

Financial report

January – March 2003

Stable development of the group despite fire

- ***NOTE Xperi in Lund was damaged by fire***
- ***Profit before tax increased by 84 % to SEK 11.6 million (6.3)***
- ***The net sales increased by 3 % to SEK 175.0 million (169.4)***
- ***Earnings per share after full income tax and fulfillment of new capital issue was SEK 21.4 (15.0)***

The business

The NOTE group of companies is one of the leading EMS (Electronic Manufacturing Services) suppliers in Sweden, and in addition the only Swedish-owned global electronic manufacturer.

Market

NOTE's development has continued in a positive direction. The number of orders has met with expectations, and at the same time, the company has begun working with some new, high potential clients.

Turnover and earnings

The fire at NOTE Xperi has required group resources which has reduced the total effectiveness. NOTE Xperi has only managed to invoice approximately 50 % of planned sales. Even other parts of the group have been affected. The group's turnover during the period amounts to SEK 175.0 m., which is an increase of 3 % compared to the equivalent period last year (169.4). The income before taxes increased by 84 % to SEK 11.6 m. (6.3). Items that affect comparability include extra expenses relating to the fire and equivalent calculated insurance compensation.

Financial standing

Solidity increased during the period and was 21.5 % (13.0 %) in the end of March.

Activities reached a positive cash flow SEK 0.2 m. (7.3) after investments during the first quarter of the year. The net borrowing was increased by SEK 1.0 m. (6.6).

Investments

The group's investment in fixed capital assets amount to SEK 3.4 m. (2.1).

Staff

The average number of full-time employees within the group was 586 (366) during the first three months.

Important events

In February NOTE Xperi's facility in Lund was damaged by fire which destroyed approximately 25 % of the production area. A large part of the remaining production area and machinery was smoke damaged. The administration and stock areas were left undamaged. Renovations are on-going and are expected to be ready in the end of June. During this time, business is continuing where possible, and some production is being manufactured by the sister companies. The company's insurance is estimated to cover the cost of rebuilding and other costs caused by the fire.

During the first quarter the group presented a unique quality assurance system for the EMS-industry, called **NOTE QS**. The system is included in **NOTE Excellence** – a knowledge and competence centre, which will be gradually launched throughout the year. You will find more information at www.note.se.

Prospectives

Despite a decline in production due to the fire, NOTE will continue to grow according to the previous prospective, both in terms of turnover as well as profit, even though the industry is expected to continued its weak business cycle.

Next financial report

Financial report for the period January to June will be published August 21st.

Norrtälje May 6, 2003



Sten Dybeck
Chairman of the Board



Erik Stenfors
President

CONOLIDATED INCOME STATEMENT IN SUMMARY

SEK million	2003 Jan-Mar	2002 Jan-Mar	2002 Jan-Dec
Net sales	175.0	169.4	636.8
Cost of good and services sold	-151.4	-149.9	-544.5
Gross profit	23.6	19.5	92.3
Selling expenses	-6.2	-5.3	-23.5
Administrative expenses	-9.4	-6.2	-28.6
Incomes affecting comparability	22.8	-	-
Expenses affecting comparability	-22.8	-	-4.0
Other operating income/expenses	6.1	-	3.1
Operating profit	14.1	8.0	39.3
Net financial items	-2.5	-1.7	-8.5
Profit after financial items	11.6	6.3	30.8
Tax	-3.4	-1.8	-9.5
Minority share of the profit for the year	0.0	-	0.0
NET PROFIT FOR THE PERIOD	8.2	4.5	21.3

CONSOLIDATED BALANCE SHEET IN SUMMARY

SEK million	2003 31 March	2002 31 March	2002 31 Dec
ASSETS			
Fix assets	87.5	28,7	87,9
Inventories	173.1	108.0	179.8
Accounts receivable	150.5	164.2	154.1
Other current assets	54.0	8.0	20.4
Current assets	377.6	280.2	354.3
TOTAL ASSETS	465.1	308.9	442.2
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	100.0	40.2	91.8
Minority interest	0.7	-	0.7
Provisions	29.9	3.6	30.2
Long-term liabilities	185.0	103.8	179.9
Accounts payable - trade	101,7	123.5	89.5
Other current liabilities	47.8	37.8	50.1
Current liabilities	149.5	161.3	139.6
TOTAL EQUITY AND LIABILITIES	465.1	308.9	442.2

CONSOLIDATED CASH FLOW STATEMENT

SEK million	2003 Jan-Mar	2002 Jan-Mar	2002 Jan-Dec
Profit/loss after financial items	11.6	6.3	30.9
Adjustment items	3.0	1.4	8.2
Paid taxes	-4.4	-1.1	-5.2
Cash flow from the current operations before change in working capital	10.2	6.6	33.9
Change in working capital	-7.3	-12.5	-29.7
Net investments	-2.7	-1.4	-12.7
Cash flow after investments	0.2	-7.3	-8.5
Net change in loan	1.0	6.6	10.2
CHANGE IN LIQUID FUNDS	1.2	-0.7	1.7

KEY RATIOS (in per cent)

	2003 Jan-Mar	2002 Jan-Mar	2002 Jan-Dec
Operating margin	8.1	4.7	6.2
Profit margin	6.6	3.7	4.8
Return on capital employed	18.6	21.4	12.8 *)
Solidity	21.5	13.0	20.8

**) As document is used consolidated balance sheet NOTE-Xperi,
but not pro-forma-result Xperi.

För ytterligare information kontakta:

Sten Dybeck, Styrelseordförande
Telefon: 0176-799 10, 0708-55 18 00
E-post: sten@dybeck.com

Gunilla Olsson, Ekonomidirektör
Telefon: 0176-799 05, 0709-50 80 71
E-post: gunilla.olsson@note.se

Denna rapport har ej varit föremål för granskning av bolagets revisorer.