

# Interim Report January–March 2015





# Interim Report Q1

## **FINANCIAL PERFORMANCE IN JANUARY–MARCH**

- Sales were SEK 275.3 (232.8) million.
- Operating profit was SEK 11.9 (5.8) million.
- Operating margin was 4.3% (2.5%).
- Profit after financial items was SEK 11.0 (3.8) million.
- Profit after tax was SEK 9.3 (3.1) million, corresponding to SEK 0.32 (0.11) per share.
- Cash flow after investments was SEK 21.8 (23.1) million, or SEK 0.76 (0.80) per share.

# CEO's comment

## FOCUSING ON SALES GROWTH

Back last year, there was already good reason to believe that NOTE was developing into one of the strongest electronics manufacturers in our business environment. In the first quarter this year, we continued to advance on the market. Our sales growth was robust, profitability improved, and our working capital utilisation was stable.

One important reason for our stronger positioning is that we're seeing several of our customers making positive progress. We also expanded by winning a number of new business accounts. Most of our new business customers are European SMEs, who we deliver industrialisation services (service sales, prototyping and pilot series) and/or batch production to.

Our goal is to keep increasing market shares and accelerate our profitable growth. With our decision last autumn to focus our business in Sweden on electronics production, logistics and final assembly, we're continuing on the course we set to establish and deepen partnerships with selected vendors in the mechanics segment. The recent sale of our mechanical processing unit in Järfälla, near Stockholm, is good for profitability in the short term. In the long term, it further clarifies our customer offering on the growing demand for box build products.

Our Nearsourcing business model is strong, and tailored for the high mix/low to medium volume market segment. It builds on offering our customers effective and flexible production solutions for optimal total cost of ownership.

## PROGRESS IN THE FIRST QUARTER

I'm pleased to conclude that in the first quarter, we achieved sales growth of over 18%. Sales increased in all our domestic markets. But it's important to point out here that we are operating in an international environment. Sales in the first quarter were positively affected by exchange rate fluctuations, especially the USD and EUR, which contributed to some one-half of our sales growth year on year.

Last autumn we upgraded the electronics production capacity of our unit in China, and it's satisfying to see volumes there performing strongly. Furthermore, we are already experiencing great interest in our expanded services portfolio in Sweden in the medical devices segment.

In the short term, sales outlook is promising. Our order backlog indicates continued positive volume growth in 2015. We do anticipate growth, though perhaps not with quite as high numbers as in the first quarter of this year.

The combination of increased sales with continued good cost-efficiency contributed to our stronger profitability. First-quarter operating profit improved by SEK 6.1 million to SEK 11.9 million. Our operating margin expanded by 1.8 percentage points to 4.3%.

Exchange rate fluctuations have been significant recently. NOTE has fairly extensive currency management operations, and we've handled these complex flows in a positive and flexible way to date.



*Our sales growth was robust, profitability improved, and our working capital utilisation was stable.*

We are maintaining our focus on rationalising our working capital utilisation. We see good potential for improvement, especially in capital tied up in stock. We're working actively on developing logistics solutions, cutting lead-times and deepening our partnerships with strategic suppliers. This is good for our competitiveness, and contributes to financial stability and sound finances. That's why it's positive that despite an increased need for working capital because of sales growth in the first quarter we generated a positive cash flow of SEK 21.8 million, which is basically consistent with the first quarter of the previous year.

To take further steps forward, our plan is to sharpen our competitiveness further over time by harmonising our industrial processes and systems support group wide. So the current implementation of a group-wide ERP system is an important initiative. This project is running at increasing pace, and we've launched the system at two of our units.

## FUTURE

We take a very humble approach to our customers' future plans, and our strong order backlog points to positive volume progress in 2015.

We're working hard to maintain and develop the working methods and attitudes we implemented to strengthen our customer relationships, win new business, continue our rationalisation work and be successful in our utilisation of working capital.

Peter Laveson



# Sales and results of operations

## SALES, JANUARY–MARCH

The beginning of the year featured continued fairly stable demand on several of NOTE's European markets. However, NOTE experienced sales increases on all domestic markets, including Sweden.

NOTE endeavours to secure long-term customer relations and partnerships. For some time, extensive work has been done in order to extend the customer base to increase sales and capacity utilisation in the group's units. As a result of these market initiatives, NOTE has secured a fairly high number of new business customers in recent years. Several of these partnerships have now resulted in batch production and increased volumes.

Sales in the first quarter were SEK 275.3 (232.8) million, corresponding to sales growth of just over 18%. Adjusted for currency effects, the sales increase was some 9%. Accordingly, the sales increase consisted of new product sales to existing customers and increased volumes from new business customers gradually feeding through.

Direct sales from Industrial Plants in Estonia and China continued to grow. These sales, mainly to customers in Europe, continued to perform positively, representing 33% (26%) of total sales. To some extent, the increase was an effect of the transfer of customer responsibilities from NOTE's Nearsourcing centres to Industrial Plants, which is a natural component of NOTE's business model.

NOTE sells to a large customer base, essentially active in the engineering and communication industries in the Nordics and UK. NOTE's 15 largest customers in sales terms represented 59% (58%) of the group's sales. As in the previous year, no single customer (group) represented more than some 8% of total sales. By the end of the period, the group's order book, which consists of a combination of fixed orders and customer forecasts, suggested positive sales growth.

## RESULTS OF OPERATIONS, JANUARY–MARCH

As part of NOTE's ambition to create the potential for further profitable sales growth, NOTE is conducting methodical improvement work at all its units. This work is conducted locally at each unit and through a number of group-wide projects. Over and above initiatives to expand and develop its customer offering, its focus is on measures that improve delivery precision and quality, as well as the rationalisation of costs and working capital.

Sales in the first quarter of the year were up by over 18%. Primarily as a result of continued rationalisation, and a higher share of value-added being created in Industrial Plants in Estonia and China, the cost increase was limited to 8%, of which some 5 percentage points were the effect of a weaker Swedish currency. As a result of the stable cost trend, in combination with higher volumes, gross margin expanded by 0.8 percentage points to 10.4% (9.6%).

Continued sales and marketing initiatives contributed to sales and administration overheads increasing by 9%. Overheads were 6.8% (7.3%) of sales.

Other operating expenses/income, primarily consisting of revaluations of foreign currency assets and liabilities, were SEK 1.7 (0.4) million. NOTE conducts fairly extensive management of foreign currencies. It makes continuous efforts to minimise the risks inherent in currency management.

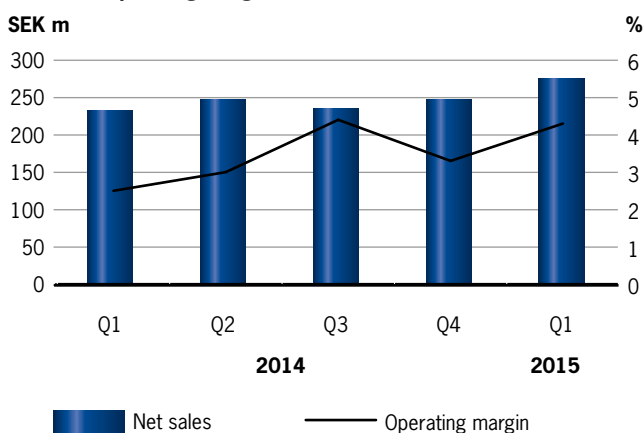
Operating profit increased to SEK 11.9 (5.8) million in the period, corresponding to an operating margin of 4.3% (2.5%).

Net financial income/expense improved to SEK –0.9 (–2.0) million. Depreciation of the Swedish krona had a positive impact on net financial income/expense due to the revaluation of holdings in foreign currencies, primarily USD and EUR.

Profit after financial items was SEK 11.0 (3.8) million, corresponding to a profit margin of 4.0% (1.6%).

Profit after tax was SEK 9.3 (3.1) million, corresponding to SEK 0.32 (0.11) per share. The tax expense for the period corresponded to 15% (18%) of profit before tax.

Sales and operating margin



A provision of SEK 4.0 million was made in the fourth quarter for the divestment of the mechanics enterprise in Järfälla, Sweden. The underlying operating margin was 4.8 percent.

# Financial position, cash flow and investments

## CASH FLOW

Competing successfully in the high mix/low to medium volume market segment sets high demands on flexible production, good supply of materials and effective logistics solutions. Accordingly, NOTE faces a major challenge in continuously improving its working methods and internal processes in these segments. This challenge is especially apparent in rapid cyclical demand upturns and downturns, and relates mainly to the complexity of materials supply and changing lead-times of electronic components.

The global market for electronic components can be considered fairly cyclical. Progress in the first quarter, as in the previous year, was relatively stable, with a good supply of components. This benefits NOTE's materials planning and logistics.

The combination of the implementation of new logistics solutions with stock redimensioning by several of NOTE's major customers set challenging demands on the flexibility of purchasing and production, especially in the fourth quarter of the previous year.

Demand in the first quarter was more stable, and working capital progressed essentially as planned. Mainly as a result of increased manufacturing and sales volumes, stock including prepayments for materials increased by just over 5% on the previous year-end. In year-on-year terms, the increase was 30%, of which some 16 percentage points were a consequence of currency effects.

At the end of the period, accounts receivable—trade were up by just over 4% on year-end, and 16% on the corresponding period of the previous year. To all intents and purposes, the year-on-year increase stemmed from higher sales. Through continued focused efforts, NOTE was able to maintain customer credit terms at about the same level as the previous year.

Accounts payable—trade, which mainly relate to sourced electronic components and other production materials, increased by just over 21% on year-end. Compared to the end of the first quarter of the previous year, the increase was 23%. NOTE's partnering model on the supplier site, which has implications including sourcing being concentrated on fewer, quality-assured suppliers, contributed to significantly more efficient utilisation of working capital. The number of days of credit to suppliers was significantly higher compared to the corresponding point of the previous year.

Improved earnings, combined with stable progress of working capital, contributed to cash flow after investments of SEK 21.8 (23.1) million, or SEK 0.76 (0.80) per share, despite the sales growth.

## Equity to assets ratio

**42,6 %**

## Cash flow

**21,8 SEK million**

## EQUITY TO ASSETS RATIO

According to NOTE's externally communicated financial target, the equity to assets ratio should not fall below 30%. The equity to assets ratio at the end of the period was 42.6% (42.3%). NOTE estimates that the proposed dividend of SEK 14.4 million would affect the equity to assets ratio by some two percentage points.

## LIQUIDITY

NOTE is maintaining a sharp focus on measures to further improve the group's liquidity and cash flow.

The group's available cash and cash equivalents, including unutilised overdraft facilities, were SEK 119.4 (124.0) million at the end of the period. Factored accounts receivable—trade were some SEK 121 (118) million.

## INVESTMENTS

Capital expenditure on property, plant and equipment amounted to SEK 2.7 (3.9) million in the period, corresponding to 1.0% (1.7%) of sales. Depreciation and amortization according to plan were SEK 3.0 (1.9) million.

The increase in depreciation and amortization relates mainly to capacity expansion at NOTE's Industrial Plant in China. To satisfy increased demand for electronics production in China, a new advanced surface mounting line was brought on stream in the fourth quarter of the previous year.

Depreciation of the new business-specific ERP system also commenced, which will be progressively brought into production through the group's units. The ambition is to create the potential for further rationalisation, mainly in the cost and working capital segments, by harmonising internal processes and systems support at the group's units.

## Parent company

Parent company NOTE AB (publ) is primarily focused on the management, co-ordination and development of the group. In the period, revenue was SEK 8.0 (9.3) million, and mainly related to intra-group services. The revenue decrease mainly stems from simplified processing of group-wide expenses, by which the revenues and expenses of goods sold reduce by the same amounts. The profit after tax was SEK 9.0 (2.9) million. The net financial income/expense for the period also includes SEK 7.0 (3.6) million of dividends received from subsidiaries.

In the period, the parent company decided to transfer to adopting the exemption for intangible assets stated in RFR 2,

which permits development expenditure that pursuant to IAS 38 p. 57 should be recognised as an asset in the Balance Sheet, instead being expensed in the period it arises. Instead, capitalisation is in the group. The net effect of previous year's capitalisation reduced parent company retained profits by SEK –5.5 million.

### TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties in the period were negligible.

## Significant operational risks

NOTE is one of the leading Northern European manufacturing and logistics partners for production of electronics-based products. NOTE has especially strong market positioning in the high mix/low to medium volume market segment, i.e. for products in short to medium-sized batches that require high technology competence and flexibility. NOTE produces PCBAs, sub-assemblies and box build products. NOTE's offering covers the complete product lifecycle, from design to after-sales.

NOTE's focus on Nearsourcing, targeting increased sales growth in combination with reduced overheads and investment costs in high-cost countries, is a way of reducing the risks of operations.

For a more detailed review of the group's operational and financial risks, refer to the Risks section on page 14, the Report of the Directors on pages 36 and Note 24 Financial risks and finance policy on page 52, of NOTE's Annual Report for 2014.

NOTE's operations place fairly high demands on working capital funding. Accordingly, NOTE has a sharp focus on managing liquidity risk.

## Accounting and valuation principles

NOTE observes International Financial Reporting Standards (IFRS) as endorsed by the European Union. Significant accounting and valuation principles are stated on pages 42–44 of the Annual Report for 2014. The group's Interim Report has been prepared in accordance with the Swedish Annual Accounts Act and IAS 34, Interim Financial Reporting. The parent company observes RFR 2. Effective 1 January 2015, the parent company is applying the exemption in RFR 2 regarding development expenditure, which is expensed continuously in the parent company. Instead, this will be capitalised in the group.

All amounts are in millions of Swedish kronor (SEK million) unless otherwise stated.

### DISCREPANCIES BETWEEN REPORTS

Swedish and English-language versions of this Report have been produced. In the event of any discrepancy between the two, the Swedish version shall apply.

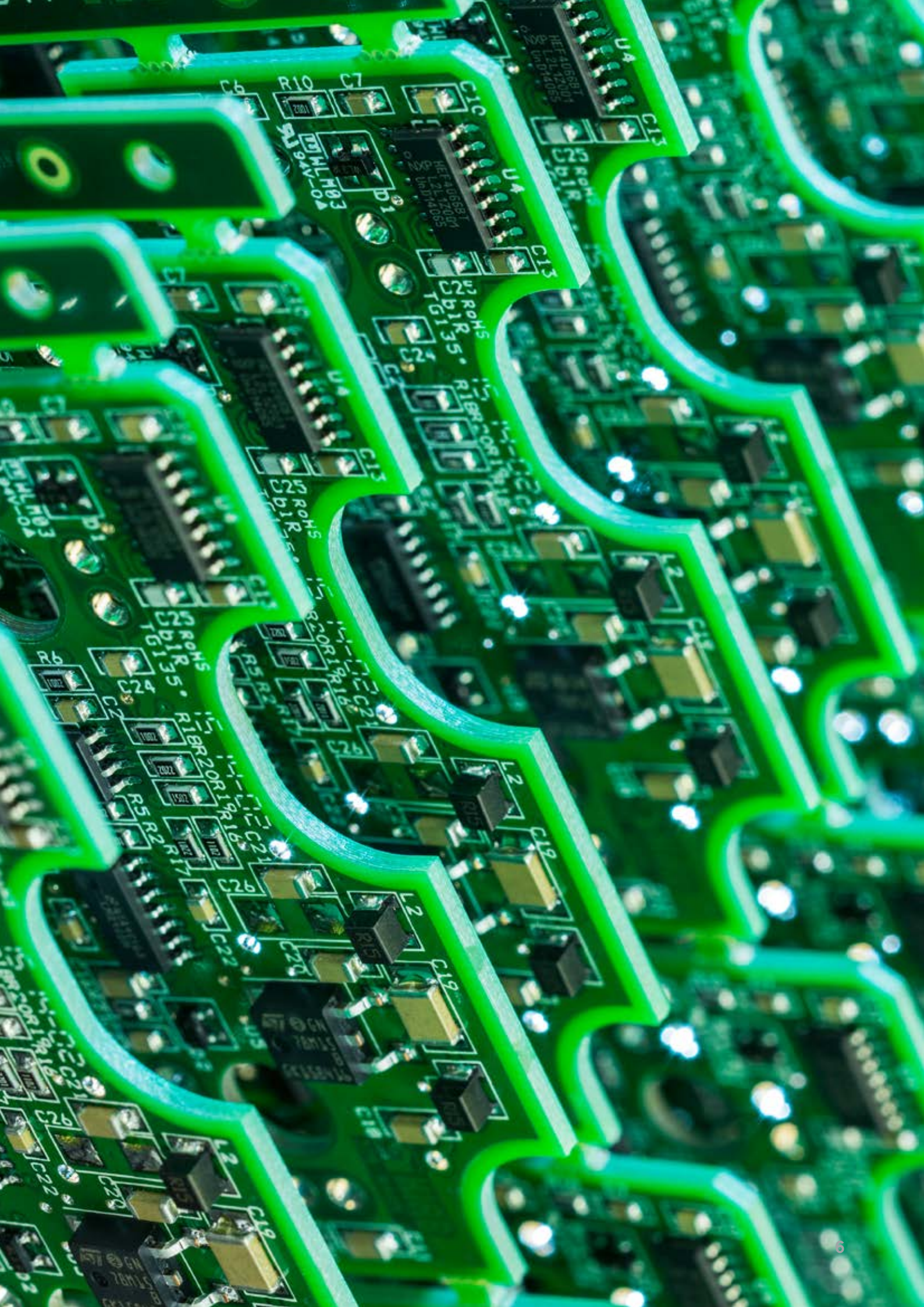
### AUDIT REVIEW

As in previous years, this First-quarter Interim Report has not been subject to review by the company's auditor.

The Board of Directors of NOTE AB (publ)

Danderyd, Sweden, 21 April 2015







## Consolidated six-year summary

SEK million	Rolling 12 mth.	2014	2013	2012	2011	2010
Net sales	1,006.5	964.0	907.0	1,029.2	1,208.8	1,210.7
Gross margin	10.8%	10.6%	8.0%	9.0%	11.0%	5.0%
Operating margin	3.8%	3.3%	1.0%	2.5%	5.3%	–4.0%
Profit margin	3.6%	3.0%	0.1%	1.9%	4.7%	–4.9%
Cash flow after investing activities	1.2	2.5	–2.0	97.0	56.5	–13.6
Cash flow per share, SEK	0.04	0.09	–0.07	3.36	1.96	–0.56
Equity per share, SEK	9.77	9.36	8.25	9.02	8.98	7.52
Return on operating capital	12.7%	10.1%	3.1%	7.9%	17.7%	–12.1%
Return on equity	11.8%	9.7%	0.3%	4.9%	16.5%	–29.1%
Equity to assets ratio	42.6%	44.1%	44.0%	45.2%	41.0%	31.3%
Average number of employees	897	893	847	884	939	1,000
Net sales per employee, SEK 000	1,122	1,080	1,071	1,164	1,287	1,211

## Consolidated quarterly summary

SEK million	2015 Q1	2014 Q4	2014 Q3	2014 Q2	2014 Q1
Net sales	275.3	248.1	235.5	247.6	232.8
Gross margin	10.4%	11.0%	11.4%	10.5%	9.6%
Operating margin	4.3%	3.3%	4.4%	3.0%	2.5%
Profit margin	4.0%	3.3%	4.2%	2.9%	1.6%
Cash flow after investing activities	21.8	10.9	–23.2	–8.2	23.1
Cash flow per share, SEK	0.76	0.38	–0.80	–0.28	0.80
Equity per share, SEK	9.77	9.36	9.02	8.65	8.36
Equity to assets ratio	42.6%	44.1%	44.5%	42.3%	42.3%
Average number of employees	901	894	900	894	883
Net sales per employee, SEK 000	306	278	262	277	264



# Consolidated Income Statement

SEK million	2015 Q1	2014 Q1	Rolling 12 mth.	2014 full yr.
Net sales	275.3	232.8	1,006.5	964.0
Cost of goods and services sold	-246.5	-210.4	-897.7	-861.6
<b>Gross profit</b>	<b>28.8</b>	<b>22.4</b>	<b>108.8</b>	<b>102.4</b>
Selling expenses	-10.2	-9.4	-39.9	-39.1
Administrative expenses	-8.4	-7.6	-30.6	-29.8
Other operating income/expenses	1.7	0.4	-0.4	-1.7
<b>Operating profit</b>	<b>11.9</b>	<b>5.8</b>	<b>37.9</b>	<b>31.8</b>
Net financial income/expenses	-0.9	-2.0	-1.9	-3.0
<b>Profit after financial items</b>	<b>11.0</b>	<b>3.8</b>	<b>36.0</b>	<b>28.8</b>
Income tax	-1.7	-0.7	-5.2	-4.2
<b>Profit after tax</b>	<b>9.3</b>	<b>3.1</b>	<b>30.8</b>	<b>24.6</b>

# Consolidated Statement of Other Comprehensive Income

SEK million	2015 Q1	2014 Q1	Rolling 12 mth.	2014 full yr.
<b>Profit after tax</b>	<b>9.3</b>	<b>3.1</b>	<b>30.8</b>	<b>24.6</b>
<b>Other comprehensive income</b>				
<i>Items that can be subsequently reversed in the income statement:</i>				
Exchange rate differences	2.9	0.2	10.4	7.7
Cash flow hedges	-0.4	0.1	-0.1	0.4
Tax on cash flow hedges and exchange rate difference	0.0	0.0	-0.6	-0.6
<b>Total other comprehensive income after tax</b>	<b>2.5</b>	<b>0.3</b>	<b>9.7</b>	<b>7.5</b>
<b>Comprehensive income after tax</b>	<b>11.8</b>	<b>3.4</b>	<b>40.5</b>	<b>32.1</b>

# Earnings per share

	2015 Q1	2014 Q1	Rolling 12 mth.	2014 full yr.
Number of shares at end of period (000)	28,873	28,873	28,873	28,873
Weighted average number of shares (000)	28,873	28,873	28,873	28,873
Earnings per share, SEK	0.32	0.11	1.07	0.85

# Consolidated Balance Sheet

SEK million	2015 31 Mar	2014 31 Mar	2014 31 Dec
<b>Assets</b>			
Goodwill	70.8	70.4	70.6
Other intangible assets	9.9	7.2	9.5
Property, plant and equipment	58.4	45.1	59.1
Deferred tax assets	13.9	13.6	13.8
Other financial assets	1.2	0.4	1.1
<b>Total non-current assets</b>	<b>154.2</b>	<b>136.7</b>	<b>154.1</b>
Inventories	215.3	165.4	205.6
Accounts receivable—trade	209.7	180.2	201.7
Other current receivables	20.8	22.4	16.3
Cash and bank balances	61.5	66.5	35.2
<b>Total current assets</b>	<b>507.3</b>	<b>434.5</b>	<b>458.8</b>
<b>TOTAL ASSETS</b>	<b>661.5</b>	<b>571.2</b>	<b>612.9</b>
<b>Equity and liabilities</b>			
<b>Equity</b>	<b>282.0</b>	<b>241.5</b>	<b>270.2</b>
<b>Liabilities</b>			
Long-term interest-bearing liabilities	9.7	3.8	9.5
Deferred tax liabilities	2.6	2.5	2.5
<b>Total non-current liabilities</b>	<b>12.3</b>	<b>6.3</b>	<b>12.0</b>
Current interest-bearing liabilities	93.9	96.2	90.0
Accounts payable—trade	198.2	161.0	163.9
Other current liabilities	73.1	66.2	72.8
Other provisions	2.0	–	4.0
<b>Total current liabilities</b>	<b>367.2</b>	<b>323.4</b>	<b>330.7</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>661.5</b>	<b>571.2</b>	<b>612.9</b>

# Consolidated Change in Equity

SEK million	2015 Q1	2014 Q1	Rolling 12 mth.	2014 full yr.
Opening equity	270.2	238.1	241.5	238.1
Comprehensive income after tax	11.8	3.4	40.5	32.1
<b>Closing equity</b>	<b>282.0</b>	<b>241.5</b>	<b>282.0</b>	<b>270.2</b>



# Consolidated Cash Flow Statement

SEK million	2015 Q1	2014 Q1	Rolling 12 mth.	2014 full yr.
<b>Operating activities</b>				
Profit after financial items	11.0	3.8	36.0	28.8
Reversed depreciation and amortisation	3.0	1.9	9.5	8.4
Other non-cash items	-2.4	0.2	-4.0	-1.4
Tax paid	-2.1	-4.1	-2.0	-4.0
Change in working capital	15.0	25.3	-26.4	-16.1
<b>Cash flow from operating activities</b>	<b>24.5</b>	<b>27.1</b>	<b>13.1</b>	<b>15.7</b>
<b>Cash flow from investing activities</b>	<b>-2.7</b>	<b>-4.0</b>	<b>-11.9</b>	<b>-13.2</b>
<b>Cash flow from financing activities</b>	<b>3.9</b>	<b>2.2</b>	<b>-8.9</b>	<b>-10.6</b>
<b>Change in cash and cash equivalents</b>	<b>25.7</b>	<b>25.3</b>	<b>-7.7</b>	<b>-8.1</b>
<b>Cash and cash equivalents</b>				
At beginning of period	35.2	40.8	66.5	40.8
Cash flow after investing activities	21.8	23.1	1.2	2.5
Cash flow from financing activities	3.9	2.2	-8.9	-10.6
Exchange rate difference in cash and cash equivalents	0.6	0.4	2.7	2.5
<b>Cash and cash equivalents at end of period</b>	<b>61.5</b>	<b>66.5</b>	<b>61.5</b>	<b>35.2</b>
Un-utilised credits	57.9	57.5	57.9	56.8
<b>Available cash and cash equivalents</b>	<b>119.4</b>	<b>124.0</b>	<b>119.4</b>	<b>92.0</b>

# Operating segments

NOTE's operation is divided into two operating segments.

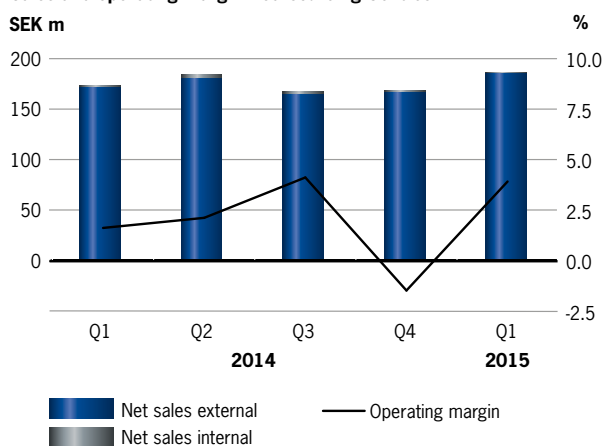
Nearsourcing Centres include selling units in Sweden, Norway, Finland and the UK, where there is a close partnership with customers to develop new and existing business. Development and production engineering services, such as selecting components, production of prototypes, batch production and testing, are provided.

Industrial Plants, which consist of the production units in Estonia and China, primarily deliver cost-efficient volume production in Europe and Asia.

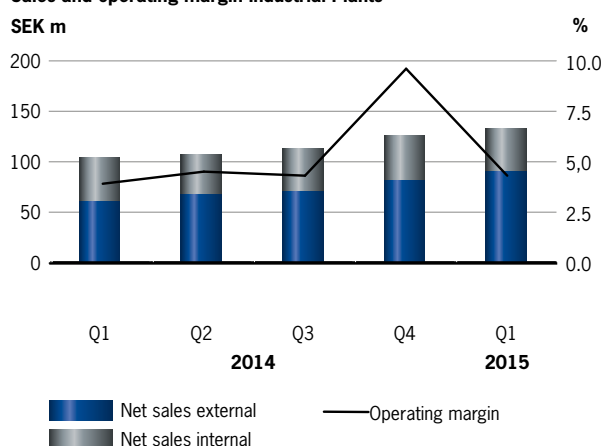
Other units are group-wide business support functions in the parent company and for the sourcing operations in NOTE Components.

SEK million	2015 Q1	2014 Q1	Rolling 12 mth.	2014 full yr.
<b>NEARSOURCING CENTRES</b>				
External net sales	185.2	171.8	696.9	683.5
Internal net sales	0.9	1.7	8.7	9.5
Operating profit	7.2	2.7	15.5	11.0
Operating margin	3.9%	1.6%	2.2%	1.6%
Inventories	102.8	89.5	102.8	96.3
External accounts receivable—trade	132.6	131.1	132.6	127.7
Average number of employees	360	374	370	373
<b>INDUSTRIAL PLANTS</b>				
External net sales	90.1	61.0	309.6	280.5
Internal net sales	42.9	43.2	169.1	169.4
Operating profit	5.7	4.1	27.3	25.7
Operating margin	4.3%	3.9%	5.7%	5.7%
Inventories	112.5	75.9	112.5	109.3
External accounts receivable—trade	76.9	48.9	76.9	73.8
Average number of employees	524	495	512	505
<b>OTHER UNITS AND ELIMINATIONS</b>				
Internal net sales	–43.8	–44.9	–177.8	–178.9
Operating profit	–1.0	–1.0	–4.9	–4.9
External accounts receivable—trade	0.2	0.2	0.2	0.2
Average number of employees	17	14	15	15

Sales and operating margin Nearsourcing Centres



Sales and operating margin Industrial Plants



A provision of SEK 4.0 million was made in the fourth quarter for the divestment of the mechanics enterprise in Järfälla, Sweden. The underlying operating margin was 0.9 percent.



## Parent Company Income Statement

SEK million	2015 Q1	2014 Q1	Rolling 12 mth.	2014 full yr.
Net sales	8.0	9.3	35.8	37.1
Cost of services sold	-4.7	-6.3	-22.9	-24.5
<b>Gross profit</b>	<b>3.3</b>	<b>3.0</b>	<b>12.9</b>	<b>12.6</b>
Selling expenses	-1.2	-1.4	-6.9	-7.1
Administrative expenses	-3.1	-2.5	-10.2	-9.6
Other operating income/expenses	-0.1	0.0	0.0	0.1
<b>Operating profit</b>	<b>-1.1</b>	<b>-0.9</b>	<b>-4.2</b>	<b>-4.0</b>
Net financial income/expenses	10.1	3.8	9.5	3.2
<b>Profit after financial items</b>	<b>9.0</b>	<b>2.9</b>	<b>5.3</b>	<b>-0.8</b>
Appropriations	-	-	-	-
<b>Profit before tax</b>	<b>9.0</b>	<b>2.9</b>	<b>5.3</b>	<b>-0.8</b>
Income tax	-	0.0	0.6	0.6
<b>Profit after tax</b>	<b>9.0</b>	<b>2.9</b>	<b>5.9</b>	<b>-0.2</b>

## Parent Company Statement of Other Comprehensive Income

SEK million	2015 Q1	2014 Q1	Rolling 12 mth.	2014 full yr.
<b>Profit after tax</b>	<b>9.0</b>	<b>2.9</b>	<b>5.9</b>	<b>-0.2</b>
<b>Other comprehensive income</b>				
<i>Items that can be subsequently reversed in the income statement:</i>				
Fair value reserve	0.1	0.1	2.8	2.8
Tax on fair value reserve	0.0	0.0	-0.6	-0.6
<b>Total other comprehensive income after tax</b>	<b>0.1</b>	<b>0.1</b>	<b>2.2</b>	<b>2.2</b>
<b>Comprehensive income after tax</b>	<b>9.1</b>	<b>3.0</b>	<b>8.1</b>	<b>2.0</b>

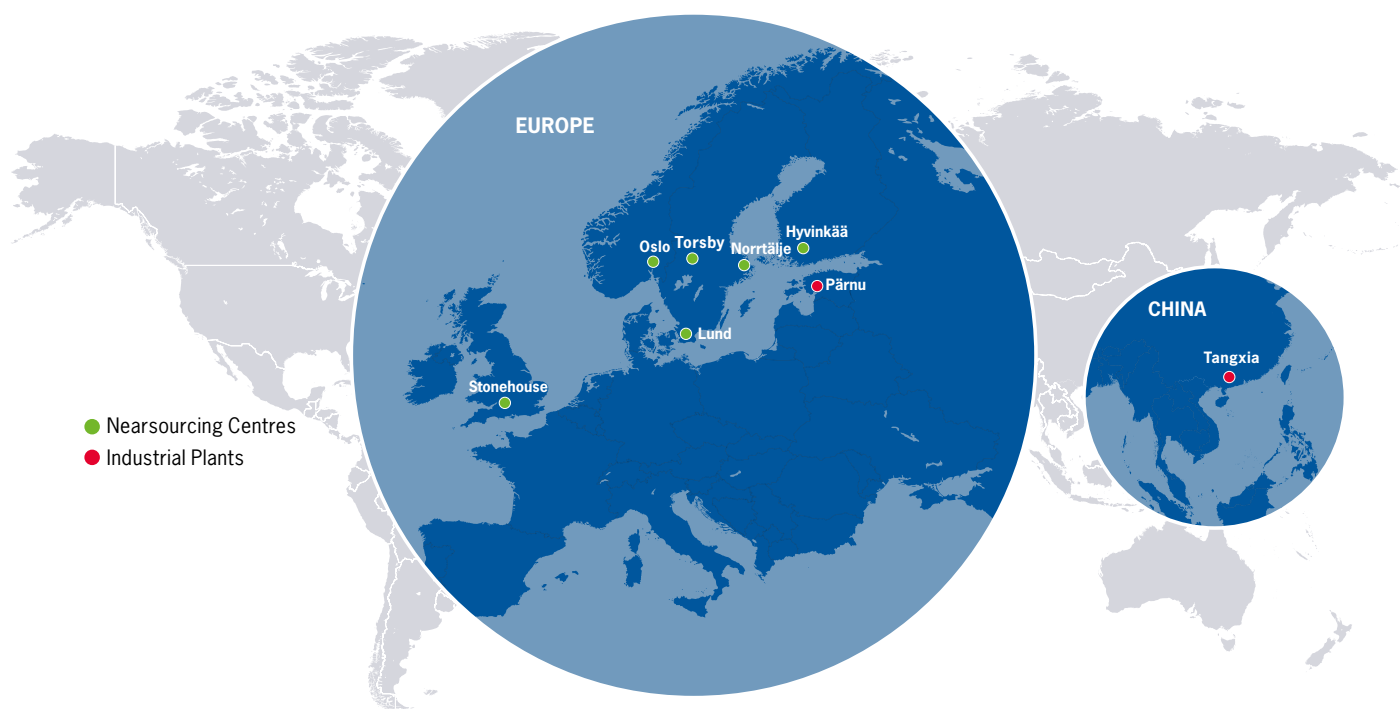
## Parent Company Balance Sheet

SEK million	2015 31 Mar	2014 31 Mar	2014 31 Dec
<b>Assets</b>			
Intangible assets	0.9	5.5	8.0
Deferred tax assets	4.1	2.3	2.5
Long-term receivables from group companies	42.5	48.6	42.3
Financial non-current assets	243.7	245.2	243.7
<b>Total non-current assets</b>	<b>291.2</b>	<b>301.6</b>	<b>296.5</b>
Receivables from group companies	44.4	22.8	53.3
Other current receivables	2.1	2.5	1.9
Cash and bank balances	19.2	31.6	1.0
<b>Total current assets</b>	<b>65.7</b>	<b>56.9</b>	<b>56.2</b>
<b>TOTAL ASSETS</b>	<b>356.9</b>	<b>358.5</b>	<b>352.7</b>
<b>Equity and liabilities</b>			
<b>Equity</b>	<b>264.6</b>	<b>262.0</b>	<b>261.0</b>
<b>Liabilities</b>			
Liabilities to credit institutions	–	–	1.6
Liabilities to group companies	84.3	86.9	81.3
Other current liabilities and provisions	8.0	9.6	8.8
<b>Total current liabilities</b>	<b>92.3</b>	<b>96.5</b>	<b>91.7</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>356.9</b>	<b>358.5</b>	<b>352.7</b>

## Parent Company Change in Equity

SEK million	2015 Q1	2014 Q1	Rolling 12 mth.	2014 full yr.
Opening equity	261.0	259.0	262.0	259.0
Comprehensive income after tax	9.1	3.0	8.1	2.0
Effect of change in accounting principle	–5.5	–	–5.5	–
<b>Closing equity</b>	<b>264.6</b>	<b>262.0</b>	<b>264.6</b>	<b>261.0</b>





## + This is NOTE

### Vision

NOTE—the customer's obvious manufacturing and logistics partner.

### Business concept

NOTE is a leading northern European manufacturing and logistics partner with an international platform for manufacturing of electronics-based products that require high technology competence and flexibility across product lifecycles.

### Strategy and business targets

NOTE will be the best collaboration partner in the industry with leading-edge delivery precision and quality for a competitive total cost. To make the market's most competitive offering, NOTE should actively contribute to safeguarding the customer's value chains, sharpening their competitiveness through flexibility, competence and professional conduct while achieving good profitability.

### Nearsourcing Centres and Industrial Plants

NOTE's business is organised to address the differing needs of its customers optimally. NOTE's Nearsourcing Centres deliver advanced production technology services in close collaboration with customers, such as design for manufacturing and sourcing, developing test equipment, prototyping and serial production. NOTE's Industrial Plants primarily deliver cost-efficient volume production in Europe and Asia.

## + Financial information

NOTE AB (publ)  
Corporate ID no. 556408-8770

### Calendar

Interim Report, Jan–Jun	13 Jul 2015
Interim Report, Jan–Sep	19 Oct 2015

### Ordering financial information

Financial and other relevant information can be ordered from NOTE. Out of consideration for the environment, a subscription service is readily available from NOTE's website.  
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