

PRESS RELEASE

Norrtälje, Sweden, December 15, 2004

NOTE acquires Finnish contract manufacturer

NOTE has signed an agreement today with the Finnish contract manufacturer Point Product Oy concerning the acquisition of its business operations in Finland and Estonia. The acquired businesses had a turnover of approximately SEK 90 million in 2004, and will mean a significant increase in NOTE's capacity for low-cost production outside of Sweden. The acquisition, which will be effected in January 2005 at the latest, is expected to entail integration costs of SEK 1 million, which will burden the first quarter of 2005. The acquisition is expected to contribute positively to the company's earnings and earnings per share from the second quarter of 2005, well in line with the group's financial goals.

Point Product is a Finnish supplier of Electronics Manufacturing Services (EMS) that has based its operations on a business concept similar to NOTE's. In a small production unit in Hyvinkää just north of Helsinki, advanced prototypes and small series are produced. In the coastal city of Pärnu in Estonia, there is a larger facility for low-cost production. Through this acquisition in Finland, NOTE also acquires an important market in Scandinavia. The facility in Estonia will be integrated into the NOTE group of companies' low-cost industrial plants. The deal also brings with it a 50% ownership in a small mechanics production unit in Estonia.

Main points of the deal

NOTE will take over Point Product Oy's operations in Hyvinkää through an assets and liabilities deal with NOTE's newly established subsidiary NOTE Hyvinkää Oy. All personnel are included in the takeover. At the same time, Point Product's wholly-owned subsidiary in Estonia, Paitec Elektroonika OÜ, will be acquired and renamed NOTE Pärnu OÜ. The acquired operations are expected to achieve sales of around EUR 10 million in 2004 with a margin from operations of around 9%. The company has around 40 employees in Finland and 130 in Estonia. Customers come primarily from within the industrial and telecommunications segments.

Terms of payment

The purchase sum for the operations comprises both a fixed part and a variable part, the latter being based on the earnings trend. The purchase sum is expected to reach around SEK 18 million for the business (goodwill arising from the purchase of its net assets) and around SEK 10 million for its assets in the form of machinery and capital employed. The main part of the deal will be settled in cash using part of the proceeds of a new share issue last spring and will be concluded in January 2005 at the latest.

Effects on the NOTE group of companies

The Finnish EMS market is the next biggest in Scandinavia after Sweden, equivalent to around 2/3 of the Swedish market. During the autumn of 2004, NOTE has been particularly active in relation to Finland, which has included participation in the subcontractors' trade fair in Tammerfors. NOTE has been well received and initial deliveries to Finnish customers have begun, including to ABB and the Nokia Research Center. Local representation is deemed to be key in providing the conditions necessary to capture bigger contracts during 2005.

In Sweden, during the autumn NOTE has shifted its focus from volume manufacturing to development, the industrialization of products and the manufacture of smaller, more complex series. Around 200 people have been made redundant in Sweden while local presence has increased, for example, through the establishment in Björbo in Dalarna in Sweden. The NOTE group of companies has volume manufacturing outside Sweden in the form of industrial plants. The unit acquired in Estonia, which among other things has a direct link to Norrtälje, will increase access to low-cost manufacturing. This should facilitate continued rapid growth.

Comments

"During the year, we went through a thorough selection process in which we studied many Finnish contract manufacturers. The most important selection criteria was to find a company whose business concept was similar to NOTE's," says Erik Stenfors, CEO and President of NOTE AB.

"With the added value that NOTE brings to the table, e.g., ems-ALLIANCE and the equipment company NOTE Components, we reckon on being able to increase sales appreciably in Finland," says Mikko Sajaniemi, CEO for Point Product Oy and newly appointed CEO of NOTE Hyvinkää Oy.

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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