

PRESS RELEASE

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NOTE gets record order from Neonode

NOTE, one of Scandinavia's leading electronics manufacturers, has been selected as a volume supplier for its mobile phone Neonode N1. With an order value of around SEK 200 million in 2005, the order is one of NOTE's biggest and means that NOTE will be responsible for everything from manufacturing to distribution.

Neonode Sweden AB has become well known for its innovative multi-media phone, Neonode N1, which is challenging mobile phone giants like SonyEricsson and Nokia. Sales have just started through the company's web shop at *neonode.com* and in conjunction with this, Neonode has selected contract manufacturer NOTE as a partner in cooperation.

"We decided on NOTE because of their excellent manufacturing concept, and their capacity to meet our cost goals through their volume manufacturing facilities outside of Sweden," says Marcus Bäcklund, CEO of Neonode.

Sales will be handled partly via the web shop and there will also be direct sales to big volume customers. In both cases, N1 will be distributed directly from NOTE's factories to the customer, a strategy which gives the lowest total cost.

"Neonode has chosen a working method that is unique compared to that of the big mobile phone manufacturers, but it is totally in line with our concept – to be close to both the customer and the market," says Erik Stenfors, CEO and President of NOTE.

For NOTE, this deal means yet another new area within the telecoms industry. Production will be managed from NOTE's factory in Norrtälje.

"Neonode has developed a whole new user interface without mechanical buttons, which places particularly high demands on the manufacturing process," says Martin Linder, Vice President, Technology, and key account manager at NOTE Norrtälje AB. "We can meet these requirements because of our particular technology focus and our high rate of investment during recent years."



N1 is the first mobile device to use Neonode's unique, patented optical touchscreen, zForce and user interface, Neno, which makes it easier for the user to use all the device's functions, making N1 a powerful entertainment device and mobile phone.

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About NOTE

NOTE is one of Scandinavia's leading contract manufacturers of electronics and offers specialist competence in electronics production along the entire value chain – from design and development through manufacturing to the aftermarket.

NOTE has offices in Sweden, France, Lithuania, Poland and the United Kingdom.

Net turnover for 2003 was SEK 859 million and profit before tax was SEK 63 million. The number of employees in the corporation is around 950. NOTE is listed on the Stockholm Stock Exchange's O-list.

www.note.se

About Neonode

Neonode was formed in 2001 and is an independent Swedish manufacturer of mobile phones for a new generation of users. Neonode has developed innovative new technologies such as the user interface Neno, and the light-controlled touchscreen, zForce. Its mobile phone N1 is the first device to utilize these technologies. Today, Neonode employs 25 people in Stockholm and is owned by its founders, staff and private investors.