



Gylling Optima Batteries AB (publ)

January – March 2000

- Net sales increased by 2% to SEK 79.6 (77.9) million
- Operating result increased by SEK 3.783 (2.073) million
- Profit after financial items SEK 1.802 (1.022) million
- Positive sales development in the US, Asia and the Middle East/Africa make up for weak performance in Europe
- European distributors restructured
- First delivery of Optima Spiralpack™ for industrial applications

**GYLLING OPTIMA BATTERIES AB (publ)
QUARTERLY REPORT
JANUARY-MARCH, 2000**

Market and sales

Sales in the first quarter 2000 present a mixed picture.

In the US, volumes rose by 9% despite the very mild winter which, according to BCI, caused total US battery sales in January-February to drop by about 20%.

The distribution and development agreement with GNB is on schedule.

Volume sales were up 11% in the Middle East/Africa region and 42% in Asia, while falling by 31% in Europe.

Europe has been affected by the ever higher US dollar exchange rate. Optima has given notice to under-performing distributors while new ones have been appointed. These changes have resulted in some volume delays. Banner GmbH, Austria's leading battery manufacturer, has been appointed as Optima's new distributor in Austria and Switzerland; a measure which will improve Optima's coverage in these countries.

A total of 127,107 batteries were sold in the first quarter of 2000, compared to 129,306 in the same period 1999.

Production

Production has focused on the new 75/35 battery for GNB. Capacity expansion and restructuring continued during the quarter.

Research and Development

During the quarter, Optima's new 36 volt prototypes were tested in cooperation with leading vehicle manufacturers in Europe. In these projects, Optima's technology has proven its leading position, as a result of which other projects involving the existing product range have now been initiated for similar applications.

Result

The Optima Group posted a profit after financial items of SEK 1.802 (1.022) million.

Financial position

The corporation's liquid assets as at 31 March amounted to SEK 2.661 (5.565) million. Unused overdraft facilities amounted to SEK 18.337 (15.927) million. Corporate investments in the period amounted to SEK 8.5 (1.8) million.

The equity/assets ratio was 32.7 (35.9) percent while the debt/equity ratio was 1.58 (1.32).

Sales

Sales increased to SEK 79.627 (77. 934) million.

Outlook

North America has enjoyed its warmest winter in 109 years. More normal weather patterns during the rest of the year should result in good sales in the US. To compensate for the climate effect, Optima has focused on industrial applications. During the quarter, Optima established a collaborative

Spiralpack™ venture with two leading suppliers of truck batteries. At the beginning of the year, all experts agreed that the dollar rate would drop in the spring and reach a level around SEK 8 by year-end. The actual trend has been the opposite and the Board now expects slow sales to continue in Europe. The Board forecasts volume growth of 15% in 2000.

Annual General Meeting

The Board has called the annual general meeting for 3:00 PM on May 18 at 90 Vendevägen, Danderyd, Sweden.

Notice of attendance

Shareholders wishing to attend the annual general meeting must:

- *Be entered in the shareholder record maintained by VPC AB as of May 8, 2000.*
- *Give notice of attendance to the company by 4:00 PM on Tuesday, May 16, by writing to Gylling Optima Batteries AB, Box 742, S-182 17 Danderyd, or telephoning +46 (0)8-622 32 00.*
- *When notifying the company, shareholders must state their*

name, identity number, address and telephone number as well as registered share holdings.

To be eligible to attend the annual general meeting, shareholders



are registered through a trustee must arrange with their trustee for temporary registration of the shares in their own name. Such registration must be effected in good time before May 8, 2000.

Upcoming opportunities for information

- *Mid-year report, Thursday, August 24, 2000.*
- *Year-to-date report, January-September, 22 November, 2000*

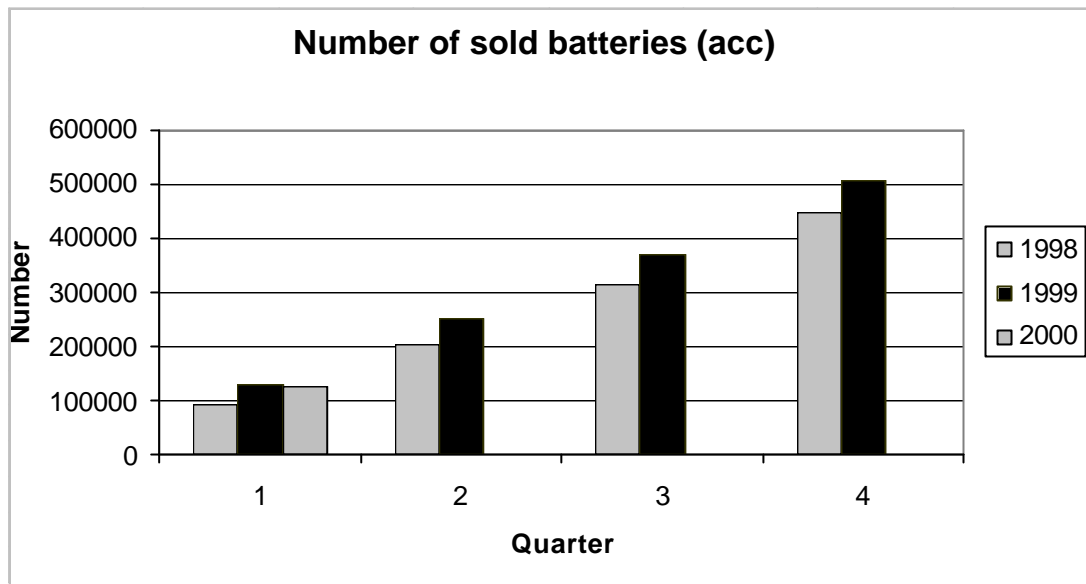
Danderyd, May 4, 2000

Bertil Gylling

President and CEO

Questions relating to this report will be handled by Deputy CEO Pär M. Ericson or Corporate Lawyer Lars Burström.

This quarterly report has not been subject to auditors' review.



CORPORATE STATEMENT OF PROFIT AND LOSS SEK x 000	2000-01-01 2000-03-31	1999-01-01 1999-03-31	1999-01-01 1999-12-31
Net sales	79,627	77,934	324,462
Cost of goods sold	-55,884	-54,242	-226,678
Gross income	23,743	23,692	97,784
Sales and marketing expenses	-8,837	-11,059	-41,946
Administrative expenses	-8,551	-9,306	-33,663
Research and development expenses	-2,572	-1,254	-5,484
Operating result	3,783	2,073	16,691
Financial net	-1,981	-1,051	-9,648
Result after financial net	1,802	1,022	7,043
Taxes	-185	-	710
Result for the period	1,617	1,022	7,753
CORPORATE BALANCE SHEET SEK x 000	2000-03-31	1999-03-31	1999-12-31
Capital assets	157,899	106,407	151,604
Other financial assets	40,989	32,524	35,680
Inventory	47,165	53,558	43,950
Accounts receivable	59,079	53,965	60,454
Liquid assets	2,904	5,565	6,114
Total assets	308,036	252,019	297,802
Paid-up capital	100,720	90,424	98,170
Interest-bearing liabilities	159,337	119,644	151,574
Accounts payable	23,755	22,043	28,094
Other non-interest bearing liabilities	24,224	19,908	19,964
Total paid-up capital and liabilities	308,036	252,019	297,802
KEY NUMBERS	2000-03-31	1999-03-31	1999-12-31
Gross margin (%)	29.82%	30.40%	30.14%
Operating margin (%)	4.75%	2.66%	5.14%
Profit margin (%)	2.26%	1.31%	2.17%
Return on paid-up capital (%)	1.71%	1.14%	8.31%
Return on working capital (%)	2.38%	1.96%	10.70%
Equity/assets ratio (%)	32.70%	35.88%	32.96%
Debt/assets ratio (factor)	1.58	1.32	1.54
Proportion of capital at risk (%)	32.70%	35.88%	32.96%
Interest coverage ratio (factor)	1.48	1.33	1.41
Number of batteries sold	127,000	129,000	508,000
DATA PER SHARE	2000-03-31	1999-03-31	1999-12-31
Number of shares	29,915,400	29,915,400	29,915,400
Profit per share after tax	0.05	0.04	0.26
P/E ratio (factor)	231	209	52
Paid up capital SEK	3.37	3.02	3.28
CORPORATE CASH FLOW ANALYSIS SEK x 000	2000-03-31	1999-03-31	1999-12-31
Cash flow from current operations before changes to working capital	3,450	4,022	11,325
Changes to working capital	- 6,573	- 7,778	- 33,856
Cash flow from current operations	- 3,123	- 3,756	- 22,531
Investment activities	- 8,508	- 1,809	- 18,967
Financing activities	8,178	- 1,672	34,810
Cash flow during period	- 3,453	- 7,237	- 6,688
Liquid assets at start of year	6,114	12,802	12,802
Liquid assets at end of period	2,661	5,565	6,114

