

NOTE's Interim Report January–September 2010

23% sales growth in Q3—ongoing rationalisation package to improve profitability

Financial Performance July–September

- Sales were SEK 271.9 (267.4) million. In like-for-like terms, sales increased by 23%.
- The underlying operating loss excluding structural and other non-recurring costs was SEK -1.3 (-5.7) million, or an operating margin of -0.5% (-2.1%).
- The operating loss was SEK -4.1 (61.4) million.
- The loss after financial items was SEK -6.6 (-62.7) million. This figure includes non-recurring costs of SEK 2.8 (55.7) million.
- The loss after tax was SEK -8.9 (-46.6) million, or SEK -0.31 (-2.96) per share.
- Cash flow after investments was SEK -13.2 (14.2) million, or SEK -0.46 (0.90) per share.

Financial Performance January–September

- Customer activity increased on the second quarter. The order book at the end of the period was up over 25% year on year.
- Sales were SEK 843.9 (908.6) million. In like-for-like terms, sales increased by 9%.
- The underlying operating loss excluding structural and other non-recurring costs, was SEK -13.6 (-24.4) million, of which currency effects represented SEK -6.4 (-6.3) million.
- The operating loss was SEK -60.4 (-88.1) million.
- The operating margin was -7.2% (-9.7%).
- The loss after financial items was SEK -67.6 (-93.7) million. Excluding structural and other non-recurring costs, the loss after financial items was SEK -20.8 (-30.0) million.
- The loss after tax was SEK -64.0 (-71.1) million.
- Earnings per share were SEK -2.80 (-4.51). Excluding structural and other non-recurring costs, earnings per share were SEK -1.29 (-1.53).
- Cash flow after investments was SEK -53.8 (9.7) million, equating to SEK -2.36 (0.62) per share.

Significant events in the year

- Extensive structural measures – early in the year, NOTE took a decision on extensive structural measures to increase profitability and capacity utilisation. The objective is for these measures to have a minimum profit effect of SEK 50 million annualised. The transfer of production from Skänninge, Sweden, was completed as planned in the summer. The transfer of production from Tauragė, Lithuania and the closure of the operation in Gdansk are scheduled for completion at year-end.
- Rights issue 2010 – NOTE conducted a guaranteed new issue with a gross total of some SEK 87 million in the second quarter, with preferential rights for NOTE's current shareholders.
- New CEO and President of NOTE – Peter Laveson was appointed as NOTE's new CEO and President in July. Peter replaced Göran Jansson, who had been acting CEO and President since January.
- Focusing on NOTEfied – a decision was taken to organise operations in CAD (PCB design) and the NOTEfied preferred parts database in a separate company. NOTE will be a minority owner of this new company. The purpose of this measure is to increase efficiency and the number of customers of NOTEfied. The plan was to execute the transfer as early as the third quarter. This transaction is scheduled for the fourth quarter, and is expected to result in a modest capital gain.

NOTE's Interim Report for January–September 2010 is now available in PDF format on the corporate web site, www.note.eu, and attached to this message.

The Year-end Report for 2010 will be published on 10 February 2011.

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About NOTE

NOTE is a local business partner delivering innovative solutions for the global manufacture of electronics-based products in the high mix/low volume segment. NOTE has a presence in Sweden, Norway, Finland, the UK, Estonia, Lithuania, Poland and China. In 2009, net sales were SEK 1,200 million; the group has approximately 1,000 employees. NOTE is listed on the NASDAQ OMX Nordic Exchange. For more information, please go to www.note.eu.