0200580–9, Espoo	31,000	EUR	16,8	100	27.5	27.0
Metric Industrial AB, 556093–6998, Sollentuna	10,000	SEK	100	100	17.0	16.8
Metric Industrial A/S, 19989305, Albertslund	1	DKK		100	30.3	29.8
Metric Industrial AS, 987209976, Trollåsen	8,500	NOK	100	100	11.0	10.7
Total					**1,015.6**	**1,006.3**

A complete statutory specification is included as an annex to the annual accounts submitted to the Swedish Companies Registration Office. The specification can be obtained from Addtech AB, Box 602, SE-101 32 Stockholm, Sweden.

Note 17 Cont'd.

Shares in Group companies	Parent Company	
	2007/2008	2006/2007
Accumulated acquisition cost		
Opening balance	1,292.3	1,201.1
Shareholder contributions	7.8	6.9
Investments	–	84.3
Adjustment of additional purchase price	1.5	–
Closing balance	**1,301.6**	**1,292.3**
Accumulated impairment losses		
Opening balance	-286.0	-280.0
Impairment losses for the year	–	-6.0
Closing balance	**-286.0**	**-286.0**
Net book value at year-end	**1,015.6**	**1,006.3**
Net book value at start of year	**1,006.3**	**921.1**

Note 18 Inventories

	Group	
	31/3/08	31/3/07
Raw materials and consumables	43.3	38.2
Work in progress	19.5	20.0
Finished goods	464.7	393.7
Total	**527.5**	**451.9**

The cost of sales for the Group includes a MSEK 10.0 (16.6) impairment loss on inventories.

No significant reversals of prior impairment losses were made during 2007/2008 or 2006/2007.

Note 19 Prepaid expenses and accrued income

	Group		Parent Company	
	31/3/08	31/3/07	31/3/08	31/3/07
Rent	10.0	10.7	0.5	0.5
Insurance premiums	4.7	5.9	1.3	3.2
Pension costs	2.7	1.5	0.6	0.2
Leasing charges	3.0	2.5	0.0	0.0
Other prepaid expenses	16.0	17.5	0.7	1.1
Other accrued income	2.8	2.9	0.3	0.2
Total	**39.2**	**41.0**	**3.4**	**5.2**

Note 20 Shareholders' equity

GROUP

Other contributed capital

Refers to equity contributed by shareholders.

Reserves	Group	
	2007/2008	2006/2007
Foreign currency translation reserve		
Opening translation reserve	6.9	8.4
Translation differences for the year	4.4	-1.5
Closing translation reserve	**11.3**	**6.9**
Hedging reserve		
Opening hedging reserve	0.6	-0.4
Revaluations recognised directly in equity	-2.1	1.0
Recognised in the income statement upon disposal	-0.6	0.3
Recognised in the income statement upon impairment (other operating income/expenses)	–	–
Taxes attributable to the year's revaluations	0.3	-0.3
Closing hedging reserve	**-1.8**	**0.6**
Total reserves	**9.5**	**7.5**

Foreign currency translation reserve

The translation reserve includes all exchange differences that arise when financial reports of foreign operations prepared in a currency other than the Group's currency are translated into the currency of the Group's financial reports. The Parent Company and Group present their financial reports in Swedish kronor, SEK.

Hedging reserve

The hedging reserve includes the effective portion of the accumulated net change in fair value for a cash-flow hedge attributable to hedge transactions that have not yet occurred.

Retained earnings, including profit for the year

Retained earnings including profit for the year include earnings in the Parent Company and its subsidiaries. Prior provisions to the legal reserve are included in this equity item.

Repurchased shares

Repurchased shares includes the acquisition cost of own shares held in treasury (known as treasury shares) by the Parent Company. At the balance sheet date, the Group's holding of treasury shares was 1,425,000 (1,199,000).

Dividend

After the balance sheet date, the Board of Directors proposed a dividend of SEK 7.00 per share. The dividend is subject to approval by the Annual General Meeting on 25 August 2008.

PARENT COMPANY

Restricted reserves

Restricted reserves are funds that cannot be paid out as dividends.

Legal reserve

The purpose of the legal reserve is to save a portion of net profit that will not be used to cover a loss carried forward.

Retained earnings

Retained earnings comprise the previous year's unrestricted equity, less any provision to the legal reserve and less any dividend paid. Together with profit for the year and any fair value reserve, retained earnings constitute the sum of unrestricted equity, that is, the amount available to be paid as dividends to shareholders.

Note 20 Cont'd.

Number of shares

The number of shares at 31 March 2008 consisted of (a) 1,103,814 Class A shares, entitling the holders to 10 votes per share, and (b) 22,529,018 Class B shares, entitling the holders to 1 vote per share. The quotient value of the share is SEK 2.15 . The Company has repurchased 1,425,000 Class B shares, 300,000 of which during the 2007/2008 financial year, within the framework of the Company's ongoing repurchase programme. After subtracting repurchased shares, the number of Class B shares outstanding is 21,104,018 net.

Number of shares outstanding	Class A shares	Class B shares	All share classes
At start of year	1,103,814	21,330,018	22,433,832
Repurchase of own shares	–	-300,000	-300,000
Personnel options exercised	–	74,000	74,000
At year-end	**1,103,814**	**21,104,018**	**22,207,832**

Note 21 Untaxed reserves

	Parent Company	
	31/3/08	31/3/07
Tax allocation reserve, allocation for tax assessment 2003	–	7.8
Tax allocation reserve, allocation for tax assessment 2004	9.5	9.5
Tax allocation reserve, allocation for tax assessment 2005	15.5	15.5
Tax allocation reserve, allocation for tax assessment 2006	18.5	18.5
Tax allocation reserve, allocation for tax assessment 2007	26.2	26.2
Tax allocation reserve, allocation for tax assessment 2008	46.7	46.7
Tax allocation reserve, allocation for tax assessment 2009	57.9	–
Closing balance	**174.3**	**124.2**

MSEK 48.8 of the Parent Company's total untaxed reserves of MSEK 174.3 represent deferred tax included in the deferred tax line item in the consolidated balance sheet.

Note 22 Provisions for pensions and similar obligations

Addtech has defined-benefit pension plans in Sweden and Norway. In these plans, a pension is determined mainly by the salary received at the time of retirement. The plans cover many employees, but defined-contribution plans also apply. Subsidiaries in other countries in the Group mainly have defined-contribution pension plans.

The Parent Company's data on pensions are reported in accordance with the Swedish Act on Safeguarding Pension Obligations.

Defined-benefit pension plans

These pension plans primarily comprise retirement pensions. Each employer generally has an obligation to pay a lifelong pension. Vesting is based on the number of years of employment. The employee must subscribe to the plan for a certain number of years to be fully entitled to retirement benefits. Each year increases the employee's entitlement to retirement benefits, which is reported as pension earned during the period and as an increase in pension obligations.

In Norway there are funded pension plans. These pension obligations are secured by plan assets.

Addtech applies the "corridor" method. Corridor rules stipulate that part of the actuarial gains and losses be recognised in the income statement and balance sheet in the next period if they exceed the higher of:

– 10 percent of the present value of the pension obligation and
– 10 percent of the fair value of the plan assets.

At the end of the year the actuarial losses equalled about 9 percent of the present value of pension obligations.

Obligations for retirement pensions and family pensions for salaried employees in Sweden are secured by insurance in Alecta. According to statement URA 42 of the Emerging Issues Task Force of the Swedish Financial Reporting Board (formerly the Swedish Financial Accounting Standards Council), this is a defined-benefit plan covering several employers. For the 2007/2008 financial year, the Company has not had access to information enabling it to report this plan as a defined-benefit plan. The pension plan according to ITP, secured by insurance in Alecta, is therefore reported as a defined-contribution plan. The year's fees for pension insurance with Alecta totalled MSEK 10.7 (11.5).

Defined-contribution pension plans

These plans are mainly retirement pension plans, disability pensions and family pensions. Premiums are paid on an ongoing basis during the year by each Group company to separate legal entities, such as insurance companies. The size of the premium is based on the salary. The pension cost for the period is included in the income statement.

Pension liability as per balance sheet	Group		Parent Company	
	31/3/08	31/3/07	31/3/08	31/3/07
Pension liability PRI	170.3	162.9	8.6	8.7
Other pension obligations	7.8	9.4	0.0	0.1
Total	**178.1**	**172.3**	**8.6**	**8.8**

Reconciliation of net amount for pensions in the balance sheet	Group		Parent Company	
	2007/2008	2006/2007	2007/2008	2006/2007
Net amount in the balance sheet, 1 April	172.2	163.0	8.7	8.8
Cost of defined-benefit plans	12.6	15.4	0.6	0.5
Payment of pension benefits	-3.6	-3.0	-0.7	-0.6
Funds contributed by employer	-3.0	-2.2	–	–
Exchange differences	0.2	-0.2	–	–
Other	-0.3	-0.8	–	–
Net amount in balance sheet	**178.1**	**172.2**	**8.6**	**8.7**

Note 22 Cont'd.

Return on plan assets	Group	
	2007/2008	2006/2007
Actual return on plan assets	0.9	0.7
Expected return on plan assets	0.9	0.7
Actuarial gains/losses on plan assets during the period	**0.0**	**0.0**

Obligations for employee benefits, defined-benefit pension plans

Obligations for defined benefits and the value of plan assets	Group		Moderbolaget	
	31/3/08	31/3/07	31/3/08	31/3/07
Wholly or partly funded obligations:				
Present value of defined-benefit obligations	23.9	15.0	0.0	0.1
Fair value of plan assets	-18.5	-15.2	0.0	-0.1
Wholly or partly funded obligations, net	**5.4**	**-0.2**	**0.0**	**0.0**
Present value of unfunded defined-benefit obligations	191.5	178.3	8.6	8.7
Net obligations before adjustments	**196.9**	**178.1**	**8.6**	**8.7**
Adjustments:				
Accumulated unreported actuarial gains (+) and losses (–)	-18.8	-5.9	–	–
Net amount in the balance sheet (obligation +, asset –)	**178.1**	**172.2**	**8.6**	**8.7**
The net amount is recognised under the following items in the balance sheet:				
Financial non-current assets	0.0	-0.1	0.0	-0.1
Provisions for pensions and similar obligations	178.1	172.3	8.6	8.8
Net amount in the balance sheet (obligation +, asset –)	**178.1**	**172.2**	**8.6**	**8.7**
The net amount is divided among plans in the following countries:				
Sweden	174.0	166.4	8.6	8.7
Norway	4.1	5.8	–	–
Net amount in the balance sheet (obligation +, asset –)	**178.1**	**172.2**	**8.6**	**8.7**

Changes in the obligation for defined-benefit plans recognised in the balance sheet	Group	
	2007/2008	2006/2007
Opening balance	193.3	199.7
Pensions earned during the period	6.0	6.4
Interest on obligations	7.6	7.1
Benefits paid	-3.8	-3.2
Actuarial gain or loss	11.5	-13.5
Exchange differences	0.8	-0.6
Other	0.1	-2.6
Present value of pension obligations	**215.5**	**193.3**

Changes in plan assets	Group	
	2007/2008	2006/2007
Opening balance	15.2	12.7
Funds contributed by employer	2.6	2.2
Benefits paid	-0.2	-0.2
Expected return on plan assets	0.9	0.7
Actuarial gain or loss	0.0	–
Exchange differences	0.7	-0.4
Other	-0.7	0.2
Fair value of plan assets	**18.5**	**15.2**

Plan assets refer to the Norwegian pension plans.

The year's change in unreported actuarial gains (+) and losses (–)	Group		
	2007/2008	2006/2007	2005/2006
Changes in actuarial assumptions	12.5	-14.8	19.1
Experienced-based changes	-1.0	1.3	-3.3
Total	**11.5**	**-13.5**	**15.8**

Note 22 Cont'd.

Pension costs	Group		Parent Company	
	2007/2008	2006/2007	2007/2008	2006/2007
Defined-benefit pension plans				
Cost for pensions earned during the year	6.0	6.5	–	–
Interest expense	7.6	7.1	0.4	0.4
Expected return on plan assets	-0.9	-0.7	–	–
Recognised actuarial gains (–) and losses (+)	-0.1	2.5	–	–
Total cost of defined-benefit plans	**12.6**	**15.4**	**0.4**	**0.4**
Total cost of defined-contribution plans	55.0	50.0	2.9	2.8
Social security costs on pension costs	10.5	8.7	0.8	0.7
Total cost of benefits after termination of employment	**78.1**	**74.1**	**4.1**	**3.9**

Allocation of pension costs in the income statement	Group	
	2007/2008	2006/2007
Cost of sales	12.4	11.0
Selling and administrative expenses	59.0	56.7
Net financial items	6.7	6.4
Total pension costs	**78.1**	**74.1**

Actuarial assumptions	2007/2008		2006/2007	
	Sweden	Norway	Sweden	Norway
The following material actuarial assumptions were applied in calculating obligations:				
Discount rate, 1 April	3.90%	4.75%	3.60%	4.10%
Discount rate, 31 March	4.20%	4.50%	3.90%	4.75%
Expected return on plan assets	–	5.50%	–	5.75%
Future salary increases	3.50%	4.50%	3.50%	4.00%
Future increases in pensions (change in income base amount)	3.00%	–	3.00%	–
Employee turnover	5.00%	2.00-5.00%	5.00%	2.00-5.00%
Expected "G-regulation"	–	4.25%	–	4.00%
Mortality table	Dus 07	K2005	P94	K63

Future increases in pensions are based on inflation assumptions. Remaining period of employment (mortality) is based on statistical tables developed by Finansinspektionen (Sweden's Financial Supervisory Authority) and The Insurance Society, in Sweden Dus 07 and in Norway K2005. The expected increase in government contributions "G-regulation" is used for calculations in Norway in the same manner as the "base amount" is used in Sweden.

Note 23 Provisions

Group 2007/2008	Premises	Personnel	Warranties	Other	Total
Carrying amount at start of period	3.6	2.9	5.0	1.6	13.1
Provisions made during the period	0.7	0.8	0.1	–	1.6
Utilised during the period	-1.1	-1.4	-0.4	-1.0	-3.9
Unutilised amounts reversed	–	-0.7	–	-0.6	-1.3
Carrying amount at end of period	**3.2**	**1.6**	**4.7**	**0.0**	**9.5**

Premises
The provision for premises refers to premises that the Group has vacated and cannot sublet or use during the remainder of the lease.

Personnel
The provision refers to personnel costs, including estimated remuneration upon termination of employment in connection with changes in operations. A provision is made when there is an approved restructuring plan and the restructuring has been announced.

Warranties
The provision is calculated based on historical data for warranties associated with products and services.

Other
This includes provisions not classified under premises, personnel or warranties, such as equipment that cannot be used due to changes in operations.
All provisions are classified as current provisions and are expected to result in an outflow of resources within 12 months of the balance sheet date.

Note 24 Non-current interest-bearing liabilities

	Group		Moderbolaget	
	31/3/08	31/3/07	31/3/08	31/3/07
Liabilities to credit institutions:				
Maturing within 2 years	38.8	1.0	37.8	–
Maturing within 3 years	18.9	0.7	18.9	–
Maturing within 4 years	–	0.4	–	–
Non-current liabilities to credit institutions	**57.7**	**2.1**	**56.7**	**–**
Other interest-bearing liabilities	10.8	7.7	–	–
Total	**68.5**	**9.8**	**56.7**	**–**

The Addtech Group's non-current liabilities to credit institutions are divided among currencies as follows:

Currency	31/3/08		31/3/07	
	Local currency	MSEK	Local currency	MSEK
EUR	0.1	1.0	0.2	1.8
DKK	45.0	56.7	0.3	0.3
Total		**57.7**		**2.1**

The loan in EUR carry variable interest. At 31 March 2008 the interest rate averaged 5.00 percent.
The loan in DKK carries a fixed rate. At 31 March 2008 the interest rate averaged 4.78 percent.

	Parent Company	
	31/3/08	31/3/07
Liabilities to Group companies	9.9	70.3
Total	**9.9**	**70.3**

The Parent Company's liabilities to Group companies have no fixed maturity dates.

Note 25 Current interest-bearing liabilities

	Group		Parent Company	
	31/3/08	31/3/07	31/3/08	31/3/07
Bank overdraft facility				
Approved credit limit	333.6	246.3	332.7	244.7
Unutilised portion	-284.3	-219.9	-284.2	-218.8
Credit amount utilised	**49.3**	**26.4**	**48.5**	**25.9**
Other liabilities to credit institutions	121.2	120.0	120.0	120.0
Other interest-bearing liabilities	17.3	3.1	–	–
Total	**187.8**	**149.5**	**168.5**	**145.9**

The Addtech Group's current liabilities to credit institutions are divided among currencies as follows:

Currency	31/3/08		31/3/07	
	Local currency	MSEK	Local currency	MSEK
SEK	120.0	120.0	120.0	120.0
EUR	0.1	0.8	0.0	0.0
DKK	0.3	0.4	0.0	0.0
Total		**121.2**		**120.0**

Of the loans in Swedish kronor MSEK 100 are at 31 March 2008 subject to a variable rate of 4.96 percent and MSEK 20 carry variable rate of 4.65 percent The variable interest rate that applied to the loans in EUR and DKK was 7.0 percent and 5.13 percent respectively at 31 March 2008.

Note 26 Accrued expenses and deferred income

	Group		Parent Company	
	31/3/08	31/3/07	31/3/08	31/3/07
Rental revenue	0.3	0.5	–	–
Other deferred income	2.3	3.9	–	–
Salaries and holiday pay	110.3	97.9	4.4	4.1
Social security contributions and pensions	68.4	65.5	10.3	11.9
Other accrued expenses	29.3	26.1	2.0	3.0
Total	**210.6**	**193.9**	**16.7**	**19.0**

Other accrued expenses mainly comprise overhead accruals.

Note 27 Anticipated recovery periods for assets, provisions and liabilities

Amounts expected to be recovered	2007/2008		
Group	Within 12 months	After 12 months	Total
Non-current assets			
Intangible non-current assets[1)]	30.0	490.8	520.8
Property, plant and equipment[1)]	32.0	148.1	180.1
Financial non-current assets	–	11.8	11.8
Current assets			
Inventories	527.5	–	527.5
Tax assets	2.4	–	2.4
Accounts receivable	618.5	–	618.5
Prepaid expenses and accrued income	39.2	–	39.2
Other receivables	31.5	–	31.5
Cash and cash equivalents	77.5	–	77.5
Total assets	**1,358.6**	**650.7**	**2,009.3**

1) Anticipated depreciation/amortisation is recognised as an amount expected to be recovered within 12 months.

Note 27 Cont'd.

Amounts expected to be paid			2007/2008
Group	Within 12 months	After 12 months	Total
Non-current liabilities			
Non-current interest-bearing liabilities	–	68.5	68.5
Provisions for pensions	4.5	173.6	178.1
Deferred tax liabilities	–	125.9	125.9
Current liabilities			
Current interest-bearing liabilities	187.8	–	187.8
Non-interest-bearing liabilities			
Accounts payable	371.9	–	371.9
Tax liabilities	65.8	–	65.8
Other liabilities	115.4	–	115.4
Accrued expenses and deferred income	210.6	–	210.6
Provisions	9.5	–	9.5
Total liabilities and provisions	**965.5**	**368.0**	**1,333.5**

Amounts expected to be recovered			2007/2008
Parent Company	Within 12 months	After 12 months	Total
Non-current assets			
Intangible non-current assets[1]	0.4	1.5	1.9
Property, plant and equipment[1]	0.1	0.4	0.5
Shares in Group companies	–	1,015.6	1,015.6
Receivables from Group companies	–	381.5	381.5
Other financial non-current assets	–	4.8	4.8
Current assets			
Receivables from Group companies	307.5	–	307.5
Prepaid expenses and accrued income	3.4	–	3.4
Cash and cash equivalents	33.4	–	33.4
Total assets	**344.8**	**1,403.8**	**1,748.6**

1) Anticipated depreciation/amortisation is recognised as an amount expected to be recovered within 12 months.

Amounts expected to be paid			2007/2008
Parent Company	Within 12 months	After 12 months	Total
Provisions			
Pensions and similar obligations	0.8	7.8	8.6
Non-current liabilities			
Liabilities to credit institutions	–	56.7	56.7
Liabilities to Group companies	–	9.9	9.9
Current liabilities			
Liabilities to credit institutions	168.5	–	168.5
Accounts payable	0.4	–	0.4
Liabilities to Group companies	294.2	–	294.2
Tax liabilities	47.3	–	47.3
Other liabilities	3.4	–	3.4
Accrued expenses and deferred income	16.7	–	16.7
Total liabilities and provisions	**531.3**	**74.4**	**605.7**

Note 28 Pledged assets and contingent liabilities

	Group		Parent Company	
	31/3/08	31/3/07	31/3/08	31/3/07
Pledged assets for liabilities to credit institutions				
Real estate mortgages	1.4	2.1	–	–
Floating charges	12.5	21.7	–	–
Other pledged assets	0.0	0.1	0.0	0.1
Total	**13.9**	**23.9**	**0.0**	**0.1**
Contingent liabilities				
Guarantees and other contingent liabilities	6.6	14.3	0.2	0.2
Guarantees for subsidiaries	–	–	157.0	150.0
Total	**6.6**	**14.3**	**157.2**	**150.2**

Note 29 Cash flow statement

	Group		Moderbolaget	
Adjustment for items not included in cash flow	2007/2008	2006/2007	2007/2008	2006/2007
Depreciation/amortisation according to plan	55.9	43.8	0.5	0.6
Gain/loss on sale of companies and non-current assets	-2.8	-6.7	-1.1	-0.3
Change in pension liability	5.7	9.1	-0.2	-0.2
Group contributions/ dividends not paid	–	–	-220.4	-188.3
Impairment losses on shares in Group companies	–	–	–	6.0
Other	-0.8	-8.8	–	-0.1
Total	**58.0**	**37.4**	**-221.2**	**-182.3**

For the Group, interest received during the year reached MSEK 5.5 (3.0) and the year's paid interest was MSEK 12.1 (5.4). Interest received in the Parent Company totalled MSEK 22.3 (11.0) during the year, and interest paid was MSEK 17.7 (8.9).

The following adjustments were made as a result of the value of assets and liabilities in companies acquired during the year, together with adjustments such as additional purchase prices paid for acquisitions made in previous years:

	2007/2008	2006/2007
Non-current assets	187.2	161.1
Inventories	48.0	38.2
Receivables	53.9	48.4
Cash and cash equivalents	49.1	47.7
Total	**338.2**	**295.4**
Interest-bearing liabilities and provisions	51.0	6.4
Non-interest-bearing liabilities and provisions	70.1	80.8
Total	**121.1**	**87.2**
Purchase price paid	-217.1	-208.2
Cash and cash equivalents in acquired companies	49.1	47.7
Effect on the Group's cash and cash equivalents	**-168.0**	**-160.5**

Note 29 Cont'd.

Acquisition of businesses during the year				
Company	Country	Acquisition date	Ownership, %	Acquisition price
LabRobot Products AB	Sweden	2/7/07	100%	19.7
Chemo Electric A/S	Denmark	2/7/07	100%	37.6
Amitra Oy	Finland	2/7/07	100%	22.3
Moving Hjulex AB	Sweden	6/7/07	100%	32.5
Inline Dreamteam (net assets)	Sweden	31/12/07	100%	4.8
Immunkemi F&D AB	Sweden	4/1/08	100%	20.6
Allan Rehnström Tryckluft-Vakuum AB	Sweden	10/1/08	100%	9.3
Kouvo Automation Oy	Finland	14/1/08	100%	21.6
Codan Tech A/S och Codan Tech Qingdao Rubber & Plastic Parts Co., Ltd.	Denmark and China	25/1/08	100%	9.0
Eurolaite Oy	Finland	1/2/08	100%	32.0
S.E.G. Process (net assets)	Sweden	3/3/08	100%	3.9
				213.3

All businesses acquired during the year were added to the consolidated financial statements using the acquisition method.

Due to disposal of the subsidiary Tubex Hydraul AB in 2005/2006, receivables were adjusted by MSEK -1.0, and the purchase price paid in was adjusted by MSEK 1.0 when preparing the cash flow statement for 2006/2007.

Cash and cash equivalents

Cash and cash equivalents in the cash flow statement consist of cash at bank and in hand. The same definition applied to determine cash and cash equivalents in the balance sheet was applied in the cash flow statement.

Note 30 Corporate acquisitions

Acquisitions in 2007/2008

In total, 11 acquisitions took place during the financial year, with a combined annual turnover of MSEK 375. Assets and liabilities related to the acquisitions amounts to:

	Carrying amount at time of acquisition	Adjustment to fair value	Fair value
Supplier relationships, customer relationships and technology	0.0	105.3	105.3
Trademarks	0.3	0.0	0.3
Property, plant and equipment	14.8	–	14.8
Financial non-current assets	0.1	–	0.1
Inventories	48.0	–	48.0
Current receivables	59.8	–	59.8
Cash and cash equivalents	49.1	–	49.1
Deferred tax liability	2.3	-27.0	-24.7
Non-current liabilities	-6.2	–	-6.2
Current liabilities	-91.0	-2.4	-93.4
Net assets acquired	**77.2**	**75.9**	**153.1**
Goodwill			60.2
Purchase price			**213.3**
Less: cash and cash equivalents in acquired businesses			-49.1
Less: purchase price not yet paid			-22.9
Effect on the Group's cash and cash equivalents			**141.3**

1) The purchase price is stated including MSEK 2.8 in acquisition expenses.

The total purchase price for these acquisitions is MSEK 213, of which MSEK 166 was allocated to goodwill and other intangible assets. Together, these acquisitions had an impact of MSEK 148 on the Addtech Group's revenue, MSEK 11 on operating profit/loss, and MSEK 4 on profit after tax for the period.

Had the acquisitions been completed at 1 April 2007, their impact would have been an estimated MSEK 375 on the Group's revenue, about MSEK 20 on operating profit and some MSEK 9 on profit after tax for the period.

The values allocated to intangible non-current assets, such as supplier relationships, customer relationships, technology and trademarks, were assessed at the discounted value of future cash flows. Thus an assessment was made of which types of assets in each unit acquired can be assumed to be significant to the companies' future capacity to generate a return on the purchase price. The period of amortisation/depreciation is based on an assessment of the annual loss of part of the revenues attributable to each asset. Supplier relationships are amortised over a period of 25-33 years; customer relationships and technology are amortised and depreciated over 5-15 years. Trademarks are not amortised but are tested annually for impairment as per IAS 36.

The goodwill resulting from these acquisitions is attributable to expectations that the Group's position in the markets in question for each acquisition will grow stronger and to the knowledge accumulated in the companies acquired.

Note 31 Earnings per share (EPS) before and after dilution

	2007/2008	2006/2007
EPS, before dilution (SEK)	12.70	11.15
EPS, after dilution (SEK)	12.50	11.00

See the definitions on page 37 for the method of calculation.

The numerators and denominators used to calculate the above earnings per share (EPS) are derived as stated below.

EPS before dilution

The calculation of EPS for 2007/2008 is based on profit for the year attributable to the common equity holders of the Parent Company (holders of class A common shares), totalling MSEK 284 (253), and a weighted average number of shares outstanding ('000s) during 2007/2008 amounting to 22,385 (22,652). The two components were calculated in the following manner:

	2007/2008	2006/2007
Profit for the year attributable to the Parent Company's ordinary equity holders, before dilution (MSEK)	284	253

Weighted average number of common shares outstanding, before dilution

In thousands of shares	2007/2008	2006/2007
Total number of common shares 1 April	22,434	23,048
Effect of shares held in treasury (known as treasury shares)	-49	-396
Weighted average number of common shares during the year, before dilution	**22,385**	**22,652**

EPS after dilution

The calculation of EPS after dilution for 2007/2008 is based on earnings attributable to the common equity holders of the Parent Company, totalling MSEK 284 (253), and a weighted average number of shares outstanding ('000s) during 2007/2008 of 22,678 (22,977). The two components were calculated in the following manner:

	2007/2008	2006/2007
Profit for the year attributable to the Parent Company's ordinary equity holders, after dilution (MSEK)	284	253

Note 31 Cont'd.

Weighted average number of common shares outstanding, after dilution

In thousands of shares	2007/2008	2006/2007
Weighted average number of common shares during the year, before dilution	22,385	22,652
Effect of share options issued	293	325
Weighted average number of common shares during the year, after dilution	**22,678**	**22,977**

Note 32 Supplementary information

Addtech AB, corporate ID number 556302-9726, is the Parent Company of the Group. The Company has its registered office in Stockholm, Stockholm County, and by Swedish law is a limited liability company.

Head office address:
Addtech AB
Box 602
SE–101 32 Stockholm, Sweden
Telephone +46–8–470 49 00
fax +46–8–470 49 01
website: www.addtech.com

Note 33 Related party disclosures

For the Addtech Group, related parties mainly comprise senior management. Information about personnel costs is provided in Note 6 Employees and personnel costs.

Note 34 Events after the balance sheet date

To reinforce the Addtech Group's conditions for long-term profitable growth, the Group changed its organisation as from the start of the new financial year. The operations are organised in four business areas: Addtech Components, Addtech Energy & Equipment, Addtech Industrial Solutions and Addtech Life Science.

On 30 April, Addtech acquired MiniTec Finland Oy and MiniTec Estonia OÜ, which are now part of the Components business area. With annual revenue of MEUR 1.6, the companies sell profile and linear systems for production lines and processing stations – mainly to the Finnish engineering industry.

The Addtech Group's Industrial Solutions business area signed an agreement on 21 May to acquire all shares in Emcomp Holding AB. Via subsidiaries, Emcomp sells customised components and sub-systems in power transmission, radio, fibre optics, displays and other areas. Emcomp has annual revenue of MSEK 72.

DIVIDEND

The Board of Directors proposes a dividend of SEK 7.00 per share (6.00), amounting to a total distribution of MSEK 155 (135). Addtech's dividend policy is to pay more than 50 percent of average Group profit after tax over a business cycle as a dividend. The proposed dividend represents a payout ratio of 55 percent (54).

PROPOSED ALLOCATION OF EARNINGS

The following amounts are available for distribution by the Annual General Meeting of Addtech AB:

Retained earnings	MSEK 679
Profit for the year	MSEK 223
	MSEK 902

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

A dividend paid to shareholders of SEK 7.00 per share*	MSEK 155
To be carried forward	MSEK 747
	MSEK 902

* Based on the number of shares outstanding at 1 June 2008. The final dividend payout may change if the number of shares repurchased under the buyback programme changes prior to the proposed dividend record date of 28 August 2008.

The Board of Directors deems the proposed dividend to be justifiable in the context of the demands on Group equity made by Addtech's operations, size and risks and the Group's need for a strong balance sheet, liquidity and overall financial position.

At the balance sheet date, equity in the Parent Company included MSEK 3 (5) relating to financial assets and liabilities valued at fair value in accordance with Chapter 4, Section 14a of the Swedish Annual Accounts Act.

The Board of Directors and the President deems the consolidated financial statements and annual accounts to be prepared in accordance with IFRS, as adopted by the EU, and with generally accepted accounting principles, and that they provide a true and fair overview of the financial position and results of operations of the Group and the Parent Company. The administration report for the Group and the Parent Company gives a true and fair overview of the Group's and the Parent Company's operating activities, financial position and results of operations and describes significant risks and uncertainties to which the Parent Company and the companies that comprise the Group are exposed. The results of operations and financial position of the Group and the Parent Company are shown in the income statements, balance sheets, cash flow statements and notes to the financial statements.

Stockholm, 16 June 2008

Anders Börjesson
CHAIRMAN OF THE BOARD

Tom Hedelius
DEPUTY CHAIRMAN

Eva Elmstedt
DIRECTOR

Urban Jansson
DIRECTOR

Lars Spongberg
DIRECTOR

Johan Sjö
PRESIDENT

Our audit report was submitted on 16 June 2008

KPMG Bohlins AB

George Pettersson
AUTHORISED PUBLIC ACCOUNTANT

To the Annual General Meeting of the shareholders of Addtech AB (publ)
Corporate ID number 556302-9726

We have audited the annual accounts, the consolidated accounts, the accounting records and the administration of the board of directors and president of Addtech AB for the financial year from 1 April 2007 to 31 March 2008. The annual accounts of the company are included in the printed version of this document on pages 40-79. The board of directors and the president are responsible for these accounts and the administration of the company as well as for the application of the Annual Accounts Act when preparing the annual accounts and the application of International Financial Reporting Standards IFRSs, as adopted by the EU, and the Annual Accounts Act when preparing the consolidated accounts. Our responsibility is to express an opinion on the annual accounts, the consolidated accounts and the administration based on our audit.

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual accounts and the consolidated accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting policies used and their application by the board of directors and the president and significant estimates made by the board of directors and the president when preparing the annual accounts and the consolidated accounts, as well as evaluating the overall presentation of information in the annual accounts and the consolidated accounts. As a basis for our opinion concerning discharge from liability, we examined significant decisions, actions taken and circumstances of the company in order to be able to determine the liability, if any, to the company of any board member or the president. We also examined whether any board member or the president has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association. We believe that our audit provides a reasonable basis for our opinion set out below.

The annual accounts have been prepared in accordance with the Annual Accounts Act and give a true and fair view of the company's financial position and results of operations in accordance with generally accepted accounting principles in Sweden. The consolidated accounts have been prepared in accordance with International Financial Reporting Standards IFRSs as adopted by the EU and the Annual Accounts Act and give a true and fair view of the Group's financial position and results of operations. The statutory administration report is consistent with the other parts of the annual accounts and the consolidated accounts.

We recommend to the annual meeting of shareholders that the income statements and balance sheets of the Parent Company and the Group be adopted, that the profit of the Parent Company be dealt with in accordance with the proposal in the statutory administration report and that the members of the board of directors and the president be discharged from liability for the financial year.

Stockholm, 16 June 2008

KPMG Bohlins AB

George Pettersson
AUTHORISED PUBLIC ACCOUNTANT

WELCOME TO THE ANNUAL GENERAL MEETING

The Annual General Meeting of Addtech AB (publ) will be held at 4:00 pm on 25 August 2008 at the IVA conference centre, Grev Turegatan 16, Stockholm.

NOTICE OF PARTICIPATION

Shareholders who wish to participate in the Annual General Meeting must

- be entered in the shareholders' register maintained by VPC AB no later than Tuesday, 19 August 2008,
- notify the Company's head office: by mail at Addtech AB (publ), Box 602, SE –101 32 Stockholm, Sweden, or by telephone at +46–8–470 4908, or by telefax at +46–8–470 4901, or by e-mail to info@addtech.com, or by using the application form on the Company's website at www.addtech.com. Notification must be received by 3:00 pm on Thursday, 21 August 2008. Such notice must contain the shareholder's name, personal identification number (company number), address, telephone number and the number of shares represented.

Shareholders whose shares are registered under a trustee must temporarily register their shares in their own name in order to exercise their voting rights at the Annual General Meeting. Such changes in registration must be completed no later than Tuesday,19 August 2008.

If a shareholder intends to participate through a proxy, the proxy notice must be sent to the Company well before the Annual General Meeting. A representative of a legal entity must send in a certified copy of the registration certificate or comparable documents for authorisation.

PAYMENT OF DIVIDEND

The dividend resolution adopted by the Annual General Meeting will specify the date on which shareholders must be recorded in the share register maintained by VPC AB to be entitled to receive the dividend. The Board of Directors has proposed Thursday, 28 August 2008, as the record date. Provided the Annual General Meeting adopts the proposal, the dividend is expected to be paid by VPC AB on Tuesday, 2 September 2008, to shareholders of record at the record date.

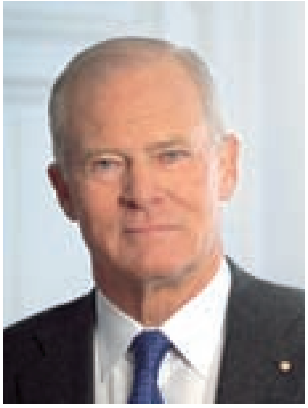
CHANGE OF ADDRESS OR BANK ACCOUNT

Shareholders who have changed their name, address or account number should inform their trustee or account operator (bank) of any such change as soon as possible. A special form for this purpose is available at all branch offices of Swedish banks.

ANDERS BÖRJESSON
M. Sc. Econ. Born 1948.

Chairman since 2001.
Other assignments: Chairman of Boomerang, Bostad Direkt, Cibenon and Lagercrantz Group. Vice Chairman of B&B TOOLS. Director of Futuraskolan and Inomec.

Ownership (family): 387,344 Class A shares and 40,000 Class B shares.



TOM HEDELIUS
MBA, Hon. Dr. of Economics. Born 1939.

Vice Chairman since 2001.
Other assignments: Chairman of Anders Sandrews Stiftelse, B&B TOOLS, Industrivärden and Jan Wallanders and Tom Hedelius stiftelse. Vice Chairman of Lagercrantz Group. Director of L E Lundbergföretagen, SCA and Volvo. Honorary Chairman of Svenska Handelsbanken.

Ownership (family): 372,344 Class A shares and 5,400 Class B shares.

EVA ELMSTEDT
BA. Born 1960.

Director since 2005.
Vice President Customer Support, Ericsson AB.
Other assignments: Director of Syntavia och NITA.

Ownership: 2,300 Class B shares.

LARS SPONGBERG
B. Sc. in Ba and Econ, LLB. Born 1945.

Director since 2001.
Other assignments: Industrial Adviser in Nordic Capital. Director of BE Group, Cobolt, Elos, Intervalor and Skyways Holding.

Ownership: 1,500 Class B shares.

URBAN JANSSON
Higher bank degree. Born 1945.

Director since 2001.
Other assignments: Chairman of EAB, Global Health Partner Plc, HMS, JetPak Group and Rezidor Hotel Group. Director of Clas Ohlson, Ferd A/S, Höganäs, SEB, W Becker and OMX Nordic Exchange Stockholm AB Listing Committee.

Ownership: 35,000 Class B shares.

JOHAN SJÖ
B.Sc. in Ba and Econ. Born 1967.

President and Chief Executive Officer, Addtech AB.
Employed in the group since2007.

Ownership: 18,800 Class B shares.

RICHARD GUSTAFSSON
B.Sc. in Ba and Econ. Born 1958.

Vice President Business Development, Addtech AB.
Employed in the group since 2005.

Owbership (family): 672 Class A shares and 28,000 Class B shares.
Personnel options: 10,000.

ANDERS CLAESON
MEng. Born 1956.

Executive Vice President, Addtech AB. Business Area Manager Addtech Components.
Employed in the group since 1982.

Ownership: 24,600 Class B shares..
Personnel options: 55,000.

HÅKAN FRANZÉN
MEng. Born 1951.

Vice President, Addtech AB.
Business Area Manager Addtech Industrial Solutions.
Employed in the group since 1982.

Ownership: 13,020 Class B shares.
Personnel options: 20,000.

KENNET GÖRANSSON
B. Sc. in Ba and Econ. Born 1963.

Executive Vice President and Chief Financial Officer, Addtech AB.
Secretary to the Board of Directors.
Employed in the group since 1995.

Ownership: 16,900 Class B shares.
Personnel options: 57,000.

Auditor

KPMG Bohlins AB

Responsible accountant

GEORGE PETTERSSON
Authorised public accountant. Stockholm. Born 1964.

During 2007/2008 George Pettersson was the head accountant for listed companies including Addtech, B&B Tools, Lagercrantz Group, LE Lundberg-företagen and Seco Tools. George Pettersson has participated in Addtech's audit since 2001. In 2007/2008 KPMG Bohlins AB had audit assignments for around 25 percent of the companies listed on the OMX Nordic Exchange in Stockholm.

The Addtech share is listed on the Stockholm OMX Nordic Exchange. Since the listing in September 2001 the total return yearly reached an average of 21 percent.

MARKET PERFORMANCE OF THE SHARE AND TURNOVER

The highest price paid during the year was SEK 185.00 on 17 and 18 July 2007. The lowest price paid was SEK 109.00 on 22 January 2008. The last market price before financial year-end was SEK 128.50, on 28 March 2008. The Addtech share decreased in value during the financial year by 14 percent (+41). The Stockholm Nordic Exchange OMXPI index declined by -21 percent (+17) during the corresponding period, and OMX Industrials declined -13 percent (+27).

During the period from 1 April 2007 to 31 March 2008, 4.4 million shares (6.5 million) changed hands at an aggregate value of MSEK 642 (774). Relative to the average number of shares outstanding, this is equivalent to a turnover rate of 20 percent (29). Broken down by trading day, a total of just over 18,000 (26,000) Addtech shares per day were traded at an average value of about SEK 2,599,000 (3,121,000).

SHARE CAPITAL

The share capital in Addtech on 31 March 2008 was SEK 50,810,589 and is divided into 1,103,814 Class A shares and 22,529,018 Class B shares. The quotient value of each share is SEK 2.15. Each Class A share entitles its holder to 10 votes, and each Class B share entitles its holder to one vote. All shares entitle their holders to the same right to dividends. Only the Class B share is listed on the Stockholm OMX Nordic Exchange.

REPURCHASE AND CANCELLATION OF SHARES

The Annual General Meeting in August 2007 authorised the Board of Directors to repurchase a maximum of 10 percent of all shares in the Company during the time until the next Annual General Meeting. A total of 300,000 shares were repurchased during the financial year at an average price of SEK 122 per share. The total number of shares held in treasury as of 31 March 2008 was 1,425,000, with an average price of SEK 96. Shares held in treasury are equivalent to 6.0 percent of the number of shares outstanding and 4.2 percent of the votes. The average number of shares held in treasury during the year was 1,248,093 (1,791,458).

INCENTIVE PROGRAM

In December 2001, 56 members of senior management were awarded a total of 700,000 personell options. To make this possible, an Extraordinary General Meeting of shareholders held 17 December 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 exercise 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 3 December through 7 December 2001. Following a resolution by an Extraordinary General Meeting of shareholders held in November 2004, the redemption period for the options was extended to end 18 February 2010. A total of 74,000 options were exercised during the year to acquire 74,000 shares. A total of 280,000 options have thus been exercised. Upon full exercise of the personnel options, the number of shares outstanding will increase by 420,000, equivalent to 1.9 percent of the total number of shares outstanding and 1.3 percent of the voting stock. The obligation to holders of personnel options is secured by 420,000 of the Company's shares held in treasury, which were acquired during 2001 at an average price of SEK 34.80.

DIVIDEND POLICY

The ambition of the Board of Directors is a payout ratio exceeding 50 percent of consolidated net income averaged over a complete business cycle. Since the listing of the Addtech share in September 2001 the yearly dividend growth reached 34 percent.

PROPOSALS TO THE ANNUAL GENERAL MEETING 2008

1) Dividend

The Board of Directors proposes a dividend of SEK 7.00 per share (6.00), which is equivalent to a dividend share of 55 percent (54).

2) Extension of repurchase mandate

The Board of Directors has decided to propose to the Annual General Meeting that the mandate to repurchase own shares be extended. The proposed mandate would give the Board of Directors the right to purchases of own shares limited so that the Company's holding at no time may exceed 10 percent of the total number of shares outstanding. Repurchases shall be made via the Stockholm Nordic Exchange. The mandate is proposed to include the possibility to use shares held in treasury for acquisitions, or to sell repurchased shares in ways other than through the stock exchange to finance acquisitions.

3) Cancellation of shares

The Board of Directors has further decided to propose to the Annual General Meeting the share capital to be reduced with SEK 1,935,000. To put the proposal into effect 900,000 of shares held in treasury are to be withdrawn without reimbursement.

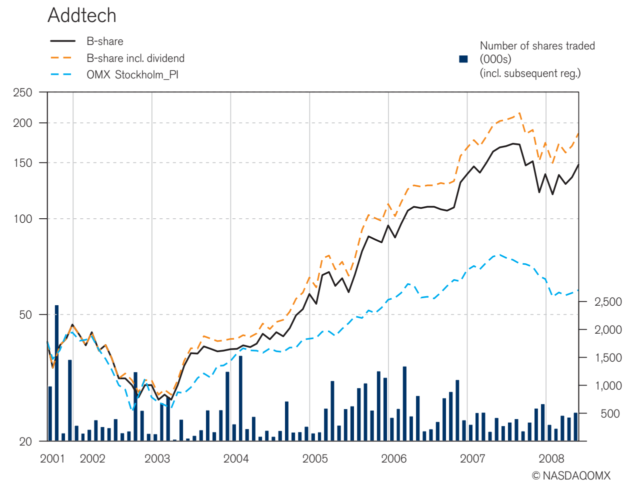
ANALYSTS WHO FOLLOW ADDTECH

Christian Hellman, Kaupthing
Henrik Alveskog, Redeye Research
Johan Isaksson, Remium
Lars Hallström, Handelsbanken Capital Markets
Stefan Mattsson, SEB Enskilda

KEY FINANCIAL INDICATORS

	2007/2008	2006/2007	2005/2006
Earnings per share (EPS), SEK	12.70	11.15	8.00
Shareholders' equity per share, SEK	29.90	24.40	19.90
Price/earnings ratio	10	13	13
Dividend per share, SEK	7.00[1)]	6.00	4.00
Payout ratio, %	55	54	50
Dividend yield, %	5.4	4.0	3.8
Most recent price paid, SEK	128.50	149.75	106.00
Price/equity ratio	4.3	6.1	5.3
Market capitalisation, MSEK	2,854	3,359	2,443
Average number of shares outstanding	22,384,739	22,651,785	24,072,627
Number of shares outstanding at end of year	22,207,832[2)]	22,433,832	23,047,832
Number of shareholders at end of year	3,608	3,932	3,717

SHARE PRICE ADDTECH B



ADDTECH´S LARGEST SHAREHOLDERS 2008-03-31

Shareholders	Class A Shares	Class B Shares	Proportion of Capital	As proportion of votes
Anders Börjesson (family)	387,344	40,000	1.9%	12.2%
Tom Hedelius (family)	372,344	5,400	1.7%	11.6%
Pär Stenberg	219,152	869,222	4.9%	9.5%
Swedbank Robur Fonder		2,936,222	13.2%	9.1%
Fjärde AP-fonden		2,147,975	9.7%	6.7%
Brita Säve	30,000	973,982	4.5%	4.0%
Odin Fonder		1,068,884	4.8%	3.3%
Livförsäkringsbolaget Skandia		950,800	4.3%	3.0%
SEB Investment Management		905,200	4.1%	2.8%
Lannebo Fonder		882,300	4.0%	2.7%
AMF Pensionförsäkrings AB		800,000	3.6%	2.5%
Sandrew AB		600,000	2.7%	1.9%
Aktia Sparbank		490,000	2.2%	1.5%
Nordea Bank Finland ABP		372,450	1.7%	1.2%
Fidelity Low- Priced Stock FD.		330,000	1.5%	1.0%
Banque de Luxembourg		330,000	1.5%	1.0%
Total held by 16 largest shareholders	**1,008,840**	**13,702,435**	**66.3%**	**74.0%**

SIZE CLASSES

Number of shares	Percentage of share capital	Number of shareholders	Percentage of number of shareholders
1–500	2%	2,362	66%
501–1,000	2%	549	15%
1,001–5,000	5%	502	14%
5,001– 10,000	3%	71	2%
10,001–20,000	3%	40	1%
20,001–	85%	84	2%
Total	**100%**	**3,608**	**100%**

HOLDINGS BY CATEGORY

	Number of shareholders	Proportion of capital
Swedish owners	3,453	82%
Foreign owners	155	18%
Total	**3,608**	**100%**
Legal entities	396	70%
Natural persons	3,212	30%
Total	**3,608**	**100%**

SHARE CAPITAL TREND

	Class A					Class B				
Event	Change in number	Number of shares	Percentage of capital	Number of votes	Percentage of votes	Change in number	Number of shares	Percentage of capital	Number of votes	Percentage of votes
At time of listing		1,840,286	7%	18,402,860	41%		26,023,946	93%	26,023,946	59%
2001/2002										
Conversion of Class A shares to Class B shares	-726,808	1,113,478	4%	11,134,780	29%	726,808	26,750,754	96%	26,750,754	71%
2002/2003										
Conversion of Class A shares to Class B shares	-6,976	1,106,502	4%	11,065,020	29%	6,976	26,757,730	96%	26,757,730	71%
2003/2004										
Cancellation of Class B shares		1,106,502	4%	11,065,020	30%	-1,350,000	24,407,730	96%	25,407,730	70%
2004/2005										
Cancellation of Class B shares		1,106,502	4%	11,065,020	31%	-1,181,400	24,226,330	96%	24,226,330	69%
Conversion of Class A shares to Class B shares	-2,688	1,103,814	4%	11,038,140	31%	2,688	24,229,018	96%	24,229,018	69%
2006/2007										
Cancellation of Class B shares		1,103,814	5%	11,038,140	33%	-1,700,000	22,529,018	95%	22,529,018	67%
Total number of shares	23,632,832									
Total number of votes	33,567,158									

1) As proposed by the Board of Directors.
2) The difference between the total number of shares and shares outstanding is the shares repurchased by Addtech (1,425,000 Class B shares as of 31 March 2008).
3) Shares held in treasury by Addtech AB are not included in the calculation of percentage of votes and capital..

ADDRESSES

ADDTECH AB (publ)
Johan Sjö, President
Box 602, Gamla Brogatan 11
SE-101 32 Stockholm, Sweden
Telephone: +46-8-470 49 00
Telefax: +46-8-470 49 01
www.addtech.com

ADDTECH COMPONENTS

ADDTECH COMPONENTS
Anders Claeson, Business Area Manager
Box 23087, S:t Eriksgatan 117
SE-104 35 Stockholm, Sweden
Telephone: +46-8-545 414 00
Telefax: +46-8-545 414 01

DENMARK

Bondy A/S
Leif Johansson, Managing Director
Hassellunden 14
DK- 2765 Smørum, Denmark
Telephone: +45-70-15 14 14
Telefax: +45-44-64 14 16
www.bondy.dk

Chemo Electric A/S
Leif Nielsen, Managing Director
Hammerholmen 20 C-D
DK-2650 Hvidovre, Denmark
Telephone: +45-36-77 30 44
Telefax: +45-36-77 30 88
www.chemoelectric.dk

Eltech Components A/S
Henrik Möller, Managing Director
Hassellunden 14-16
DK-2765 Smørum, Denmark
Telephone: +45-70-10 14 10
Telefax: +45-43-20 07 77
www.eltech.dk

LMT Transmission A/S
Kjeld Ahrendsen, Managing Director
Grundtvigs Allé 168
DK-6400 Sønderborg, Denmark
Telephone: +45-74-43 18 80
Telefax: +45-74-43 18 81
www.lmttransmission.dk

Vactek A/S
Rainer Wagner, Managing Director
Frydenborgsvej 27 E
DK-3400 Hillerød, Denmark
Telephone: +45-48-24 44 33
Telefax: +45-48-24 44 37
www.vactek.dk

FINLAND

MiniTec Estonia OÜ
Jarno Ruohonen, Managing Director
Paldiski mnt. 21
EE-76606 Keila, Estonia
Telephone: +372-6-77 05 62
Telefax: +372-6-77 05 63
www.minitec.ee

MiniTec Finland Oy
Jarno Ruohonen, Managing Director
Urheilutie 4
FI-25130 Muurla, Finland
Telephone: +358-2-728 2500
Telefax: +358-2-728 2511
www.minitec.fi

Movetec Oy
Markku Suominen, Managing Director
Hannuksentie 1
FI-02270 Espoo, Finland
Telephone: +358-9-525 92 30
Telefax: +358-9-525 923 33
www.movetec.fi

Stig Wahlström Oy
Lauri Lindström, Managing Director
Hannuksentie 1
FI-02270 Espoo, Finland
Telephone: +358-9-502 44 00
Telefax: +358-9-452 27 35
www.swoy.fi

NORWAY

Aratron AS
Stein Kuvaas, Managing Director
Postboks 214, Holmlia
NO-1204 Oslo, Norway
Telephone: +47-23-19 16 60
Telefax: +47-23-19 16 61
www.aratron.no

FB Kjeder AS
Stein Kuvaas, Managing Director
Bjørnerudveien 17
NO-1266 Oslo, Norway
Telephone: +47-23-19 16 50
Telefax: +47-23-19 16 51
www.fbkjeder.no

Kurt Wiig AS
Kurt Wiig, Managing Director
Skvadronveien 25
NO-4050 Sola, Norway
Telephone: +47-51-71 99 00
Telefax: +47-51-71 99 01
www.kurtwiig.no

SWEDEN

Allan Rehnström Tryckluft-Vakuum AB
Anders Nilson, Managing Director
Box 644, Rälsgatan 6A
SE-801 27 Gävle, Sweden
Telephone: +46-26-10 01 00
Telefax: +46-26-10 99 87
www.rehnstrom.se

Aratron AB
Patrik Klerck, Managing Director
Box 20087, Kratsbodavägen 50
SE-161 02 Bromma, Sweden
Telephone: +46-8-404 16 00
Telefax: +46-8-98 42 81
www.aratron.se

Compotech Provider AB
Jan Eriksson, Managing Director
Box 21029, Hälsingegatan 43
SE-100 31 Stockholm, Sweden
Telephone: +46-8-441 58 00
Telefax: +46-8-441 58 29
www.compotech.se

R&K Tech AB
Johan De Geer, Managing Director
Box 7086, Polygonvägen 65
SE-187 12 Täby, Sweden
Telephone: +46-8-544 405 60
Telefax: +46-8-732 74 40
www.rk.se

Stig Wahlström AB
Bo Nyberg, Managing Director
Box 64, Mårbackagatan 27
SE-123 22 Farsta, Sweden
Telephone: +46-8-683 33 00
Telefax: +46-8-605 81 74
www.wahlstrom.se

Tube Control AB
Peter Johansson, Managing Director
Box 292, Storsätragränd 10
SE-127 25 Skärholmen, Sweden
Telephone: +46-8-555 921 00
Telefax: +46-8-555 921 50
www.tubecontrol.com

Vactek AB
Per Rundbom, Managing Director
Hälsingegatan 43
SE-113 31 Stockholm, Sweden
Telephone: +46-8-35 27 25
Telefax: +46-8-92 96 79
www.vactek.se

ADDTECH ENERGY & EQUIPMENT

ADDTECH ENERGY & EQUIPMENT
Åke Darfeldt, Business Area Manager
Fakturavägen 6
SE-175 62 Järfälla, Sweden
Telephone: +46-8-445 76 60
Telefax: +46-8-445 84 45

ENERGY STORAGE

Abatel AB
Jesper Björkén, Managing Director
Box 8078, Domherrevägen 11b
SE-192 08 Sollentuna, Sweden
Telephone: +46-8-444 59 60
Telefax: +46-8-96 67 00
www.abatel.com

Batteriunion i Järfälla AB
Bo Fagerström, Managing Director
Äggelundavägen 2
SE-175 62 Järfälla, Sweden
Telephone: +46-8-795 28 50
Telefax: +46-8-795 28 69
www.batteriunion.se

BTC Industribatterier AB
Carl Johan Sabelsjö, Managing Director
Box 576, Grustagsvägen 1
SE-572 26 Oskarshamn, Sweden
Telephone: +46-491-844 55
Telefax: +46-491-76 64 10
www.btc.nu

CellTech - Harring A/S
Michael Ankjaer, Managing Director
Rugmarken 9A+B
DK-3520 Farum, Denmark
Telephone: +45-70-25 22 01
Telefax: +45-70-25 22 02
www.celltech.dk

CT CellTech Energy Systems AB
Joakim Aspe, Managing Director
Tredenborgsvägen 16
SE-294 35 Sölvesborg, Sweden
Telephone: +46-456-234 56
Telefax: +46-456-153 77
www.celltech.se

Insmat Oy
Hannu Hietala, Managing Director
P.O. Box 52, Höyläämötie 11 A
FI-00381 Helsinki, Finland
Telephone: +358-207-98 15 60
Telefax: +358-207-98 15 61
www.insmat.fi

Insmat Akkuvoima Oy
Peter Andersson, Managing Director
Höyläämötie 11 A, PL 52
FI-00381 Helsinki, Finland
Telephone. +358-207-99 96 40
Telefax: +358-207-99 96 41
www.insmatakkuvoima.fi

Nordic Battery Power AB
Johan Westin, Managing Director
Marieholmsgatan 2
SE-415 02 Göteborg, Sweden
Telephone: +46-31-21 20 00
Telefax: +46-31-21 20 66
www.nordicbattery.se

Nordic Battery
Johan Westin, Managing Director
Postboks 204, Holmlia
Bjørnerudveien 17
NO-1204 Oslo, Norway
Telephone: +47-22-76 38 80
Telefax: +47-22-61 91 95
www.nordicbattery.no

ENERGY SUPPLY

Beving Elektronik AB
Karl Zellner, Managing Director
Box 93, Storsätragränd 10
SE-127 22 Skärholmen, Sweden
Telephone: +46-8-680 11 99
Telefax: +46-8-680 11 88
www.bevingelektronik.se

Breve-Tufvassons Co Ltd
Zbigniew Wandzel, Managing Director
UL. Postepowa 25/27
PL-93 347 Lodz, Poland
Telephone: +48-42-640 15 39
Telefax: +48-42-640 15 41
www.breve.pl

Eurolaite Oy
Hannu Hämäläinen, Managing Director
Karvaamokuja 3 A
FI-00380 Helsinki, Finland
Telephone: +358-20-155 74 44
Telefax: +358-20-155 74 45
www.eurolaite.fi

AB Gevea
Hans Andersén, Managing Director
Box 12043, Vagngatan 9
SE-600 12 Norrköping, Sweden
Telephone: +46-11-18 48 00
Telefax: +46-11-18 23 50
www.gevea.se

Tufvassons Transformator AB
Görgen Hultgren, Managing Director
Box 501, Porfyrvägen 4
SE-193 28 Sigtuna, Sweden
Telephone: +46-8-594 809 00
Telefax: +46-8-592 527 68
www.tufvassons.se

MECHANICS

Alvetec Kontest AB
Jürgen Sedlacek, Managing Director
Fakturavägen 6
SE-175 62 Järfälla, Sweden
Telephone: +46-8-626 40 50
Telefax: +46-8-754 88 67
www.alveteckontest.se

Blästerpodukter i Köping AB
Lars Jansson, Managing Director
Box 64, Glasgatan 21
SE-731 22 Köping, Sweden
Telephone: +46-221-76 08 80
Telefax: +46-221-76 08 81
www.blasterprodukter.se

KMC Ytbehandling AB
Mikael Boberg, Managing Director
Fakturavägen 6
SE-175 62 Järfälla, Sweden
Telephone: +46-8-445 84 40
Telefax: +46-8-445 84 49
www.kmc.se

ADDTECH INDUSTRIAL SOLUTIONS

ADDTECH INDUSTRIAL SOLUTIONS
Håkan Franzén, Business Area Manager
Box 23087, S:t Eriksgatan 117
SE-104 35 Stockholm, Sweden
Telephone: +46-8-470 49 00
Telefax: +46-8-470 49 01

CUSTOMISED SOLUTIONS

Adiator AB
Rickard Rockhammar, Managing Director
Box 23056, Hälsingegatan 40
SE-104 35 Stockholm, Sweden
Telephone: +46-8-729 17 00
Telefax: +46-8-729 17 17
www.adiator.se

Adigo Drives AB
Josef Benedek, Managing Director
Box 8, Neongatan 8
SE-431 21 Mölndal, Sweden
Telephone: +46-31-67 23 40
Telefax: +46-31-67 23 50
www.adigodrives.se

Caldaro AB
Stefan Aase, Managing Director
Box 30049, Warfvinges väg 23
SE-104 25 Stockholm, Sweden
Telephone: +46-8-736 12 70
Telefax: +46-8-736 12 90
www.caldaro.com

Carbex AB
Stefan Ströberg, Managing Director
Box 115, Kvarnbacksvägen 12
SE-592 22 Vadstena, Sweden
Telephone: +46-143-294 40
Telefax: +46-143-135 80
www.carbex.se

Columbia Elektronik AB
Mats Klarholm, Managing Director
Box 5, Sjöviksvägen 53
SE-618 21 Kolmården, Sweden
Telephone: +46-11-39 80 05
Telefax: +46-11-39 76 41
www.columbia.se

Emcomp International AB
Per Lundblad, Managing Director
Box 7, Hemvägen 12
SE-710 41, Fellingsbro, Sweden
Telephone: +46-581-62 15 50
Telefax: +46-581-62 15 60
www.emcomp.se

Emcomp Scandinavia AB
Magnus Wahlström, Managing Director
Karlavägen 44
SE-172 76, Sundbyberg, Sweden
Telephone: +46-8-564 899 00
Telefax: +46-8-564 899 19
www.emcomp.se

Tesch System AB
Joakim Edberg, Managing Director
Box 21196, Hälsingegatan 43
SE-100 31 Stockholm, Sweden
Telephone: +46-8-441 56 00
Telefax: +46-8-441 56 19
www.tesch.se

MI GROUP

Amitra Oy
Keijo Hokkanen, Managing Director
Aniankatu 1
FI-152 10 Lahti, Finland
Telephone: +358-3-87 61 00
Telefax: +358-3-751 02 53
www.amitra.fi

ESD-Center AB
Richard Nordén, Managing Director
Sjöängsvägen 5
SE-192 72 Sollentuna, Sweden
Telephone: +46-40-36 32 40
Telefax: +46-40-15 16 83
www.esd-center.se

Matronic Oy
Tuomo Luukkainen, Managing Director
Louhostie 1
FI-04300 Tuusula, Finland
Telephone: +358-9-274 79 10
Telefax: +358-9-274 791 20
www.matronic.fi

Metric Industrial AB
Rickard Nordén, Managing Director
Sjöängsvägen 5
SE-192 72 Sollentuna, Sweden
Telephone: +46-8-626 48 40
Telefax: +46-8-626 57 10
www.metric.se

Metric Industrial A/S
Pekka Jolanki, Managing Director
Hassellunden 16
DK-2765 Smørum, Denmark
Telephone: +45-70-30 03 10
Telefax: +45-43-71 64 33
www.metric.dk

Metric Industrial Oy
Pekka Jolanki, Managing Director
PL 14, Piispantilankuja 4
FI-02241 Espoo, Finland
Telephone: +358-9-476 1600
Telefax: +358-9-476 16 700
www.metric.fi

Metric Industrial AS
Roger Wahlgren, Managing Director
PB 777 Bedriftssenteret
Trollåsveien 8
NO-1414 Trollåsen, Norway
Telephone: +47-400 040 54
Telefax: +47-400 040 53
www.metricindustrial.no

Tecono AB
Anders Eriksson, Managing Director
Sjöängsvägen 5
SE-192 72 Sollentuna, Sweden
Telephone: +46-40-36 32 40
Telephone: +46-8-626 42 50
Telefax: +46-8-626 68 40
www.tecono.se

Tekno Optik AB
Richard Joelsson, Managing Director
Box 114, Storsätragränd 10
SE-127 22 Skärholmen, Sweden
Telephone: +46-8-680 11 30
Telefax: +46-8-680 11 60
www.teknooptik.se

Teleinstrument A/S
Bo Lindby, Managing Director
Fabrikvej 11
DK-8700 Horsens, Denmark
Telephone: +45-76-25 18 18
Telefax: +45-75-61 56 58
www.teleinstrument.dk

Moving Hjulex AB
Jörgen Svensson, Managing Director
Jitegatan 10
SE-265 38 Åstorp, Sweden
Telephone: +46-42-567 00
Telefax: +46-42-567 10
www.movinghjulex.se

Teknikprodukter, Betech Seals AB
Tommy Marklund, Managing Director
Box 173, Tallvägen 5
SE-564 24 Bankeryd, Sweden
Telephone: +46-36-37 62 00
Telefax: +46-36-37 22 93
www.teknikprodukter.se

MOTION TECHNOLOGY

FB Chain Ltd
Phil Taylor, Managing Director
Jubilee Road, Letchworth
GB-Hertfordshire SG6 1NF, United Kingdom
Telephone: +44-146-267 08 44
Telefax: +44-146-248 07 45
www.fbchain.com

FB Kedjor AB
Roger Holm, Managing Director
Box 304, Kungsgatan 68
SE-631 04 Eskilstuna, Sweden
Telephone: +46-16-15 33 00
Telefax: +46-16-14 27 57
www.fbkedjor.se

FB Ketjutekniikka Oy
Lauri Pörsti, Managing Director
FI-27710 Köyliö, Finland
Telephone: +358-2-54 01 11
Telefax: +358-2-540 11 00
www.fbketjutekniikka.fi

FB Ketten GmbH
Matthias Berls, Managing Director
Auf'm Brinke 16
DE-59872 Meschede, Germany
Telephone: +49-291-95 26 60
Telefax: +49-291-952 66 20
www.fb-ketten.com

FB Ketten Handels GmbH
Thomas Wagner, Managing Director
Gewerbepark Süd 5
AT-6330 Kufstein, Austria
Telephone: +43-53-726 146 66
Telefax: +43-53-726 146 620
www.fb-ketten.com

Kraftmek Oy
Hans Söderström, Managing Director
PB 36, Hitsaajankatu 9b
FI-00811 Helsinki, Finland
Telephone: +358-10-755 01
Telefax: +358-9-755 52 85
www.kraftmek.com

POLYMERIC SOLUTIONS

Betech Seals A/S
Claus Nielsen, Managing Director
Vesterlundvej 4
DK-2730 Herlev, Denmark
Telephone: +45-44-85 81 00
Telefax: +45-44-92 78 00
www.betechseals.dk

Codan Tech A/S
Henrik Platz, Managing Director
Valdemarshaab 1
DK-4600 Køge, Denmark
Telephone: +45-56-64 64 65
Telefax: +45-56-64 64 85
www.codantech.dk

Codan Tech Qingdao Rubber & Plastic Parts CO., ltd
Peng Hui, Managing Director
Jinling Industrial Zone
Jihongtan Town Chengyang District
CN-Qingdao City Shandong, China
Telephone: +86-532-879 097 57
Telefax: +86-532-879 090 92
www.codantech.com

ADDTECH LIFE SCIENCE

ADDTECH LIFE SCIENCE
Göran Brandt, Business Area Manager
Box 26077, Sköldungagatan 7
SE-100 41 Stockholm, Sweden
Telephone: +46-8-594 113 50
Telefax: +46-8-411 36 20

DIAGNOSTICS

Bergman Diagnostika AS
Tove Nyhus, Managing Director
Postboks 402, Slynga 2
NO-2001 Lillestrøm, Norway
Telephone: +47-63-83 57 50
Telefax: +47-63-83 57 40
www.bergmandiag.no

Immunkemi F&D AB
Monica Mattisson, Managing Director
Veddesta Centrum
SE-175 72 Järfälla, Sweden
Telephone: +46-8-583 615 00
Telefax: +46-8-583 615 01
www.immunkemi.se

LabRobot Products AB
Per-Ivar Fallenius, Managing Director
Gärdesvägen 3
SE-444 31 Stenungsund, Sweden
Telephone: +46- 303-846 73
Telefax: +46- 303- 652 55
www.labrobot.com

Triolab A/S
Finn Andersen, Managing Director
Vallensbækvej 35
DK-2605 Brøndby, Denmark
Telephone: +45-43-96 00 12
Telefax: +45-43-96 77 11
www.triolab.dk

Triolab AB
Sven Erickson, Managing Director
Box 2109, Åbäcksgatan 6 B
SE-431 02 Mölndal, Sweden
Telephone: +46-31-81 72 00
Telefax: +46-31-81 72 19
www.triolab.se

Triolab Oy
Kai Rantanen, Managing Director
Lemminkäinenvägen 20 B
FI-20520 Åbo, Finland
Telephone: +358-201-22 66 00
Telefax: +358-201-22 66 01
www.triolab.fi

PROCESS TECHNOLOGY

Insatech A/S
Alan Christoffersen, Managing Director
Algade 133
DK-4760 Vordingborg, Denmark
Telephone: +45-55-37 20 95
Telefax: +45-55-37 70 18
www.insatech.com

Kouvo Automation Oy
Seppo Lappalainen, Managing Director
Puhjontie 17
FI-45720 Kuusankoski, Finland
Telephone: +358-5-363 16 55
Telefax: +358-5-363 16 63
www.kouvo.fi

OmniProcess AB
Roland Levin, Managing Director
Vretenvägen 12
SE-171 54 Solna, Sweden
Telephone: +46-8-564 808 40
Telefax: +46-8-564 808 50
www.omniprocess.se

RESEARCH

Bergman AS
Roger Kopperud, Managing Director
Postboks 364, Slynga 2
NO-2001 Lillestrøm, Norway
Telephone: +47-63-83 56 00
Telefax: +47-63-83 56 10
www.bergman.no

BergmanLabora AB
Peter Simonsbacka, Managing Director
Box 705, Karlsrovägen 2 D
SE-182 17 Danderyd, Sweden
Telephone: +46-8-625 18 50
Telefax: +46-8-625 18 70
www.bergmanlabora.se

Holm & Halby A/S
Morten Dyrner, Managing Director
Vallensbækvej 35
DK-2605 Brøndby, Denmark
Telephone: +45-43-26 94 00
Telefax: +45-43-26 94 10
www.holmhalby.dk

Mikro Kemi AB
Kent Ersson, Managing Director
Box 15018, Seminariegatan 29
SE-750 15 Uppsala, Sweden
Telephone: +46-18-57 22 00
Telefax: +46-18-57 22 22
www.mikrokemi.se

PLD Finland Oy
Tomi Virtanen, Managing Director
PL 159, Sinikalliontie 9
FI-02631 Espoo, Finland
Telephone: +358-20-741 02 70
Telefax: +358-20-741 02 77
www.pld.fi

OTHER COMPANIES

Addtech Business Support AB
Peter Svensson, Managing Director
Box 6068, Jägerhorns väg 8
SE-141 06 Kungens Kurva, Sweden
Telephone: +46-8-680 77 66
Telefax: +46-8-680 77 61

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TRYCKSAK 341 196

Box 602, Gamla Brogatan 11, SE-101 32 Stockholm, Sweden. Tel: +46 (0)8 470 49 00, Fax: +46 (0)8 470 49 01
www.addtech.com. Company ID number: 556302–9726