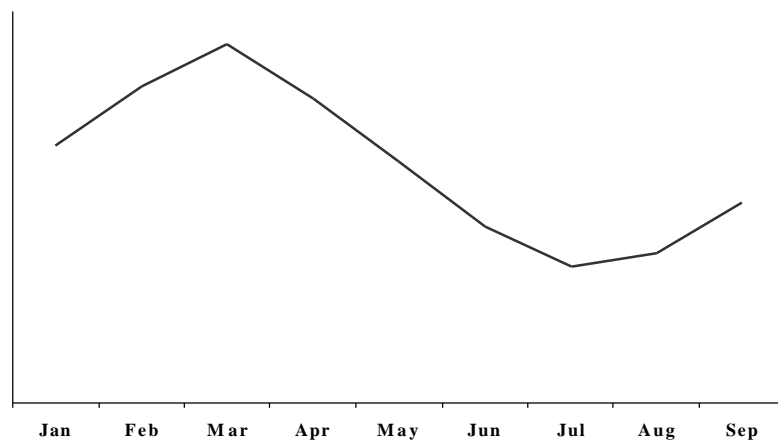


INTERIM REPORT

JANUARY - SEPTEMBER 2001

ORDERS RECEIVED BY MONTH



- Profit after net financial items MSEK 39.3 (50.3)
- Net sales MSEK 564 (495)
- Earnings per share totalled 5.06 (6.55)
- Increased orders received during the third quarter

Sales and profit

Consolidated net sales during the period amounted to MSEK 564 (495). Of total sales, MSEK 28 is

attributable to the acquisition of Henaco in April and MSEK 92 to the acquisition of Sincotron in January.

The Group's profit after net financial items was MSEK 39.3 (50.3).

The market

The market in the first part of the third quarter showed a weakening trend relative to the previous quarter. However, higher activity among ElektronikGruppen's customers in the last month of the quarter generated an increase in orders received due to gradually declining stocks among the customers.

The telecom industry in Europe and Asia has a strong influence on ElektronikGruppen's development, although this dependency has been reduced through the acquisition of Sincotron and Henaco in 2001.

ElektronikGruppen has intensified its focus on electronics manufacturers outside the telecom sector and the new product area for Samsung's TFT-Displays and memory circuits offers potential for volume growth. The sales of product equipment for microelectronics has increased considerably during 2001. ElektronikGruppen has a strong position in new devices for the telecom and electronics industries, motivating strong optimism about the future.

Orders received during the period amounted to MSEK 437 (520).

Operations

Sales in the **EG Electronic Components** business reached MSEK 346 (353). Orders received amounted to MSEK 283 (383), a decrease explained by a standstill in orders for the passive components used in Ericsson's terminals during the period. On the other hand, an increase in orders was noted in the microwave and fiber-optic segments, although to a lesser extent than anticipated. Profit in the business area remained strong but was somewhat lower than the figure for last year.

The **EG Magnetic Technology Components** business area reported sales of MSEK 42 (48) during the period. Orders received amounted to MSEK 30 (58), a decrease attributable to the general downturn in the computer and telecom markets. The business area has received approval for several new customer applications that will result in rising volumes in late 2001 and 2002. Profit in the business area was on par with the preceding year.

The **EG Communication** business area reported invoiced sales of MSEK 129 (113), an increase that refers primarily to splicing of optical fiber and equipment for fiber production. Fiber operations suffered a sharp drop in sales during the quarter due to a stock pile-up situation among the customers. The business area's focus on broadening the customer

base is expected to generate volume growth in the fourth quarter. Orders received during the period totalled MSEK 105 (131). Profit was down somewhat on the year-earlier figure.

The **EG Production Technology** business area reported invoiced sales of MSEK 92 (46), an increase attributable to production equipment, service and training in the Swedish and Polish markets. Orders for production equipment increased during the month of September. Earnings were up on the previous year and made a positive contribution to consolidated profit. Orders received during the period reached MSEK 55 (45).

Intra-Group sales amounted to MSEK 64 (39).

Investments

The period's net investments in tangible and financial fixed assets totalled MSEK 54.0 (8.9), most of which pertained to the acquisitions of Sincotron and Henaco.

Equity ratio and liquidity

The Group's financial position remains strong. The equity ratio on 30 September was 64 (52) per cent and liquid assets amounted to MSEK 41 (32).

Personnel

Dramatic staff cuts were made in Manila, reducing the personnel to around 450, in order to adapt capacity to the prevailing market situation. In other operations, minor adjustments were made primarily during the second quarter. The number of employees on 30 September was 760 (1,067).

Future outlook

The rise in orders received towards the end of the third quarter is expected to continue into the fourth quarter. This is applicable for Scandinavia while Finland is more difficult to evaluate.

Financial calendar

Year-end report, 19 February 2002.

Vällingby, 18 October 2001

ElektronikGruppen BK AB (publ)

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Quarterly values (Group)

	Operating income			Orders received			Profit after net financial items		
(MSEK)	01	00	99	01	00	99	01	00	99
Quarter 1	231	131	113	188	187	110	23.1	12,1	6,8
Quarter 2	203	177	123	152	168	120	14.9	19,9	6,1
Quarter 3	130	187	124	97	165	119	1.3	18,3	8,5
Quarter 4		205	141		205	119		19,8	10,7
		700	501		725	468		70.1	32.1

The Group in Summary

INCOME STATEMENTS, MSEK

Jun-Sep

Jun-Sep

Jan-Sep

Jan-Sep

Full year

	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>	<u>2000</u>
Operating income					
Net sales	123.7	170.3	531.1	458.2	645.8
Other operating income	<u>6.9</u>	<u>16.4</u>	<u>33.2</u>	<u>36.9</u>	<u>53.7</u>
	130.6	186.7	564.3	495.1	699.5
Operating expenses					
Goods for resale, raw materials and consumables	-85.9	-118.0	-369.3	-319.7	- 452.4
Other external costs	-10.2	-13.6	-51.6	-37.5	- 56.6
Personnel costs	-31.1	-31.1	-95.4	-78.7	- 105.7
Depreciation of tangible and intangible fixed assets	-4.4	-3.1	-13.4	-8.3	- 11.5
Other operating expenses	<u>0.0</u>	<u>-1.1</u>	<u>0.0</u>	<u>-1.3</u>	<u>- 2.7</u>
Operating profit	1.0	19.8	34.6	49.6	70.6
Result from financial investments					
Interest income and similar profit/loss items	2.2	2.2	5.4	4.5	3.2
Interest expense and similar profit/loss items	<u>0.1</u>	<u>-3.7</u>	<u>-0.7</u>	<u>-3.8</u>	<u>- 3.7</u>
Profit after financial items	1.3	18.3	39.3	50.3	70.1
Tax on net profit for the period	-0.3	-4.9	-11.1	-14.1	- 19.4
Minority share in profit	<u>-0.1</u>	<u>-0.4</u>	<u>-0.3</u>	<u>-0.9</u>	<u>- 1.1</u>
Net profit for the period	0.9	13.0	27.9	35.3	49.6

BALANCE SHEETS , MSEK

	<u>30/09/01</u>	<u>30/09/00</u>	<u>31/12/00</u>
Intangible fixed assets	46.6	6.5	6.3
Tangible and financial fixed assets			
	50.6	37.4	39.5
Inventories	96.7	84.6	82.2
Accounts receivables	103.4	128.0	123.0
Other current receivables	17.0	22.9	11.7
Cash and bank balances	<u>41.5</u>	<u>32.0</u>	<u>57.1</u>
Total assets	345.8	311.4	319.8
Shareholders' equity (<i>Note 1</i>)	218.6	157.6	172.8
Minority interest	1.3	2.0	2.2
Interest-bearing liabilities	11.8	0.0	0.0
Operating liabilities and provisions	<u>114.1</u>	<u>151.8</u>	<u>144.7</u>
Total shareholders' equity and liabilities	345.8	311.4	319.8

CASH FLOW STATEMENTS, MSEK

	<u>Jan- Sep</u> <u>2001</u>	<u>Jan-Sep</u> <u>2000</u>	<u>Full year</u> <u>2000</u>
Cash flow before change in working capital	41.6	46.1	67.3
Change in working capital	<u>-33.8</u>	<u>-32.9</u>	<u>- 25.2</u>
Cash flow from operating activities	7.8	13.2	42.1
Cash flow from investing activities	-53.9	-8.9	- 16.0
Cash flow from financing activities	<u>30.5</u>	<u>-4.7</u>	<u>-1.3</u>
Total shareholders' equity and liabilities	-15.6	-0.4	24.8

	Share capital	Restricted reserves	Unrestricted reserves	Total
<i>Note 1</i> Change in shareholders' equity				
Opening balance	27.0	43.1	102.7	172.8
Dividend ElektronikGruppen BK			-7.0	-7.0
New share issue	1.0	20.0		21.0
Equity method reserve		0.7	-0.7	0
Transfer between restricted and non-restricted equity		-0.3		
Change in translation difference			3.9	3.9
Net profit for the period			27.9	27.9
Closing balance	28.0	63.8	126.8	218.6

Three year summary, MSEK

	Jan-Sep <u>2001</u>	Jan-Sep <u>2000</u>	Jan-Sep <u>1999</u>	Full year <u>2000</u>	Full year <u>1999</u>	Full year <u>1998</u>
INCOME STATEMENTS						
Operating income	564.3	495.1	359.8	699.5	500.9	456.7
Operating profit	34.6	49.6	20.7	70.6	30.7	33.9
Profit before tax	39.3	50.3	21.4	70.1	32.1	36.0
Tax	-11.1	-14.1	-5.4	-19.4	-10.3	-10.9
Minority share in profit	<u>-0.3</u>	<u>-0.9</u>	<u>-0.2</u>	<u>-1.1</u>	<u>-0.3</u>	<u>-1.3</u>
Net profit for the period	27.9	35.3	15.8	49.6	21.5	23.8
ASSETS						
Intangible fixed assets	36.6	6.5	7.0	6.3	7.3	5.2
Tangible and financial fixed assets	50.6	37.4	34.5	39.5	33.9	33.7
Liquid assets	41.5	32.0	30.8	57.1	32.4	37.9
Other current assets	<u>217.1</u>	<u>235.5</u>	<u>136.0</u>	<u>216.9</u>	<u>143.1</u>	<u>113.6</u>
Total assets	345.8	311.4	208.3	319.8	216.7	190.4
Shareholders' equity	218.6	157.6	119.8	172.8	126.4	108.7
Minority interest	1.3	2.0	3.8	2.2	2.0	3.7
Interest-bearing liabilities	11.8	0.0	0.2	0.0	0.0	1.7
Operating liabilities and provisions	<u>114.1</u>	<u>151.8</u>	<u>84.5</u>	<u>144.7</u>	<u>88.3</u>	<u>76.3</u>
Total shareholders' equity and liabilities	345.8	311.4	208.3	319.8	216.7	190.4
KEY RATIOS						
Gross margin, %	9.0	12.6	7.9	12.7	8.3	9.6
Operating margin, %	6.5	10.8	6.0	10.9	6.4	7.6
Profit margin, %	7.4	11.0	6.2	10.9	6.7	8.0
Return on equity, %	14.2	24.8	13.9	33.3	18.3	24.2
Return on capital employed, %	20.8	39.8	19.9	52.4	28.9	38.5
Return on total capital, %	12.0	20.5	11.1	27.7	16.1	20.3
Equity ratio, %	63.6	51.3	59.4	54.5	59.3	59.1
Debt/equity, times	0.05	0.0	0.0	0.0	0.0	0.0
Share of risk-weighted capital, %	67.1	53.9	63.3	57.8	63.1	63.4
Interest coverage ratio, times	60.1	14.3	36.3	17.6	50.7	66.6
Earnings per share, SEK	5.06	6.55	2.95	9.19	3.99	4.45
Earnings per share After dilution, SEK	4.76			-	-	.
Number of shares on closing day	5597			5 408	5 384	5 359
Equity per share, SEK	39.05	29.27	22.25	31.96	23.48	20.29
Share price at year-end, SEK	53			119	83	60
Net investments in fixed assets						
- tangible	18.5	8.9	2.6	12.5	3.7	15.9
- financial	35.4	0.0	7.2	3.5	7.2	3.6
Investments as a % of net sales	9.6	1.8	2.7	2.2	2.2	4.3

The same accounting principles as in the annual report has been applied.
The interim report has not been examined by the Auditors.

ElektronikGruppen BK AB

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