

*SPEED UP YOUR BUSINESS*

# Q4

Year-end Report January–December 2010

**NOTE**<sup>™</sup>  
YOUR BUSINESS PARTNER

# Q4—continued sales growth, 3.3% operating margin and strong cash flow

## FINANCIAL PERFORMANCE, JANUARY-DECEMBER

- Customer activity has gradually increased since the second quarter.
- Sales were SEK 1,210.7 (1,200.1) million. In like-for-like terms, sales increased by 16%.
- The underlying operating loss, excluding structural and other non-recurring costs, was SEK -1.4 (-27.1) million.
- The operating loss was SEK -48.2 (-90.8) million.
- The operating margin was -4.0% (-7.6%).
- The loss after financial items was SEK -59.4 (-97.9) million. Excluding structural and other non-recurring costs, the loss after financial items was SEK -12.6 (-34.2) million.
- The loss after tax was SEK -62.0 (-81.0) million.
- Earnings per share were SEK -2.55 (-5.14). Excluding structural and other non-recurring costs, earnings per share were SEK -1.13 (-2.16).
- Cash flow after investments was SEK -13.6 (23.9) million, equating to SEK -0.56 (1.52) per share.

## SIGNIFICANT EVENTS IN THE YEAR

- **Extensive structural measures implemented**  
Structural measures decided in the first quarter involving the relocation and closure of production at Skänninge, Sweden and Tauragė, Lithuania, have been completed. In addition, operations at Gdansk in Poland closed down as planned at year-end. The cost of these actions and other non-recurring costs of SEK -47 million were charged to operating loss for the year. Overall, NOTE still estimates that these actions will result in a positive profit effect of over SEK 50 million annualised.
- **Rights issue 2010**  
NOTE conducted a guaranteed new issue with a gross total of some SEK 87 million in the fourth quarter, with preferential rights for NOTE's current shareholders.
- **New CEO and President of NOTE**  
Peter Laveson was appointed as NOTE's new CEO and President in July. Peter replaced Göran Jansson, who was acting CEO and President since January.
- **Focused initiative on NOTEfied**  
In recent years, NOTE has accumulated a

## FINANCIAL PERFORMANCE, OCTOBER-DECEMBER

- Sales increased by 26% to SEK 366.8 (291.5) million. In like-for-like terms, sales increased by 37%.
- Operating profit was SEK 12.2 (-2.7) million, or an operating margin of 3.3% (-0.9%).
- The profit after financial items was SEK 8.1 (-4.2) million.
- The profit after tax was SEK 2.0 (-9.9) million, or SEK 0.07 (-0.63) per share.
- Cash flow after investments was SEK 40.2 (14.2) million, or SEK 1.39 (0.90) per share.
- **Dividend**  
The Board of Directors is proposing to the AGM that no dividends are paid for the financial year 2010.

proprietary preferred parts database that is unique in the sector—NOTEfied. To increase efficiency and the number of NOTEfied customers, during the summer, NOTE decided to organise its operations in CAD (PCB design) and NOTEfied into a separate company. This action affected a total of some 20 staff in Sweden, Norway and Poland. NOTE is a partner in this new company. The principal owner is the Norwegian Anders G Johansen, who was key to the build-up of NOTEfied. The transfer was completed during the fourth quarter of the year and resulted in a smaller-scale capital gain.

- **Sale of joint venture plant in Poland**  
An agreement on the divestment of NOTE's 50% holding in the NOTEFideltronik electronics plant in Krakow, Poland, was signed at year-end. The acquirer is former partner and 50% owner Zbigniew Fidelus, also principal owner of the Polish electronics producer Fideltronik. This sale resulted in a smaller-scale capital gain in the fourth quarter of the year, and at year-end, interest-bearing receivables from NOTEFideltronik amounted to some SEK 28 million.

# CEO's comments

## RATIONALISATION PACKAGE TO INCREASE PROFITABILITY

For NOTE, you could summarise the year 2010 with the words 'challenging' and 'concentration.' 'Challenging' in the sense that we executed an extensive restructuring package and experienced a global component shortage, while we simultaneously witnessed a robust increase to demand from our customers. 'Concentration' represents that we closed, sold off and downscaled business segments to increase capacity utilisation and improve profitability.

NOTE realised early on that in the high mix/low-volume market segment, substantial business opportunities exist in combining value-added services close to the customer simultaneous with providing production in low-cost countries or close to customers' final markets. Accordingly, extensive work was done in realigning a group of acquired companies with differing backgrounds, corporate cultures and competence levels into a uniform group with a collective customer offering. This has been a time-consuming and challenging task.

After facing a financial crisis like the rest of the business sector, plus the loss of a major customer due to a product's generational succession, NOTE was forced to raise the tempo of restructuring. Accordingly, NOTE implemented a new issue in spring 2010 intended to strengthen the company financially for its restructuring and create better prospects for its future.

As part of these measures, in summer, NOTE closed down production at Skänninge, Sweden. Tauragė, Lithuania and Gdansk, Poland, then followed in the fourth quarter. In addition, in the autumn, NOTE divested its CAD (PCB design) and NOTEfied operations to NOTE staff, and made some modifications to central resources. At year-end, we also sold our 50% holding in NOTEFideltronik, Poland, which we held jointly with Fideltronik of Poland. This has simplified our structure but will reduce our future sales with some 5%.

With these actions taken, we have now achieved a concentration of our units close to customers—Near-sourcing Centres—and our units for labour-intensive production in low-cost countries—Industrial Plants. Our volume production has been focused on one plant in Pärnu, Estonia and one in Tangxia, China.

The cost of this restructuring package and other non-recurring costs was SEK -47 million, of our reported operating loss for the full year of SEK -48.2 million. We retain our assessment that the results of the rationalisation package will mean a profit improvement of at least SEK 50 million annualised.

In parallel with the execution of structural measures, during the first half-year, we also started work with the intention of reviewing and enhancing our business architecture—with the consistent objective of increasing efficiency and reducing our business risks. This is a time-consuming journey of change that requires control and good people, but which in time, will create results. As part of this work, during the autumn, we reinforced our group management, appointing Robert Rosenzweig as NOTE's new COO.

## PROGRESS IN THE YEAR

The weak to modest volumes NOTE experienced in 2009 continued early in the year. But from the second quarter onwards, we saw clear positive progress of demand. Volumes of ongoing customer assignments regained gradual momentum through the autumn, while we also signed some new contracts.

Sales in 2010 were SEK 1,210.7 (1,200.1) million. For current business, this means a 16% increase.

In the third quarter, current business sales grew by 23%, and for the fourth quarter, the increase was as much as 37%. But we should note here that as part of the sale of our holdings in NOTEFideltronik, some five percentage points of the increase in the final quarter consisted of materials sales, which have no margin. Demand remains firm, and I am pleased to note that our customers do appreciate our offering.

For the year overall, profitability was unsatisfactory and closely linked to the non-recurring costs for our restructuring package in the first quarter. Through resolute measures, we have sharpened our competitiveness, which should also be visible in our numbers. The combination of continued positive sales performance and cost savings achieved meant that our fourth-quarter operating profit was SEK 12.2 (-2.7) million. We believe that we are heading in the right direction—our fourth-quarter operating margin was 3.3% (-0.9%).

One important task for NOTE is to offer the cost-efficient supply of materials to its customers. Throughout the year, the global market for electronic components featured problematic shortages and long lead-times for materials. The combination of these problematic supply conditions and increased sales required substantial work to maintain satisfactory delivery capacity.

In addition, from time to time, shortages on the component market put big strains on our inventory and cash flow. So it is pleasing that after the summer—and despite increasing sales gains—we succeeded in downscaling our inventories. Accordingly, our cash flow after investments performed robustly, and in the fourth quarter, was SEK 40 million. For the year overall, cash flow was SEK -14 million.

#### THE FUTURE

We are putting a big emphasis on continuously improving quality and delivery precision to our

customers. With our restructuring package behind us, we are moving into 2011 with a significantly improved cost structure. The goal is for NOTE to continue growing, but profitability is our priority.

Even if the first quarter of the year is relatively weak seasonally, demand remains positive. But the problematic situation on the global market for electronic components in combination with some operational challenges in our manufacturing means that the development of inventory and sales in the immediate future is hard to assess. We have a sharp focus on our cash flow.

My own conviction, and that of the Board, remains that the NOTE of tomorrow has good prospects of building sustainable values for customers and shareholders.

Peter Laveson

President and CEO

## Sales and results of operations

#### SALES, JANUARY-DECEMBER

The beginning of the year featured some caution from customers. This was primarily due to delays and some uncertainty regarding market progress from several industrial customers. Another strong contributor was an increasing component shortage on the global market. Accordingly, volume growth in the first quarter was somewhat lower than expected.

But an increase in demand was apparent in the second quarter, which became clearer in the second half-year. For the full year, sales were SEK 1,210.7 (1,200.1) million, an increase of nearly 1%. The operation at NOTE Skellefteå, which essentially, produces for NOTE's previous largest customer in the Telecom segment, was divested at year-end 2009. In like-for-like terms, i.e. excluding NOTE Skellefteå, sales increased by 16%.

NOTE's sales are to a large customer base, largely active in the engineering industry in the Nordics and UK. The 15 largest customers in sales terms provide just over 50% of consolidated sales. The intention is that the focus on customers in the Industrial segment will result in more stable demand growth, and relatively longer product life-cycles and customer assignments. Volume production is usually located at the group's plants in low-cost countries in Eastern Europe and Asia.

Customer activity and demand from industry has increased gradually since the second quarter of the year. At year-end, the group's order book, consisting of a combination of firm orders and estimates, was some 10% higher than at the previous year-end.

#### RESULTS OF OPERATIONS, JANUARY-DECEMBER

In late-2009, NOTE started an overhaul of the group's units. In the first quarter, NOTE decided to up the pace of its restructuring by further concentrating the group's production units, in Sweden and other countries. Accordingly, NOTE took extensive structural measures through the year aimed at reducing costs and increasing capacity utilisation.

At year-end 2009, the operation at Skellefteå, Sweden was divested. After relocating production to other group units, the plants at Skänninge, Sweden and Tauragé, Lithuania were closed down. As a consequence of the component shortage on the market, production at Tauragé continued somewhat longer than originally planned.

The operational business in Gdansk, Poland, closed down as planned at year-end 2010. A total of some 300 staff were affected by these measures in 2010. But as a consequence of the previous year's acquisition of the remaining 50% of the shares of wholly owned electronics plant IONOTE in China, the average number of employees remained largely unchanged on the previous year.

The total cost of the restructuring package was posted to the loss for the year. Alongside termination costs at the beginning of the year of just over SEK -5 million for the previous CEO and President, the year was charged with structural and non-recurring costs totalling SEK -47 million. NOTE still judges that overall, the savings and rationalisation measures now implemented will generate a positive profit effect of just over SEK 50 million annualised.

Mainly as a result of cost savings completed to date, gross margins adjusted for non-recurring items increased to 8.2% (6.8%). Due to the structural measures implemented in the year, the group's capacity utilisation will increase in 2011.

Operating loss was SEK -48.2 (-90.8) million. Adjusted for non-recurring costs, the operating loss was SEK -1.4 (-27.1) million, equivalent to an operating margin of -0.1% (-2.3%).

Other operating income/costs of SEK -5.3 (-4.2) million mainly consist of negative currency effects, and to a lesser extent, capital gains from the sale of the CAD (PCB design) and NOTEfied operations, as well as the 50% holding in Polish electronics producer NOTEFideltronik.

The net financial income/expense for the period was SEK -11.2 (-7.1) million. Reduced net debt only partially compensated for recent cost for refunding and higher interest costs.

The loss after financial items was SEK -59.4 (-97.9) million, of which non-recurring items comprised SEK -46.8 (-63.7) million. The loss after tax was SEK -62.0 (-81.0) million and was negatively affected by the reversal of deferred tax assets in units undergoing closure.

#### **SALES AND RESULTS OF OPERATIONS, OCTOBER-DECEMBER**

Sales in the seasonally strong fourth quarter increased by 26% to SEK 366.8 (291.5) million. In like-for-like terms, i.e. excluding NOTE Skellefteå, this is an increase of 37% compared to the fourth quarter of 2009. But some five percentage points of this increase consisted of sales of inventories held at zero margin linked to the sale of the holding in NOTEFideltronik of Poland.

Despite the shortage of electronic components on the global market persisting in the fourth quarter, volume growth was somewhat stronger than expected. Positive sales growth primarily related to improved market conditions for industry, which had a direct positive effect on the volumes of current customer assignments. The continued volume gains on new business were additional.

The positive effects of NOTE's restructuring actions started to feed through gradually late in the year. The fourth-quarter operating profit was SEK 12.2 (-2.7) million, equating to an operating margin of 3.3% (-0.9%). Profits were only marginally positively affected by the sale of the CAD/NOTEfied operation business and the 50% holding in Polish electronics producer NOTEFideltronik.

The profit after financial items was SEK 8.1 (-4.2) million.

## Operating segments

As part of the Nearsourcing business model, operations are conducted as an integrated process through local Nearsourcing centres that are responsible for customers on each local market. Essentially, volume production is in facilities in low-cost countries—Industrial Plants. Development, management and coordination of operations is conducted in the parent company, and sourcing operations in NOTE Components.

Significant key ratios for NOTE's business segments are stated in the following table, pursuant to IFRS 8. Essentially, these consist of Nearsourcing centres and Industrial Plants. Nearsourcing centres include selling units in Sweden, Norway, Finland and the UK, where there is a close collaboration with customers to develop business. Industrial Plants are the production units in Estonia, Lithuania, Poland and China. Other units are business support, group-wide operations.

	2010 Q4	2009 Q4	2010 Full year	2009 Full year
<b>NEARSOURCING CENTRES</b>				
EXTERNAL SALES	<b>342.7</b>	285.4	<b>1,137.7</b>	1,173.3
INTERNAL SALES	<b>12.5</b>	16.3	<b>58.9</b>	93.0
MANUFACTURING, SELLING AND ADMINISTRATIVE EXPENSES	<b>-79.1</b>	-82.9	<b>-334.1</b>	-385.9
DEPRECIATION AND AMORTISATION	<b>-2.2</b>	-4.8	<b>-12.7</b>	-19.3
OPERATING PROFIT/LOSS	<b>36.5</b>	7.2	<b>48.2</b>	-46.7
PROPERTY, PLANT AND EQUIPMENT	<b>29.2</b>	57.1	<b>29.2</b>	57.1
STOCK	<b>123.5</b>	114.7	<b>123.5</b>	114.7
AVERAGE NUMBER OF EMPLOYEES	<b>430</b>	457	<b>417</b>	501
<b>INDUSTRIAL PLANTS</b>				
EXTERNAL SALES	<b>24.1</b>	6.1	<b>72.3</b>	26.5
INTERNAL SALES	<b>118.5</b>	105.6	<b>448.6</b>	366.5
MANUFACTURING, SELLING AND ADMINISTRATIVE EXPENSES	<b>-36.6</b>	-29.1	<b>-156.0</b>	-112.2
DEPRECIATION AND AMORTISATION	<b>-4.9</b>	-3.3	<b>-17.5</b>	-15.0
OPERATING PROFIT/LOSS	<b>-20.4</b>	-4.0	<b>-70.9</b>	-18.9
PROPERTY, PLANT AND EQUIPMENT	<b>43.5</b>	63.0	<b>43.5</b>	63.0
STOCK	<b>69.1</b>	103.1	<b>69.1</b>	103.1
AVERAGE NUMBER OF EMPLOYEES	<b>568</b>	491	<b>573</b>	460
<b>OTHER UNITS AND ELIMINATIONS</b>				
EXTERNAL SALES	<b>0.0</b>	0.0	<b>0.8</b>	0.3
INTERNAL SALES	<b>-131.0</b>	-121.9	<b>-507.5</b>	-459.6
MANUFACTURING, SELLING AND ADMINISTRATIVE EXPENSES	<b>1.8</b>	-5.5	<b>1.0</b>	-19.0
DEPRECIATION AND AMORTISATION	<b>-0.4</b>	-0.4	<b>-1.7</b>	-2.0
OPERATING PROFIT/LOSS	<b>-3.9</b>	-5.9	<b>-25.5</b>	-25.2
PROPERTY, PLANT AND EQUIPMENT	<b>0.1</b>	2.0	<b>0.1</b>	2.0
STOCK	<b>0.0</b>	0.1	<b>0.0</b>	0.1
AVERAGE NUMBER OF EMPLOYEES	<b>10</b>	8	<b>10</b>	16

# Financial position, cash flow and investments

## CASH FLOW

To compete successfully in the high mix/low volume segment, NOTE faces a big challenge to continuously improve its working methods in purchasing, inventory control and logistics. This challenge is especially apparent in rapid demand upturns and downturns, and relates mainly to the complexity of materials supply and changing lead-times for electronic components.

Throughout the year, the global market for electronic components featured shortages with extended lead-times resulting for certain components. Accordingly, alongside its customers, NOTE made major efforts to dimension inventory levels and maintain delivery precision at a satisfactory level. The combination of the difficult situation on the component market and accelerating sales growth contributed to a significant increase in inventories through the summer. Focused efforts resulted in progressive reduction of inventories in the second half-year. During the fourth quarter, inventories were downscaled by 18%—over 50% of this reduction being a result of the sale of joint venture NOTEFideltronik. At year-end, inventories were down by 12% on the previous year-end.

As a result of positive sales growth, accounts receivable—trade grew by 7% in the fourth quarter of the year, but only by 1% on the previous year-end. Accordingly, NOTE was able to reduce the number of days of credit significantly on the previous year.

Accounts payable—trade, which primarily relate to the purchase of electronic components and other production materials, were up 12% on the previous year-end.

Cash flow for the period (after investments) was SEK -13.6 (23.9) million, corresponding to SEK -0.56 (1.52) per share. Mainly as a result of positive profit growth and the achieved reduction of working capital, cash flow in the fourth quarter was SEK 40.2 (14.2) million.

## EQUITY TO ASSETS RATIO

The equity to assets ratio at the end of the period was 31.3% (27.9%). The equity assets ratio increased by 8.9 percentage points on the end of the first quarter mainly as a result of the new share issue conducted in the second quarter of the year.

## LIQUIDITY

The combination of the problematic situation on the component market and gradually rising sales growth has put significant strains on the group's liquidity from time to time. NOTE is maintaining its sharp focus on measures to further improve the group's liquidity and cash flow, with for example, loan terms renegotiated during the third quarter.

Available cash and cash equivalents including unutilised overdraft facilities were SEK 67.0 (50.7) million at year-end. Factored accounts receivable were some SEK 188 (136) million at year-end.

## INVESTMENTS

Investments in property, plant and equipment for the year, excluding sales, were SEK 4.2 (12.0) million, or 0.3% (1.0%) of sales. Depreciation and amortisation according to plan was SEK 31.9 (36.3) million.

As part of the completed rationalisation package, property, plant and equipment and other intangible assets were impaired by SEK 17.0 million in the year.

Against the background of positive progress of demand, NOTE decided to invest in expanded production capacity in its mechanical engineering unit at Järfälla, Sweden.

# Significant events in the year

## EXTENSIVE STRUCTURAL ACTIONS COMPLETE

NOTE executed extensive structural actions in the year intended to reduce costs and increase capacity utilisation. The operation at Skellefteå, Sweden was divested at year-end 2009. After transferring production to other units in the group, the plants at Skänninge, Sweden and Tauragė, Lithuania were closed in the summer and autumn respectively. The operational business in Gdansk, Poland was closed as planned at year-end 2010.

The divestment of NOTE's 50% holding in the NOTEFideltronik Electronics plant in Krakow, Poland, was conducted at year-end. The acquirer was former partner and 50% owner Zbigniew Fidelus, also principal owner of Polish producer Fideltronik. This divestment created a small-scale capital gain in the fourth quarter of the year. In addition, NOTE has agreed on a continued production partnership. Overall, this settlement is expected to result in a modest reduction of consolidated sales.

## NEW CEO AND PRESIDENT

Peter Laveson became CEO and President of NOTE in July. Peter has been a Board member of NOTE since April, and previously worked as a Business Developer at Investment AB Öresund. Peter has many years' experience of corporate development and change programmes in Swedish and foreign companies including AB Custos as Regional Manager for the Nordic region, UK and Spain in portfolio company Johnson Pump AB and as a Corporate Developer at Accenture.

Peter replaced Göran Jansson, who was appointed Acting CEO and President in January, succeeding Knut Pogost. Göran has been a member of NOTE's Board since spring 2007.

## Parent company

Parent company NOTE AB (publ) is primarily focused on the management, coordination and development of the group. In the period, revenue was SEK 40.5 (45.9) million and mainly related to intra-group services. Loss after tax was SEK -100.7 (18.0) million. The loss essentially relates to the impairment of shares in subsidiaries whose operations were discontinued or sold in the year. As a result of the divestment of the operations of CAD/NOTEfied and the 50% holding in NOTEFideltronik, the parent

## RIGHTS ISSUE 2010

A guaranteed new share issue of a gross total of some SEK 87 million was conducted in the second quarter with preferential rights for NOTE's shareholders.

## CHANGES TO OWNERSHIP

Significant changes to NOTE's major shareholders occurred early in the year. At year-end, the biggest single shareholder was Investment AB Öresund, with 11.1% of NOTE's shares.

## AGM 2010—NEW BOARD MEMBERS

The Annual General Meeting (AGM) on 27 April re-elected Bruce Grant and Göran Jansson, and elected Kjell-Åke Andersson, Stefan Charette, Henry Klotz and Peter Laveson as Board members. Stefan Charette was elected Chairman—no Deputy Chairman was appointed.

## FOCUSED INITIATIVE ON NOTEFIED

NOTE has built its own preferred parts database—NOTEfied—in recent years, which is unique in the sector. To sharpen its focus, NOTE took a decision in the summer to organise its activities in CAD (PCB design) and NOTEfied into a separate company. This measure affected a total of some 20 staff in Sweden, Norway and Poland. NOTE is a partner of this new entity. The principal owner is a Norwegian, Anders G Johansen, who was key to the build-up of NOTEfied. The purpose of the new constellation is to increase NOTEfied's efficiency and the number of its customers. The transfer was completed during the fourth quarter of the year and resulted in a modest capital gain.

company's interest-bearing receivables amounted to SEK 30 million at year-end. Security for these receivables basically consists of pledged shares and other assets.

## TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties were mainly internal sales to joint ventures. These transactions discontinued at year-end after the divestment of the 50% holding in NOTEFideltronik.



# Significant operational risks

NOTE is a services company active in the production and logistics of electronics-based products. NOTE's role involves it serving as a collaboration partner to its customers, although not a product owner.

The market for outsourced electronics production is relatively young and usually considered fairly cyclical. Very few, if any, of the somewhat larger traditional market players have succeeded in maintaining good profitability over a business cycle.

This fact was important to NOTE's choice of future strategy. NOTE's emphasis on Nearsourcing, intended to promote the combination of increased sales growth with reduced overheads and investment costs in high-cost countries, is one way to reduce its operational risks.

## FOR MORE INFORMATION, PLEASE CONTACT

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## AUDIT REVIEW

This Report has not been subject to review by NOTE's Auditors.

## FORTHCOMING FINANCIAL REPORTS

28 April 2011 Interim Report January-March  
15 July 2011 Interim Report January-June  
20 October 2011 Interim Report January-December

## ANNUAL REPORT

The Annual Report for 2010 will be published on NOTE's website [www.note.eu](http://www.note.eu) on 7 April 2011.

## ANNUAL GENERAL MEETING

The AGM will be held at Spårvagnshallarna, Stockholm, Sweden at 11 a.m. on 28 April 2011.

For a more detailed review of the group's operational and financial risks, the reader is referred to the Report of the Directors in NOTE's Annual Report for 2009.

The combination of the group's increasing sales growth with shortages of certain electronics components risks raising the requirement for working capital. Accordingly, NOTE has a big focus on managing liquidity risk.

Danderyd, Sweden, 9 February 2011

The Board of Directors, NOTE AB (publ)

## ACCOUNTING AND VALUATION PRINCIPLES

NOTE adopts International Financial Reporting Standards (IFRS) as endorsed by the European Union. Significant accounting and valuation principles are stated on pages 40-42 of the Annual Report for 2009.

NOTE's new share issue in the second quarter of 2010 increased the number of shares. This means that statements of earnings and cash flow per share are calculated on a weighted average number of shares in the period, and pursuant to IAS 33, comparative periods have also been re-stated.

The group's Financial Statement has been prepared in accordance with the Swedish Annual Accounts Act and IAS 34, Interim Financial Reporting. The parent company adopts RFR 2.

All amounts are in millions of Swedish kronor (SEK million) unless otherwise stated.

## DISCREPANCIES BETWEEN REPORTS

Swedish and English-language versions of this Report have been produced. In the event of any discrepancy between the two, the Swedish-language version will apply.

## Consolidated Income Statement

	2010 Q4	2009 Q4	2010 Full yr.	2009 Full yr.
REVENUES	366.8	291.5	1,210.7	1,200.1
COST OF GOODS AND SERVICES SOLD	-334.5	-268.9	-1,150.2	-1,173.7
<b>GROSS PROFIT/LOSS</b>	<b>32.3</b>	<b>22.6</b>	<b>60.5</b>	<b>26.4</b>
SALES COSTS	-11.7	-14.0	-53.6	-48.2
ADMINISTRATIVE COSTS	-9.4	-13.4	-49.8	-64.8
OTHER OPERATING INCOME/COSTS	1.0	2.1	-5.3	-4.2
<b>OPERATING PROFIT/LOSS</b>	<b>12.2</b>	<b>-2.7</b>	<b>-48.2</b>	<b>-90.8</b>
NET FINANCIAL INCOME/EXPENSE	-4.1	-1.5	-11.2	-7.1
<b>PROFIT/LOSS AFTER FINANCIAL ITEMS</b>	<b>8.1</b>	<b>-4.2</b>	<b>-59.4</b>	<b>-97.9</b>
INCOME TAX	-6.1	-5.7	-2.6	16.9
<b>PROFIT/LOSS AFTER TAX FOR THE PERIOD</b>	<b>2.0</b>	<b>-9.9</b>	<b>-62.0</b>	<b>-81.0</b>

## Earnings per share

	2010 Q4	2009 Q4	2010 Full yr.	2009 Full yr.
NUMBER OF SHARES AT END OF PERIOD (000)	28,873	9,624	28,873	9,624
WEIGHTED AVERAGE NUMBER OF SHARES (000)	28,873	15,749	24,342	15,749
EARNINGS PER SHARE, SEK	0.07	-0.63	-2.55	-5.14

## Consolidated Statement of Comprehensive Income

	2010 Q4	2009 Q4	2010 Full yr.	2009 Full yr.
<b>NET PROFIT/LOSS</b>	<b>2.0</b>	<b>-9.9</b>	<b>-62.0</b>	<b>-81.0</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
EXCHANGE RATE DIFFERENCES	-0.7	3.1	-10.1	-3.7
CASH FLOW HEDGES	-0.2	-	-0.2	-0.3
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>-0.9</b>	<b>3.1</b>	<b>-10.3</b>	<b>-4.0</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>1.1</b>	<b>-6.8</b>	<b>-72.3</b>	<b>-85.0</b>

## Consolidated Balance Sheet

	2010 31 Dec	2009 31 Dec
<b>ASSETS</b>		
GOODWILL	70.5	71.2
OTHER INTANGIBLE ASSETS	0.2	10.3
PROPERTY, PLANT AND EQUIPMENT	72.8	122.1
DEFERRED TAX ASSETS	29.0	28.4
OTHER FINANCIAL ASSETS	8.4	2.6
<b>FIXED ASSETS</b>	<b>180.9</b>	<b>234.6</b>
SHORT-TERM INTEREST-BEARING RECEIVABLES	24.5	-
STOCK	192.6	217.9
ACCOUNTS RECEIVABLE—TRADE	234.4	231.9
OTHER CURRENT RECEIVABLES	27.4	44.3
CASH AND CASH EQUIVALENTS	33.7	24.4
<b>CURRENT ASSETS</b>	<b>512.6</b>	<b>518.5</b>
<b>TOTAL ASSETS</b>	<b>693.5</b>	<b>753.1</b>
<b>EQUITY AND LIABILITIES</b>		
EQUITY	217.0	209.9
NON-CURRENT INTEREST-BEARING LIABILITIES	4.7	14.0
DEFERRED TAX LIABILITIES	2.4	3.6
OTHER LONG-TERM PROVISIONS	-	12.9
<b>NON-CURRENT LIABILITIES</b>	<b>7.1</b>	<b>30.5</b>
CURRENT INTEREST-BEARING LIABILITIES	202.2	237.6
ACCOUNTS PAYABLE—TRADE	171.9	153.9
OTHER CURRENT LIABILITIES	78.4	82.9
SHORT-TERM PROVISIONS	16.9	38.3
<b>CURRENT LIABILITIES</b>	<b>469.4</b>	<b>512.7</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>693.5</b>	<b>753.1</b>

## Consolidated Change in Equity

	2010 Q4	2009 Q4	2010 Full yr.	2009 Full yr.
OPENING EQUITY	215.9	216.7	209.9	294.9
COMPREHENSIVE INCOME FOR THE PERIOD AFTER TAX	1.1	-6.8	-72.3	-85.0
NEW SHARE ISSUE	-	-	86.6	-
COSTS RELATING TO NEW SHARE ISSUE	-	-	-7.2	-
<b>CLOSING EQUITY</b>	<b>217.0</b>	<b>209.9</b>	<b>217.0</b>	<b>209.9</b>

## Consolidated Cash Flow Statement

	2010 Q4	2009 Q4	2010 Full yr.	2009 Full yr.
PROFIT/LOSS AFTER FINANCIAL ITEMS	8.2	-4.2	-59.4	-97.9
REVERSED DEPRECIATION AND AMORTISATION	7.4	8.5	31.9	36.3
OTHER NON-CASH ITEMS	-43.3	-16.6	-6.6	36.7
TAX PAID	4.3	-2.6	-1.9	-5.0
CHANGE IN WORKING CAPITAL	50.7	36.4	10.4	72.5
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>27.3</b>	<b>21.5</b>	<b>-25.6</b>	<b>42.6</b>
CASH FLOW FROM INVESTING ACTIVITIES	12.9	-7.3	12.0	-18.7
CASH FLOW FROM FINANCING ACTIVITIES	-28.5	-9.1	25.4	-34.6
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>11.7</b>	<b>5.1</b>	<b>11.8</b>	<b>-10.7</b>
<b>CASH AND CASH EQUIVALENTS</b>				
AT BEGINNING OF PERIOD	21.1	19.1	24.4	35.9
CASH FLOW AFTER INVESTING ACTIVITIES	40.2	14.2	-13.6	23.9
FINANCING ACTIVITIES	-28.5	-9.1	25.4	-34.6
EXCHANGE RATE DIFFERENCES IN CASH AND CASH EQUIVALENTS	0.9	0.2	-2.5	-0.8
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>33.7</b>	<b>24.4</b>	<b>33.7</b>	<b>24.4</b>
UNUTILISED CREDITS	33.3	26.3	33.3	26.3
<b>AVAILABLE CASH AND CASH EQUIVALENTS</b>	<b>67.0</b>	<b>50.7</b>	<b>67.0</b>	<b>50.7</b>

## Consolidated six-year summary

	2010	2009	2008	2007	2006	2005
SALES	1,210.7	1,200.0	1,709.5	1,743.8	1,741.5	1,504.1
GROSS MARGIN	5.0%	2.2%	7.2%	12.9%	11.9%	3.6%
OPERATING MARGIN	-4.0%	-7.6%	-0.2%	6.4%	5.9%	-4.3%
PROFIT MARGIN	-4.9%	-8.2%	-0.8%	6.0%	5.5%	-4.9%
CASH FLOW AFTER INVESTING ACTIVITIES	-13.6	23.9	25.1	-0.5	24.8	-9.7
EQUITY PER SHARE, SEK	7.52	21.81	30.64	34.02	27.86	21.31
CASH FLOW PER SHARE, SEK	-0.56	1.52	1.59	-0.03	1.57	-0.61
RETURN ON OPERATING CAPITAL	-12.1%	-18.8%	-0.7%	21.4%	22.5%	-14.3%
RETURN ON EQUITY	-29.1%	-32.1%	-4.2%	26.3%	29.0%	-23.7%
EQUITY TO ASSETS RATIO	31.3%	27.9%	31.1%	34.5%	30.2%	25.3%
AVERAGE NUMBER OF EMPLOYEES	1,000	977	1,201	1,171	1,127	1,097
SALES PER EMPLOYEE, SEK 000	1,211	1,228	1,423	1,489	1,545	1,371

## Consolidated quarterly summary

	2010 Q4	2010 Q3	2010 Q2	2010 Q1	2009 Q4	2009 Q3	2009 Q2	2009 Q1
SALES	366.8	271.9	298.6	273.5	291.5	267.4	312.1	329.1
GROSS MARGIN	8.8%	6.9%	9.9%	-7.4%	7.8%	-12.8%	6.2%	5.7%
OPERATING MARGIN	3.3%	-1.5%	-1.3%	-19.2%	-0.9%	-23.0%	-5.8%	-2.6%
PROFIT MARGIN	2.2%	-2.4%	-2.0%	-20.2%	-1.5%	-23.5%	-6.3%	-3.4%
CASH FLOW AFTER INVESTING ACTIVITIES	40.2	-13.2	-54.9	14.3	14.2	14.2	10.8	-15.3
EQUITY PER SHARE, SEK	7.52	7.48	7.94	16.97	21.81	22.52	27.94	29.59
CASH FLOW PER SHARE, SEK	1.39	-0.46	-2.32	0.91	0.90	0.90	0.69	-0.97
EQUITY TO ASSETS RATIO	31.3%	30.4%	31.4%	22.4%	27.9%	27.0%	32.2%	31.4%
AVERAGE NUMBER OF EMPLOYEES	1,008	1,006	987	997	956	888	944	1,121
SALES PER EMPLOYEE, SEK 000	364	270	303	274	305	301	331	294

## Parent Company Income Statement

	2010 Q4	2009 Q4	2010 Full yr.	2009 Full yr.
NET SALES	10.1	9.9	40.5	45.9
COST OF GOODS SOLD	-4.1	-16.4	-29.9	-39.5
<b>GROSS PROFIT/LOSS</b>	<b>6.0</b>	<b>-6.5</b>	<b>10.6</b>	<b>6.4</b>
SALES COSTS	-1.6	-1.7	-8.0	-10.6
ADMINISTRATIVE COSTS	-2.4	-2.1	-14.0	-21.2
OTHER OPERATING INCOME/COSTS	0.0	0.6	0.1	-1.9
<b>OPERATING PROFIT/LOSS</b>	<b>2.0</b>	<b>-9.7</b>	<b>-11.3</b>	<b>-27.3</b>
FINANCIAL INCOME/EXPENSE	-28.7	1.8	-95.4	2.1
<b>PROFIT/LOSS AFTER NET FINANCIAL ITEMS</b>	<b>-26.7</b>	<b>-7.9</b>	<b>-106.7</b>	<b>-25.2</b>
APPROPRIATIONS	-	48.1	-	48.1
<b>PROFIT/LOSS BEFORE TAX</b>	<b>-26.7</b>	<b>40.2</b>	<b>-106.7</b>	<b>22.9</b>
INCOME TAX	0.2	-10.8	6.0	-4.9
<b>PROFIT/LOSS AFTER TAX</b>	<b>-26.5</b>	<b>29.4</b>	<b>-100.7</b>	<b>18.0</b>

## Parent Company Balance Sheet

	2010 31 Dec	2009 31 Dec
<b>ASSETS</b>		
INTANGIBLE ASSETS	-	0.9
PROPERTY, PLANT AND EQUIPMENT	0.1	2.0
DEFERRED TAX ASSETS	7.9	2.5
FINANCIAL NON-CURRENT ASSETS	322.9	340.3
<b>NON-CURRENT ASSETS</b>	<b>330.9</b>	<b>345.7</b>
SHORT-TERM INTEREST-BEARING RECEIVABLES	24.5	-
RECEIVABLES FROM GROUP COMPANIES & JOINT VENTURES	100.3	111.5
OTHER CURRENT RECEIVABLES	3.5	6.4
CASH AND CASH EQUIVALENTS	11.8	4.8
<b>CURRENT ASSETS</b>	<b>140.1</b>	<b>122.7</b>
<b>TOTAL ASSETS</b>	<b>471.0</b>	<b>468.4</b>
<b>EQUITY AND LIABILITIES</b>		
EQUITY	237.3	257.1
<b>UNTAXED RESERVES</b>	<b>-</b>	<b>-</b>
LIABILITIES TO GROUP COMPANIES & JOINT VENTURES	-	6.8
<b>NON-CURRENT LIABILITIES</b>	<b>-</b>	<b>6.8</b>
LIABILITIES TO CREDIT INSTITUTIONS	20.9	64.9
LIABILITIES TO GROUP COMPANIES & JOINT VENTURES	199.9	126.2
OTHER CURRENT LIABILITIES & PROVISIONS	12.9	13.4
<b>CURRENT LIABILITIES</b>	<b>233.7</b>	<b>204.5</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>471.0</b>	<b>468.4</b>