

**The Group's performance in the fourth quarter of 2000 was positive in terms of sales turnover, profits and cash flow.**

- **Sales turnover in 2000 amounted to SEK 256.3 million (238.8 m).**
- **The profit after financial items was SEK 6.0 million (-8.0 m), including funds returned from SPP totalling SEK 5.7 million. Earnings per share were SEK 0.97 (-1.28) The Board proposes that no dividend be paid to shareholders.**
- **The order book was 15% higher than last year and ended the year at SEK 141 million (122 m).**
- **Fast growth within the market for air supply systems for combustion and fuel cell engines is spurring growth in sales and profits.**
- **Positive development for the Group's sales turnover, profits and cash flow is expected in 2001.**

### THE GROUP

#### Summary

Sales turnover in 2000 amounted to SEK 256.3 million, compared with SEK 238.8 million in 1999. Profit after financial items was SEK 6.0 million (-8.0 m).

The reported profit for the year includes funds returned from SPP amounting to SEK 5.7 million.

The fourth quarter showed continued improvement by the Group and the profit for the period was SEK 3.6 million.

The financial position was also strengthened. Cash flow for the fourth quarter was SEK 4.5 million. At the end of the year, liquid funds amounted to SEK 25.8 million (14.3 m).

The Group's improvement in profits is primarily due to the performance of Opcon Autorotor AB, which turned a loss of SEK 10.8 million into a profit of SEK 0.5 million. This improvement came from an increase in development assignments and in deliveries of air systems for fuel cell engines.

In the fuel cell sector an agreement has been signed between Opcon Autorotor AB and Xcellsis, a company jointly owned by DaimlerChrysler, Ballard and Ford that develops fuel cell engines. The agreement states that Opcon Autorotor AB will develop air supply systems for the new engines. In addition, Opcon Autorotor AB has a production agreement in the form of an option with Xcellsis. Opcon Autorotor AB has also signed another agreement with an international engine manufacturer, which represents a breakthrough in the use of compressors for combustion engines that have significantly lower emissions.

During the year SEM AB signed long-term agreements with Husqvarna and Stihl regarding increased deliveries of ignition systems for chainsaws. The two agreements are

worth around SEK 140 million jointly. They are important strategically because they mean the Group's goals for growth will be achieved.

#### Financial position

The Group's liquid funds amounted to SEK 25.8 million (14.3 m) and interest-bearing debt amounted to SEK 59.0 million (59.0 m). Ongoing operations during the year contributed a cash flow of SEK 29.2 million (0.2 m). Total cash flow, after the effects of investment and financing, amounted to SEK 11.5 million, compared with SEK -19.0 million in 1999. The Group's equity/assets ratio was 43.4%.

#### Investments

Investment in machinery, stock and tools during the year totalled SEK 12.9 million (24.1 m), of which SEK 1.0 million (3.9 m) was for product development. Costs for research and development during the year reached SEK 15.5 million (12.2 m), of which SEK 4.9 million (1.6 m) has been carried forward. Two assignments – the Elevate project, a development project partly financed by the EU that aims to develop a clean two-stroke engine, and a project aimed at the development of a module-based motorbike ignition system – represent most of the amount carried forward. The year's depreciation of costs carried forward for research and development amounted to SEK 2.9 million.

#### Employees

The total number of employees at the end of the year was 335 (348).

The average number of employees, measured as full-time staff, was 316 (313).

## **SEM AB**

Sales turnover in 2000 reached SEK 148.6 million (151.4 m). The operating profit for the year was SEK 3.7 million (10.0 m), excluding SEK 4.2 million in funds returned from SPP. The fall in sales turnover and profit was due to, among other factors, reduced deliveries of ignition cassettes for the Saab V6 engine. The reduction was forecast at the start of the year but remained for a longer period than expected. Deliveries to the Saab after-sales market were also down on the previous year. Increased investment in development also affected the operating profit. During the year agreements were signed with Husqvarna and Stihl which mean considerably increased volumes of ignition systems for chainsaws. The agreements run for several years and are jointly worth around SEK 140 million. They strengthen the company's position as one of the world's leading manufacturers of ignition systems for small motors used in products such as chainsaws and hand-held equipment.

## **SEM Drive AB**

Sales turnover in 2000 totalled SEK 59.4 million (50.8 m), a climb of 17%.

The operating profit was SEK 2.1 million (-1.5 m), excluding SPP funds (0). The company performed positively during the year in terms of orders, sales and profits.

## **Transformator-Teknik AB**

Sales turnover totalled SEK 30.0 million (30.4 m) in 2000. The operating profit of SEK 1.4 million (2.3 m), excluding SEK 1.5 million in funds returned from SPP, was negatively affected by one-off costs and increased price pressure for key products.

## **Opcon Autorotor AB**

Sales turnover in 2000 reached SEK 18.9 million (8.2 m). The operating profit was SEK 1.1 million (-10.0 million), excluding funds returned from SPP (0.1 million). The major improvement in profits was due to an increase in development assignments and in orders for air systems for fuel cell engines, plus a recovery in deliveries to the after-sales market for compressors in the US. Furthermore, profits were boosted by a one-off item worth SEK 1.5 million received for signing a development agreement. During the year Opcon Autorotor AB has strengthened its position by signing several delivery and development agreements. The company has joined a development project together with world leading companies that will develop a new engine concept for combustion and fuel cell engines. Development of fuel cells and new combustion

concepts for powering vehicles is on the increase worldwide.

## **Parent company**

The parent company made a loss after financial items of SEK 3.9 million (-4.7 m) in 2000. The parent company did not receive returned SPP funds.

## **Outlook for 2001**

The increase in sales and profits recorded in 2000 is expected to continue into 2001. Growth is the result of the Group's technology and the delivery agreements that have been signed. This unique technology helps to reduce emissions from various types of vehicles and small engines. The focus on development in all of Opcon's business areas will continue. Growth will also be achieved via acquisitions.

The importance of the US market, especially for SEM AB and Opcon Autorotor AB, make it necessary to establish a manufacturing and sales organisation in the US.

Negotiations to this end are under way. SEM AB's four-year agreement with Husqvarna will add significantly to volumes from 2001 onward. SEM AB's volumes in the first quarter of 2001 already show a major increase compared with the same period in 2000. Production of the Stihl order is planned to start during the first half of the year. SEM AB has introduced a new digital ignition system that has attracted great interest among European motorbike manufacturers. SEM AB is also continuing development of its ion sense technology by integrating it into the development of new engine management systems for the more environment-friendly combustion engines of the future. The business area is therefore well equipped to meet the requirements set by new environmental legislation.

In the first quarter of 2001 SEM Drive AB signed a new three-year agreement with Kongsberg Automotive. The agreement strengthens the positive development of the company.

Opcon Autorotor AB has a unique position in the new growth markets for fuel cells and super-charged combustion engines for mobile applications. More and more customers are turning to Opcon Autorotor AB and the increase in orders will lead to increased deliveries in 2001.

This growth means that Opcon Autorotor AB will quickly see a return on investment and that this return will be high in the long term. Within the transformer sector, price pressure remains tough. Continued production in Estonia boosts Transformator-Teknik AB's competitive strength and enables it to win market share while retaining its customers at existing profit margins.

## **Future information**

- ◆ Q1 report: 26 April 2001.
- ◆ Annual Report, 2000: April 2001.
- ◆ AGM: 26 April 2001, Stockholm.
- ◆ Q2 report: 23 August 2001.
- ◆ Q3 report: 25 October 2001.

## The Group

<b>Income statement (SEK 000)</b>	<b>Oct-Dec 2000</b>	<b>Oct-Dec 1999</b>	<b>Full year 2000</b>	<b>Full year 1999</b>
<b>Net sales</b>	<b>73 515</b>	<b>65 116</b>	<b>256 289</b>	<b>238 751</b>
<b>Operating profit before depreciation</b>	<b>9 516</b>	<b>4 919</b>	<b>30 836</b>	<b>17 465</b>
Depreciation of tangible fixed assets	3 539	5 281	18 224	19 194
Depreciation of intangible fixed assets	1 898	1 351	4 471	4 247
<b>Operating profit</b>	<b>4 079</b>	<b>-1 713</b>	<b>8 141</b>	<b>-5 976</b>
Financial items	-518	-465	-2 105	-2 009
<b>Profit/loss after financial items</b>	<b>3 561</b>	<b>- 2 178</b>	<b>6 036</b>	<b>-7 985</b>
Tax	-	-	-	-
Minority shares	76	265	-25	2
<b>Profit/loss for the period</b>	<b>3 637</b>	<b>-1 913</b>	<b>6 011</b>	<b>-7 983</b>
<b>Balance sheet (SEK 000)</b>			<b>31-12-00</b>	<b>31-12-99</b>
Tangible fixed assets			69 421	76 212
Intangible fixed assets			7 896	6 090
Financial fixed assets			46	46
Fixed assets			97 402	89 937
Liquid funds			25 766	14 274
Total assets			200 531	186 559
Shareholders' equity			86 452	80 441
Minority shareholdings			632	607
Interest bearing provisions and liabilities			59 047	59 027
Long-term non interest bearing liabilities			656	655
Current non interest bearing liabilities			53 744	45 829
Total shareholders' equity and liabilities			200 531	186 559
<b>Key figures</b>	<b>Oct-Dec 2000</b>	<b>Oct-Dec 1999</b>	<b>Full year 2000</b>	<b>Full year 1999</b>
Operating margin, %	5.6	-2.6	3.2	-2.5
Return on operating capital, %	-	-	6.6	-5.1
Return on equity, %	-	-	7.2	-9.5
Profit/loss per share, SEK	0.58	-0.31	0.97	-1.28
Equity per share, SEK	13.85	12.89	13.85	12.89
Equity/assets ratio, %	43.4	43.4	43.4	43.4
No. of shares, thousands	6 242	6 242	6 242	6 242
<b>Cash flow statement (SEK 000)</b>	<b>Oct-Dec 2000</b>	<b>Oct-Dec 1999</b>	<b>Full year 2000</b>	<b>Full year 1999</b>
Cash flow from current activities	12 808	6 371	29 181	245
Cash flow from investment activities	-8 230	-9 269	-17 710	-25 582
Cash flow from financing activities	-59	-358	21	6 300
<b>Total cash flow</b>	<b>4 519</b>	<b>-3 256</b>	<b>11 492</b>	<b>-19 037</b>

<b>Income statement (SEK 000) (Per quarter)</b>	<b>Jan- March 2000</b>	<b>Apr- June 2000</b>	<b>Jul- Sept 2000</b>	<b>Oct- Dec 2000</b>	<b>Jan- March 1999</b>	<b>Apr- June 1999</b>	<b>Jul- Sept 1999</b>	<b>Oct- Dec 1999</b>
<b>Net sales</b>	<b>59 574</b>	<b>64 785</b>	<b>58 415</b>	<b>73 515</b>	<b>57 440</b>	<b>67 946</b>	<b>48 249</b>	<b>65 116</b>
<b>Operating profit/loss</b>	<b>-2 403</b>	<b>4 624</b>	<b>1 841</b>	<b>4 079</b>	<b>-2 748</b>	<b>-1 743</b>	<b>228</b>	<b>-1 713</b>
<b>Financial items</b>	<b>-540</b>	<b>-585</b>	<b>-462</b>	<b>-518</b>	<b>-805</b>	<b>-574</b>	<b>-165</b>	<b>-465</b>
<b>Profit/loss after financial items</b>	<b>-2 943</b>	<b>4 039</b>	<b>1 379</b>	<b>3 561</b>	<b>-3 553</b>	<b>-2 317</b>	<b>63</b>	<b>-2 178</b>
Tax	0	0	0	0	0	0	0	0
Minority shares	88	-118	-71	76	-94	-95	-74	265
<b>Profit/loss per quarter</b>	<b>-2 855</b>	<b>3 921</b>	<b>1 308</b>	<b>3 637</b>	<b>-3 647</b>	<b>-2 412</b>	<b>-11</b>	<b>-1 913</b>
<b>Balance sheet (SEK 000)</b>	<b>31-03- 00</b>	<b>30-06- 00</b>	<b>30-09- 00</b>	<b>31-12- 00</b>	<b>31-03- 99</b>	<b>30-06- 99</b>	<b>30-09- 99</b>	<b>31-12- 99</b>
Fixed assets	79 606	76 489	74 570	77 363	80 593	80 437	79 711	82 348
Current assets	93 923	96 000	93 150	97 402	93 660	95 727	90 268	89 937
Liquid funds	10 384	13 677	21 247	25 766	22 894	19 973	17 530	14 274
Total assets	183 913	186 166	188 967	200 531	197 147	196 137	187 509	186 559
Shareholders' equity	77 586	81 507	82 815	86 452	84 777	82 365	82 354	80 441
Minority shareholdings	520	638	709	632	703	799	873	607
Interest bearing provisions and liabilities	57 885	56 576	59 005	59 047	54 410	59 942	60 325	59 027
Long-term non interest bearing liabilities	655	655	655	656	656	656	656	655
Current non interest bearing liabilities	47 267	46 790	45 783	53 744	56 601	52 375	43 301	45 829
Total shareholders' equity and liabilities	183 913	186 166	188 967	200 531	197 147	196 137	187 509	186 559
<b>Key figures</b>								
Operating margin, %	-4.0	7.1	3.2	5.6	-4.8	-2.6	0.5	-2.6
Equity/assets ratio, %	42.5	44.1	44.2	43.4	43.4	42.4	44.4	43.4
No. of shares, thousands	6 242	6 242	6 242	6 242	6 242	6 242	6 242	6 242

**Åmål, Sweden 22 February 2001**

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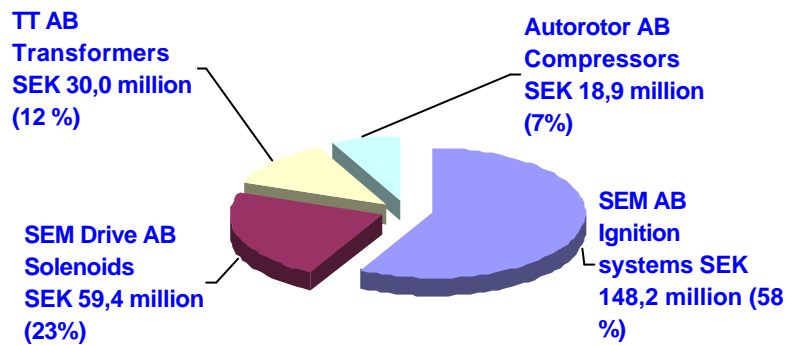
Opcon's business concept is to develop, manufacture and market systems and products that help to generate clean and environment-friendly power. The Group comprises SEM AB, SEM Drive AB and Transformator-Teknik AB, which have manufacturing in Åmål, Sweden, and Opcon Autorotor AB, based in Nacka, near Stockholm. The Group's products include ignition systems and engine management systems, electro-mechanical devices, compressors and transformers. The Group's customers are mainly in the auto, small engine and engineering industries.

The Opcon Group has around 335 employees and has its head office in Åmål, Sweden. Opcon AB is listed on the O list of the OM Stockholm Stock Exchange.

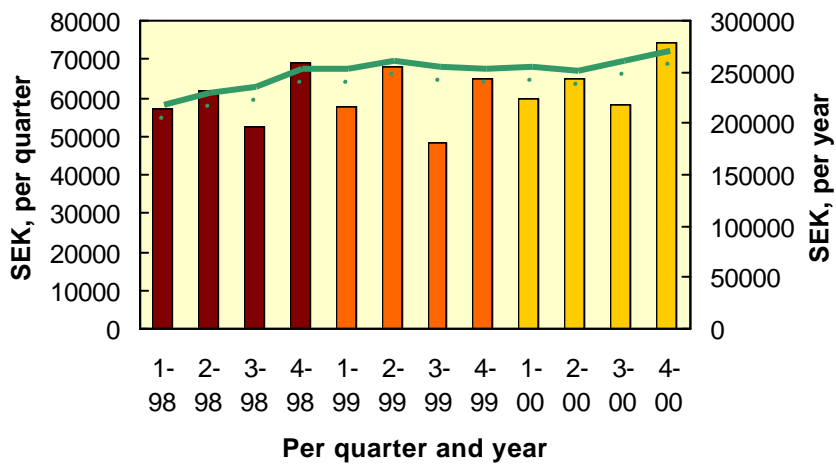
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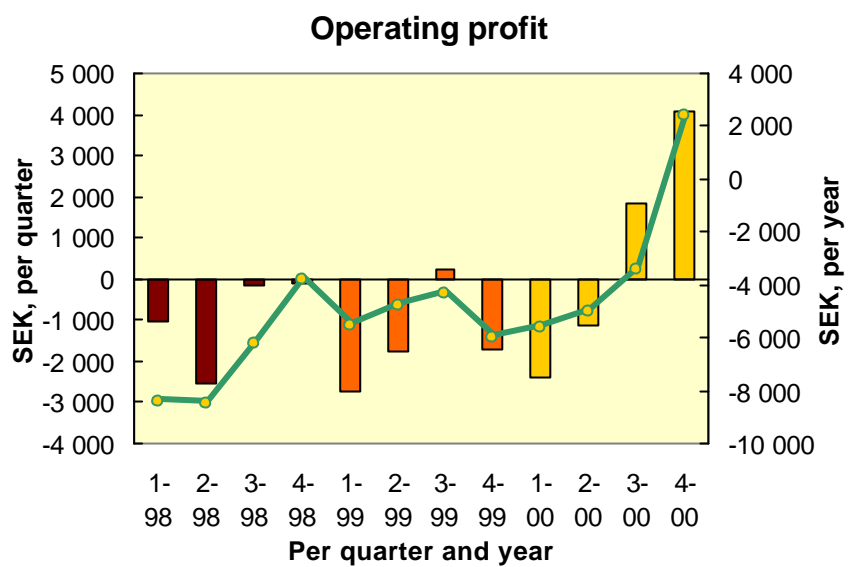
### Opcon, invoiced sales 2000



### Invoiced sales



The left axis and the columns show invoiced sales per quarter.  
The green curve and the right axis show invoiced sales per year.



The left axis and the columns show operating profit per quarter.  
 The green curve and the right axis show operating profit per year.

