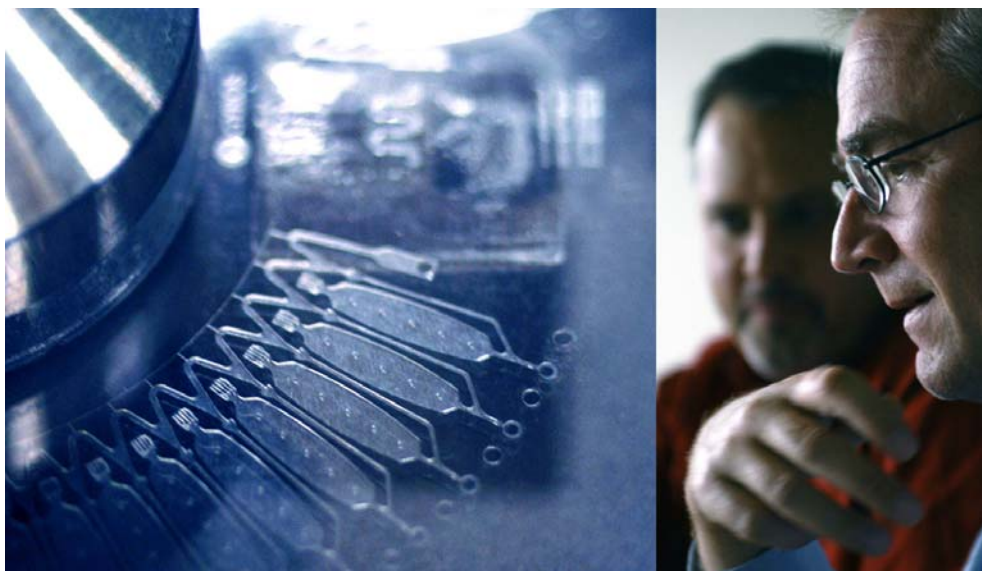


January - June 2004 Interim Report



Substantially Improved Operating Earnings Twenty-three Percent First Six Months Organic Growth

Net revenue rose to SEK 803.2 million (652.6).

•
Operating earnings were SEK 24.0 million (-19.1).

•
The profit after tax was SEK 10.0 million (-19.9).

•
Earnings per share after full income tax totaled SEK 0.87 (-1.74).

Market Trends

During the past six months, PartnerTech has signed a number of large new contracts. All of the new assignments have been high up in the value chains of the products.

The business climate in the segments that PartnerTech serves remained relatively unchanged during the first six months of 2004. The telecom infrastructure segment and individual IT/mechatronics customers were exceptions. Demand improved in both cases.

There are indications that more customers are altering their manufacturing strategies and that many industrial companies are turning over a larger percentage of their development and production effort to contract manufacturers. Such trends are set to boost demand for PartnerTech's services, both short-term and long-term.

PartnerTech's focus, proceeding from advanced mechatronics expertise, on contract manufacturing of entire systems or products has also contributed significantly to its recent success in the market.

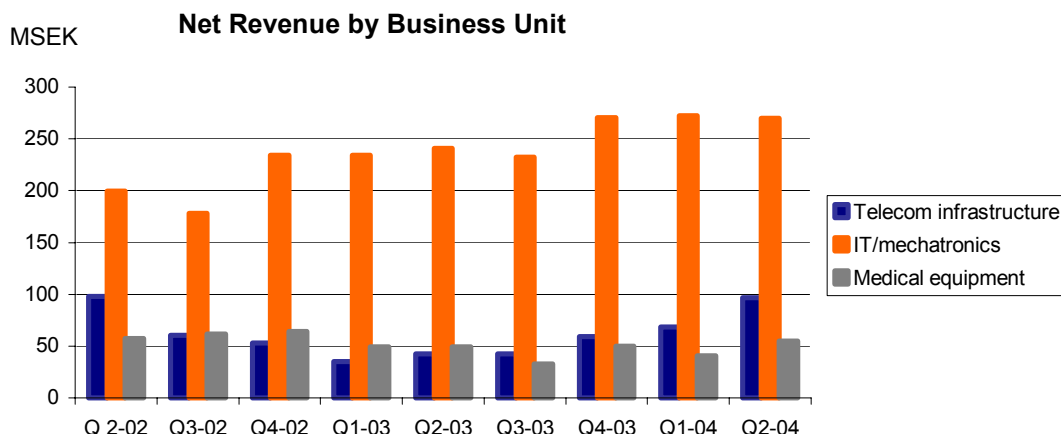
Net Revenue, Earnings and Profitability

Net revenue rose by SEK 150.6 million, or 23%, to SEK 803.2 million (652.6) during the first half of 2004. The increase, which was organic, consisted primarily of new orders that had begun during the past nine months.

Revenue improved by 113% for the Telecom Infrastructure, and 14% for the IT/Mechatronics, business unit. The increases both stemmed from new market shares. Telecom Infrastructure also benefited from generally higher demand. A cautious market caused the Medical Equipment business unit's revenue to decline by 3% from the first six months of 2003.

Net Revenue by Business Unit

(SEK million)	2004 Apr-Jun	2003 Apr-Jun	2004 Jan-Jun	2003 Jan-Jun	Past 12 mos. Jul-Jun	2003 Jan-Dec
Telecom						
Infrastructure	97.3	42.4	165.5	77.8	267.6	179.9
IT/Mechatronics	270.1	241.0	542.2	476.5	1,044.6	978.9
Medical Equipment	54.6	49.0	95.5	98.3	178.1	180.9
Total	422.0	332.4	803.2	652.6	1,490.3	1,339.7



The Group's net revenue was up by 27% to SEK 422.0 million (332.4) from the second quarter of 2003 to the second quarter of 2004.

Operating earnings improved by SEK 43.1 million compared with the first six months 2003 to SEK 24.0 million (-19.1). The increase corresponded to a 5.9 percentage point rise in the operating margin. The improvement, which steadily gained traction over five successive quarters, was spurred by a number of factors, the most important being organic growth and ongoing cost effectiveness measures.

The implementation of cost effectiveness measures continues. Meanwhile, a number of contracts that have already been signed will lead to production startups in the near future. Combined with PartnerTech's ongoing marketing and customer focus, such developments will contribute substantially to additional profitability growth.

Financial items for the first six months 2004 were SEK -6.3 million (-4.4). In addition to greater indebtedness as the result of stepped-up activity, the figure reflected non-recurring charges in connection with the establishment of a better financing structure.

Earnings after financial items increased by SEK 41.1 million to SEK 17.6 million (-23.5) during the first six months. A SEK 20.7 million rise in the second quarter generated earnings after financial items of SEK 12.2 million (-8.5).

Group Performance by Quarter

(SEK million)	Q 2 2002	Q 3 2002	Q 4 2002	Q 1 2003	Q 2 2003	Q 3 2003	Q 4 2003	Q 1 2004	Q 2 2004
Net revenue	354.6	299.7	350.7	320.2	332.4	307.6	379.5	381.1	422.0
Operating profit/loss*	-7.7	1.4	-4.3	-12.9	-6.2	-0.4	0.6	8.6	15.4
Operating margin*	-2.2%	0.5%	-1.2%	-4.0%	-1.9%	-0.1%	0.2%	2.2%	3.7%

*Excluding items affecting comparability (SEK -50.4 million in Q4, 2002)

Financial Position and Liquidity

Greater activity, including the takeover from customers of two production units (in Sweden and Germany), boosted working capital by SEK 66.2 million, or 27%, to SEK 314.8 million (248.6) from June 30, 2003 to June 30, 2004. The increase from the beginning of the year was SEK 47.8 million.

Operating capital was up by SEK 28.9 million, or 6%, to SEK 510.9 million (482.0) from June 30, 2003 and by SEK 31.0 million from December 31.

Net investments totaled SEK 10.8 million (27.1) for the first half of the year. SEK 20.7 million of the 2003 figure was for the Karlskoga mechanics unit.

Cash flow after investments amounted to SEK -21.1 million (-15.8) in the first six months. The negative cash flow was due primarily to higher working capital in connection with the increased activities of taking over production from two different customers and production start-ups of a number of new orders.

Net borrowing, i.e., interest-bearing liabilities less cash and equivalents, was SEK 211.6 million (183.8) at the end of June, up by SEK 27.8 million from June 30, 2003 and SEK 19.7 million from December 31.

Shareholders' equity came to SEK 299.4 million (298.2) on June 30.

The equity/assets ratio was 31.8% (35.3) at the end of the period.

Personnel

The number of full-time employees averaged 1,225 (1,130) during the first six months.

The Group had 1,295 (1,147) full-time employees at the end of the period.

Accounting Principles

The same accounting principles have been employed as in the annual report for 2003.

Important Developments During the Period

PartnerTech signed a number of major new contracts during the period.

In January, the company concluded an agreement on five radio base station components for a global telecom equipment maker. The assignment will add some SEK 100 million to PartnerTech's 2004 revenue.

PartnerTech signed an agreement with Perten Instruments in February. As a result, PartnerTech took over, during the spring, production of the analytical instruments that Perten had previously manufactured in Sweden and Germany. The agreement is initially worth SEK 30-50 million to PartnerTech on an annual basis.

PartnerTech and SWE-DISH Satellite Systems signed a letter of intent in February to launch a major strategic alliance. The outsourcing assignment will generate annual revenue of some SEK 100 million for three years. In the wake of the agreement, PartnerTech took over production at SWE-DISH Satellite Systems' Swedish plant as of May 2004.

In March EssNet Interactive, a leading company of gaming systems, signed PartnerTech's biggest agreement yet in. Representing revenue of some SEK 450 million for PartnerTech over three years, the assignment involves production and distribution of PC-based gaming terminals. Production, which started up in June, initially entails limited volumes. Full capacity is expected to be reached in January 2005.

PartnerTech signed an agreement in June with M2, a world-leading supplier of production solutions for CDs and DVDs. The agreement will boost PartnerTech's annual net revenue by an estimated SEK 80 million. Serial production will begin in the autumn.

PartnerTech decided in June to invest in the expansion of its Sieradz, Poland plant. The extension is scheduled for completion during the first half of 2005.

Upcoming Financial Reports

The release date for the January-September interim report has been changed to October 25.

PartnerTech AB, July 15, 2004
Mikael Jonson
CEO

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The company's auditors have not examined this interim report.

Consolidated Income Statement (SEK million)	2004 Apr-Jun	2003 Apr-Jun	2004 Jan-Jun	2003 Jan-Jun	Rolling 12 mos.	2003 Jan-Dec
Net revenue	422.0	332.4	803.2	652.6	1,490.3	1,339.7
Cost of goods and services sold	-385.4	-320.0	-738.7	-631.8	-1,385.5	-1,278.6
Gross profit/loss	36.6	12.4	64.5	20.8	104.7	61.1
Selling expenses	-13.2	-12.2	-26.0	-26.1	-51.1	-51.2
Administrative expenses	-7.6	-6.0	-13.1	-12.3	-26.0	-25.2
Other operating revenue	2.5	3.1	3.9	4.5	5.5	6.1
Other operating expenses	-2.9	-3.5	-5.3	-6.0	-8.7	-9.5
Operating profit/loss	15.4	-6.2	24.0	-19.1	24.4	-18.7
Financial items	-3.2	-2.3	-6.3	-4.4	-12.7	-10.8
Profit/loss after financial items	12.2	-8.5	17.6	-23.5	11.6	-29.5
Taxes	-5.0	0.9	-7.6	3.6	-8.8	2.4
Profit/loss for the period	7.3	-7.6	10.0	-19.9	2.8	-27.1

Consolidated Balance Sheet (SEK million)	2004 June 30	2003 June 30	2003 Dec 31
Assets			
Intangible fixed assets	69.0	78.3	73.1
Tangible assets	150.1	186.6	163.5
Financial assets	7.8	12.2	7.7
Total fixed assets	226.9	277.1	244.3
Current assets			
– Inventories	360.7	299.3	268.5
– Accounts receivable	327.4	231.3	280.8
– Other current assets	12.6	26.7	15.0
– Cash and equivalents	14.2	9.8	11.2
Total current assets	714.9	567.0	575.5
Total assets	941.8	844.2	819.8
Liabilities and shareholders' equity			
Shareholders' equity	299.4	298.2	288.0
Provisions	30.7	43.9	31.5
Long-term interest-bearing liabilities	13.5	91.2	17.1
Current interest-bearing liabilities	212.3	102.4	186.0
Total interest-bearing liabilities	225.8	193.6	203.1
Accounts payable	220.8	174.8	171.5
Other current non-interest-bearing liabilities	165.1	133.7	125.7
Total non-interest-bearing liabilities	385.9	308.5	297.2
Total liabilities and shareholders' equity	941.8	844.2	819.8

Cash Flow Statements, Group (SEK million)	2004 Apr-Jun	2003 Apr-Jun	2004 Jan-Jun	2003 Jan-Jun	Rolling 12 mos.	2003 Jan-Dec
Net profit/loss	7.3	-7.6	10.0	-19.9	2.8	-27.1
Reversal of depreciation/amortization	14.2	12.9	28.4	27.3	58.1	57.0
Capital gain/loss	-0.0	-3.3	-0.1	-0.3	2.4	2.2
Change in deferred tax liability	-0.1	5.9	0.0	3.2	-5.4	-2.2
Change in working capital	-23.9	-24.3	-48.5	1.1	-54.3	-4.7
Net investments	-6.8	-1.6	-10.8	-27.1	-35.1	-51.4
Cash flow after investments	-9.4	-17.9	-21.1	-15.8	-31.6	-26.2
Change in loans	6.5	16.5	22.7	-5.2	32.1	4.2
Dividend	-	-	-	-	-	-
Translation differences	0.9	-0.8	1.4	-3.9	3.8	-1.5
Change in cash and equivalents	-2.0	-2.3	3.0	-24.9	4.4	-23.4

Key Ratios	2004 Apr-Jun	2003 Apr-Jun	2004 Jan-Jun	2003 Jan-Jun	Rolling 12 mos.	2003 Jan-Dec
Gross margin, %	8.7	3.7	8.0	3.2	7.0	4.6
Operating margin, %	3.7	-1.9	3.0	-2.9	1.6	-1.4
Profit margin, %	2.9	-2.5	2.2	-3.6	0.8	-2.2
Return on operating capital (ROOC), %	12.5	-5.1	9.7	-8.0	4.9	-3.9
Return on shareholders' equity, %	9.9	-9.8	6.8	-12.9	1.0	-9.0
Equity/assets ratio, %	31.8	35.3	31.8	35.3	31.8	35.1

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

Per Share Data	2004 Apr-Jun	2003 Apr-Jun	2004 Jan-Jun	2003 Jan-Jun	Rolling 12 mos.	2003 Jan-Dec
No. of shares at end of period (thousands)	11,423	11,423	11,423	11,423	11,423	11,423
Profit/loss after full income tax, SEK (excl. items affecting comparability)	0.64	-0.66	0.87	-1.74	0.25	-2.37
Profit/loss after full income tax, SEK	0.64	-0.66	0.87	-1.74	0.25	-2.37
Shareholders' equity, SEK	26.21	26.10	26.21	26.10	26.21	25.21

Change in Shareholders' Equity for the Group	2004 Apr-Jun	2003 Apr-Jun	2004 Jan-Jun	2003 Jan-Jun	Rullande 12 mån	2003 Jan-Dec
Opening balance	291.2	306.6	288.0	322.0	298.2	322.0
Profit/loss for the period	7.3	-7.6	10.0	-19.9	2.8	-27.1
Translation differences	0.9	-0.8	1.4	-3.9	-1.6	-6.9
Opening balance	299.4	298.2	299.4	298.2	299.4	288.0