

## NOTE's Year-end Report 2010

### Continued sales growth, 3.3% operating margin and strong cash flow

#### Financial Performance October–December

- Sales increased by 26% to SEK 366.8 (291.5) million. In like-for-like terms, sales increased by 37%.
- Operating profit was SEK 12.2 (-2.7) million, or an operating margin of 3.3% (-0.9%).
- The profit after financial items was SEK 8.1 (-4.2) million.
- The profit after tax was SEK 2.0 (-9.9) million, or SEK 0.07 (-0.63) per share.
- Cash flow after investments was SEK 40.2 (14.2) million, or SEK 1.39 (0.90) per share.
- **Dividend** – the Board of Directors is proposing to the AGM that no dividends are paid for the financial year 2010.

#### Financial Performance January–December

- Customer activity has gradually increased since the second quarter.
- Sales were SEK 1,210.7 (1,200.1) million. In like-for-like terms, sales increased by 16%.
- The underlying operating loss, excluding structural and other non-recurring costs, was SEK -1.4 (-27.1) million.
- The operating loss was SEK -48.2 (-90.8) million.
- The operating margin was -4.0% (-7.6%).
- The loss after financial items was SEK -59.4 (-97.9) million. Excluding structural and other non-recurring costs, the loss after financial items was SEK -12.6 (-34.2) million.
- The loss after tax was SEK -62.0 (-81.0) million.
- Earnings per share were SEK -2.55 (-5.14). Excluding structural and other non-recurring costs, earnings per share were SEK -1.13 (-2.16).
- Cash flow after investments was SEK -13.6 (23.9) million, equating to SEK -0.56 (1.52) per share.

#### Significant events in the year

- **Extensive structural measures implemented**—structural measures decided in the first quarter involving the relocation and closure of production at Skänninge, Sweden and Tauragė, Lithuania, have been completed. In addition, operations at Gdansk in Poland closed down as planned at year-end. The cost of these actions and other non-recurring costs of SEK -47 million were charged to operating loss for the year. Overall, NOTE still estimates that these actions will result in a positive profit effect of over SEK 50 million annualised.
- **Rights issue 2010**—NOTE conducted a guaranteed new issue with a gross total of some SEK 87 million in the fourth 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 was acting CEO and President since January.
- **Focused initiative on NOTEfied**—In recent years, NOTE has accumulated a proprietary preferred parts database that is unique in the sector—NOTEfied. To increase efficiency and the number of NOTEfied customers, during the summer, NOTE decided to organise its operations in CAD (PCB design) and NOTEfied into a separate company. This action affected a total of some 20 staff in Sweden, Norway and Poland. NOTE is a partner in this new company. The principal owner is the Norwegian Anders G Johansen, who was key to the build-up of NOTEfied. The transfer was completed during the fourth quarter of the year and resulted in a smaller-scale capital gain.
- **Sale of joint venture plant in Poland**—an agreement on the divestment of NOTE's 50% holding in the NOTEFideltronik electronics plant in Krakow, Poland, was signed at year-end. The acquirer is former partner and 50% owner Zbigniew Fidelus, also principal owner of the Polish electronics producer Fideltronik. This sale resulted in a smaller-scale capital gain in the fourth quarter of the year, and at year-end, interest-bearing receivables from NOTEFideltronik amounted to some SEK 28 million.

NOTE's Year-end Report for 2010 is now available in PDF format on the corporate web site, [www.note.eu](http://www.note.eu), and attached to this message.

The Interim Report for January–March 2011 will be published on 28 April.

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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 and China. In 2010, net sales were SEK 1,211 million; the group has approximately 1,000 employees. NOTE is listed on the NASDAQ OMX Stockholm Exchange. For more information, please go to [www.note.eu](http://www.note.eu).