

Financial report

January - September 2003

Strengthening of the NOTE group's Swedish production plants during increasing return

- ***Profit before tax increased by 49 % to SEK 40.2 million (26.9)***
- ***The net sales increased by 29 % to SEK 581.8 million *) (450.8)***
- ***Earnings per share after full income tax SEK 75.0 (64.7)***
- ***BEVE Electronic's plant in Borås is taken-over.
The plant in Lund is restored and reopened.
The construction of the new plant in Torsby has started.***

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

The EMS-market has recovered during this year and is expected to continue doing that during 2004.

The order intake has increased, both concerning previous activities and through the NOTE Excellence concept offering new services.

The NOTE group can offer new competence after taking over BEVE Electronics in Borås, which increases the amount of prospect customers.

Turnover and earnings

The group's turnover during the period amounts to SEK 581.8 million, which is an increase of 29 % compared to the equivalent period last year (450.8). NOTE Borås is consolidated from September and has contributed to the invoicing with c:a SEK 16.5 million. The NOTE-group has, including NOTE Borås, a pro-forma turnover about c:a SEK 750 million for the first nine months.

The income before taxes for the period increased by 49 % to SEK 40.2 million (26.9). The costs for the integration of NOTE Borås has corresponded to the net income from the business.

Financial standing

The balance sheet total has during the third quarter increased with ca. 64 million, which mainly is explained by the over-take of the assets in NOTE Borås. The solidity amounts to 21.8 %.

Investments

The group's investment in fixed capital assets for the period, including NOTE Borås, amount to SEK 30.7 million (8.3).

Staff

The average number of full-time employees within the group during the period was 632.

Important events

The 29 august NOTE signed an agreement with the Canadian company Mitec to take over its subsidiary BEVE Electronics. The company will continue its activities and will change name to NOTE Borås AB.

NOTE Borås has high competence within Microwave electronics. The amount of employees will after a program to promote efficiency be approximately 100.

NOTE Xperi's plant in Lund was reopened on 23 September. The plant was partly destroyed by a fire in February this year. The assembly of machinery has been upgraded during the restoration NOTE Xperi has invested in three new SMT Machines.

During this period the building of the new plant in Torsby has started. The new NOTE Torsby plant is planned to open spring 2004.

Prospectives

Each company within the NOTE group has its clear direction and shows continuously good profitability.

Previous judgments remains that the NOTE group will be able to continue to grow both concerning turn over and result, even if the state of the market would still be weak.

If the state of the market grows stronger the group will be in good position, both concerning geography and qualifications.

Next financial report

Communiqué of closing balance of the books for year 2003 will be published February 3, 2004.

Norrtälje October 29, 2003



Sten Dybeck
Chairman of the board



Erik Stenfors
President

CONOLIDATED INCOM STATEMENT IN SUMMARY

SEK million	2003 Jul-Sep	2002 Jul-Sep	2003 Jan-Sep	2002 Jan-Sep	2002 Jan-Dec
Net sales	208.2	125.5	581.8	450.8	636.8
Cost of goods and services sold	-176.8	-103.3	-498.6	-385.4	-544.5
Gross profit	31.4	22.2	83.2	65.4	92.3
Selling expenses	-7.3	-4.7	-20.2	-16.3	-23.5
Administrative expenses	-10.2	-5.9	-28.8	-19.0	-28.6
Incomes affecting comparability	4.8	-	33.4	-	-
Expenses affecting comparability	-4.8	-	-33.4	-	-4.0
Other operating income/expenses	1.1	-	13.8	2.3	3.1
Operating profit	15.0	11.6	48.0	32.4	39.3
Net financial items	-2.5	-1.8	-7.8	-5.5	-8.5
Profit after financial items	12.5	9.8	40.2	26.9	30.8
Tax	-3.5	-2.7	-11.2	-7.5	-9.5
Minority share of the profit for the year	-0.1	-	-0.2	-	0.0
NET PROFIT FOR THE PERIOD	8.9	7.1	28.8	19.4	21.3

CONSOLIDATED BALANCE SHEET IN SUMMARY

SEK million	2003 30 Sep	2002 30 Sep	2002 31 Dec
ASSETS			
Fix assets	107.3	31.9	87.9
Inventories	210.7	112.3	179.8
Accounts receivable	196.2	120.4	154.1
Other current assets	40.0	11.8	20.4
Current assets	446.9	244.5	354.3
TOTAL ASSETS	554.2	276.4	442.2
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	120.7	55.0	91.8
Minority interest	0.9		0.7
Provisions	29.2	3.6	30.2
Long-term liabilities	243.8	113.6	179.9
Accounts payable - trade	91.4	65.0	89.5
Other current liabilities	68.2	39.2	50.1
Current liabilities	159.6	104.2	139.6
TOTAL EQUITY AND LIABILITIES	554.2	276.4	442.2

CONSOLIDATED CASH FLOW STATEMENT

SEK million	2003 Jul-Sep	2002 Jul-Sep	2003 Jan-Sep	2002 Jan-Sep	2002 Jan-Dec
Profit/loss after financial items	12.5	9.8	40.2	26.9	30.9
Adjustment items	3.8	1.6	10.7	4.7	8.2
Paid taxes	-2.2	-1.6	-10.3	-3.5	-5.2
Cash flow from the current operations before change in working capital	14.1	9.8	40.6	28.1	33.9
Change in working capital	-43.2	-0.4	-71.5	-35.2	-29.7
Net investments	-24.4	-2.0	-30.7	-7.9	-12.7
Cash flow after investments	-53.5	7.4	-61.6	-15.0	-8.5
Net change in loan	53.1	-6.4	60.7	15.5	10.2
CHANGE IN LIQUID FUNDS	-0.4	1.0	-0.9	0.5	1.7

KEY RATIOS (in per cent)

	2003 Jan-Sep	2002 Jan-Sep	2002 Jan-Dec
Operation margin	8.2	7.2	6.2
Profit margin	6.9	6.0	4.8
Return on capital employed	16.4**)	24.7	12.8 *)
Solidity	21.8	19.9	20.8

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

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

For additional information:

Sten Dybeck, Chairman of the board
 Phone: +46 (0)708-55 18 00
 E-mail: sten@dybeck.com

Gunilla Olsson, CFO
 Phone: +46 (0)176-799 05, (0)709-50 80 71
 E-mail: gunilla.olsson@note.se

The company's auditors have not examined this Financial report.