

Tech/Ops Sevcon, Inc.

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News Release

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TECH/OPS SEVCON REPORTS THIRD QUARTER RESULTS

Burlington, Mass. July 24, 2001..... Tech/Ops Sevcon, Inc. (AMEX symbol TO) reported net income of \$408,000, or \$.13 per share, for its third fiscal quarter ended June 30, 2001, after a charge of \$.18 per share relating to the bankruptcy of a significant customer. In June 2001 UpRight, Inc. filed for protection under chapter 11 of the bankruptcy code. The Company recorded a charge of \$855,000 in the third quarter to cover the outstanding receivable from UpRight and an estimated write-down of inventory unique to this customer. Before this charge net income was \$964,000, or \$.31 per share, compared to last year's results when the Company had net income of \$870,000, or \$.28 per share. Revenues were \$7,680,000 compared to \$8,054,000 in 2000, a decrease of 5%. Volumes were in line with the same quarter last year. The weakness of European currencies compared to the U.S. dollar resulted in a 5% decrease in reported revenues. Operating income for the quarter, after the charge, was \$656,000 compared to \$1,254,000 last year. Operating income before the charge relating to the customer bankruptcy, was 20% ahead of the same quarter last year.

For the nine month period, net income was \$673,000, or \$.22 per diluted share, compared to \$2,290,000, or \$.73 per diluted share last year. Revenues in the first nine months of fiscal 2001 were \$21,106,000 compared to \$23,539,000 last year, a decrease of 10%. Volumes decreased by 5% mainly due to lower shipments to the aerial lift market, which was 30% below last year. Foreign currency fluctuations accounted for the remaining 5% decrease in reported sales. Operating income for the nine month period was \$1,018,000, a decrease of \$2,345,000, compared to the prior year. The most significant reasons for the year-to-year decrease in Operating Income were lower volumes, the \$855,000 third quarter charge relating to the customer bankruptcy, and charges earlier in the fiscal year for workforce reduction of \$390,000 and \$450,000 for product rectification costs.

Tech/Ops Sevcon, Inc. is a world leader in the design, manufacture and marketing of microprocessor based controls for electric vehicles. The controls are used to vary the speed and movement of vehicles, to integrate specialized functions, and to prolong the shift life of the vehicles' batteries. Sevcon supplies customers throughout the world from its operations in the United Kingdom, the USA, France, and the Far East, and through an international dealer network. The Company's customers are manufacturers of fork lift trucks, aerial lifts, mining vehicles, airport tractors, sweepers, and other battery powered vehicles.

Third Quarter 2001 Financial Highlights (unaudited)

(in thousands except per share data)

	<u>Three months ended</u>		<u>Nine months ended</u>	
	<u>June 30 2001</u>	<u>June 30 2000</u>	<u>June 30 2001</u>	<u>June 30 2000</u>
Net sales	<u>\$ 7,680</u>	<u>\$ 8,054</u>	<u>\$ 21,106</u>	<u>\$ 23,539</u>
Operating income	656	1,254	1,018	3,363
Income before income taxes	629	1,315	1,036	3,449
Net income	<u>\$ 408</u>	<u>\$ 870</u>	<u>\$ 673</u>	<u>\$ 2,290</u>
Basic income per share	<u>\$.13</u>	<u>\$.28</u>	<u>\$.22</u>	<u>\$.74</u>
Diluted income per share	<u>\$.13</u>	<u>\$.28</u>	<u>\$.22</u>	<u>\$.73</u>
Cash dividend per share	<u>\$.18</u>	<u>\$.18</u>	<u>\$.54</u>	<u>\$.54</u>
Average shares outstanding	<u>3,110</u>	<u>3,115</u>	<u>3,111</u>	<u>3,115</u>