

The background of the entire page is a dark blue to black gradient, overlaid with numerous horizontal, blurred streaks of light in shades of white and light blue. These streaks vary in length and intensity, creating a sense of rapid motion or speed, similar to a long-exposure photograph of light trails from traffic or a train.

***SPEED UP YOUR BUSINESS***

# Q1

Interim Report January–March 2008

**NOTE<sup>TM</sup>**  
YOUR BUSINESS PARTNER

# Forceful measures realise new strategy

## FINANCIAL PERFORMANCE JANUARY-MARCH

- Sales were SEK 427.3 (425.0) m
- Operating profit was SEK 13.8 (24.8) m. Profit was reduced by costs of just over SEK 10 m for ongoing restructuring
- The operating margin was 3.2% (5.8%)
- Profit after financial items was SEK 11.5 (23.0) m
- Profit after tax was SEK 7.5 (16.0) m, or SEK 0.78 (1.66) per share
- Cash flow was SEK 24.0 (45.6) m, or SEK 2.49 (4.74) per share

## SIGNIFICANT EVENTS JANUARY-MARCH

- **Strategic change process continues**  
—measures implemented to transfer labour-intensive production and sourcing services to low-cost countries, downsizing headcount in Sweden by over 150 (20%) in the year
- **UK acquisition**  
—new Nearsourcing Centre for long-term sales growth started in the UK
- **Swedish mechanical engineering services acquisition**  
—valuable know-how added close to customers to develop advanced mechanical prototypes and for shorter production runs
- **New share-related incentive scheme**  
—50 senior executives joined the program

# CEO's comments

Of the slightly larger European EMS (Electronics Manufacturing Services) companies only a handful, if any, have been able to maintain high profitability over a business cycle. This was a big factor as we continued to roll out our strategy with greater intensity following the appointment of our new Board last spring.

## A NEW AND UNIQUE BUSINESS MODEL

Our strategy work generated a new and unique business model—NearSourcing™—designed to increase sales growth and profitability, while reducing operating risks.

This model is based on three core elements—establishing NearSourcing Centres close to the customer, the NOTEfied preferred parts database, which supports sourcing and development processes and volume production in cost-efficient countries.

As a first step towards realising the new business model, we successfully raised production capacity in cost-efficient countries last autumn by starting up joint venture plants in China and Poland. This created the right conditions for cutting our costs in high-cost countries, primarily Sweden.

## SUSTAINED HIGH RATE OF CHANGE

We continued to implement the change process in the first quarter this year and we are now launching our new business model intensively. We are currently in the midst of a far-reaching transfer of labour-intensive production and sourcing services away from high-cost, and towards low-cost, countries. We expect the measures progressively implemented through the year to result in headcount downsizing in Sweden of over 150 (20%). This will reduce costs. The measures are intended to create a far better cost structure at the end of the year than the beginning.

As part of our strategy, we are also bringing NearSourcing to new markets. The acquisition of EMS business Proqual near Bristol in the UK was part of this process. This takeover meant us starting our first NearSourcing Centre in the UK, which is set to help long-term sales growth on the important UK market.

We also acquired a close-to-market mechanical engineering production services company in Järfälla outside Stockholm at the end of March. Like our NearSourcing Centres, this unit will be a valuable resource for developing advanced prototypes and for shorter production runs of mechanical

components. This also consolidates our customer offering in the high-growth 'box build' segment.

As we progressively implement our strategy, we are becoming more convinced that we are on the right track, as is corroborated by the positive customer response to our first NearSourcing Centre, NOTE Oslo. Customer reactions to our unique preferred parts database NOTEfied have also exceeded our expectations so far.

## PROFIT IMPACT IN 2008

We are conducting extensive and challenging changes to our internal structure in 2008—the critical factor being that these measures are introduced keeping pace with customer wants and needs. This means that I'm satisfied that first-quarter sales progressed in line with plan and just beat last year's level.

Change-related costs are exerting downward pressure on margins, mainly in the first half of this year. Profit was reduced by costs of just over SEK 10 m relating to ongoing restructuring in the first quarter. Thus operating margin fell below last year's first-quarter level.

We expect change-related costs of just over SEK 20 m for the full year. The results of the measures implemented will be progressive through the year and are expected to have their full impact late in the year.

## OUR FUTURE

We are now well underway in a year featuring extensive change and challenges to our organisation. The ambition is to build a new NOTE, which is far stronger at the end of the year than it was at the beginning—we are creating the right prospects for strong and sustainable profitable sales growth.

Market conditions so far this year and our healthy order backlog at the end of the quarter corroborate our previous assessment that we see an opportunity to beat last year's sales and profit figures overall in the year—including restructuring costs.

Given our long-term growth ambitions, we expect to acquire more NearSourcing Centres in the year, which will imply a sustained high rate of investment.

Arne Forslund  
CEO & President

# Sales and profits

## SALES, JANUARY-MARCH

Sales grew to SEK 427.3 (425.0) m in the period. Sales growth is largely organic as recently acquired operations in China and the UK have only had a limited impact on sales, year to date.

Demand from customers in the Telecom business area are inherently more unstable over time than some other segments. For example, there was a significant fall in sales to Telecom customers in the fourth quarter last year. However, in the first quarter this year, Telecom sales were brisk, exceeding last year's comparative figure by just over 7%. However, Industrial, NOTE's biggest business segment, saw slightly lower sales than in the first quarter last year.

However, order backlog, which is largely made up of industrial products, was healthy at the end of the period.

## PROFIT, JANUARY-MARCH

Seasonality implies that first-quarter sales and profit are normally weaker than in other quarters. Despite slightly higher total sales, gross margin fell to 9.7% (12.5%). The decline in gross margins was largely the result of costs attributable to the ongoing change initiatives and to a changed product mix—a higher share of Telecom than Industrial products.

First-quarter profit includes actual costs for change processes. These costs are largely comprised of headcount downsizing, costs relating to surplus capacity in new acquisitions—mainly in low-cost countries and a temporary increase to project management capacity for change initiatives. These additional costs amounted to just over

SEK 10 m in the first quarter. Eliminating these additional costs, the gross margin amounted to just above 12.1 (12,5%). On a full-year basis, we expect change-related costs to total just over SEK 20 m.

To maintain a high tempo in change initiatives and ensure lower costs for these measures overall, these costs are expensed in the Income Statement as they arise.

The start and ramp-up of our group-wide sourcing function in Gdansk and China has improved the coordination of our sourcing operation. This aided a planned reduction in costs for production materials and electronics components.

An ongoing initiative to enhance and upgrade our sales resources contributed to an increase in sales costs year-on-year. However, the overall costs for the period were comparable with last year. But the first quarter last year included costs associated with the CEO change-over of approximately SEK 2 m.

Operating profit reduced to SEK 13.8 (24.8) m, largely a result of costs for our change package and altered product mix. This corresponded to an operating margin of 3.2% (5.8%).

Higher interest rates and slightly increased net debt, largely relating to businesses acquired in the last six months, resulted in a net financial income/expense of SEK -2.3 (-1.8) m. Profit after financial items was SEK 11.5 (23.0) m, equivalent to a profit margin of 2.7% (5.4%).

Profit after tax was SEK 7.5 (16.0) m, or SEK 0.78 (1.66) per share.

# Financial position, cash flow and investments

## CASH FLOW

NOTE is focusing sharply on progressively improving consolidated cash flow. The primary aim is to enhance efficiency and balance business risks.

Cash flow was SEK 24.0 (45.6) m in the first quarter, or SEK 2.49 (4.74) per share.

Like other medium-sized EMS companies, NOTE is facing a big challenge in continued rationalisation of stock control and logistics. This is particularly clear in rapid demand fluctuations and is mainly associated with the

complexity of electronics production and the long lead-times for electronics components.

Total inventory levels, which fell by just over 17% in the fourth quarter last year, increased slightly ahead of seasonally higher demand in the second quarter. At the end of the period, overall inventory levels were up 3% on year-end levels and 1% up on the end of Q1 of the previous year.

Accounts receivable were down 6% at the end of the period than year-end. Despite increased market demand for extended credit terms, the average number of outstanding days of credit



was largely unchanged since year-end and the end of Q1 in the previous year.

Following inventory reduction conducted late last year, accounts payable—trade have moved to more normal levels. Accordingly accounts payable—trade have increased by 21% since year-end.

#### **EQUITY TO ASSETS RATIO**

The equity to assets ratio was 35.2% (32.7%) at the end of the period, an increase of 0.7 percentage points since year-end.

#### **LIQUIDITY**

Liquidity was healthy at the end of the period. Available cash equivalents, including unutilised overdraft facilities, were SEK 113.6 (123.9) m.

#### **INVESTMENTS**

As a result of NOTE's aggressive focus on Nearsourcing, the rate of investment has increased in recent quarters.

Total investments amounted to SEK 21.6 (8.3) m in the period, corresponding to 5.1% (1.9%) of sales. Investments related largely to an additional purchase price, for the IONOTE plant in China (based on achieved profit) the acquisition of the Nearsourcing Centre in the UK and new IT systems for production and logistics.

Investments in tangible fixed assets were SEK 5.4 (8.2) m. These investments were mainly intended to increase production capacity at the plant in Estonia. Depreciation and amortisation was SEK 7.8 (6.5) m.

## **Significant events in the period**

#### **STRATEGIC CHANGE CONTINUES**

As part of realising NOTE's new Nearsourcing strategy, production capacity in cost-efficient countries was increased last autumn by starting up joint venture plants in China and Poland. Thus NOTE has accumulated the skills and capacity for sustained growth, and to continue to transfer labour-intensive services to cost-efficient countries.

Against this background, just over 150 staff in Sweden were issued with redundancy notices in the first quarter of the year. The notices affected staff at NOTE's operations at Skellefteå, Norrtälje, Skänninge and Lund. Negotiations with trade union organisations have been completed. As a result of the measures, employee headcount in Sweden is expected to reduce progressively by over 20% through the current year.

#### **AN ACQUISITION FOR GROWTH IN THE UK**

NOTE acquired UK-based EMS provider Proqual located near Bristol, Gloucestershire in January. The acquisition brought technically skilled, flexible organisational resources focused on services early in product life-cycles. Sales total SEK 45 m and the company has 40 staff. By bringing in additional know-how, NOTE started its first Nearsourcing Centre in the UK. The customer base this unit has accumulated, offers healthy growth potential on the UK market.

#### **ACQUISITION OF SWEDISH MECHANICAL ENGINEERING SERVICES COMPANY**

NOTE acquired all the shares of a mechanical engineering production services company in Järfälla outside Stockholm at the end of

March. This acquisition is a step in improving NOTE's offering by reducing customers' time to market further. The company has advanced technology equipment and specialist know-how in cutting machining. Its products and associated services are supplied to sectors including the nuclear and telecom industries. Annualised sales are some SEK 25 m and there are 20 employees. The company's name has been changed to NOTE Components Järfälla.

#### **MANAGEMENT SKILLS ENHANCEMENT**

NOTE's Board and management has largely been replaced in recent years. A new Vice President of the group-wide sales function joined the group management in the first quarter. As part of current restructuring, NOTE has reviewed its current senior executives. As a result, new Presidents have been appointed to subsidiaries in NOTE's Swedish operations at Skellefteå, Lund and Nyköping-Skänninge. A new management team has also been appointed for sourcing company NOTE Gdansk. To tailor this business to market conditions further and clarify its role, the corporate name of the Gdansk operation has been changed to NOTE Components Gdansk.

#### **NEW SHARE-BASED INCENTIVE SCHEME**

In November last year, in consultation with the Board of Directors, NOTE's main shareholder Catella Kapitalförvaltning decided to issue a maximum of 500,000 call options as part of a new incentive scheme. 50 senior executives are eligible for the scheme. The valuation and sale of these call options is on market terms. Since the scheme is based on already issued

shares it does not imply any dilution of the number of shares. The options have a term of just over three years until August 2011 and the exercise price is SEK 125 per share. Subscription and payment was according to plan early in the year.

#### DISPUTE IN ARBITRATION

As previously reported, NOTE has been conducting extended discussions with a customer of one of its Swedish subsidiaries regarding the processing of input components in this customer's product. With the backing of

several external advisers, NOTE has contested all the claims in this case.

In late-2007, the customer invoked arbitration of this dispute at the Stockholm Chamber of Commerce Arbitration Institute. NOTE considers that all costs associated with this case are correctly reflected in its financial statements. Although the process of arbitration has begun, no settlement is expected until the summer.

## 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 12.5 (9.4) m and primarily related to intra-group services.

Profit after tax was SEK -2.7 (-1.6) m

#### TRANSACTIONS WITH RELATED PARTIES

As in the previous year, transactions with closely related parties consist primarily of inter company sales of services.

## Significant operational risks

NOTE is a services company active in production and logistics relating to electronics products. NOTE's role involves it serving as a collaboration partner to its customers, although not a product owner.

The electronics manufacturing services (EMS) market is relatively young and usually considered fairly cyclical. Historically, many EMS companies have encountered difficulty maintaining profitability in cyclical downturns.

This factor has been important in NOTE's choice of future strategy. NOTE's forward-looking emphasis on Near-sourcing, intended to promote the combination of volume growth and low investment costs and overheads, is one way of reducing its operational risk.

For a more detailed review of the risks in NOTE's operations, the reader is referred to the Report of the Directors in NOTE's Annual Report for 2007.

The Board of Directors, NOTE AB (publ)

Danderyd, Sweden, 18 April 2008

#### FOR MORE INFORMATION, PLEASE CONTACT

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#### FORTHCOMING FINANCIAL REPORTS

The Interim Report January—June will be published on 18 July 2008.

The Interim Report January—September will be published on 24 October 2008.

#### AUDIT REVIEW

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

## ACCOUNTING AND VALUATION PRINCIPLES

This Report has been presented in accordance IFRS by applying with IAS 34 Interim Reporting. The parent company reports in accordance with RFR's (the Swedish Financial Reporting Board)

recommendations and statements. The report utilises the same accounting principles and calculation methods as in NOTE's Annual Report for 2007.

All amounts in SEK m (millions of Swedish kronor) unless otherwise indicated.

## NOTE in brief

NOTE is one of the Nordic region's leaders in manufacturing and logistics services for electronics-based products and is active on the EMS (electronics manufacturing services) market.

NOTE offers electronics production services right through the value chain, from design to after-sales. Its customers are mainly in Scandinavia and the UK.

NOTE has developed a unique business model, Nearsourcing, intended to increase sales growth and profitability simultaneous with reducing the risks of operations. The model has three parts—start-ups of Nearsourcing Centres close to customers, the NOTEfied preferred parts database that supports sourcing and development processes and volume production in cost-efficient countries.

Cost-efficient development work is conducted close to the customer at Nearsourcing Centres, reducing time to market—the time from idea to the product reaching the final market. The NOTEfied preferred parts database is used in sourcing and development

processes, and has functionality including direct links to customers' design systems.

NOTEfied has technical and commercial data, helping increase efficiency and cut product development lead-times. Because the materials share is often more than 60% of product costs, it is vital that NOTE can offer attractive materials and component pricing. The group's sourcing company, NOTE Components, with sourcing centres in Poland and China, is responsible for strategic sourcing work and purchasing production material at competitive prices.

NOTE has production plants in Sweden, Norway, Finland, the UK, Estonia, Lithuania Poland and China. Participation in the multinational ems-ALLIANCE enables NOTE to offer its customers other alternatives for cost-efficient production and production close to end-customers.

NOTE has a total of some 1,200 employees and sales of some SEK 1.7 bn.

The NOTE share is listed on NASDAQ OMX Nordic Exchange Stockholm in the Small Cap segment and Information Technology sector.

## Consolidated Income Statement

	2008 Q1	2007 Q1	APR 2007 -MAR 2008	2007 JAN-DEC
SALES	427.3	425.0	1,746.1	1,743.8
COST OF GOODS AND SERVICES SOLD	-385.7	-371.7	-1,533.3	-1,519.2
<b>GROSS PROFIT</b>	<b>41.6</b>	<b>53.3</b>	<b>212.8</b>	<b>224.6</b>
SALES COSTS	-11.9	-10.1	-44.3	-42.5
ADMINISTRATIVE COSTS	-16.4	-18.2	-67.8	-69.7
OTHER OPERATING INCOME/COSTS	0.5	-0.2	0.2	-0.5
<b>OPERATING PROFIT</b>	<b>13.8</b>	<b>24.8</b>	<b>100.9</b>	<b>111.9</b>
NET FINANCIAL INCOME/EXPENSE	-2.3	-1.8	-8.5	-8.1
<b>PROFIT AFTER FINANCIAL ITEMS</b>	<b>11.5</b>	<b>23.0</b>	<b>92.4</b>	<b>103.8</b>
TAX	-4.0	-7.0	-22.6	-25.6
<b>PROFIT AFTER TAX</b>	<b>7.5</b>	<b>16.0</b>	<b>69.8</b>	<b>78.2</b>

## Consolidated key ratios

	2008 Q1	2007 Q1	APR 2007 -MAR 2008	2007 JAN-DEC
<b>DATA PER SHARE*</b>				
NUMBER OF SHARES (THOUSANDS)	9,624	9,624	9,624	9,624
EARNINGS PER SHARE AFTER FULL TAX, SEK	0.78	1.66	7.25	8.13
EQUITY PER SHARE, SEK	34.69	29.58	34.69	34.02
CASH FLOW PER SHARE, SEK	2.49	4.74	-2.30	-0.05
<b>OTHER KEY RATIOS</b>				
GROSS MARGIN	9.7%	12.5%	12.2%	12.9%
OPERATING MARGIN	3.2%	5.8%	5.8%	6.4%
PROFIT MARGIN	2.7%	5.4%	5.3%	6.0%
RETURN ON OPERATING CAPITAL	-	-	20.2%	21.4%
RETURN ON EQUITY	-	-	22.6%	26.3%
EQUITY TO ASSETS RATIO, END OF PERIOD	35.2%	32.7%	35.2%	34.5%
AVERAGE NUMBER OF EMPLOYEES	1,197	1,179	1,182	1,171
SALES PER EMPLOYEE, SEK 000	357	360	1,477	1,489

\* DATA PER SHARE IS CALCULATED ON THE BASIS OF THE ACTUAL NUMBER OF OUTSTANDING SHARES. THE AGM 2006 RESOLVED ON THE ISSUE OF WARRANTS CORRESPONDING TO 200,000 SHARES, IMPLYING A MAXIMUM DILUTION EFFECT OF 2%. THE EXERCISE PRICE OF THE OPTIONS IS SEK 92.89 PER SHARE.

## Consolidated quarterly summary

	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006	Q2 2006
SALES	427.3	458.6	389.9	470.2	425.0	488.5	421.4	433.1
GROSS PROFIT	41.6	59.0	51.4	61.0	53.3	62.7	51.9	50.0
OPERATING PROFIT	13.8	28.5	28.1	30.5	24.8	33.8	26.8	24.1
PROFIT AFTER FINANCIAL ITEMS	11.5	26.6	25.7	28.5	23.0	32.4	25.1	22.3
PROFIT AFTER TAX	7.5	21.0	18.9	22.4	16.0	22.7	18.0	15.8
CASH FLOW	24.0	-34.8	-39.1	27.8	45.6	41.4	-24.9	-15.4
EARNINGS PER SHARE, SEK	0.78	2.18	1.96	2.32	1.66	2.36	1.87	1.64
CASH FLOW PER SHARE, SEK	2.49	-3.61	-4.06	2.89	4.74	4.30	-2.59	-1.60
PROFIT MARGIN	2.7%	5.8%	6.6%	6.1%	5.4%	6.6%	6.0%	5.2%
EQUITY TO ASSETS RATIO	35.2%	34.5%	33.2%	31.8%	32.7%	30.2%	27.2%	26.5%



## Consolidated Balance Sheet

	2008 31 Mar	2007 31 Mar	2007 31 Dec
<b>ASSETS</b>			
GOODWILL	62.2	49.1	57.7
OTHER INTANGIBLE FIXED ASSETS	6.8	2.3	2.8
TANGIBLE FIXED ASSETS	128.0	118.2	131.2
DEFERRED TAX ASSET	6.6	0.7	7.4
OTHER FINANCIAL FIXED ASSETS	11.1	0.3	1.5
<b>FIXED ASSETS</b>	<b>214.7</b>	<b>170.6</b>	<b>200.6</b>
STOCK	333.3	330.1	324.6
ACCOUNTS RECEIVABLE	327.5	325.0	347.0
OTHER CURRENT RECEIVABLES	40.6	18.9	37.4
CASH EQUIVALENTS	33.8	24.7	38.5
<b>CURRENT ASSETS</b>	<b>735.2</b>	<b>698.7</b>	<b>747.5</b>
<b>TOTAL ASSETS</b>	<b>949.9</b>	<b>869.3</b>	<b>948.1</b>
<b>EQUITY AND LIABILITIES</b>			
EQUITY	333.9	284.6	327.4
LONG-TERM INTEREST-BEARING LIABILITIES	108.0	130.2	108.4
DEFERRED TAX LIABILITY	20.0	13.3	20.0
OTHER LONG-TERM PROVISIONS	12.3	11.9	11.7
<b>LONG-TERM LIABILITIES</b>	<b>140.3</b>	<b>155.4</b>	<b>140.1</b>
CURRENT INTEREST-BEARING LIABILITIES	137.1	62.5	165.4
ACCOUNTS PAYABLE—TRADE	224.2	255.3	186.0
OTHER CURRENT LIABILITIES	103.7	109.4	116.9
SHORT-TERM PROVISIONS	10.7	2.1	12.3
<b>CURRENT LIABILITIES</b>	<b>475.7</b>	<b>429.3</b>	<b>480.6</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>949.9</b>	<b>869.3</b>	<b>948.1</b>

## Consolidated change in equity

	2008 Q1	2007 Q1	APR 2007 -MAR 2008	2007 JAN-DEC
OPENING EQUITY	327.4	268.1	284.6	268.1
PROFIT AFTER TAX FOR THE PERIOD	7.5	16.0	69.8	78.2
TRANSLATION DIFFERENCE	-1.0	0.7	0.9	2.7
DIVIDENDS PAID	-	-	-21.7	-21.7
PAYMENT, WARRANTS	-	-0.2	0.3	0.1
<b>CLOSING EQUITY</b>	<b>333.9</b>	<b>284.6</b>	<b>333.9</b>	<b>327.4</b>

## Consolidated cash flow

	2008 Q1	2007 Q1	APR 2007 -MAR 2008	2007 JAN-DEC
PROFIT AFTER FINANCIAL ITEMS	11.5	23.0	92.4	103.8
REVERSED DEPRECIATION AND AMORTISATION	7.8	6.5	29.0	27.7
OTHER NON-CASH ITEMS	7.2	-2.7	13.7	3.9
TAX PAID	-12.7	-6.9	-30.1	-24.3
CHANGE IN WORKING CAPITAL	31.8	34.0	-65.0	-62.8
INVESTMENT BUSINESS	-21.6	-8.3	-62.1	-48.8
<b>CASH FLOW</b>	<b>24.0</b>	<b>45.6</b>	<b>-22.1</b>	<b>-0.5</b>
<b>CASH EQUIVALENTS</b>				
AT THE START OF THE PERIOD	38.5	18.8	24.7	18.8
CASH FLOW	24.0	45.6	-22.1	-0.5
FINANCING ACTIVITIES	-28.6	-39.9	31.1	19.8
EXCHANGE RATE DIFFERENCE IN CASH EQUIVALENTS	-0.1	0.2	0.1	0.4
CASH EQUIVALENTS AT END OF PERIOD	33.8	24.7	33.8	38.5
UNUSED CREDITS	79.8	99.2	79.8	55.9
<b>AVAILABLE CASH EQUIVALENTS</b>	<b>113.6</b>	<b>123.9</b>	<b>113.6</b>	<b>94.4</b>

## Consolidated six-year summary

	APR 2007 -MAR 2008	2007	2006	2005	2004	2003
SALES	1,746.1	1,743.8	1,741.5	1,504.1	1,103.1	859.2
GROSS PROFIT	212.8	224.6	206.5	54.2	126.0	94.1
OPERATING PROFIT	100.9	111.9	103.6	-64.3	29.3	74.4
PROFIT AFTER FINANCIAL ITEMS	92.4	103.8	96.2	-73.1	19.5	63.0
PROFIT AFTER TAX	69.8	78.2	68.6	-55.7	13.6	44.2
CASH FLOW	-22.1	-0.5	24.8	-9.7	-14.4	-63.6
EARNINGS PER SHARE, SEK	7.25	8.13	7.13	-5.78	1.50	5.41
CASH FLOW PER SHARE, SEK	-2.30	-0.05	2.58	-1.01	-1.60	-7.79
PROFIT MARGIN	5.3%	6.0%	5.5%	-4.9%	1.8%	7.3%
RETURN ON OPERATING CAPITAL	20.2%	21.4%	22.5%	-14.3%	6.6%	21.0%
RETURN ON EQUITY	22.6%	26.3%	29.0%	-23.7%	6.6%	37.0%
EQUITY TO ASSETS RATIO	35.2%	34.5%	30.2%	25.3%	36.1%	22.0%
AVERAGE NUMBER EMPLOYEES	1,182	1,171	1,127	1,097	887	681

2004-2008 ACCORDING TO IFRS; 2003 ACCORDING TO SWEDISH GAAP.

## Parent Company Income Statement

	2008 Q1	2007 Q1	APR 2007 -MAR 2008	2007 JAN-DEC
NET SALES	12.5	9.4	38.0	34.9
COST OF GOODS SOLD	-5.1	-2.6	-13.0	-10.4
<b>GROSS PROFIT</b>	<b>7.4</b>	<b>6.8</b>	<b>25.0</b>	<b>24.5</b>
SALES COSTS	-5.4	-4.2	-20.2	-19.1
ADMINISTRATIVE COSTS	-5.2	-6.8	-21.3	-22.9
OTHER OPERATING INCOME/COSTS	0.0	0.9	-0.9	-0.1
<b>OPERATING PROFIT</b>	<b>-3.2</b>	<b>-3.3</b>	<b>-17.4</b>	<b>-17.6</b>
INTEREST INCOME ETC.	2.6	1.4	7.6	6.5
INTEREST COSTS ETC.	-3.2	-0.3	-5.6	-2.7
<b>PROFIT AFTER NET FINANCIAL ITEMS</b>	<b>-3.8</b>	<b>-2.2</b>	<b>-15.4</b>	<b>-13.8</b>
APPROPRIATIONS	-	-	-22.4	-22.4
<b>PROFIT BEFORE TAX</b>	<b>-3.8</b>	<b>-2.2</b>	<b>-37.8</b>	<b>-36.2</b>
TAX	1.1	0.6	10.4	9.9
<b>PROFIT AFTER TAX</b>	<b>-2.7</b>	<b>-1.6</b>	<b>-27.4</b>	<b>-26.3</b>

## Parent Company Balance Sheet

	2008 31 March	2007 31 March	2007 31 Dec
<b>ASSETS</b>			
TANGIBLE FIXED ASSETS	0.2	0.2	0.2
PARTICIPATIONS IN GROUP COMPANIES	174.3	164.5	174.3
PARTICIPATIONS IN JOINT VENTURES	18.6	-	18.6
RECEIVABLES FROM GROUP COMPANIES	189.4	98.3	188.6
RECEIVABLES FROM JOINT VENTURES	2.5	-	2.5
OTHER FINANCIAL FIXED ASSETS	9.6	3.5	-
<b>FIXED ASSETS</b>	<b>394.6</b>	<b>266.5</b>	<b>384.2</b>
ACCOUNTS RECEIVABLE	0.0	0.2	0.0
RECEIVABLES ON GROUP COMPANIES	155.5	91.1	177.0
OTHER CURRENT RECEIVABLES	8.4	0.0	7.7
PREPAID EXPENSES AND ACCRUED INCOME	4.1	0.6	2.6
CASH EQUIVALENTS	23.5	1.0	7.6
<b>CURRENT ASSETS</b>	<b>191.5</b>	<b>92.9</b>	<b>194.9</b>
<b>TOTAL ASSETS</b>	<b>586.1</b>	<b>359.4</b>	<b>579.1</b>
<b>EQUITY AND LIABILITIES</b>			
SHARE CAPITAL	4.8	4.8	4.8
STATUTORY RESERVE	148.2	148.2	148.2
ACCUMULATED PROFIT	95.8	69.0	122.1
PROFIT FOR THE PERIOD	-2.7	-1.6	-26.3
<b>EQUITY</b>	<b>246.1</b>	<b>220.4</b>	<b>248.8</b>
<b>UNTAXED RESERVES</b>	<b>32.6</b>	<b>10.2</b>	<b>32.6</b>
LIABILITIES TO CREDIT INSTITUTIONS	82.4	11.6	82.3
LIABILITIES TO GROUP COMPANIES	6.9	27.9	6.9
<b>LONG-TERM LIABILITIES</b>	<b>89.3</b>	<b>39.5</b>	<b>89.2</b>
LIABILITIES TO CREDIT INSTITUTIONS	114.7	3.1	140.9
ACCOUNTS PAYABLE	1.1	1.7	1.1
LIABILITIES TO GROUP COMPANIES	94.2	68.7	34.6
TAX LIABILITIES	-	5.5	17.0
OTHER CURRENT LIABILITIES	0.4	1.7	0.6
ACCRUED EXPENSES AND DEFERRED INCOME	7.3	7.7	6.3
OTHER SHORT-TERM PROVISIONS	0.4	0.9	8.0
<b>CURRENT LIABILITIES</b>	<b>218.1</b>	<b>89.3</b>	<b>208.5</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>586.1</b>	<b>359.4</b>	<b>579.1</b>