Interim Report January–March 2011

Q1

YOUR MANUFACTURING PARTNER

Continued sales growth, 3.9% operating margin and positive cash flow

FINANCIAL PERFORMANCE, JANUARY-MARCH

- Customer activity remained at a high level. Sales increased by 14% to SEK 311.8 (273.5) million.
- Operating profit was SEK 12.3 (-52.5) million. Operating profit last year included structural and other non-recurring costs of some SEK -44 million.
- Operating margin was 3.9% (-19.2%).
- Profit after financial items was SEK 9.3 (-55.1) million.
- Profit after tax was SEK 5.9 (-43.7) million, or SEK 0.20 (-2.78)/share.
- Cash flow after investments was SEK 9.0 (14.3) million, or SEK 0.31 (0.91)/share.

RETROSPECTIVE AND SIGNIFICANT EVENTS

- **Extensive structural measure implemented**
  Structural measures decided in the first quarter last year, involving the relocation and closure of production at Skänninge, Sweden and Tauragé, Lithuania, have been completed. In addition, the operation at the Gdansk, Poland, was closed as planned at year-end. As another component of NOTE's re-structuring, at year-end 2010, NOTE sold its 50% holding in the NOTEFideltronik electronics plant in Krakow, Poland. The cost for the structural actions and other non-recurring costs of some SEK -47 million were charged to operating profit/loss for the previous year. Going forward, these actions are expected to continue to produce a positive annualised profit effect of at least SEK 50 million.
- **Disaster in Japan**
  A significant share of the world's electronic components is produced by Japanese manufacturers. Against the background of the large-scale earthquake in the first quarter and its consequences, there is a risk of further disruptions on the market for electronic components. NOTE is devoting substantial attention to minimising future disruptions to its supply of materials alongside customers.

CEO's comments

ACTIONS EXECUTED INCREASE PROFITABILITY

Last year, NOTE decided and completed an extensive rationalisation programme to increase capacity utilisation and improve profitability. Significant parts of this rationalisation programme involved us closing or selling off several units, simultaneous with production being relocated to other units in the group. In addition, we have adapted our central resources to new market conditions.

The cost of this rationalisation programme, and other non-recurring costs, totalling some SEK -47 million, were charged to our operating profit/loss last year. Essentially, this program has been executed as planned. Our view remains that the result of our actions will produce a minimum annualised profit improvement of SEK 50 million.

As a result of the rationalisation program, the cost were reduced some 17% compared to the first quarter of last year.

Accordingly, NOTE has gone through a complex period. So I am pleased that in the first quarter of the year, like the final quarter last year, we post positive profits. But we still have a lot to work on. With our rationalisation programme behind us, we have intensified our methodical improvement work since year-end. This is being conducted in a number of central projects, but mainly locally, led by each unit, based on our core processes and according to the principles of 'responsibility and good order'—with the consistent aim of getting a still greater pay-off from our strong customer relations and capabilities. This is ongoing work that requires strong local support and ownership. Furthermore, we are investigating the upgrading needs within the IT-area and of production equipment. Eventually, this work will reduce our operational risks and improve our prospects of increased efficiency, achieving better delivery precision and quality outcomes, and a still-stronger customer offering.

In my view, there is much to suggest good future performance on the market. There is an increased usage of electronics in products that have traditionally been mechanical and a continuous positive outsourcing trend.

PROGRESS IN THE FIRST QUARTER

The positive progress of demand that began back in the second quarter last year and gradually accentuated through the autumn continued in the first quarter of the year. This means that volumes on our ongoing customer assignments increased, while simultaneously, we secured new business. But there is a difference between the various markets we operate on—not least the Swedish market, which has continued to progress positively.

Sales in the first quarter were SEK 311.8 (273.5) million, an increase of 14% year on year. I am pleased to see that customers appreciate our offering. Demand remains positive, and at the end of the first quarter, our order book was up nearly to the 10% on the corresponding point of last year.

We are on the right track in profitability terms. For the first quarter of the year, operating profit was SEK 12.3 million, equivalent to an operating margin of 3.9%. This is a strengthening of the operating margin with 0.6 percentage points compared to the fourth quarter last year.

Like last year, the global market for electronic components has featured problematic shortages and long lead-times for materials. Accordingly, major efforts have been required jointly with customers and suppliers to maintain delivery capacity at good levels. Although hard to predict, we have devoted a lot of attention to the effects the earthquake disaster in Japan may imply.

Despite our continued sales growth and problematic supply conditions on the component market, I am also pleased that we succeeded in keeping our inventories at a balanced level. Our inventories at the end of the first quarter were down 16% on the corresponding point of last year. This contributes to us being able to increase profitability, while also reducing the business risks of our operation. Cash flow after investments in the first quarter was positive and was SEK 9.0 (14.3) million.

THE FUTURE

Our goal is to continue growing, but profitability is our priority.

Our view ahead is fairly short, but demand for the second quarter remains positive. However, the uncertainties in the electronics components market make volumes and inventories hard to assess even in the short perspective.

We are retaining a sharp focus on improving our cash flow and liquidity.

Peter Laveson

President and CEO

Sales and results of operations

SALES, JANUARY-MARCH

Customer demand has increased gradually since the second quarter last year. This meant that volumes on current business continued to progress positively, while new business was secured. Sales increased by 14% in the period to SEK 311.8 (273.5) million. But some 2% of sales growth consisted of the supply of materials at zero margin linked to the sale of the 50% holding in NOTEFideltronik at year-end.

NOTE sells to a large number of customers, who essentially, are active in the Nordic and UK engineering industries. The 15 largest customers in sales terms represented over 50% of consolidated sales. Previously, a higher share of NOTE's sales was linked to customers within Telecom. Demand in this area is volatile in volume terms and features severe price pressure. The intention is to increase the share of sales to customers enabling somewhat more stable volume growth and relatively longer product life-cycles and customer assignments.

The global market for electronic components continued to feature problematic shortages and long lead-times for materials in the first quarter. This situation has required extra work to maintain deliveries as planned.

At the end of the period, the group's order book, which consists of a combination of firm orders and forecasts, was up approximately 10% on the corresponding point of the previous year.

RESULTS OF OPERATIONS, JANUARY-MARCH

At the beginning of last year, NOTE decided to intensify its structural transformation.

The objective was to execute savings and rationalisation measures in 2010 to generate a positive profit effect of at least SEK 50 million annualised. As part of this programme, a further concentration of the group's production units in Sweden and internationally was executed. Operations that did not fit were closed or sold off. This action programme was essentially completed as planned in the previous quarter.

As a consequence of the actions implemented, capacity utilisation at the group's units increased. Competitiveness has improved. Adjusted for structural and other non-recurring costs last year, costs in the period were down some 17% on the corresponding period of last year.

Mainly as a result of increased volumes and cost rationalisations executed, gross margins adjusted for non-recurring items last year increased by 3.3 percentage points to 10.0% (6.7%).

Moreover, as a result of the structural actions, sales and administration overheads reduced by some 25%, overheads corresponded to 6.1% of sales for the period. Adjusted for non-recurring items last year, overheads corresponded to 9.2% of sales.

Operating profit adjusted for non-recurring items last year improved by SEK 21.1 million to SEK 12.3 (-8.8) million, equivalent to an operating margin of 3.9% (-3.2%).

Net financial income/expense in the period was SEK -3.0 (-2.6) million. Higher market interest rates were partly compensated by a reduction of consolidated net debt.

Operating segments

As part of the Nearsourcing business model, operations are conducted as an integrated process. NOTE's Nearsourcing centres offer development and production technology services in close collaboration with customers, such as selecting materials, prototyping, series production and testing. NOTE's Industrial Plants offer cost-efficient volume production in Europe and Asia. 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 current and new business. Essentially, Industrial Plants are the production units in Estonia and China. Other units are business support, group-wide operations.

	2011 Q1	2010 Q1	**Rolling 12 mth.**	2010 Full yr.
NEARSOURCING CENTRES				
EXTERNAL SALES	**292.1**	262.3	**1,167.5**	1,137.7
INTERNAL SALES	**7.5**	16.0	**50.4**	58.9
MANUFACTURING, SELLING AND ADMINISTRATIVE EXPENSES	**-78.1**	-121.3	**-318.0**	-334.1
DEPRECIATION AND AMORTISATION	**-3.3**	-3.6	**-12.3**	-12.7
OPERATING PROFIT/LOSS	**15.2**	-29.5	**66.0**	48.2
PROPERTY, PLANT AND EQUIPMENT	**28.0**	53.0	**28.0**	29.2
STOCK	**127.9**	123.6	**127.9**	123.5
AVERAGE NUMBER OF EMPLOYEES	**440**	407	**425**	417
INDUSTRIAL PLANTS				
EXTERNAL SALES	**19.7**	10.1	**81.9**	72.3
INTERNAL SALES	**73.6**	102.0	**420.2**	448.6
MANUFACTURING, SELLING AND ADMINISTRATIVE EXPENSES	**-17.0**	-30.3	**-115.7**	-156.0
DEPRECIATION AND AMORTISATION	**-2.6**	-4.4	**-15.7**	-17.5
OPERATING PROFIT/LOSS	**-1.6**	-12.0	**-33.5**	-70.9
PROPERTY, PLANT AND EQUIPMENT	**39.8**	57.8	**39.8**	43.5
STOCK	**72.4**	113.9	**72.4**	69.1
AVERAGE NUMBER OF EMPLOYEES	**482**	581	**548**	573
OTHER UNITS AND ELIMINATIONS				
EXTERNAL SALES	**0.0**	1.1	**-0.3**	0.8
INTERNAL SALES	**-81.1**	-118.0	**-470.6**	-507.5
MANUFACTURING, SELLING AND ADMINISTRATIVE EXPENSES	**-1.3**	-4.0	**3.8**	1.0
DEPRECIATION AND AMORTISATION	**0.0**	-0.5	**-1.3**	-1.7
OPERATING PROFIT/LOSS	**-1.3**	-11.0	**-15.9**	-25.5
PROPERTY, PLANT AND EQUIPMENT	**0.1**	1.8	**0.1**	0.1
STOCK	**-**	0.1	**-**	0.0
AVERAGE NUMBER OF EMPLOYEES	**16**	9	**12**	10

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 period, the global market for electronic components still 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.

Despite increased sales, NOTE was able to reduce inventories by 16% year on year at the end of the period through focused initiatives.

At the end of the period, accounts receivable—trade were on a comparable level as the previous year-end. Mainly as a result of sales growth, accounts receivable—trade grew by 15% year on year. The number of days of credit was largely unchanged on the previous year.

Accounts payable—trade, which primarily relate to the purchase of electronic components and other production materials, were somewhat higher than at the previous year-end and the corresponding point of the previous year.

Cash flow (after investments) remained positive and was SEK 9.0 (14.3) million, or SEK 0.31 (0.91)/share.

EQUITY TO ASSETS RATIO

The equity to assets ratio at the end of the period was 32.7% (22.4%). The increase relates mainly to the new share issue conducted in the second quarter of the previous year.

LIQUIDITY

The combination of the problematic situation on the component market and sales growth has put significant strains on the group's liquidity from time to time since last summer. 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 2010.

Available cash and cash equivalents including un-utilised overdraft facilities were SEK 46.2 (30.4) million at the end of the period. Factored accounts receivable were some SEK 177 (146) million at the end of the period.

INVESTMENTS

Investments in property, plant and equipment in the period, excluding sales, were SEK 2.5 (0.3) million, or 0.8% (0.1%) of sales. Depreciation and amortisation was SEK 5.9 (8.5) million.

Investments in the year are expected to remain at a fairly low level.

Significant events in the period

EXTENSIVE STRUCTURAL ACTIONS EXECUTED

The extensive structural actions NOTE decided on in the previous year involving the relocation and closure of production at Skänninge, Sweden, and Tauragé, Lithuania, have been completed. In addition, the operation at Gdansk, Poland, was closed as planned at year-end. As a further component of the restructuring, at year-end 2010, NOTE sold its 50% holding in the NOTEFideltronik electronics plant in Krakow, Poland. The costs for these structural actions and other non-recurring costs of some SEK -47 million were charged to the previous year's operating profit/loss. Going forward, these actions are expected to result in a minimum positive annualised profit effect of SEK 50 million.

JAPANESE DISASTER

As in the previous year, the global market for electronic components has featured problematic shortages and long lead-times for certain components.

A significant share of the world's electronic components is produced by Japanese manufacturers. Against the background of the large-scale earthquake in the first quarter and its consequences, there is a risk of further disruptions on the market for electronic components. NOTE is devoting substantial attention to minimising future disruptions to its material supply jointly with customers and suppliers.

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 10.0 (10.2) million and mainly related to intra-group services. Loss after tax was SEK -1.8 (-8.4) million. As a consequence of the sale of the CAD operation and the 50% holding in NOTEFideltronik in the previous year, interest-bearing receivables in the parent company amounted to some SEK 23 million.

TRANSACTIONS WITH RELATED PARTIES

Until year-end 2010, transactions with related parties were mainly internal services sales to joint ventures. These transactions discontinued at year-end after the divestment of the 50% holding in NOTEFideltronik in Krakow, Poland.

Significant operational risks

NOTE is the leading manufacturing partner for outsourced electronics production in the Nordics. It has especially strong market positioning in the high mix/low volume market segment, i.e. for products in small to medium-sized series that require high technology competence and flexibility. NOTE produces PCBs, sub-assemblies and box build products. NOTE's offering covers the complete product life-cycle, from design to after-sales. 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 a more detailed review of the group's operational and financial risks, the reader is referred to the risk section, the Report of the Directors and note 25, Financial risks and finance policy, of NOTE's Annual Report for 2010.

The group's sales growth in combination with current shortages and future uncertainties surrounding the effects of the Japanese earthquake, might increase the requirement for working capital. Accordingly, NOTE has a sharp focus on managing liquidity risk.

Danderyd, Sweden, 27 April 2011

The Board of Directors, NOTE AB (publ)

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FORTHCOMING FINANCIAL REPORTS

15 July 2011 Interim Report January-June

20 October 2011 Interim Report January-September

AUDIT REVIEW

As in previous years, this Interim Report has not been subject to review by the company's Auditors.

ACCOUNTING AND VALUATION PRINCIPLES

NOTE adopts International Financial Reporting Standards (IFRS) as endorsed by the European Union. Significant accounting and valuation principles are stated in the Annual Report for 2010. The group's Interim Report 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

	2011 Q1	2010 Q1	**Rolling 12 mth.**	2010 Full yr.
REVENUES	**311.8**	273.5	**1,249.0**	1,210.7
COST OF GOODS AND SERVICES SOLD	**-280.8**	-293.7	**-1,137.3**	-1,150.2
GROSS PROFIT/LOSS	**31.0**	**-20.2**	**111.7**	**60.5**
SALES COSTS	**-9.6**	-16.7	**-46.4**	-53.6
ADMINISTRATIVE COSTS	**-9.4**	-13.9	**-45.3**	-49.8
OTHER OPERATING INCOME/COSTS	**0.3**	-1.7	**-3.4**	-5.3
OPERATING PROFIT/LOSS	**12.3**	**-52.5**	**16.6**	**-48.2**
NET FINANCIAL INCOME/EXPENSE	**-3.0**	-2.6	**-11.6**	-11.2
PROFIT/LOSS AFTER FINANCIAL ITEMS	**9.3**	**-55.1**	**5.0**	**-59.4**
INCOME TAX	**-3.4**	11.4	**-17.4**	-2.6
PROFIT/LOSS AFTER TAX FOR THE PERIOD	**5.9**	**-43.7**	**-12.4**	**-62.0**

Earnings per share

	2011 Q1	2010 Q1	**Rolling 12 mth.**	2010 Full yr.
NUMBER OF SHARES AT END OF PERIOD (000)	**28,873**	9,624	**28,873**	28,873
WEIGHTED AVERAGE NUMBER OF SHARES (000)	**28,873**	15,749	**27,578**	24,342
EARNINGS PER SHARE, SEK	**0.20**	-2.78	**-0.45**	-2.55

Consolidated Statement of Comprehensive Income

	2011 Q1	2010 Q1	**Rolling 12 mth.**	2010 Full yr.
NET PROFIT/LOSS	**5.9**	**-43.7**	**-12.4**	**-62.0**
OTHER COMPREHENSIVE INCOME				
EXCHANGE RATE DIFFERENCES	**-0.5**	-2.9	**-7.7**	-10.1
CASH FLOW HEDGES	**0.1**	-	**-0.1**	-0.2
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	**-0.4**	**-2.9**	**-7.8**	**-10.3**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**5.5**	**-46.6**	**-20.2**	**-72.3**

Consolidated Balance Sheet

	2011 31 Mar	2010 31 Mar	2010 31 Dec
ASSETS			
GOODWILL	**70.4**	71.0	70.5
OTHER INTANGIBLE ASSETS	**0.2**	9.2	0.2
PROPERTY, PLANT AND EQUIPMENT	**67.9**	112.6	72.8
DEFERRED TAX ASSETS	**26.8**	40.8	29.0
OTHER FINANCIAL ASSETS	**8.4**	2.5	8.4
FIXED ASSETS	**173.7**	**236.1**	**180.9**
SHORT-TERM INTEREST-BEARING RECEIVABLES	**19.6**	-	24.5
STOCK	**200.3**	237.6	192.6
ACCOUNTS RECEIVABLE—TRADE	**234.8**	204.1	234.4
OTHER CURRENT RECEIVABLES	**26.2**	38.3	27.4
CASH AND CASH EQUIVALENTS	**25.5**	11.8	33.7
CURRENT ASSETS	**506.4**	**491.8**	**512.6**
TOTAL ASSETS	**680.1**	**727.9**	**693.5**
EQUITY AND LIABILITIES			
EQUITY	**222.5**	163.3	217.0
NON-CURRENT INTEREST-BEARING LIABILITIES	**5.4**	11.7	4.7
DEFERRED TAX LIABILITIES	**2.5**	3.5	2.4
OTHER LONG-TERM PROVISIONS	**-**	13.2	-
NON-CURRENT LIABILITIES	**7.9**	**28.4**	**7.1**
CURRENT INTEREST-BEARING LIABILITIES	**184.4**	214.7	202.2
ACCOUNTS PAYABLE—TRADE	**175.7**	171.6	171.9
OTHER CURRENT LIABILITIES	**77.5**	77.5	78.4
SHORT-TERM PROVISIONS	**12.1**	72.4	16.9
CURRENT LIABILITIES	**449.7**	**536.2**	**469.4**
TOTAL EQUITY AND LIABILITIES	**680.1**	**727.9**	**693.5**

Consolidated Change in Equity

	2011 Q1	2010 Q1	**Rolling 12 mth.**	2010 Full yr.
OPENING EQUITY	**217.0**	209.9	**163.3**	209.9
COMPREHENSIVE INCOME FOR THE PERIOD AFTER TAX	**5.5**	-46.6	**-20.2**	-72.3
NEW SHARE ISSUE	**-**	-	**86.6**	86.6
COSTS RELATING TO NEW SHARE ISSUE	**-**	-	**-7.2**	-7.2
CLOSING EQUITY	**222.5**	**163.3**	**222.5**	**217.0**

Consolidated Cash Flow Statement

	2011 Q1	2010 Q1	Rolling 12 mth.	2010 Full yr.
PROFIT/LOSS AFTER FINANCIAL ITEMS	**9.3**	-55.1	**5.0**	-59.4
REVERSED DEPRECIATION AND AMORTISATION	**5.9**	8.5	**29.3**	31.9
OTHER NON-CASH ITEMS	**3.1**	41.8	**-45.3**	-6.6
TAX PAID	**-1.9**	-1.0	**-2.8**	-1.9
CHANGE IN WORKING CAPITAL	**-10.4**	20.5	**-20.5**	10.4
CASH FLOW FROM OPERATING ACTIVITIES	**6.0**	**14.7**	**-34.3**	**-25.6**
CASH FLOW FROM INVESTING ACTIVITIES	**3.0**	-0.4	**15.4**	12.0
CASH FLOW FROM FINANCING ACTIVITIES	**-16.7**	-25.9	**34.6**	25.4
CHANGE IN CASH AND CASH EQUIVALENTS	**-7.7**	**-11.6**	**15.7**	**11.8**
CASH AND CASH EQUIVALENTS				
AT BEGINNING OF PERIOD	**33.7**	24.4	**11.8**	24.4
CASH FLOW AFTER INVESTING ACTIVITIES	**9.0**	14.3	**-18.9**	-13.6
FINANCING ACTIVITIES	**-16.7**	-25.9	**34.6**	25.4
EXCHANGE RATE DIFFERENCES IN CASH AND CASH EQUIVALENTS	**-0.5**	-1.0	**-2.0**	-2.5
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**25.5**	**11.8**	**25.5**	**33.7**
UN-UTILISED CREDITS	**20.7**	18.6	**20.7**	33.3
AVAILABLE CASH AND CASH EQUIVALENTS	**46.2**	**30.4**	**46.2**	**67.0**

Consolidated six-year summary

	Rolling 12 mth.	2010	2009	2008	2007	2006
SALES	**1,249.0**	1,210.7	1,200.0	1,709.5	1,743.8	1,741.5
GROSS MARGIN	**8.9%**	5.0%	2.2%	7.2%	12.9%	11.9%
OPERATING MARGIN	**1.3%**	-4.0%	-7.6%	-0.2%	6.4%	5.9%
PROFIT MARGIN	**0.4%**	-4.9%	-8.2%	-0.8%	6.0%	5.5%
CASH FLOW AFTER INVESTING ACTIVITIES	**-18.9**	-13.6	23.9	25.1	-0.5	24.8
EQUITY PER SHARE, SEK	**7.71**	7.52	21.81	30.64	34.02	27.86
CASH FLOW PER SHARE, SEK	**-0.68**	-0.56	1.52	1.59	-0.03	1.57
RETURN ON OPERATING CAPITAL	**4.5%**	-12.1%	-18.8%	-0.7%	21.4%	22.5%
RETURN ON EQUITY	**-6.4%**	-29.1%	-32.1%	-4.2%	26.3%	29.0%
EQUITY TO ASSETS RATIO	**32.7%**	31.3%	27.9%	31.1%	34.5%	30.2%
AVERAGE NUMBER OF EMPLOYEES	**985**	1,000	977	1,201	1,171	1,127
SALES PER EMPLOYEE, SEK 000	**1,268**	1,211	1,228	1,423	1,489	1,545

Consolidated quarterly summary

	2011 Q1	2010 Q4	2010 Q3	2010 Q2	2010 Q1	2009 Q4	2009 Q3	2009 Q2
SALES	**311.8**	366.8	271.9	298.6	273.5	291.5	267.4	312.1
GROSS MARGIN	**10.0%**	8.8%	6.9%	9.9%	-7.4%	7.8%	-12.8%	6.2%
OPERATING MARGIN	**3.9%**	3.3%	-1.5%	-1.3%	-19.2%	-0.9%	-23.0%	-5.8%
PROFIT MARGIN	**3.0%**	2.2%	-2.4%	-2.0%	-20.2%	-1.5%	-23.5%	-6.3%
CASH FLOW AFTER INVESTING ACTIVITIES	**9.0**	40.2	-13.2	-54.9	14.3	14.2	14.2	10.8
EQUITY PER SHARE, SEK	**7.71**	7.52	7.48	7.94	16.97	21.81	22.52	27.94
CASH FLOW PER SHARE, SEK	**0.31**	1.39	-0.46	-2.32	0.91	0.90	0.90	0.69
EQUITY TO ASSETS RATIO	**32.7%**	31.3%	30.4%	31.4%	22.4%	27.9%	27.0%	32.2%
AVERAGE NUMBER OF EMPLOYEES	**938**	1,008	1,006	987	997	956	888	944
SALES PER EMPLOYEE, SEK 000	**332**	364	270	303	274	305	301	331

Parent Company Income Statement

	2011 Q1	2010 Q1	Rolling 12 mth.	2010 Full yr.
NET SALES	10.0	10.2	40.3	40.5
COST OF GOODS SOLD	-5.7	-9.4	-26.2	-29.9
GROSS PROFIT/LOSS	**4.3**	**0.8**	**14.1**	**10.6**
SALES COSTS	-1.6	-5.9	-3.7	-8.0
ADMINISTRATIVE COSTS	-3.9	-3.5	-14.4	-14.0
OTHER OPERATING INCOME/COSTS	0.5	0.3	0.3	0.1
OPERATING PROFIT/LOSS	**-0.7**	**-8.3**	**-3.7**	**-11.3**
FINANCIAL INCOME/EXPENSE	-2.0	-3.1	-94.2	-95.4
PROFIT/LOSS AFTER NET FINANCIAL ITEMS	**-2.7**	**-11.4**	**-97.9**	**-106.7**
APPROPRIATIONS	-	-	-	-
PROFIT/LOSS BEFORE TAX	**-2.7**	**-11.4**	**-97.9**	**-106.7**
INCOME TAX	0.9	3.0	3.8	6.0
PROFIT/LOSS AFTER TAX	**-1.8**	**-8.4**	**-94.1**	**-100.7**

Parent Company Balance Sheet

	2011 31 Mar	2010 31 Mar	2010 31 Dec
ASSETS			
INTANGIBLE ASSETS	-	0.8	-
PROPERTY, PLANT AND EQUIPMENT	0.1	1.8	0.1
DEFERRED TAX ASSETS	8.7	5.5	7.9
FINANCIAL NON-CURRENT ASSETS	320.3	341.6	322.9
NON-CURRENT ASSETS	**329.1**	**349.7**	**330.9**
SHORT-TERM INTEREST-BEARING RECEIVABLES	19.7	-	24.5
RECEIVABLES FROM GROUP COMPANIES & JOINT VENTURES	26.0	98.2	100.3
OTHER CURRENT RECEIVABLES	3.1	4.4	3.5
CASH AND CASH EQUIVALENTS	5.9	1.3	11.8
CURRENT ASSETS	**54.7**	**103.9**	**140.1**
TOTAL ASSETS	**383.8**	**453.6**	**471.0**
EQUITY AND LIABILITIES			
EQUITY	235.5	248.7	237.3
UNTAXED RESERVES	**-**	**-**	**-**
LIABILITIES TO GROUP COMPANIES & JOINT VENTURES	-	6.8	-
NON-CURRENT LIABILITIES	**-**	**6.8**	**-**
LIABILITIES TO CREDIT INSTITUTIONS	28.1	66.4	20.9
LIABILITIES TO GROUP COMPANIES & JOINT VENTURES	107.7	111.6	199.9
OTHER CURRENT LIABILITIES & PROVISIONS	12.5	20.1	12.9
CURRENT LIABILITIES	**148.3**	**198.1**	**233.7**
TOTAL EQUITY AND LIABILITIES	**383.8**	**453.6**	**471.0**