



PARTNERTECH

YEAR END REPORT

JANUARY

FEBRUARY

MARCH

APRIL

MAY

JUNE

JULY

AUGUST

SEPTEMBER

OCTOBER

NOVEMBER

DECEMBER

2003

www.partnertech.com

Net sales were SEK 1,339.7 million (1,339.2).

The loss after tax improved to SEK -27.1 million (-84.4).
The loss for 2002 included SEK -50.4 million in items affecting comparability.

Earnings per share after tax totaled SEK -2.37 (-7.39).

Operating earnings for the fourth quarter amounted to SEK 0.6 million (-54.7).

New Assignments Continued to Increase Operating Profit in the Fourth Quarter

Market trends

The market declined substantially in the first quarter. Demand subsequently improved and remained relatively stable for the rest of the year.

Activity increased during the fourth quarter. Nevertheless, many contract manufacturers were under greater price pressure, primarily due to the depreciation of the dollar.

It was a year of change for many contract manufacturers. While some of them intentionally pulled back in the Swedish market, a number of the smaller ones have disappeared. As a result PartnerTech faced new market conditions.

The Telecom Infrastructure business unit showed signs of greater demand in the fourth quarter. Sales up to that point had been weak. The sector continued to consolidate in the direction of fewer and larger players during the year.

Most customers of the IT/Mechatronics business unit are in the traditional Swedish engineering sector and the IT sector. The first quarter saw a general decline, whereas demand varied from segment to segment for the rest of the year. The number of new assignments increased at the end of the year.

Demand for the Medical Equipment business area was relatively stable throughout the year. More stringent requirements on the part of the capital market led to certain changes in the behavior of the various players.

Net sales by business unit

(SEK million)	2003 Oct-Dec	2002 Oct-Dec	2003 Jan-Dec	2002 Jan-Dec	Quarterly change from previous year*	Full-year change from previous year*
Telecom Infrastructure	59.2	52.9	179.9	280.6	11.9%	-35.9%
IT/Mechatronics	270.4	233.8	978.9	820.6	15.7%	19.3%
Medical Equipment	49.9	64.0	180.9	238.0	-22.0%	-24.0%
Total	379.5	350.7	1,339.7	1,339.2	8.2%	0.0%

*percentage change from the same period of the previous year

Fourth quarter of 2003

Net sales rose by 8% to SEK 379.5 million (350.7) from the fourth quarter of 2002 to the fourth quarter of 2003. The increase was 1% for comparable units.

Operating earnings totaled SEK 0.6 million (-54.7). Earnings for 2002 had included SEK -50.4 million in items affecting comparability. The operating profit stemmed from ongoing cost reductions and volume increases during the quarter. One challenge was to deal with the worldwide shortage of electronic components, chiefly for internal memory. However, the shortage does not appear to have affected earnings.

Fourth quarter earnings after tax amounted to SEK -3.4 million (-55.1).

Cash flow after investments was SEK 2.1 million (40.8), largely due to the fact that a relatively high percentage of sales occurred late in the quarter.

Net sales, earnings and profitability

Net sales for 2003 were SEK 1,339.7 million (1,339.2). The machining operations in Karlskoga that PartnerTech had acquired from Saab Bofors Dynamics were part of the IT/Mechatronics business unit as of January 1, 2003. Net sales decreased by 9% for comparable units. Sales at all of the business units were down in terms of comparable units. The Medical Equipment and Telecom Infrastructure business units showed the biggest declines. However, Telecom Infrastructure substantially recovered in the fourth quarter.

Operating earnings for 2003 were SEK -18.7 million (-82.1). Earnings for 2002 had included SEK -50.4 million in items affecting comparability. PartnerTech posted a slight operating profit in the second half of the year. The full-year operating loss was primarily attributable to lower sales in the first quarter. Additional reasons for the loss were irregular demand, as well as lower-volume series due to the state of the business cycle.

PartnerTech has limited exchange-rate exposure, as only a small percentage of its sales are in currencies other than the Swedish krona. Moreover, customer agreements normally comprise limitations of the company's exposure to variations in purchase prices. The translation effect of consolidation, based on earnings after tax, was SEK 0.9 million (0.3).

Group's performance per quarter

(SEK million)	Q4 2001	Q1 2002	Q2 2002	Q3 2002	Q4 2002	Q1 2003	Q2 2003	Q3 2003	Q4 2003
Net sales	315.6	334.2	354.6	299.7	350.7	320.2	332.4	307.6	379.5
Operating profit/loss*	0.5	-21.1	-7.7	1.4	-4.3	-12.9	-6.2	-0.4	0.6
Operating margin*	0.2%	-6.3%	-2.2%	0.5%	-1.2%	-4.0%	-1.9%	-0.1%	0.2%

* Excluding items affecting comparability (SEK 6.8 million for Q4 2001 and SEK -50.4 million for Q4 2002)

Continued cost effectiveness measures are in process, while aggressive marketing efforts are expected to generate additional sales increases.

Net interest expense totaled SEK -10.8 million (-11.1) for 2003. The year's earnings after financial items amounted to SEK -29.5 million (-93.2). Earnings after tax were SEK -27.1 million (-84.4).

Financial position and liquidity

Working capital rose by SEK 20.7million to SEK 267.2 million (246.5) at the end of 2003. Owing primarily to sales growth, accounts receivable were up in the fourth quarter. The acquisition of the machining unit in Karlskoga initially boosted the figure by SEK 10.0 million.

Operating capital increased by SEK 15.2 million as a result of the acquisition in Karlskoga. Including the acquisition, operating capital rose by SEK 6.2 million to SEK 479.9 million (486.1) at the end of the year.

Net investments totaled SEK 25.5 million (-1.0) in 2003. That included SEK 23.5 million in effects of the acquisition.

Including SEK -15.2 million from the acquisition, cash flow after investments was SEK -20.8 million (94.2).

Net borrowing, i.e., interest-bearing liabilities less cash and equivalents, was SEK 191.8 million (164.2) at the end of the year.

Shareholders' equity came to SEK 288.0 million (322.0) on December 31. The equity/assets ratio was 35.0% (42.1) at the end of the year.

Personnel

Relatively major staff changes occurred during the year, particular among units within the Group. The acquisition of the machining unit in Karlskoga boosted the number of full-time employees by 127. Higher sales led to a greater number of full-time employees late in the fourth quarter.

The total number of full-time employees rose by 175 to 1,163 (982) at the end of the year.

The average number of full-time employees was up by 67 to 1,143 (1,076) during 2003.



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Accounting principles

The same accounting principles have been employed as in the most recent annual report. In addition, PartnerTech complies with the Swedish Financial Accounting Standards Council recommendations that took effect as of January 1, 2003. Except for RR 22, the new recommendations have no impact on PartnerTech's results. As a result of RR 22, some overdraft facilities previously posted to long-term liabilities are now included under current liabilities.

Key developments during 2003

PartnerTech took over the Saab Bofors Dynamics machining center in Karlskoga on January 1. The unit had 127 full-time employees and posted annual sales of some SEK 150 million at the time. The takeover coincided with the consolidation of PartnerTech's Karlskoga and Storfors units at the acquired Karlskoga location. As a result, PartnerTech's mechanics center in Karlskoga now employs more than 200 people, has over 100 CNC machines and is one of Sweden's largest, most advanced operations in its field.

A number of key contracts and collaboration agreements also strengthened PartnerTech's market position during the year.

Telecom supplier LGP/Allgon Microwave decided in June to outsource the manufacture of electronics for six of its radio link system products to PartnerTech. The assignment is expected to bolster PartnerTech's annual sales by approximately SEK 40 million.

In September, Hypercom Financial AB decided to collaborate with PartnerTech for its biggest global product development assignment yet. The agreement involves a terminal for secure electronic payment. The Hypercom group will market the product worldwide. The deal, which covers both development and production, will initially increase PartnerTech's annual sales by an estimated SEK 80-100 million.

In October, PartnerTech signed an agreement with EssNet, a manufacturer of gaming systems. The agreement involves the production and distribution of PC-based gaming terminals and consists of three orders with an approximate total value of SEK 65 million. Initial deliveries were made in late 2003.

In November, PartnerTech entered into an agreement with SWE-DISH, a world-leading supplier of mobile satellite communications equipment. The company, whose products were used by major television networks during the recent war in Iraq, turned to PartnerTech for assistance in the development, new product introduction and manufacture of its latest product family.

Key developments after the period

PartnerTech concluded two key new agreements in early 2004. In January, the company began manufacturing five radio base station components for a global telecom equipment maker. The assignment will add some SEK 100 million to PartnerTech's 2004 sales.

In February, the company signed an agreement with Perten Instruments, which specializes in quality control instruments for feed, food, flour and grain. PartnerTech will immediately take over production of the analytical instruments that Perten previously manufactured in Sweden and other parts of the world. The agreement is initially worth SEK 30-50 million to PartnerTech on an annual basis.

Dividend

The Board will recommend to the Annual General Meeting that no dividend be payable for 2003.

Annual General Meeting

The Annual General Meeting will take place on Monday, April 26, 2004. The meeting will convene at 5 PM at Östergatan 39 in Malmö, Sweden. Those attending the meeting will have the opportunity to take a tour of PartnerTech's production facilities in Vellinge.

Nomination of board members

Shareholders wishing to nominate candidates for the board of directors prior to the Annual General Meeting may contact board chairman Johan Siberg or board member Patrik Tigerschiöld.

Johan Siberg:

CDMAR Invest AB, Långängsvägen 35, 182 75 Stocksund, Sweden

Phone: +46 70-590 02 04

Patrik Tigerschiöld:

Skanditek Industriförvaltning AB, Kungsträdgårdsgatan 18, 111 47 Stockholm, Sweden

Phone: +46 8-614 00 20



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Upcoming financial reports

The complete Annual Report will be available at PartnerTech, Södra Tullgatan 3 in Malmö, Sweden, no later than two weeks before the Annual General Meeting and will be sent out at the same time to shareholders. The report will also appear at PartnerTech's website www.partnertech.se

The January-March 2004 interim report will be released on April 26.

The April-June 2004 interim report will be released on July 15.

The July-September 2004 interim report will be released on October 21.

Malmö, February 11, 2004

The Board

For additional information, please call Mikael Jonson, CEO, at +46 70 678 10 0 or Jonas Arkestad, CFO, at +46 40 10 26 42.

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Accountant's Review
of Preliminary Earnings Report, January 1 – December 31, 2003
PartnerTech AB (publ), corporate ident. no. 556251-3308

We have reviewed this preliminary earnings report in accordance with the recommendation on the overall review of semi-annual and other interim reports issued by the Swedish Institute of Authorized Public Accountants. An overall review is considerably more limited than an audit. Nothing has emerged to suggest that the preliminary earnings report fails to meet the requirements of stock exchange or annual report regulations.

February 11, 2004
Deloitte & Touche AB

Irene Canerholm
Authorized Public Accountant



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Consolidated Income Statement (SEK million)	2003 Oct-Dec	2002 Oct-Dec	2003 Jan-Dec	2002 Jan-Dec	2001 Jan-Dec
Net sales	379.5	350.7	1,339.7	1,339.2	1,126.8
Cost of goods and services sold	-356.0	-334.3	-1,278.6	-1,289.3	-1,087.3
Gross profit/loss	23.5	16.5	61.1	50.0	39.5
Selling expenses	-15.0	-10.1	-51.2	-43.0	-31.0
Administrative expenses	-7.1	-11.4	-25.2	-37.4	-18.2
Items affecting comparability	-	-50.4	-	-50.4	-15.0
Other operating revenue	0.4	2.0	6.1	9.0	4.9
Other operating expenses	-1.2	-1.4	-9.5	-10.4	-5.9
Operating profit/loss	0.6	-54.7	-18.7	-82.1	-25.7
Net financial items	-3.2	-2.9	-10.8	-11.1	-8.6
Profit/loss after financial items	-2.6	-57.6	-29.4	-93.2	-34.3
Taxes	-0.8	2.5	2.4	8.8	7.6
Profit/loss for the period	-3.4	-55.1	-27.1	-84.4	-26.7
Consolidated Balance Sheet (SEK million)					
			2003 Dec 31	2002 Dec 31	2001 Dec 31
Assets					
Intangible fixed assets			73.1	80.6	153.4
Tangible assets			163.5	185.2	215.7
Financial assets			7.5	11.2	20.3
Total fixed assets			244.2	277.0	389.4
Current assets					
– Inventories			271.8	237.9	295.7
– Accounts receivable			280.8	190.5	253.0
– Other current assets			14.6	24.3	34.8
– Cash and equivalents			11.2	34.7	8.6
Total current assets			578.5	487.4	592.1
Total assets			822.6	764.3	981.5
Liabilities and shareholders' equity					
Shareholders' equity			288.0	322.0	416.6
Provisions			31.5	37.4	44.1
Long-term interest-bearing liabilities			165.9	151.7	158.2
Current interest-bearing liabilities			37.1	47.1	103.1
Total interest-bearing liabilities			203.1	198.8	261.3
Accounts payable			171.5	112.5	142.6
Other current non-interest-bearing liabilities			128.6	93.6	116.9
Total non-interest-bearing liabilities			300.1	206.1	259.5
Total liabilities and shareholders' equity			822.6	764.3	981.5

Cash-flow Statements, Group (SEK million)	2003 Oct-Dec	2002 Oct-Dec	2003 Jan-Dec	2002 Jan-Dec	2001 Jan-Dec
Net profit/loss	-3.3	-55.1	-27.1	-84.4	-26.7
Reversal of depreciation/amortization	12.3	54.4	56.2	101.6	50.9
Capital gain/loss	2.3	2.5	2.2	2.6	-0.1
Other adjustments	-	-	-	-	0.1
Change in deferred tax liability	-10.3	-4.3	-6.8	-3.9	4.1
Change in working capital	-3.8	31.2	-19.8	77.4	-127.1
Net investments	4.9	12.1	-25.5	1.0	-186.5
Cash flow after investments	2.1	40.8	-20.8	94.2	-285.3
Change in loans	-3.5	-5.8	4.2	-62.5	55.3
Dividend	-	-	-	-	-12.5
Translation differences	-1.2	-8.8	-6.9	-5.6	4.9
Issues of new shares/option premiums	-	-	-	-	244.7
Change in cash and equivalents	-2.6	26.2	-23.4	26.1	7.0

Key Ratios	2003 Oct-Dec	2002 Oct-Dec	2003 Jan-Dec	2002 Jan-Dec	2001 Jan-Dec
Gross margin, %	6.2	4.7	4.6	3.7	3.5
Operating margin, % (excl. items affecting comparability)	0.2	-1.2	-1.4	-2.4	-0.9
Operating margin, %	0.2	-15.6	-1.4	-6.1	-2.3
Profit margin, % (excl. items affecting comparability)	-0.7	-2.1	-2.2	-3.2	-1.7
Profit margin, %	-0.7	-16.4	-2.2	-7.0	-3.0
Return on operating capital (ROOC), %	0.5	-37.7	-3.9	-14.4	-8.5
Return on shareholders' equity, %	-4.5	-57.9	-9.0	-22.2	-14.9
Equity/assets, %	35.0	42.7	34.6	42.7	42.4

**The profitability ratios are calculated based on the average of each quarter's balances.*

Per Share Data	2003 Oct-Dec	2002 Oct-Dec	2003 Jan-Dec	2002 Jan-Dec	2001 Jan-Dec
No. of shares at end of period, '000s	11,423	11,423	11,423	11,423	11,423
Profit after full income tax, SEK (excl. items affecting comparability)	-0.29	-0.41	-2.37	-3.14	-1.02
Profit/loss after full income tax, SEK	-0.29	-4.83	-2.37	-7.39	-2.34
Shareholders' equity, SEK	25.22	28.19	25.22	28.19	36.47

Employee stock options issued will increase the number of shares on issue by no more than 346,500, or 3.0 %.

Change in shareholders' equity for the Group	2003 Oct-Dec	2002 Oct-Dec	2003 Jan-Dec	2002 Jan-Dec	2001 Jan-Dec
Opening balance	292.5	380.6	322.0	416.6	206.2
Profit/loss for the period	-3.4	-55.1	-27.1	-84.4	-26.7
Issue of new shares	-	-	-	-	244.7
Dividend	-	-	-	-	-12.5
Translation differences	-1.1	-3.5	-6.9	-10.2	4.9
Closing balance	288.0	322.0	288.0	322.0	416.6