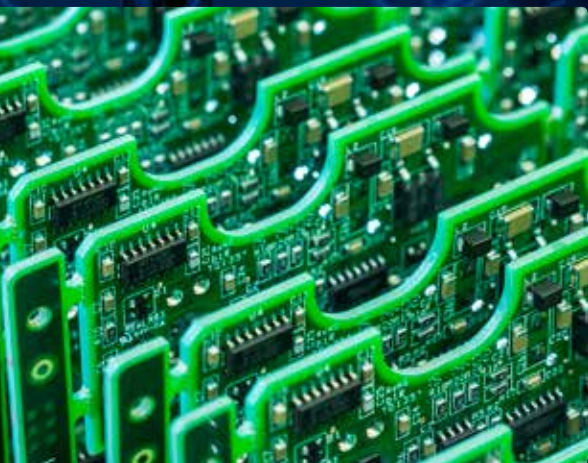


Interim Report January–June 2015



Interim Report January–June 2015

FINANCIAL PERFORMANCE IN JANUARY–JUNE

- Sales were SEK 554.8 (480.4) million.
- Operating profit was SEK 23.1 (13.3) million.
- Operating margin was 4.2% (2.8%).
- Profit after financial items was SEK 20.2 (10.9) million.
- Profit after tax was SEK 17.8 (8.8) million, corresponding to SEK 0.62 (0.31) per share.
- Cash flow after investments was SEK 3.8 (14.9) million, or SEK 0.13 (0.52) per share.

FINANCIAL PERFORMANCE IN APRIL–JUNE

- Sales were SEK 279.5 (247.6) million.
- Operating profit was SEK 11.2 (7.5) million.
- Operating margin was 4.0% (3.0%).
- Profit after financial items was SEK 9.2 (7.1) million.
- Profit after tax was SEK 8.5 (5.7) million, corresponding to SEK 0.29 (0.20) per share.
- Cash flow after investments was SEK –18.0 (–8.2) million, or SEK –0.62 (–0.28) per share.

CEO's comment

FOCUSING ON PROFITABLE SALES GROWTH

We're one of the strongest electronics manufacturers in the Nordics. We continue to progress and remain an agile and responsive business partner for our customers. Our work is based on NOTE's core values—committed, professional, quality-focused, flexible and financially stable.

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

Key reasons for our stronger positioning is that several of our customers are making positive progress and we have broadened our strong customer base with a number of new customers. Our expressed ambition is to increase market share further and strengthen our profitable growth.

As part of our growth strategy, we have decided to strengthen the organisation with a Sales Director in our group management team. This position has been assigned to Fredrik Schultz. Fredrik is joining us from sector peer Enics, and will start in mid-August.

PROGRESS JANUARY–JUNE

Sales continued to make positive progress in the second quarter. In the first six months, NOTE achieved sales growth of just over 15%, of which exchange rate effects comprised some 8%. All markets experienced sales growth, with the exception of Norway, where second-quarter sales were adversely affected by stock redimensioning by a few customers.

Last autumn, we upgraded the electronics production capacity of our unit in China, and it's satisfying to see volumes there continuing to make positive progress. We're also now seeing concrete business opportunities as a result of our extended service offering to the medical sector in Sweden.

The combination of increased sales with continued good cost-efficiency contributed to our improved profitability as planned. Operating profit for the first six months of the year improved by SEK 9.8 million to SEK 23.1 million. Operating margin expanded by 1.4 percentage points to 4.2%.

With regard to capital tied up in stock, which represents a challenging area in our market segment, we've not lived up to our expectations for some time. As well as our ongoing focused initiatives, we're also working to develop long-term and industry-appropriate smarter logistics solutions that reduce lead times and strengthen our partnerships with strategic suppliers. This makes it particularly pleasing that we succeeded in reducing stock by 6% in the second quarter, despite increased sales. We proactively work on improving stability in capital tied-up, which is extra challenging when starting up new products.

Mainly as a result of continued sales growth, cash flow after investments were limited to SEK 3.8 million during the first half-year. Our balance sheet remains one of the sector's strongest, with an equity to assets ratio of 43.4%.



It's pleasing to present an improved first half-year operating profit of some SEK 10 million.

FUTURE

Exchange rate fluctuations for some of our key currencies have been significant for some time and have impacted us positively. At present, we don't foresee any impact from the recent global market uncertainties, and our order book continues to support positive volume growth in the autumn.

We take a very humble approach to our customers' future plans and market situation. We're working hard to maintain and develop the working methods and attitudes we've implemented to strengthen our customer relationships, win new business, continue the streamlining process and to ensure successful utilisation of working capital.

Peter Laveson

Sales and results of operations

SALES, JANUARY–JUNE

Demand remained fairly stable on most of NOTE's markets in Europe in the first half-year. NOTE experienced year-on-year sales increases in Sweden, Finland and the UK. Sales fell slightly in Norway as a result of relatively weak performance by a few individual customers.

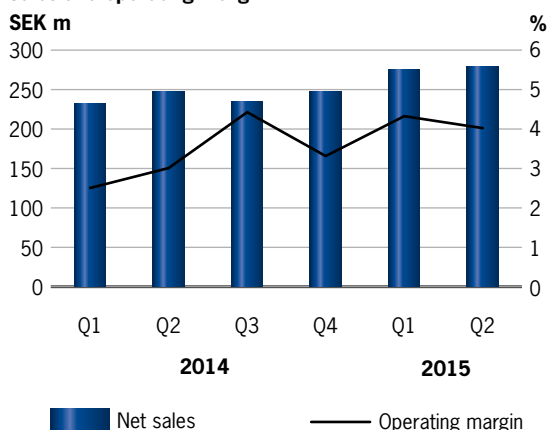
NOTE endeavours to secure long-term customer relations and partnerships. For some time, extensive work has been carried out in order to extend the customer base to boost sales and capacity utilisation in the group's units. As a result of these market initiatives, NOTE has secured a fairly high number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

Sales in the first half-year were SEK 554.8 (480.4) million, corresponding to sales growth of just over 15%. Adjusted for exchange rate effects, sales growth was some 7%. Growth was the result of new product sales to established customers and increased volumes from new customers 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 34% (27%) of total sales. To some extent, the increase was an effect of the transfer of customer responsibilities from Nearsourcing Centres to Industrial Plants, a natural element 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% (56%) of the group's sales. As in the previous year, no single customer (group) represented more than some 8% of total sales. The group's order book, which consists of a combination of fixed orders and customer forecasts, lent support to sustained positive sales growth at the end of the period.

Sales and operating margin



A provision of SEK 4.0 million was made in the fourth quarter 2014 for the divestment of the mechanics enterprise in Järfälla, Sweden. The underlying operating margin was 4.8 percent.

RESULTS OF OPERATIONS, JANUARY–JUNE

As part of NOTE's ambition to create the potential for further profitable sales growth, NOTE is conducting methodical improvements work at all its units. This work is conducted both 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 continuously improve delivery precision and quality, as well as the rationalisation of costs and working capital.

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 some 11% for comparable units, 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 sales, gross margin expanded by 0.6 percentage points to 10.7% (10.1%).

Continued sales and marketing initiatives contributed to sales and administration overheads increasing by 10%. Overheads were 7.0% (7.3%) of sales.

Other operating expenses/income, primarily consisting of revaluations of foreign currency assets and liabilities, were SEK 2.4 (0.0) million. NOTE conducts fairly extensive management of foreign currencies, primarily EUR and USD. It makes continuous efforts to minimise the risks inherent in currency management.

Operating profit in the first half-year increased by SEK 9.8 million to SEK 23.1 (13.3) million, corresponding to an increase in operating margin of 1.4 percentage points to 4.2% (2.8%).

A higher working capital requirement as a result of NOTE's growth contributed to a decline in net financial income/expense to SEK -2.9 (-2.4) million. Revaluation of holdings in foreign currencies, primarily USD and EUR, also contributed towards the end of the period.

Profit after financial items was SEK 20.2 (10.9) million, corresponding to a profit margin of 3.6% (2.3%).

Profit after tax was SEK 17.8 (8.8) million, corresponding to a profit margin of SEK 0.62 (0.31) per share. The tax expense for the period corresponded to 12% (19%) of profit before tax.

SALES AND RESULTS OF OPERATIONS, APRIL–JUNE

Year-on-year sales continued to grow in the second quarter in Sweden, Finland and the UK. In Norway, however, sales fell, mainly as a result of stock redimensioning by some major customers.

Sales in the second quarter increased by 13% to SEK 279.5 (247.6) million. The continued sales growth was derived from new sales to existing customers and increased serial production on behalf of new customers.

Compared to the first quarter, which is generally slightly weaker in seasonal terms, sales were up by 2% (6%). Sales from Industrial Plants, particularly in China, continued to make positive progress, contributing 35% (27%) of sales in the second quarter.

Higher manufacturing and sales volumes, coupled with stable costs, contributed to an increase in gross margin of 0.4 percentage points to 10.9% (10.5%).

Sales and administration overheads grew by 11%, in part as a result of exchange rate effects, and comprised 7.1% (7.3%) of sales.

Other operating expenses/income, primarily consisting of revaluations of foreign currency assets and liabilities were SEK 0.7 (–0.4) million.

Mainly as a result of increased sales and costs remaining stable, operating profit for the second quarter grew by SEK 3.7 million to SEK 11.2 (7.5) million, corresponding to an operating margin of 4.0% (3.0%).

Profit after financial items was SEK 9.2 (7.1) million.

Cash flow and financial position

CASH FLOW

Competing successfully in the high mix/low to medium volume market segment sets high standards on flexible production, effective supply of materials and customized 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 described as relatively cyclical. Progress in the first half year, as in the previous year, was fairly stable, and with good access to components. This benefitted 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 last year.

Demand in the first half-year was more stable and working capital progressed essentially as planned. As a result of focused initiatives, and despite higher production and sales volumes, stock including prepayments for materials decreased by 2% on year-end, and by 6% since the end of the first quarter. At the end of the first six months, stocks were up 14% year-on-year, of which a significant proportion was the result of exchange rate effects.

At the end of the period, accounts receivable—trade were just over 12% up on year end, and 17% higher year-on-year. The increase on last year was essentially linked to increased sales. Sustained focused initiatives meant that the number of days of credit remained at approximately the same level as last year.

Equity to assets ratio

43.4%

Cash flow

3.8 SEK million

Accounts payable—trade, which mainly relate to sourced Electronic components and other production materials, were up 5% on year end. The year-on-year figure was also 5%. NOTE's partnership model for its suppliers, which concentrates sourcing on fewer, quality-assured suppliers, contributed to a significant increase in efficiency in utilization of working capital.

A higher working capital requirement as a result of the sales growth contributed to limiting cash flow after investments to SEK 3.8 (14.9) million, corresponding to SEK 0.13 (0.52) per share.

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 43.4% (42.3%).

The dividend payment made in the second quarter of SEK 14.4 million reduced the equity to assets ratio by some 2 percentage points.

Liquidity and investments

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 84.7 (115.8) million at the end of the period. Factored accounts receivable—trade were some SEK 120 (110) million.

INVESTMENTS

Capital expenditure on fixed assets amounted to SEK 5.6 (6.5) million in the first half-year, corresponding to 1.0% (1.4%) of sales. Depreciation and amortization according to plan were SEK 6.0 (3.9) million.

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

Also, during the first quarter, 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 areas, by harmonizing internal processes and systems support at the group's units.

Parent company

The parent company, NOTE AB (publ), is primarily focused on the management, coordination and development of the group. In the first half-year, revenue was SEK 15.9 (18.7) 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 amount. Profit after tax was SEK 8.3 (1.9) million. Net financial income/expense for the period includes SEK 7.0 (3.6) million of dividends received from subsidiaries.

In the first quarter, 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 of 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 profit by SEK 5.5 million.

TRANSACTIONS WITH RELATED PARTIES

Consulting services relating to operational improvements were sourced from a company owned by a related party in the second quarter.

ANNUAL GENERAL MEETING

The Annual General Meeting in April adopted the Nomination Committee's proposal to re-elect the Board of Directors, with Kristian Teår as Chairman, for the period until the following AGM. Bahare Hederstierna was elected as Board member.

The AGM resolved to pay dividend to shareholders of SEK 0.50 per share for the financial year 2014.

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 Interim Report has not been subject to review by the company's auditor.

Certification

This Interim Report gives a true and fair view of the parent company's and group's operations, financial position and results of operations, and reviews the significant risks and uncertainty factors facing the parent company and group companies.

Danderyd, Sweden 12 July 2015

The Board of Directors of NOTE AB (publ)



Kristian Teär
Chairman



Kjell-Åke Andersson
Board member



Bruce Grant
Board member



Bahare Hederstierna
Board member



Stefan Johansson
Board member



Henry Klotz
Board member



Daniel Nyhrén
Board member



Stefan Henriksson
Board member,
Employee Representative

Consolidated six-year summary

SEK million	Rolling 12 month	2014	2013	2012	2011	2010
Net sales	1,038.4	964.0	907.0	1,029.2	1,208.8	1,210.7
Gross margin	10.9%	10.6%	8.0%	9.0%	11.0%	5.0%
Operating margin	4.0%	3.3%	1.0%	2.5%	5.3%	-4.0%
Profit margin	3.7%	3.0%	0.1%	1.9%	4.7%	-4.9%
Cash flow after investing activities	-8.6	2.5	-2.0	97.0	56.5	-13.6
Cash flow per share, SEK	-0.30	0.09	-0.07	3.36	1.96	-0.56
Equity per share, SEK	9.47	9.36	8.25	9.02	8.98	7.52
Return on operating capital	13.0%	10.1%	3.1%	7.9%	17.7%	-12.1%
Return on equity	12.8%	9.7%	0.3%	4.9%	16.5%	-29.1%
Equity to assets ratio	43.4%	44.1%	44.0%	45.2%	41.0%	31.3%
Average number of employees	907	893	847	884	939	1,000
Net sales per employee, SEK 000	1,145	1,080	1,071	1,164	1,287	1,211

Consolidated quarterly summary

SEK million	2015 Q2	2015 Q1	2014 Q4	2014 Q3	2014 Q2	2014 Q1
Net sales	279.5	275.3	248.1	235.5	247.6	232.8
Gross margin	10.9%	11.4%	11.0%	11.4%	10.5%	9.6%
Operating margin	4.0%	4.3%	3.3%	4.4%	3.0%	2.5%
Profit margin	3.3%	4.0%	3.3%	4.2%	2.9%	1.6%
Cash flow after investing activities	-18.0	21.8	10.9	-23.2	-8.2	23.1
Cash flow per share, SEK	-0.62	0.76	0.38	-0.80	-0.28	0.80
Equity per share, SEK	9.47	9.77	9.36	9.02	8.65	8.36
Equity to assets ratio	43.4%	42.6%	44.1%	44.5%	42.3%	42.3%
Average number of employees	931	901	894	900	894	883
Net sales per employee, SEK 000	300	306	278	262	277	264

Consolidated Income Statement

SEK million	2015 Q2	2014 Q2	2015 Q1-Q2	2014 Q1-Q2	Rolling 12 month	2014 full year
Net sales	279.5	247.6	554.8	480.4	1,038.4	964.0
Cost of goods and services sold	-249.0	-221.7	-495.5	-432.1	-925.0	-861.6
Gross profit	30.5	25.9	59.3	48.3	113.4	102.4
Selling expenses	-11.5	-10.7	-21.7	-20.1	-40.7	-39.1
Administrative expenses	-8.5	-7.3	-16.9	-14.9	-31.8	-29.8
Other operating income/expenses	0.7	-0.4	2.4	0.0	0.7	-1.7
Operating profit	11.2	7.5	23.1	13.3	41.6	31.8
Net financial income/expenses	-2.0	-0.4	-2.9	-2.4	-3.5	-3.0
Profit after financial items	9.2	7.1	20.2	10.9	38.1	28.8
Income tax	-0.7	-1.4	-2.4	-2.1	-4.5	-4.2
Profit after tax	8.5	5.7	17.8	8.8	33.6	24.6

Consolidated Statement of Other Comprehensive Income

SEK million	2015 Q2	2014 Q2	2015 Q1-Q2	2014 Q1-Q2	Rolling 12 month	2014 full year
Profit after tax	8.5	5.7	17.8	8.8	33.6	24.6
Other comprehensive income						
<i>Items that can be subsequently reversed in the income statement:</i>						
Exchange rate differences	-2.5	2.7	0.4	2.9	5.2	7.7
Cash flow hedges	-0.1	0.1	-0.5	0.2	-0.3	0.4
Tax on hedges and exchange rate difference	0.0	-0.2	0.0	-0.2	-0.4	-0.6
Total other comprehensive income after tax	-2.6	2.6	-0.1	2.9	4.5	7.5
Comprehensive income after tax	5.9	8.3	17.7	11.7	38.1	32.1

Earnings per share

	2015 Q2	2014 Q2	2015 Q1-Q2	2014 Q1-Q2	Rolling 12 month	2014 full year
Number of shares at end of period (000)	28,873	28,873	28,873	28,873	28,873	28,873
Weighted average number of shares (000)	28,873	28,873	28,873	28,873	28,873	28,873
Earnings per share, SEK	0.29	0.20	0.62	0.31	1.16	0.85

Consolidated Balance Sheet

SEK million	2015 30 Jun	2014 30 Jun	2014 31 Dec
Assets			
Goodwill	70.8	70.6	70.6
Other intangible assets	10.4	8.0	9.5
Property, plant and equipment	58.4	45.5	59.1
Deferred tax assets	13.5	13.6	13.8
Other financial assets	1.2	0.3	1.1
Total non-current assets	154.3	138.0	154.1
Inventories	201.7	177.5	205.6
Accounts receivable—trade	226.9	194.1	201.7
Other current receivables	20.0	23.0	16.3
Cash and bank balances	27.0	57.9	35.2
Total current assets	475.6	452.5	458.8
TOTAL ASSETS	629.9	590.5	612.9
Equity and liabilities			
Equity	273.5	249.8	270.2
Liabilities			
Long-term interest-bearing liabilities	11.1	3.5	9.5
Deferred tax liabilities	2.5	2.5	2.5
Total non-current liabilities	13.6	6.0	12.0
Current interest-bearing liabilities	92.0	96.3	90.0
Accounts payable—trade	171.5	163.8	163.9
Other current liabilities	79.3	74.6	72.8
Other provisions	–	–	4.0
Total current liabilities	342.8	334.7	330.7
TOTAL EQUITY AND LIABILITIES	629.9	590.5	612.9

Consolidated Change in Equity

SEK million	2015 Q2	2014 Q2	2015 Q1-Q2	2014 Q1-Q2	Rolling 12 month	2014 full year
Opening equity	282.0	241.5	270.2	238.1	249.8	238.1
Comprehensive income after tax	5.9	8.3	17.7	11.7	38.1	32.1
Dividend	-14.4	–	-14.4	–	-14.4	–
Closing equity	273.5	249.8	273.5	249.8	273.5	270.2

Consolidated Cash Flow Statement

SEK million	2015 Q2	2014 Q2	2015 Q1-Q2	2014 Q1-Q2	Rolling 12 month	2014 full year
Operating activities						
Profit after financial items	9.2	7.1	20.2	10.9	38.1	28.8
Reversed depreciation and amortisation	3.0	2.0	6.0	3.9	10.5	8.4
Other non-cash items	-0.5	-1.4	-2.8	-1.3	-2.9	-1.4
Tax paid	-0.6	-1.5	-2.7	-5.6	-1.1	-4.0
Change in working capital	-26.2	-11.9	-11.3	13.5	-40.9	-16.1
Cash flow from operating activities	-15.1	-5.7	9.4	21.4	3.7	15.7
Cash flow from investing activities	-2.9	-2.5	-5.6	-6.5	-12.3	-13.2
Cash flow from financing activities	-15.8	-1.0	-11.9	1.2	-23.7	-10.6
Change in cash and cash equivalents	-33.8	-9.2	-8.1	16.1	-32.3	-8.1
Cash and cash equivalents						
At beginning of period	61.5	66.5	35.2	40.8	57.9	40.8
Cash flow after investing activities	-18.0	-8.2	3.8	14.9	-8.6	2.5
Cash flow from financing activities	-15.8	-1.0	-11.9	1.2	-23.7	-10.6
Exchange rate difference in cash and cash equivalents	-0.7	0.6	-0.1	1.0	1.4	2.5
Cash and cash equivalents at end of period	27.0	57.9	27.0	57.9	27.0	35.2
Un-utilised credits	57.7	57.9	57.7	57.9	57.7	56.8
Available cash and cash equivalents	84.7	115.8	84.7	115.8	84.7	92.0

Operating segments

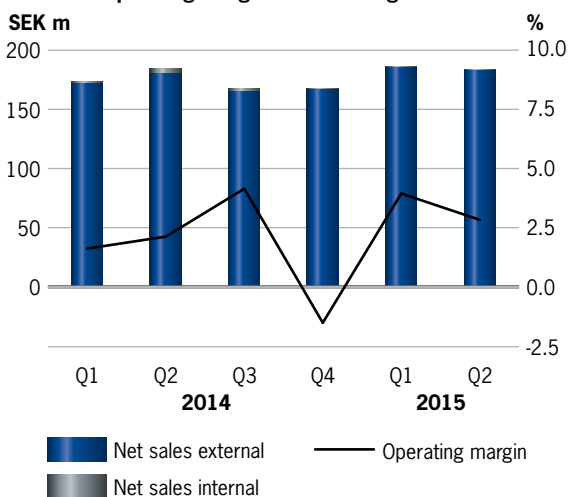
Nearsourcing Centres include units in geographical areas with high industrial activity and innovation clusters in Sweden, Norway, Finland and the UK. New and existing business is developed in close collaboration with customers. Development and production engineering service, such as selecting components, production of prototypes, serial production and testing are provided.

Industrial Plants consists of the units in Estonia and China, which are located in regions with strong production competence. In addition to development-oriented services, these units also offer cost-effective volume production of PCBAs and box build products.

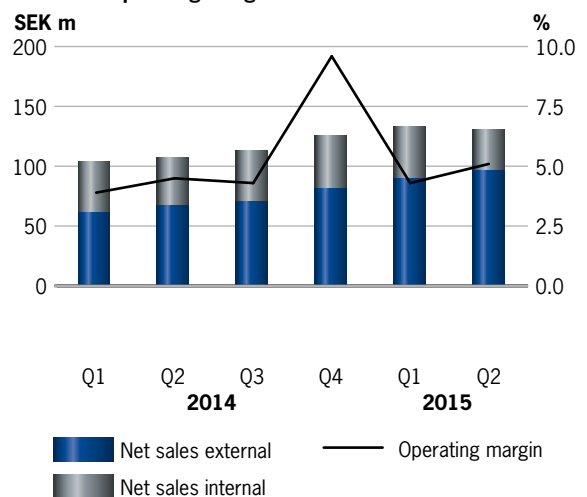
Other units are business support functions in the parent company and for the sourcing operations in NOTE Components.

SEK million	2015 Q2	2014 Q2	2015 Q1-Q2	2014 Q1-Q2	Rolling 12 month	2014 full year
NEARSOURCING CENTRES						
External net sales	182.7	180.4	367.9	352.2	699.2	683.5
Internal net sales	1.1	3.9	2.0	5.6	5.9	9.5
Operating profit	5.2	3.9	12.4	66.6	16.8	11.0
Operating margin	2.8%	2.1%	3.4%	1.8%	2.4%	1.6%
Inventories	98.0	90.8	98.0	90.8	98.0	96.3
External accounts receivable—trade	135.9	130.8	135.9	130.8	135.9	127.7
Average number of employees	360	378	360	378	366	373
INDUSTRIAL PLANTS						
External net sales	96.8	67.2	186.9	128.2	339.2	280.5
Internal net sales	33.8	39.8	76.7	83.0	163.1	169.4
Operating profit	6.6	4.8	12.3	8.9	29.1	25.7
Operating margin	5.1%	4.5%	4.7%	4.2%	5.8%	5.7%
Inventories	103.7	86.7	103.7	86.7	103.7	109.3
External accounts receivable—trade	90.7	63.1	90.7	63.1	90.7	73.8
Average number of employees	554	502	539	502	525	505
OTHER UNITS AND ELIMINATIONS						
Internal net sales	-34.9	-43.7	-78.7	-88.6	-169.0	-178.9
Operating profit	-0.6	-1.2	-1.6	-2.2	-4.3	-4.9
External accounts receivable—trade	0.3	0.2	0.3	0.2	0.3	0.2
Average number of employees	17	14	17	14	16	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 2014 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 Q2	2014 Q2	2015 Q1-Q2	2014 Q1-Q2	Rolling 12 month	2014 full year
Net sales	7.9	9.4	15.9	18.7	34.3	37.1
Cost of services sold	-4.8	-6.5	-9.5	-12.8	-21.2	-24.5
Gross profit	3.1	2.9	6.4	5.9	13.1	12.6
Selling expenses	-1.8	-1.9	-3.0	-3.3	-6.8	-7.1
Administrative expenses	-2.6	-2.2	-5.7	-4.7	-10.6	-9.6
Other operating income/expenses	0.0	0.0	-0.1	0.0	0.0	0.1
Operating profit	-1.3	-1.2	-2.4	-2.1	-4.3	-4.0
Net financial income/expenses	0.6	0.2	10.7	4.0	9.9	3.2
Profit after financial items	-0.7	-1.0	8.3	1.9	5.6	-0.8
Appropriations	-	-	-	-	-	-
Profit before tax	-0.7	-1.0	8.3	1.9	5.6	-0.8
Income tax	-	0.0	-	0.0	0.6	0.6
Profit after tax	-0.7	-1.0	8.3	1.9	6.2	-0.2

Parent Company Statement of Other Comprehensive Income

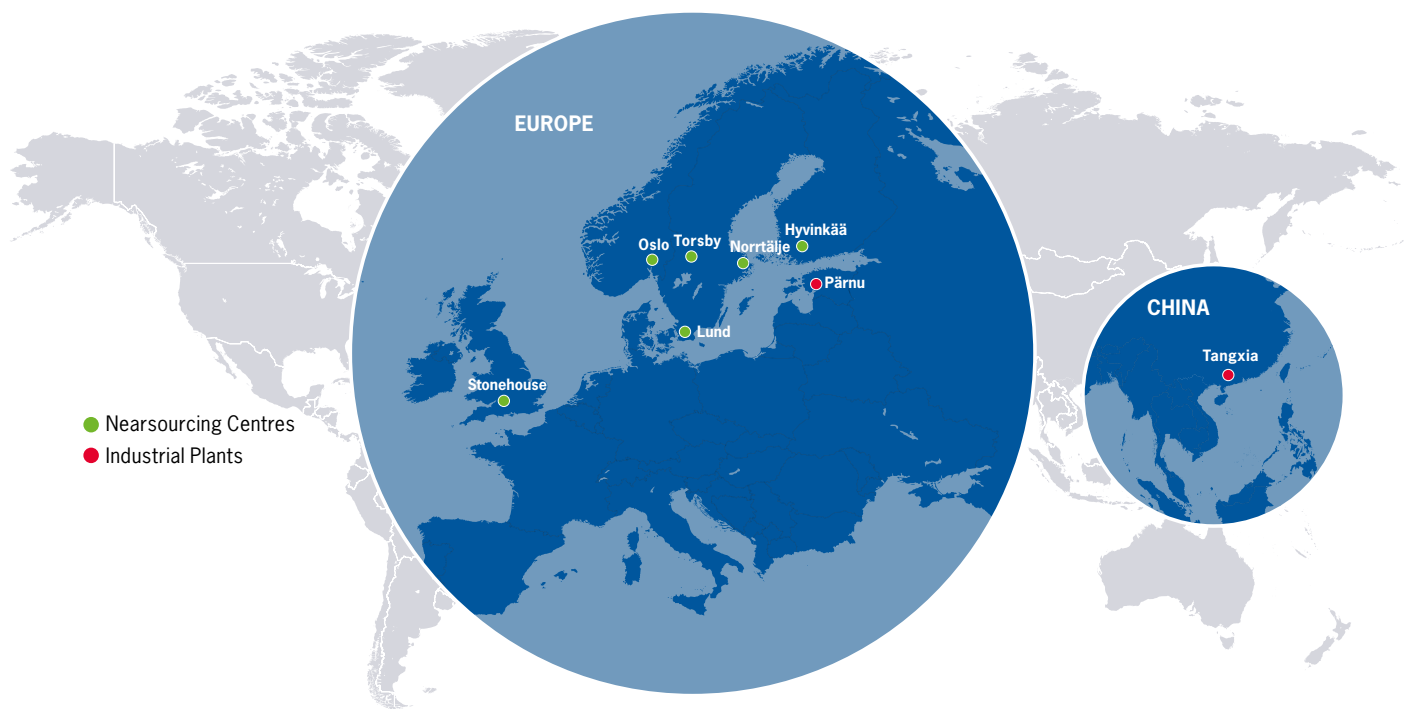
SEK million	2015 Q2	2014 Q2	2015 Q1-Q2	2014 Q1-Q2	Rolling 12 month	2014 full year
Profit after tax	-0.7	-1.0	8.3	1.9	6.2	-0.2
Other comprehensive income						
<i>Items that can be subsequently reversed in the income statement:</i>						
Fair value reserve	-0.1	1.4	0.0	1.5	1.3	2.8
Tax on fair value reserve	0.0	-0.3	0.0	-0.3	-0.3	-0.6
Total other comprehensive income after tax	-0.1	1.1	0.0	1.2	1.0	2.2
Comprehensive income after tax	-0.8	0.1	8.3	3.1	7.2	2.0

Parent Company Balance Sheet

SEK million	2015 30 Jun	2014 30 Jun	2014 31 Dec
Assets			
Intangible assets	0.8	6.1	8.0
Deferred tax assets	4.1	2.3	2.5
Long-term receivables from group companies	42.4	41.0	42.3
Financial non-current assets	243.7	243.7	243.7
Total non-current assets	291.0	293.1	296.5
Receivables from group companies	36.3	24.7	53.3
Other current receivables	1.4	1.9	1.9
Cash and bank balances	7.4	35.4	1.0
Total current assets	45.1	62.0	56.2
TOTAL ASSETS	336.1	355.1	352.7
Equity and liabilities			
Equity	249.4	262.1	261.0
Liabilities			
Liabilities to credit institutions	–	–	1.6
Liabilities to group companies	77.9	84.4	81.3
Other current liabilities and provisions	8.8	8.6	8.8
Total current liabilities	86.7	93.0	91.7
TOTAL EQUITY AND LIABILITIES	336.1	355.1	352.7

Parent Company Change in Equity

SEK million	2015 Q2	2014 Q2	2015 Q1-Q2	2014 Q1-Q2	Rolling 12 month	2014 full year
Opening equity	264.6	262.0	261.0	259.0	262.1	259.0
Comprehensive income after tax	–0.8	0.1	8.3	3.1	7.2	2.0
Dividend	–14.4	–	–14.4	–	–14.4	–
Effect of change in accounting principle	–	–	–5.5	–	–5.5	–
Closing equity	249.4	262.1	249.4	262.1	249.4	261.0



+ 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

The 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 offer development-oriented services and cost-efficient volume production of PCBAs and box build products.

+ Financial information

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

Calendar

Interim Report, Jan–Sep	19 Oct 2015
Year-end Report 2015	4 Feb 2016

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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