ADDTECH

PRODUCT DESCRIPTION
The picture shows a multi-ganged potentiometer, which is used as an angle sensor for safety-critical applications. As an example, the potentiometer is used in steering systems for ships where continuous measurement of angle position with high accuracy and multiple redundancy is necessary.

YEAR-END REPORT Q4
1 APRIL 2015-31 MARCH 2016

FOURTH QUARTER (1 JANUARY - 31 MARCH 2016)

- **Net sales** amounted to SEK 1,631 million (1,542) and rose by 6 percent.
- **The operating profit before amortisation of intangible non-current assets (EBITA)** amounted to SEK 142 million (139) corresponding to an EBITA-margin of 8.7 percent (9.1).
- **Operating profit** amounted to SEK 117 million (118) corresponding to an operating margin of 7.2 percent (7.7).
- **Profit after financial items** amounted to SEK 108 million (114) and profit after tax amounted to SEK 85 million (88).
- **Earnings per share before and after dilution** (EPS) totalled SEK 1.25 (1.30).
- **During the quarter,** the Group implemented two acquisitions, which add annual sales of about SEK 100 million.
- **At an Extraordinary General Meeting** on 9 March 2016 a decision was made, in accordance with the Board's proposal, to distribute all of Addtech's shares in AddLife AB to Addtech shareholders. The first day of trading in the Class B AddLife share on Nasdaq Stockholm was 16 March 2016.

FULL YEAR (1 APRIL 2015 - 31 MARCH 2016)

- **Net sales** amounted to SEK 6,155 million (5,719) and rose by 8 percent.
- **The operating profit before amortisation of intangible non-current assets (EBITA)** amounted to SEK 536 million (510) corresponding to an EBITA-margin of 8.7 percent (8.9).
- **Operating profit** amounted to SEK 443 million (431) corresponding to an operating margin of 7.2 percent (7.5).
- **Profit after financial items** amounted to SEK 423 million (410) and profit after tax amounted to SEK 333 million (321).
- **Earnings per share before and after dilution** (EPS) totalled SEK 4.85 (4.70).
- **Cash Flow from operations per share** amounted to SEK 7.10 (8.40).
- **Return on working capital (P/WC)** amounted to 38 percent (44) and **the equity ratio** was 40 percent (40).
- **During the financial year** 10 acquisitions made by the Group have taken effect, adding annual sales of about SEK 640 million.
- **The Board of Directors** proposes a dividend of SEK 3.25 per share (3.25).

SUMMARY OF THE GROUP'S DEVELOPMENT	Fourth quarter			Full year		
SEKm	2015/2016	2014/2015	Change %	2015/2016	2014/2015	Change %
Net sales	1,631	1,542	6	6,155	5,719	8
EBITA	142	139	2	536	510	5
EBITA-margin %	8.7	9.1		8.7	8.9	
Profit after financial items	108	114	-5	423	410	3
Profit for the period	85	88	-3	333	321	4
Earnings per share before dilution (EPS), SEK	1.25	1.30	-4	4.85	4.70	3
Cash flow per share from operations, SEK				7.10	8.40	-15
Return on working capital (P/WC), %				38	44	
Return on equity, %				20	28	
The equity ratio, %				40	40	

For definitions of the above key performance indicators, see definitions on page 20.

All data in this report refer to continuing operations, excluding the distribution of AddLife, unless otherwise stated. All figures regarding the income statement refer to continuing operations retroactively from 1 April 2015. All figures regarding the balance sheet refer to continuing operations from 31 March 2016 without retroactivity for earlier periods.

COMMENTS BY THE PRESIDENT AND CEO

All in all business conditions were relatively stable during the fourth quarter, although we experienced considerable variation between our different customer segments. For the full year, we are reporting a slight increase in profit, which is thanks to our focus on costs and implementation of several acquisitions.

The Group was adversely affected to a substantial extent during the year by the lower investments in oil and gas in Norway. This has significantly affected our profit, as these sales had a margin that exceeded the Group average. It remains too early to say when that market will recover, but our companies that operate there experienced a stabilisation of demand during the fourth quarter, albeit at a low level. The business conditions in our other customer segments in the Norwegian market were relatively stable, and there are certain indications that demand may increase in these segments. In Sweden the activity level from manufacturing customers remained good, and demand grew in electrical infrastructure and in building and installation. In Denmark the market conditions are favourable, and we have had a positive sales trend. In Finland we also succeeded in maintaining sales at a sound level, despite lower demand in several market segments. In our markets outside the Nordics, business conditions improved as a whole during the final part of the year.

We are keeping our focus on increasing profitability and replacing lost sales with new deals that can contribute to our profit growth. In addition we have launched a number of cost rationalisation projects. These initiatives had a limited effect in the fourth quarter, but we expect a gradually increasing effect in 2016/2017.

In March, more than 10 years after we acquired operations in AddLife, Addtech's shareholdings in AddLife were distributed to our shareholders, and the company was listed on Nasdaq Stockholm. The visibility of both Addtech and AddLife increases, and we can focus on our respective main markets, which creates better conditions for further long-term profitable growth. In our reporting as of the fourth quarter 2015/2016, we will focus on our continuing operations.

We are delighted to note that our well-established acquisition strategy continues to be very effective and our activity level remains high. During the fourth quarter we implemented two acquisitions, which add annual sales of about SEK 100 million. This year's acquisitions, ten in total, add annual sales of about SEK 640 million. So far in the new year we have implemented four acquisitions that bring additional annual sales of about SEK 200 million.

Stockholm, 12 May 2016

Johan Sjö
President and Director

GROUP PERFORMANCE FOR THE FOURTH QUARTER (1 JANUARY 2016 - 31 MARCH 2016)

Net sales in the fourth quarter increased by 6 percent to SEK 1,631 million (1,542). For comparable units, sales decreased 1 percent and acquired growth totalled 8 percent. Exchange rate changes had a negative effect of 1 percent, corresponding to SEK 20 million on net sales, and had a marginally negative effect on operating profit.

Operating profit for the quarter totalled SEK 117 million (118), corresponding to an operating margin of SEK 7.2 percent (7.7). Profit after financial items amounted to SEK 108 million (114). Profit after tax for the quarter amounted to SEK 85 million (88) corresponding to EPS before and after dilution of SEK 1.25 (1.30).

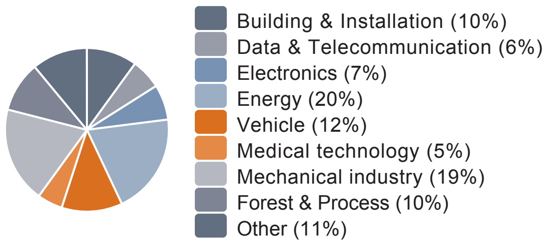
GROUP PERFORMANCE FOR THE PERIOD (1 APRIL 2015 - 31 MARCH 2016)

Net sales in the Addtech Group rose by 8 percent during the financial year to SEK 6,155 million (5,719). The organic growth increased marginally and acquired growth totalled 8 percent. Exchange rate changes had a marginally negative effect on net sales, corresponding to SEK 20 million, and a marginally positive effect on operating profit, corresponding to SEK 3 million.

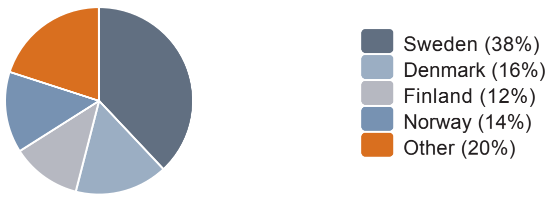
Operating profit increased during the financial year by 3 percent to SEK 443 million (431) and the operating margin stood at 7.2 percent (7.5). Net financial items were SEK -20 million (-21) and profit after financial items increased by 3 percent to SEK 423 million (410).

Profit after tax for the financial year rose by 4 percent to SEK 333 million (321) and the effective tax rate was 21 percent (22). EPS before and after dilution for the financial year amounted to SEK 4.85 (4.70).

Sales by customer segment



Sales by geographic market



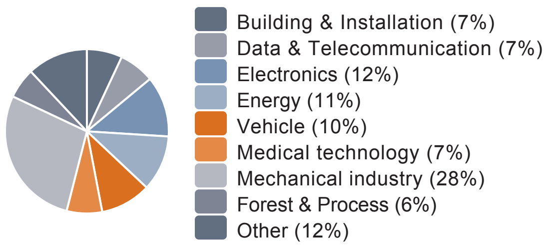
DEVELOPMENT IN THE BUSINESS AREAS - FOURTH QUARTER

COMPONENTS

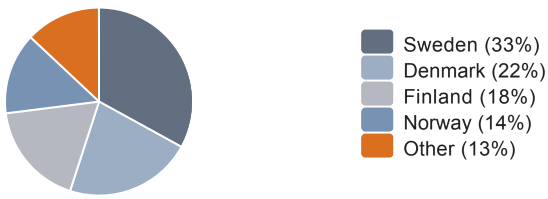
Net sales in Components increased in the fourth quarter by 4 percent to SEK 542 million (521) and operating profit amounted to SEK 34 million (37). Net sales during the financial year increased by 7 percent to SEK 2,029 million (1,889) and operating profit amounted to SEK 122 million (129).

All in all, demand for production components from Nordic manufacturing companies was stable during the quarter. The business situation in Sweden and Denmark was good, and we achieved slightly higher sales in the Swedish operation. The will to invest within oil and gas in Norway was at a much lower level than in the fourth quarter of the previous year, but at the same level as during the third quarter. Seen over the year, this entailed an adverse effect on profit development, and we are therefore focusing on cost-cutting measures. In Finland, despite the challenging business climate that continued, there was relatively sound demand for our operations.

Components - Customer segment



Components - Geographic market

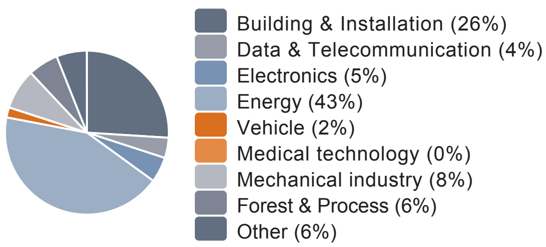


ENERGY

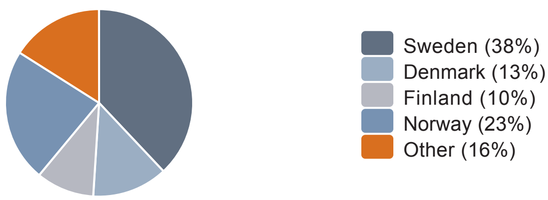
In the fourth quarter net sales in Energy increased by 14 percent to SEK 402 million (353) and operating profit increased by 3 percent and amounted to SEK 32 million (31). During the financial year net sales totalled SEK 1,487 million (1,346), which is a 10 percent increase and operating profit reached SEK 115 million (114).

On the whole, underlying demand was better than in previous quarters of the year, and sales for comparable entities rose compared to the same quarter of the previous year. The business situation for products in electrical installation and electrical safety was positive in Sweden, Denmark and Finland, but weaker in Norway. The lower demand in Norway within oil and gas led to challenging business conditions for some of our Norwegian operations. The business area is cutting costs in several operations. Infrastructure investments in electrical power transmission rose for small projects, but remained at a low level in larger new-build projects. Sales of niche products in electrical power distribution were stable during the quarter.

Energy - Customer segment



Energy - Geographic market

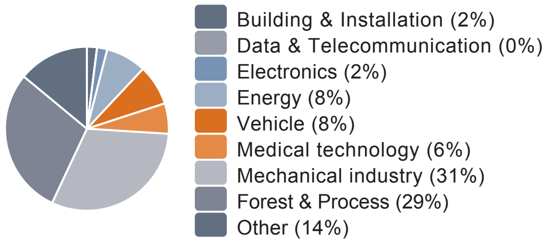


INDUSTRIAL PROCESS

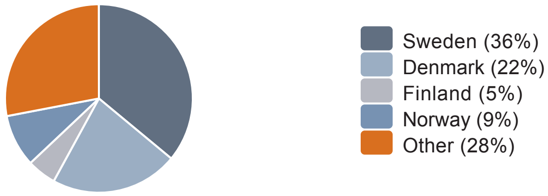
Net sales in Industrial Process during the fourth quarter amounted to SEK 350 million (373) and operating profit rose by 28 percent to SEK 24 million (19). Net sales during the financial year increased by 1 percent to SEK 1,423 million (1,403) and operating profit increased by 33 percent to SEK 101 million (77).

Overall, demand in the Nordics was unchanged during the quarter, while it rose in the rest of Europe. Sales fell slightly compared to the same quarter of the previous year, and the business situation varied between different customer segments and different product segments. Customers in the energy sector and Nordic process industry – including oil and gas – reduced their investments, while demand from machinery manufacturers was stable during the quarter. However, the conditions for business improved during the quarter in the vehicle and medical technology industries. Thanks to implemented restructuring measures, both operating margin and profit grew during the quarter.

Industrial Process - Customer segment



Industrial Process - Geographic market

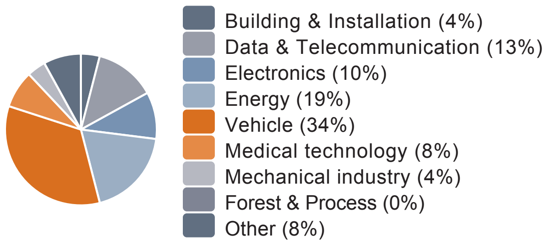


POWER SOLUTIONS

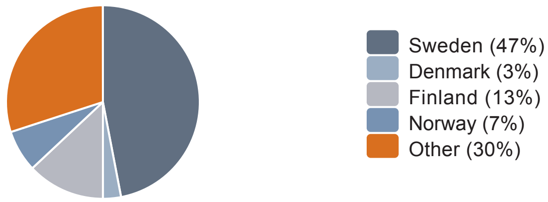
Net sales in Power Solutions increased during the fourth quarter by 15 percent to SEK 338 million (295) and operating profit amounted to SEK 34 million (33). Net sales during the financial year increased by 13 percent to SEK 1,226 million (1,088) and operating profit amounted to SEK 122 million (123).

Underlying sales were unchanged compared to the previous year, while demand rose during the quarter. Operating margin is still being affected by large deliveries of, above all, battery products with lower margins and costs of efficiency improvements. Demand for solutions with new battery technology and power supply solutions in the Nordic markets continued to improve. The business situation for customers in the energy and telecom sectors remained unchanged, while demand for products for the special vehicles industry continued to grow in the quarter.

Power Solutions - Customer segment



Power Solutions - Geographic market



DISCONTINUED OPERATION ADDLIFE/LIFE SCIENCE

At an Extraordinary General Meeting on 9 March 2016 a decision was made, in accordance with the Board's proposal, to distribute all of Addtech's shares in AddLife AB to Addtech shareholders. The first day of trading in the Class B AddLife share on Nasdaq Stockholm was 16 March 2016.

The distribution does not entail a tax effect for Addtech's shareholders in Sweden as long as they continue to be AddLife shareholders. The distribution of the acquisition value of the shares was set by the Swedish Tax Agency at 84 percent for Addtech and 16 percent for AddLife. The distribution has been recognised as a discontinued operations in accordance with IFRS 5. A discontinued operation is recognised separately from continuing operations in the income statement, with retroactive effect for previous periods. The Group recognised a non-recurring non-cash gain for the fourth quarter and the full year. This gain is from the distribution of all of Addtech's shares in AddLife AB. The gain reflects the difference between the market value of AddLife's shares (based on the average trading price on the first day of trading, 16 March 2016) and the company's carrying amount in the Group's balance sheet on 29 February 2016.

The Group also recognised a profit after tax from the distributed operation until 29 February 2016 as well as listing costs linked to the distribution. For a more detailed description of AddLife's development, see the year-end report for AddLife AB, which will be published on 18 May 2016. For a more detailed description of additional disclosures regarding the effects on profit and cash flow for the discontinued operations, see Addtech's coming annual report for 2015/2016.

GROUP DEVELOPMENT

PROFITABILITY, FINANCIAL POSITION AND CASH FLOW

The return on equity at the end of the financial year was 20 percent (28), and return on capital employed was 16 percent (23). Return on working capital P/WC (operating profit in relation to working capital) amounted to 38 percent (44).

At the end of the financial year the equity ratio stood at 40 percent (40). Equity per share, excluding non-controlling interest, totalled SEK 22.10 (22.60). The Group's net debt at the end of the year stood at SEK 623 million (510), excluding pension liabilities of SEK 199 million (318). The net debt/equity ratio, calculated on the basis of net debt excluding provisions for pensions, totalled 0.4 (0.3).

Cash and cash equivalents, consisting of cash and bank balances together with approved but non-utilised credit facilities, totalled SEK 754 million (676) at 31 March 2016.

Cash flow from operating activities reached SEK 474 million (557) during the financial year. Company acquisitions and disposals including settlement of additional purchase consideration regarding acquisitions implemented in previous years amounted to SEK 623 million (268). Investments in non-current assets totalled SEK 90 million (61) and disposal of non-current assets was SEK 24 million (6). Dividend for the year totalled SEK 217 million (200), the repurchase of treasury shares amounted to SEK 45 million (35) and exercised and issued call options totalled SEK 61 million (41).

EMPLOYEES

The average number of employees in the latest 12-month period was 2,386 (2,224). At the end of the financial year, the number of employees was 2,076, compared to 2,286 at the beginning of the financial year. During the financial year implemented acquisitions in continuing operations increased the number of employees by 161. The distribution of AddLife has reduced the number of employees by 285, without taking account of the year's acquisitions, which added 155 employees. Continuing operations, excluding acquisitions, reduced the number of employees by 86.

OWNERSHIP STRUCTURE

At the end of the finacial year the share capital stood at SEK 51.1 million.

Class of shares	Number of shares
Class A shares	3,237,672
Class B shares	64,960,824
Total number of shares before repurchases	**68,198,496**
Total number of repurchased class B shares	-1,240,000
Total number of shares after repurchases	**66,958,496**

During the year, 350,000 treasury shares were repurchased. The own holding of 1,240,000 Class B shares corresponds to 1.8 percent of the total number of shares and 1.3 percent of the votes. The treasury shares are intended to secure the Company's undertakings in outstanding call option programmes. The average purchase price for the shares held in treasury amounts to SEK 68.83 per share. The most recent price paid for the Addtech share on 11 May 2016 was SEK 110.75. The average number of treasury shares held during the year was 1,495,117 (1,910,322).

Addtech has four outstanding call option programmes totalling 1,240,000 Class B shares. The programme from 2015 comprises 350,000 shares with an exercise price of SEK 154.50 and an expiration period from 17 September 2018 until 3 June 2019 inclusive. The programme from 2014 comprises 350,000 shares with an exercise price of SEK 116.70 and an expiration period from 17 September 2017 until 1 June 2018 inclusive. The programme from 2013 comprises 540,000 shares with an exercise price of SEK 106.13 and an expiration period from 19 September 2016 until 2 June 2017 inclusive. The programme from 2012 comprises 600,000 shares with an exercise price of SEK 71.50 and an expiration period from 14 September 2015 until 3 June 2016 inclusive. During the period 14 September until 31 December 2015 inclusive, 200,000 options were exercised, corresponding to 600,000 shares.
Due to the distribution of AddLife, the call options will be recalculated according to the terms and conditions.

Issued call options for repurchased shares represent a potential dilution effect of approximately 0.2 percent during the most recent 12-month period (0.5). The corresponding dilution effect is approximately 0.1 percent for the latest quarter (0.6). The share price at 31 March 2016 was SEK 112.00.

ACQUISITIONS

During the period 1 April to 31 December 2015, Addtech acquired Dafine Engineering Oy, EB Elektro AS and CTM Lyng AS and Enöque Svenska AB to become part of the Energy business area. Partco Oy, RECAB Embedded Computers AB and Kretsteknik Nordic AB was acquired to become part of the Components business area and Powermec AB was acquired to become part of the Power Solutions business area. Mediplast AB and Fenno Medical Oy was acquired to become part of the discontinued operations AddLife. For more information on this acquisitions see previous interim reports and Addtech's website.

During the fourth quarter, two company acquisitions took place:

On 1 February, Addtech acquired Goodtech Products AS to become part of the Components business area. Goodtech Products delivers products, solutions and services in the field of automation to Norwegian industry and the public sector. Goodtech has 23 employees and sales of around NOK 85 million.

On 1 March, INL System AB was acquired to become part of the Components business area. INL System, based in the Swedish town of Köping, is a technology trading company that provides a wide range of products for industrial data communication, such as routers and switches, wireless WLAN, fiber optic converters and cloud services. The company has two employees and sales of around SEK 12 million. The operation will be part of an existing company.

The combined effect of the acquisitions during the financial year on the Addtech Group's net sales was SEK 270 milion, on operating profit it was SEK 17 million and on profit after tax for the year it was SEK 14 million. Had the acquisitions been completed on 1 April 2015, their impact would have been an estimated SEK 570 million on Group net sales, about SEK 40 million on operating profit and about SEK 30 million on profit after tax for the financial year.

The outcome of contingent consideration depends on future results achieved in the companies, and the estimated outcome from the year's acquisitions amounts to SEK 59 million. The contingent consideration is payable within 1–3 years and is estimated to total a maximum of SEK 62 million.

Of the consideration not yet paid for acquisitions during the year, estimated fair value of contingent consideration amounts to SEK 51 million. The outcome depends on the results achieved in the companies.

For acquisitions that resulted in ownership transfer during the financial year, transaction costs totalled SEK 3 million (4) and are recognised in selling expenses.

During the financial year, SEK 4 million (-2) was recognised under other operating expenses, because estimated contingent considerations, regarding previous acquisitions, deviated from actual outcomes. Revaluation of liabilities for contingent, not yet paid, consideration added income of SEK 14 million (11) during the financial year, which is recognised under other operating income.

The Group's goodwill at the time of the acquisition, regarding the expected future sales trend and profitability, is the amount by which the acquisition value exceeds the fair value of net assets acquired.

On 31 March 2016 goodwill stood at SEK 856 million, compared to SEK 903 million on 31 March 2015. The change is attributable to acquisitions, the distribution of AddLife and exchange rate differences. The Group's goodwill is assessed annually for impairment, and no needs for impairment have been identified.

According to the preliminary acquisitions analyses, including the discontinued operations, the assets and liabilities included in the acquisitions were as follows:

	Carrying amount at acquisition date	Adjustment to fair value	Fair value
Intangible non-current assets	10	386	396
Other non-current assets	37	5	42
Inventories	185		185
Other current assets	273		273
Deferred tax liability/tax asset	-7	-88	-95
Other liabilities	-366		-366
Acquired net assets	**132**	**303**	**435**
Goodwill			515
Non-controlling interests			-
Consideration 1)			**950**
Less: cash and cash equivalents in acquired businesses			-82
Issue in kind			-234
Less: consideration not yet paid			-55
Effect on the Group's cash and cash equivalents			**579**

1) The consideration is stated excluding acquisition expenses. The total consideration excluding issue in kind for the financial year's acquisitions was SEK 716 million.

PARENT COMPANY

Parent Company net sales totalled SEK 58 million (54) and profit after financial items was SEK 200 million (263). This amount includes revenues of SEK 190 million (253) from shares in Group companies. Net investments in non-current assets were SEK 2 million (0). The Parent Company's net financial asset was SEK 21 million, compared to SEK 104 million at the beginning of the financial year.

TRANSACTIONS WITH RELATED PARTIES

Apart from the distribution of AddLife, no transactions between Addtech and related parties that have significantly affected the Group's position and earnings have taken place during the period.

ACCOUNTING POLICIES

This interim report was prepared as per IFRSs and IAS 34 Interim Financial Reporting. The accounting policies and basis for calculations applied in the latest annual report were also used here. The interim report for the parent company was prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and the Securities Market Act (2007:528), in compliance with recommendation RFR 2 Accounting for Legal Entites, of the Swedish Financial Reporting Board. The new and revised IFRS standards and IFRIC interpretations that come into force as of the 2015/2016 financial year have had no material effect on the Group's financial reports.

PROPOSALS TO THE ANNUAL GENERAL MEETING TO BE HELD 31 AUGUST 2016

The Annual General Meeting will be held in Stockholm at 4:00 p.m., Wednesday, 31 August 2016.

The Board of Directors proposes a dividend of SEK 3.25 per share (3.25). The total dividend payment amounts to SEK 218 (216).

Addtech's dividend policy implies a goal of paying a dividend in excess of 50 percent of consolidated average profit after taxes over a business a cycle.

The Board of Directors has also decided to propose to the Annual General Meeting that the mandate to repurchase up to 10 percent of the shares outstanding in the Company should be renewed.

EVENTS AFTER THE END OF THE INTERIM PERIOD

Management change

On 1 April 2016 Hans Andersén became the new head of the Energy business area and a member of Addtech's Group management. He succeeds Åke Darfeldt, who is retiring after many years of valuable contributions. Hans Andersén joined the Group in 2006 as managing director of an acquired company, and since 2010 he has worked in the Energy business area as business unit manager of Energy Supply.

Financial reporting, EBITA

One of Addtech's strategies to attain continued long-term profitable growth is to strengthen the Group's positions in selected niches by acquiring companies. The acquisitions are recognised in the Group's balance sheet among other things as intangible non-current assets and are distributed over goodwill and other intangible non-current assets. Goodwill is assessed annually for impairment, and other intangible non-current assets are amortised to profit over the estimated useful life. The amortisation of the intangible non-current assets does not affect cash flow and does not therefore affect the underlying ability to generate a profitable increase in operating profit. In light of this, and like several other acquisition-intensive companies, Addtech will also report operating profit for the Group and per business area before amortisation of intangible non-current assets, i.e. at EBITA level (Earnings Before Interest, Tax and Amortisation). This will take full effect as of the first quarter 2016/2017. This year-end report provides information on EBITA in connection with the "Group summary" table – see page 13, and in pro forma EBITA per business area – see page 19.

Acquistions

Four company acquisition took place after the end of the reporting period:

On 1 April, Addtech acquired Sammet Dampers Oy to become part of the Industrial Process business area. Sammet Dampers is a leading developer and supplier of industrial dampers in Northern Europe. The company has 12 employees and sales of around EUR 5 million.

On 5 April, Addtech acquired Poryan China Company Ltd to become part of the Power Solutions business area. Poryan China Company Ltd provide component solutions and subsystems in circuit protection primarily to the train and signaling market in China. The company has 22 employees and sales of around SEK 50 million.

On 5 April, Addtech acquired ETS Cable Components to become part of the Energy business area. ETS Cable Components supplies products, systems and services in the field of cable accessories for power cable installation, including cable cleats brackets, cable glands, cable lugs, flexible conduits, cable ties and cable tooling above all for the UK market. The company has 35 employees and sales of around GBP 8.5 million.

On 2 May, 100 percent of the shares in Elektro-Tukku Oy, Finland, were acquired to become part of the Components business area. Elektro-Tukku Oy sells measuring and control instruments to industry, OEMs and the public sector. The company has 3 employees and sales of around SEK 8 million. The operation will be part of an existing company.

The acquisition analyses are not yet complete and will be presented in the next interim report.

SEASONAL EFFECTS

Addtech's sales of high-tech products and solutions in the manufacturing industry and infrastructure are not subject to major seasonal variations. The number of production days and customers' demand and willingness to invest can vary over the quarters.

RISKS AND FACTORS OF UNCERTAINTY

Addtech's profit and financial position, as well as its strategic position, are affected by a number of internal factors under Addtech's control and by a number of external factors over which Addtech has limited influence. The most important risk factors for Addtech are the state of the economy, combined with structural change and the competitive situation. Risk and uncertainty factors are the same as in previous periods, please see section Risks and uncertainties (page 26-28) in Addtech's 2014/2015 annual report for further details. The Parent Company is indirectly affected by the above risks and uncertainty factors due to its role in the organisation.

Stockholm, 12 May 2016

Johan Sjö
President and Director

The interim report for the period 1 April-30 June 2016 will be published on 15 July 2016.

The Group's 2015/2016 annual report will be published as a web version on Addtech's website, www.addtech.com, in July 2016. It will be possible to download and print out a PDF version of the annual report. A printed PDF version will be sent to shareholders who have ordered one separately.

For further information, please contact:
Johan Sjö, President and CEO, +46 8 470 49 00
Christina Kassberg, CFO, +46 8 470 49 00

REVIEW REPORT

INTRODUCTION

We have reviewed the summary interim financial information (year-end report) of Addtech AB (publ.) as of 31 March 2016 and the twelve-month period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing practices and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Stockholm, 12 May 2016

KPMG AB

George Pettersson
Authorised Public Accountant
Auditor in Charge

KPMG AB

Jonas Eriksson
Authorised Public Accountant

BUSINESS AREAS

Net sales by business area	2015/2016				2014/2015			
Quarterly data, SEKm	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Components	542	509	480	498	521	485	466	417
Energy	402	390	371	324	353	358	362	273
Industrial Process	350	359	357	357	373	358	350	322
Power Solutions	338	314	277	297	295	255	274	264
Parent Company and Group items	-1	-2	-3	-4	0	-2	-3	-2
Addtech Group	**1,631**	**1,570**	**1,482**	**1,472**	**1,542**	**1,454**	**1,449**	**1,274**

Operating profit/loss by business area	2015/2016				2014/2015			
Quarterly data, SEKm	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Components	34	22	37	29	37	27	35	30
Energy	32	27	29	27	31	26	32	25
Industrial Process	24	23	30	24	19	18	24	16
Power Solutions	34	25	31	32	33	25	38	27
Parent Company and Group items	-7	-5	-2	-3	-2	-3	-3	-4
Operating profit/loss	**117**	**92**	**125**	**109**	**118**	**93**	**126**	**94**
Finance income and expenses	-9	-5	-4	-2	-4	-5	-5	-7
Profit after financial items	**108**	**87**	**121**	**107**	**114**	**88**	**121**	**87**

Net sales by business area	3 months ending		12 months ending	
SEKm	31 Mar 16	31 Mar 15	31 Mar 16	31 Mar 15
Components	542	521	2,029	1,889
Energy	402	353	1,487	1,346
Industrial Process	350	373	1,423	1,403
Power Solutions	338	295	1,226	1,088
Parent Company and Group items	-1	0	-10	-7
Addtech Group	**1,631**	**1,542**	**6,155**	**5,719**

Operating profit/loss and operating margin by business area	3 months ending				12 months ending			
	31 Mar 16		31 Mar 15		31 Mar 16		31 Mar 15	
	SEKm	%	SEKm	%	SEKm	%	SEKm	%
Components	34	*6.3*	37	*7.1*	122	*6.0*	129	*6.9*
Energy	32	*7.9*	31	*8.7*	115	*7.7*	114	*8.4*
Industrial Process	24	*6.9*	19	*5.1*	101	*7.1*	77	*5.5*
Power Solutions	34	*10.0*	33	*11.3*	122	*10.0*	123	*11.4*
Parent Company and Group items	-7		-2		-17		-12	
Operating profit/loss	**117**	***7.2***	**118**	***7.7***	**443**	***7.2***	**431**	***7.5***
Finance income and expenses	-9		-4		-20		-21	
Profit after financial items	**108**		**114**		**423**		**410**	

GROUP SUMMARY

Income statement	3 months ending		12 months ending	
SEKm	31 Mar 16	31 Mar 15	31 Mar 16	31 Mar 15
Continuing operations				
Net sales	1,631	1,542	6,155	5,719
Cost of sales	-1,131	-1,068	-4,244	-3,946
Gross profit	**500**	**474**	**1,911**	**1,773**
Selling expenses	-291	-268	-1,100	-1,013
Administrative expenses	-104	-93	-384	-352
Other operating income and expenses	12	5	16	23
Operating profit	**117**	**118**	**443**	**431**
- as % of net sales	*7.2*	*7.7*	*7.2*	*7.5*
Financial income and expenses	-9	-4	-20	-21
Profit after financial items	**108**	**114**	**423**	**410**
- as % of net sales	*6.7*	*7.3*	*6.9*	*7.2*
Income tax expense	-23	-26	-90	-89
Profit for the period, continuing operations	**85**	**88**	**333**	**321**
Discontinued operations				
Profit for the period, discontinued operations	**1,577**	**21**	**1,636**	**79**
Profit for the period	**1,662**	**109**	**1,969**	**400**
Attributable to:				
Equity holders of the Parent Company	*1,658*	*106*	*1,950*	*392*
Non-controlling interests	*4*	*3*	*19*	*8*
Earnings per share before dilution (EPS), SEK*				
Continuing operations	*1.25*	1.30	4.85	4.70
Discontinued operations	*23.50*	0.30	24.35	1.20
Total earnings per share before dilution	**24.75**	**1.60**	**29.20**	**5.90**
Earnings per share after dilution (EPS), SEK*				
Continuing operations	1.25	1.30	4.85	4.70
Discontinued operations	23.50	0.30	24.35	1.20
Total earnings per share after dilution	**24.75**	**1.60**	**29.20**	**5.90**
Average number of shares after repurchases, ’000s	66,958	66,252	66,703	66,288
Number of shares at end of the period, ’000s	66,958	66,456	66,958	66,456

** Calculated based on equity holders’ portion of profit for the period.*

EBITA	*142*	*139*	*536*	*510*
EBITA-margin %	*8.7*	*9.1*	*8.7*	*8.9*
Depreciation of property, plant and equipment	-10	-8	-35	-31
Depreciation of intangible non-current assets	-25	-21	-93	-79
– of which acquisitions	-24	-20	-86	-74

Statement of comprehensive income, SEKm	3 months ending		12 months ending	
MSEK	31 Mar 16	31 Mar 15	31 Mar 16	31 Mar 15
Profit for the period	**1,662**	**109**	**1,969**	**400**
Components that will be reclassified to profit for the year				
Cash flow hedges	-1	0	-2	1
Foreign currency translation differences for the period	21	10	-58	27
Components that will not be reclassified to profit for the year				
Actuarial effects of the net pension obligation	34	-49	34	-49
Other comprehensive income	**54**	**-39**	**-26**	**-21**
Total comprehensive income	**1,716**	**70**	**1,943**	**379**
Attributable to:				
Equity holders of the Parent Company	*1,710*	*67*	*1,925*	*369*
Non-controlling interests	*6*	*3*	*18*	*10*

Balance sheet, SEKm	31 Mar 16	31 Mar 15
Goodwill	856	903
Other intangible non-current assets	642	640
Property, plant and equipment	168	198
Financial non-current assets	27	24
Total non-current assets	**1,693**	**1,765**
Inventories	874	849
Current receivables	1,098	1,156
Cash and cash equivalents	140	83
Total current assets	**2,112**	**2,088**
Total assets	**3,805**	**3,853**
Total equity	**1,514**	**1,539**
Interest-bearing provisions	199	318
Non-interest-bearing provisions	242	218
Non-current interest-bearing liabilities	41	20
Total non-current liabilities	**482**	**556**
Non-interest-bearing provisions	13	10
Current interest-bearing liabilities	721	573
Current non-interest-bearing liabilities	1,075	1,175
Total current liabilities	**1,809**	**1,758**
Total equity and liabilities	**3,805**	**3,853**

Statement of changes in Group equity, SEKm	1 Apr 15–31 Mar 16			1 Apr 14–31 Mar 15		
	Equity excl. non-controlling interests	Non-controlling interests	Total equity	Equity excl. non-controlling interests	Non-controlling interests	Total equity
Amount at beginning of period	1,504	35	1,539	1,330	19	1,349
Issue in kind	234	-	234	-	-	-
Exercised and issued call options	61	-	61	41	-	41
Repurchase of treasury shares	-45	-	-45	-35	-	-35
Dividend	-219	-8	-227	-200	-4	-204
Change non-controlling interests	-54	53	-1	-1	10	9
Distribution of AddLife	-1,927	-63	-1,990	-	-	-
Total comprehensive income	1,925	18	1,943	369	10	379
Amount at end of period	**1,479**	**35**	**1,514**	**1,504**	**35**	**1,539**

Cash flow statement	3 months ending		12 months ending	
SEKm	31 Mar 16	31 Mar 15	31 Mar 16	31 Mar 15
Profit after financial items*	1,689	139	2,081	513
Adjustment for items not included in cash flow*	-1,545	33	-1,413	126
Income tax paid	-37	-33	-160	-100
Changes in working capital	38	32	-34	18
Cash flow from operating activities	**145**	**171**	**474**	**557**
Net investments in non-current assets	-12	-18	-66	-55
Acquisitions and disposals	-36	-12	-623	-268
Discontinued operations, Net affecting liquidity	337	-	337	-
Cash flow from investing activities	**289**	**-30**	**-352**	**-323**
Dividend paid to shareholders	-	-	-217	-200
Repurchase of own shares	-	-	-45	-35
Other financing activities	-462	-175	210	4
Cash flow from financing activities	**-462**	**-175**	**-52**	**-231**
Cash flow for the period	**-28**	**-34**	**70**	**3**
Cash and cash equivalents at beginning of period	166	113	83	69
Exchange differences on cash and cash equivalents	2	4	-13	11
Cash and cash equivalents at end of period	**140**	**83**	**140**	**83**

* Includes discountined operations

Fair values on financial instruments	31 Mar 16			31 Mar 15		
SEKm	Carrying amount	Level 2	Level 3	Carrying amount	Level 2	Level 3
Derivatives used in hedge accounting	**1**	1	-	**3**	3	-
Derivatives held for trading purposes	**2**	2	-	**3**	3	-
Total financial assets at fair value per level	**3**	**3**	**-**	**6**	**6**	**-**
Derivatives used in hedge accounting	**3**	3	-	**1**	1	-
Derivatives held for trading purposes	**2**	2	-	**5**	5	-
Contingent considerations	**55**	-	55	**31**	-	31
Total financial liabilities at fair value per level	**60**	**5**	**55**	**37**	**6**	**31**

The fair value and carrying amount are recognised in the balance sheet as shown in the table above.
For quoted securities, the fair value is determined on the basis of the asset's quoted price in an active market, level 1. As at the reporting date the Group had no items in this category.
For currency contracts and embedded derivatives, the fair value is determined on the basis of observable market data, level 2.
For contingent considerations, a cash-flow-based valuation is performed, which is not based on observable market data, level 3.
For the Group's other financial assets and liabilities, fair value is estimated to be the same as the carrying amount.

		12 months ending
Contingent considerations	31 Mar 16	31 Mar 15
Carrying amount, opening balance	31	27
Acquisitions during the year	54	31
Reversed through profit or loss	-10	-13
Consideration paid	-21	-17
Interest expenses	2	1
Exchange differences	-1	2
Carrying amount, closing balance	**55**	**31**

Key financial indicators**	12 months ending			
	31 Mar 16	31 Mar 15	31 Mar 14	31 Mar 13
Net sales, SEKm	6,155	5,719	6,089	5,403
EBITA, SEKm	536	510	582	497
EBITA-margin, SEKm	8.7	8.9	9.6	9.2
Operating profit, SEKm	443	431	501	437
Operating margin, %	7.2	7.5	8.2	8.1
Profit after financial items, SEKm	423	408	475	408
Profit for the period, SEKm	333	321	369	323
Equity ratio, %*	40	40	39	36
Return on equity, %*	20	28	30	31
Return on working capital (P/WC), %	38	44	47	45
Return on capital employed, %*	16	23	24	25
Financial net liabilities, SEKm	822	828	776	763
Debt / equity ratio, multiple*	0.6	0.6	0.6	0.7
Net debt / EBITDA, multiple	1.4	1.2	1.2	1.4
Net debt excl. pensions, SEKm	623	510	524	523
Net debt / equity ratio, multiple*	0.4	0.3	0.4	0.5
Interest coverage ratio, multiple	20.3	21.9	17.5	14.2
Average number of employees	2,386	2,224	2,100	1,815
Number of employees at end of the period	2,076	2,286	2,150	2,011

** Key financial indicators are calculated based on equity that includes non-controlling interests.*

Key financial indicators per share**	12 months ending			
	31 Mar 16	31 Mar 15	31 Mar 14	31 Mar 13
Earnings per share (EPS), SEK	4.85	4.70	5.50	4.85
Diluted EPS, SEK	4.85	4.70	5.45	4.85
Cash flow per share, SEK	7.10	8.40	7.25	5.20
Shareholders' equity per share, SEK*	22.10	22.60	20.10	16.70
Last price paid per share, SEK	112.00	115.75	101.75	72.33
Average number of shares after repurchases, '000s	66,703	66,288	66,003	65,394
Average number of shares adjusted for repurchases and dilution, '000s	66,809	66,615	66,457	65,533
Number of shares outstanding at end of the period, '000s	66,958	66,456	66,135	65,764

** Calculations based on proportion of equity attributable to the equity holders.*

***All figures regarding the income statement refer to continuing operations excluding the distribution of AddLife retroactively from 1 April 2015. All figures regarding the balance sheet refer to continuing from 31 March 2016 without retroactivity for earlier periods.*

ACQUISITIONS

Acquisitions completed as of the 2014/2015 financial year are distributed among the Group's business areas as follows:

Acquisitions	Time	Net sales, SEKm*	Number of employees*	Business Area
GigaCom AB, Sweden	April, 2014	30	6	Components
Solar Supply Sweden AB, Sweden	May, 2014	15	3	Power Solutions
Hans Følsgaard A/S, Denmark	July, 2014	360	65	Components/Energy
Frameco AB, Sweden	July, 2014	10	5	Power Solutions
Tampereen Sähköpalvelu Oy, Finland	July, 2014	70	25	Energy
Flow-Teknikk AS, Norway	August, 2014	35	6	Industrial Process
Amestec Oy, Finland	September, 2014	5	2	Components
Scandinavian Friction AB, Sweden	September, 2014	15	3	Industrial Process
Celltech China Ltd, Hong Kong	February, 2015	20**	25	Power Solutions
Dafine Engineering Oy, Finland	April, 2015	25	4	Energy
EB Elektro RE AS, Norway	July, 2015	85	20	Energy
CTM Lyng AS, Norway	September, 2015	135	55	Energy
Partco Oy, Finland	September, 2015	20	10	Components
RECAB Embedded Computers AB, Sweden	October, 2015	100	18	Components
Kretsteknik Nordic AB (assets and liabilities), Sweden	October, 2015	25	1	Components
Enöque Svenska AB, Sweden	October, 2015	6	2	Energy
Powermec AB, Sweden	November, 2015	150	26	Power Solutions
Goodtech Products AS, Norway	February, 2016	85	23	Components
INL System AB, Sweden	March, 2016	12	2	Components
Sammet Dampers Oy, Finland	April, 2016	45	12	Industrial Process
Poryan China Company Ltd, Kina	April, 2016	50	22	Power Solutions
E.T.S. Portsmouth Limited, Great Britain	April, 2016	100	35	Energy
Elektro-Tukku Oy, Finland	May, 2016	8	3	Components

** Refers to conditions at the time of acquisition on a full-year basis.*
*** The majority of net sales is internal within the Group.*

PARENT COMPANY SUMMARY

Income statement	3 months ending		12 months ending	
SEKm	31 Mar 16	31 Mar 15	31 Mar 16	31 Mar 15
Net sales	14	16	58	54
Administrative expenses	-15	-15	-69	-62
Operating profit/loss	**-1**	**1**	**-11**	**-8**
Profit from interests in Group companies	190	230	190	253
Interest income and expenses and similar items	4	4	21	18
Profit after financial items	**193**	**235**	**200**	**263**
Appropriations	-20	-18	-20	-18
Profit before taxes	**173**	**217**	**180**	**245**
Income tax expense	-36	-48	-38	-50
Profit for the period	**137**	**169**	**142**	**195**
Total comprehensive income	**137**	**169**	**142**	**195**

Balance sheet, SEKm	31 Mar 16	31 Mar 15
Intangible non-current assets	0	0
Property, plant and equipment	4	4
Non-current financial assets	2,446	2,493
Total non-current assets	**2,450**	**2,497**
Current receivables	304	363
Cash and bank balances	-	-
Total current assets	**304**	**363**
Total assets	**2,754**	**2,860**
Equity	**836**	**974**
Untaxed reserves	375	355
Provisions	16	16
Non-current liabilities	390	533
Current liabilities	1,137	982
Total equity and liabilities	**2,754**	**2,860**
Pledged assets	-	-
Contingent liabilities	119	157

This information is disclosed in accordance with the Swedish Securities Markets Act, the Swedish Financial Instruments Trading Act and/or the regulations of Nasdaq Stockholm. The information was submitted for publication on 12 May 2016 at 12:30 p.m. (CET).

APPENDIX 1: PRO FORMA PER BUSINESS AREA

Net sales by business area				2015/2016				2014/2015
Quarterly data, SEKm	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Components	542	509	480	498	521	485	466	417
Energy	402	390	371	324	353	358	362	273
Industrial Process	351	359	357	357	373	358	350	322
Power Solutions	338	314	277	297	295	255	274	264
Parent Company and Group items	-2	-2	-3	-4	0	-2	-3	-2
Addtech Group	**1,631**	**1,570**	**1,482**	**1,472**	**1,542**	**1,454**	**1,449**	**1,274**

EBITA by business area				2015/2016				2014/2015
Quarterly data, SEKm	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Components	42	29	43	35	44	34	42	35
Energy	41	37	37	34	38	33	39	30
Industrial Process	28	27	34	27	23	22	27	18
Power Solutions	38	29	35	34	36	29	41	30
Parent Company and Group items	-7	-5	-2	0	-2	-4	-2	-3
EBITA	**142**	**117**	**147**	**130**	**139**	**114**	**147**	**110**
Depreciation of intangible non-current assets	-25	-25	-22	-21	-21	-21	-21	-16
– of which acquisitions	-24	-23	-20	-19	-20	-19	-19	-16
Operating profit/loss	**117**	**92**	**125**	**109**	**118**	**93**	**126**	**94**
Finance income and expenses	-9	-5	-4	-2	-4	-5	-5	-7
Profit after financial items	**108**	**87**	**121**	**107**	**114**	**88**	**121**	**87**

EBITA and EBITA-margin by business area				3 months ending				12 months ending
	31 Mar 16		31 Mar 15		31 Mar 16		31 Mar 15	
	SEKm	%	SEKm	%	SEKm	%	SEKm	%
Components	42	*7.7*	44	*8.4*	149	*7.4*	155	*8.2*
Energy	41	*10.3*	38	*10.8*	149	*10.1*	140	*10.4*
Industrial Process	28	*7.9*	23	*6.1*	116	*8.1*	90	*6.4*
Power Solutions	38	*11.2*	36	*12.3*	136	*11.1*	136	*12.4*
Parent Company and Group items	-7		-2		-14		-11	
EBITA	**142**	***8.7***	**139**	***9.1***	**536**	***8.7***	**510**	***8.9***
Depreciation of intangible non-current assets	-25		-21		-93		-79	
– of which acquisitions	-24		-20		-86		-74	
Operating profit/loss	**117**	***7.2***	**118**	***7.7***	**443**	***7.2***	**431**	***7.5***
Finance income and expenses	-9		-4		-20		-21	
Profit after financial items	**108**		**114**		**423**		**410**	

DEFINITIONS

Return on equity
Profit after tax attributable to shareholders, as a percentage of shareholders' proportion of average equity.

Return on working capital (P/WC)
Operating profit in relation to average working capital.

Return on capital employed
Profit after net financial items, plus interest expenses plus/minus exchange differences, as a percentage of average capital employed.

EBITA
Operating profit before depreciation and amortisation of intangible assets.

EBITA-margin
Operating profit before depreciation and amortisation of intangible assets as a percentage of net sales.

EBITDA
Operating profit before depreciation and amortisation of intangible assets and property, plant and equipment.

Equity per share
Shareholders' proportion of equity divided by the number of shares outstanding at the end of the reporting period.

Financial net liabilities
Interest-bearing liabilities and interest-bearing provisions, less cash and cash equivalents.

Cash flow per share
Cash flow from operating activities, divided by the average number of shares.

Net Debt/Equity ratio
Interest-bearing liabilities and interest-bearing provisions, excluding pension provisions, in relation to shareholders’ equity.

Interest coverage ratio
Profit after net financial items, plus financial expense, divided by financial expense.

Working capital
Sum of inventories and accounts receivable, less accounts payable. Average working capital for the year is used to calculate return on working capital (P/WC).

Operating margin
Operating profit as a percentage of net sales.

Equity ratio
Equity as a percentage of total assets.

Debt/equity ratio
Financial net liabilities in relation to shareholder's equity.

Capital employed
Total assets, less non-interest-bearing liabilities and provisions.

Outstanding shares
Total number of shares less treasury shares repurchased by the Company.

Earnings per share (EPS)
Shareholders' proportion of profit for the year in relation to the average number of shares outstanding.

Earnings per share (EPS), diluted
Shareholders' proportion of profit for the year in relation to the average number of shares outstanding, adjusted for the additional shares resulting from the exercise of outstanding personnel options or similar programmes.

Value Adding Tech Provider

Addtech is a technology trading group that provides technological and economic value added in the link between manufacturers and customers. Addtech operates in selected niches in the market for advanced technology products and solutions. Its customers primarily operate in the manufacturing industry and infrastructure. Addtech has about 2 000 employees in approximately 120 subsidiaries that operate under their own brands. The Group has annual sales of about SEK 6 billion.
Addtech is listed on the Nasdaq Stockholm.

ADDTECH

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