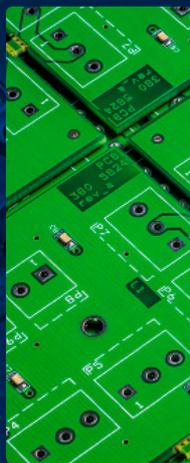


Interim Report January–September 2015



Interim Report January–September 2015

FINANCIAL PERFORMANCE IN JANUARY–SEPTEMBER

- Sales were SEK 816.3 (715.9) million.
- Operating profit was SEK 34.7 (23.7) million.
- Operating margin was 4.3% (3.3%).
- Profit after financial items was SEK 30.6 (20.7) million.
- Profit after tax was SEK 27.6 (17.5) million, corresponding to SEK 0.96 (0.61) per share.
- Cash flow after investments was SEK –20.3 (–8.3) million, or SEK –0.70 (–0.29) per share.

FINANCIAL PERFORMANCE IN JULY–SEPTEMBER

- Sales were SEK 261.5 (235.5) million.
- Operating profit was SEK 11.6 (10.4) million.
- Operating margin was 4.4% (4.4%).
- Profit after financial items was SEK 10.4 (9.8) million.
- Profit after tax was SEK 9.8 (8.7) million, corresponding to SEK 0.34 (0.30) per share.
- Cash flow after investments was SEK –24.0 (–23.2) million, or SEK –0.83 (–0.80) per share.

CEO's comment

FOCUSING ON PROFITABLE SALES GROWTH

We're one of the strongest electronics manufacturers on the Nordic market. Every day, we're working to be an agile and responsive business partner for our customers. Our work is based on NOTE's values—that we're committed, professional, quality-focused, flexible and financially stable.

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

One key reason for our strengthened positioning is that several of our customers are experiencing positive momentum. We've secured deeper collaborations and won new business and product generations, from an already strong customer base in Sweden and internationally.

Moreover, we've been entrusted by several new customers for some time, and secured new collaborations, that have progressively resulted in serial production and higher volumes. Furthermore we've intensified our strategic work in close dialogue with customers, and it is our expressed ambition to gain further market shares and accelerate our profitable growth.

PROGRESS IN THE FIRST THREE QUARTERS OF THE YEAR

Sales continued to make positive progress in the third quarter. Year to date, NOTE achieved sales growth of 14%, of which currency effects, mainly USD and EUR, comprised some 7%. Sales increased on all markets apart from Norway, where sales were adversely affected by stock redimensioning, and a few individual customers making slower progress.

Last autumn, we upgraded the capacity of our Industrial Plant in China. The demand for our services continued to progress positively, and accordingly, we took the decision after the summer to increase capacity in China further. In the growth segment of box build, we're continuing to develop our partnerships with selected suppliers. We're also noting several tangible business opportunities resulting from our expanded services portfolio in Sweden in the medical devices segment.

The combination of increased sales with continued good cost-efficiency contributed to our profitability improving as planned. Operating profit for the first three quarters improved by SEK 11.0 million to SEK 34.7 million. Operating margin expanded by 1.0 percentage points to 4.3%.

The efficient management of working capital is central to our business. We are working hard on improving the efficiency of the capital tied up in stock, and are achieving this by maintaining continued focused efforts, combined with long-term, industry-appropriate, smarter logistics solutions, reducing lead-times and deeper partnerships with strategic suppliers. Despite increased sales, we've succeeded in maintaining inventory at a fairly stable level this year, which is extra challenging during new product start-ups. Regarding the working capital, I think we still have potential to reduce complexity and total cost alongside our customers.



Our order book continues to indicate positive volume growth in the fourth quarter.

Sales growth obviously puts pressure on our cash flow and liquidity. Increased accounts receivable—trade, mainly a consequence of sales growth at the end of the third quarter, contributed to cash flow after investments of SEK –20.3 (–8.3) million. Our Balance Sheet remains one of the sector's strongest, with an equity to assets ratio of 43.5%.

FUTURE

Our order book continues to indicate positive volume growth in the fourth quarter. But we take a humble view of 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–SEPTEMBER

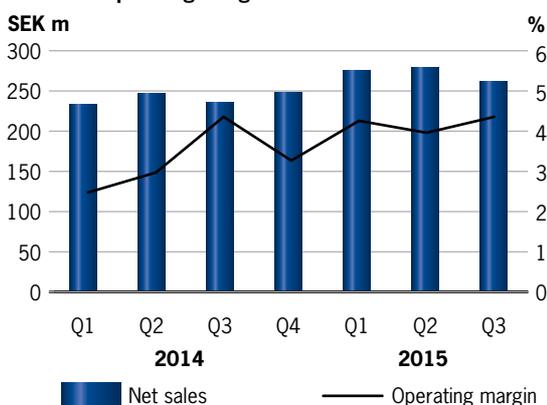
The demand for NOTE's services year to date can be viewed as remaining stable on most of NOTE's markets in Europe. In year-on-year terms, NOTE achieved sales gains in Sweden, Finland and the UK. Sales decreased in Norway, mainly as a result of stock redimensioning and the fairly slow progress of a few individual customers.

NOTE endeavours to secure long-term customer relations and partnerships. NOTE achieved sustained positive volume progress and closer collaborations on new product generations with several customers in its already-strong customer base. NOTE has also been working extensively for some time with the aim of expanding its customer base further, so it can lift sales and capacity utilization in the group's units. As a result of these marketing initiatives, NOTE secured a fairly high number of new customer relationships. Most of these new customers are European SMEs. Several of these partnerships, which usually start with industrialisation services (service sales, prototyping and pilot series), have now resulted in serial production and higher volumes.

Sales in the period were SEK 816.3 (715.9) million, corresponding to sales growth of 14%. Adjusted for exchange rate effects, growth was some 7%. Growth was sourced from new product sales to established customers and increased volumes on new business accounts feeding through.

Direct sales from Industrial Plants in Estonia and China continued to grow. These sales, mainly to customers in Europe, and other markets mainly in Asia, maintained positive progress, representing 36% (28%) of total sales. To some extent, the increase was an effect of the transfer of account management responsibility from Nearsourcing Centres to Industrial Plants, a natural component of NOTE's business model.

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.

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 57% (57%) of the group's sales. As in the previous year, no single customer (group) represented more than some 10% (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.

RESULTS OF OPERATIONS, JANUARY–SEPTEMBER

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 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 improve delivery precision and quality, as well as cost and working capital rationalisation.

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 10% 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 0.2 percentage points to 10.7% (10.5%).

Continued sales and marketing initiatives contributed to sales and administration overheads increasing by 8%. Overheads were 6.8% (7.1%) of sales.

Other operating expenses/income, primarily consisting of revaluations of foreign currency assets and liabilities, were SEK 2.5 (–0.6) million. NOTE conducts fairly extensive management of foreign currencies, primarily EUR and USD. It makes continuous efforts to minimise the risks inherent in currency fluctuations.

Operating profit increased by SEK 11.0 million to SEK 34.7 (23.7) million in the period, a 1.0 percentage point operating margin increase to 4.3% (3.3%).

A higher working capital requirement as a result of NOTE's growth contributed to net financial income/expense decreasing to SEK –4.1 (–3.0) million.

Profit after financial items was SEK 30.6 (20.7) million, corresponding to a profit margin of 3.7% (2.9%).

Profit after tax was SEK 27.6 (17.5) million, equating to a profit margin of SEK 0.96 (0.61) per share. The tax expense for the period corresponded to 10% (15%) of profit before tax.

SALES AND RESULTS OF OPERATIONS, JULY–SEPTEMBER

Normally in the sector, the third quarter is weaker in volume terms than other quarters. Year-on-year sales continued to grow in the third quarter in Sweden, Finland and the UK. In Norway, however, sales fell, mainly as a result of slower progress by some large customers.

Sales in the third quarter increased by 11% to SEK 261.5 (235.5) million. The continued growth was sourced from new sales to existing customers and increased serial production on new accounts. More project-oriented sales were at a fairly low level.

Sales from Industrial Plants, particularly in China, continued to make positive progress, making up 41% (30%) of sales in the third quarter. To some extent, the increase was an effect of the transfer of account management responsibility from Near sourcing Centres. Furthermore, the industrial activity in Europe is normally somewhat lower during the summer months.

Higher manufacturing and sales volumes, coupled with stable costs, contributed to continued stable profit performance.

But gross margin did contract by 0.7 percentage points to 10.7% (11.4%), the result of a higher share of direct shipments from Industrial Plants.

Sales and administration overheads grew by 4%, partly due to currency effects, and were 6.3% (6.8%) of sales.

Other operating expenses/income, primarily revaluations of foreign currency assets and liabilities, were SEK 0.1 (–0.5) million.

Third-quarter operating profit grew by SEK 1.2 million to SEK 11.6 (10.4) million, or an operating margin of 4.4% (4.4%).

Profit after financial items was SEK 10.4 (9.8) million, corresponding to a profit margin of 4.0% (4.2%).

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 the ability to deliver custom 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 viewed as fairly cyclical. Progress year to date, 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 expanded production and sales, continued to set challenging demands on flexibility at the sourcing and production stages. Capital tied up in stock, including prepayments for materials, increased as planned by some 5% on the midpoint of the year, and was up some 7% on the corresponding point of the previous year. Essentially, the year-on-year increase is a consequence of currency effects. Through focused efforts, NOTE has improved the efficiency of stock management, especially in the third quarter of the year.

At the end of the period, accounts receivable—trade were up 18% on the corresponding point of the previous year. The increase on last year was essentially linked to increased sales, especially in the final month of the quarter. Sustained focused initiatives meant that the number of days of credit remained at approximately the same level as the previous year.

Accounts payable—trade, which mainly relate to sourced electronic components and other production materials, were

Equity to assets ratio

43.5%

Cash flow after investments

-20.3 SEK million

up 6% on year-end. The increase on the end of the third quarter of the previous year was also 6%.

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 primarily as a result of the sales growth contributed to limiting cash flow after investments to SEK –20.3 (–8.3) million, corresponding to SEK –0.70 (–0.29) per share.

EQUITY TO ASSETS RATIO

According to NOTE's externally communicated financial target, its equity to assets ratio should not fall below 30%. The equity to assets ratio at the end of the period was 43.5% (44.5%). 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 58.4 (83.0) million at the end of the third quarter. Factored accounts receivable—trade were some SEK 121 (124) million.

INVESTMENTS

Capital expenditure on fixed assets amounted to SEK 8.7 (7.9) million in the first three quarters, corresponding to 1.1% (1.1%) of sales. These investments mainly consisted of projects to increase efficiency and quality.

Depreciation and amortization according to plan were SEK 9.0 (5.9) million. The increase relates mainly to the previous year's 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 segments, 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 three quarters, revenue was SEK 22.8 (28.0) 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 7.8 (1.8) 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, are instead 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.

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.

Danderyd, Sweden, 16 October 2015

The Board of Directors of NOTE AB (publ)

Review report

Auditor's report on summary review of summary interim financial information (interim report) prepared in accordance with IAS 34 and chap. 9 of the Swedish Annual Accounts Act.

INTRODUCTION

We have reviewed the condensed interim financial information (interim report) of NOTE AB (publ) as of 30 September 2015 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity.

A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden.

The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, Sweden, 16 October 2015

Öhrlings PricewaterhouseCoopers AB

Niklas Renström
Authorised Public Accountant

Consolidated six-year summary

SEK million	Rolling 12 month	2014	2013	2012	2011	2010
Net sales	1,064.4	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	4.0%	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	–9.5	2.5	–2.0	97.0	56.5	–13.6
Cash flow per share, SEK	–0.33	0.09	–0.07	3.36	1.96	–0.56
Equity per share, SEK	9.81	9.36	8.25	9.02	8.98	7.52
Return on operating capital	12.1%	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	43.5%	44.1%	44.0%	45.2%	41.0%	31.3%
Average number of employees	922	893	847	884	939	1,000
Net sales per employee, SEK 000	1,154	1,080	1,071	1,164	1,287	1,211

Consolidated quarterly summary

SEK million	2015 Q3	2015 Q2	2015 Q1	2014 Q4	2014 Q3	2014 Q2	2014 Q1
Net sales	261.5	279.5	275.3	248.1	235.5	247.6	232.8
Gross margin	10.7%	10.9%	10.4%	11.0%	11.4%	10.5%	9.6%
Operating margin	4.4%	4.0%	4.3%	3.3%	4.4%	3.0%	2.5%
Profit margin	4.0%	3.3%	4.0%	3.3%	4.2%	2.9%	1.6%
Cash flow after investing activities	–24.0	–18.0	21.8	10.9	–23.2	–8.2	23.1
Cash flow per share, SEK	–0.83	–0.62	0.76	0.38	–0.80	–0.28	0.80
Equity per share, SEK	9.81	9.47	9.77	9.36	9.02	8.65	8.36
Equity to assets ratio	43.5%	43.4%	42.6%	44.1%	44.5%	42.3%	42.3%
Average number of employees	962	931	901	894	900	894	883
Net sales per employee, SEK 000	272	300	306	278	262	277	264

Consolidated Income Statement

SEK million	2015 Q3	2014 Q3	2015 Q1-Q3	2014 Q1-Q3	Rolling 12 month	2014 full year
Net sales	261.5	235.5	816.3	715.9	1,064.4	964.0
Cost of goods and services sold	-233.4	-208.6	-728.9	-640.7	-949.7	-861.6
Gross profit	28.1	26.9	87.4	75.2	114.7	102.4
Selling expenses	-9.8	-9.5	-31.5	-29.6	-41.0	-39.1
Administrative expenses	-6.8	-6.5	-23.7	-21.3	-32.2	-29.8
Other operating income/expenses	0.1	-0.5	2.5	-0.6	1.3	-1.7
Operating profit	11.6	10.4	34.7	23.7	42.8	31.8
Net financial income/expenses	-1.2	-0.6	-4.1	-3.0	-4.1	-3.0
Profit after financial items	10.4	9.8	30.6	20.7	38.7	28.8
Income tax	-0.6	-1.1	-3.0	-3.2	-4.0	-4.2
Profit after tax	9.8	8.7	27.6	17.5	34.7	24.6

Consolidated Statement of Other Comprehensive Income

SEK million	2015 Q3	2014 Q3	2015 Q1-Q3	2014 Q1-Q3	Rolling 12 month	2014 full year
Profit after tax	9.8	8.7	27.6	17.5	34.7	24.6
Other comprehensive income						
<i>Items that can be subsequently reversed in the income statement:</i>						
Exchange rate differences	-0.1	1.9	0.4	4.9	3.2	7.7
Cash flow hedges	0.1	0.0	-0.4	0.2	-0.2	0.4
Tax on hedges and exchange rate difference	0.0	-0.1	-0.1	-0.4	-0.3	-0.6
Total other comprehensive income after tax	0.0	1.8	-0.1	4.7	2.7	7.5
Comprehensive income after tax	9.8	10.5	27.5	22.2	37.4	32.1

Earnings per share

	2015 Q3	2014 Q3	2015 Q1-Q3	2014 Q1-Q3	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	0.34	0.30	0.96	0.61	1.20	0.85

Consolidated Balance Sheet

SEK million	2015 30 Sep	2014 30 Sep	2014 31 Dec
Assets			
Goodwill	70.6	70.7	70.6
Other intangible assets	10.4	8.3	9.5
Property, plant and equipment	58.7	44.9	59.1
Deferred tax assets	12.9	13.8	13.8
Other financial assets	2.6	0.5	1.1
Total non-current assets	155.2	138.2	154.1
Inventories	211.9	197.5	205.6
Accounts receivable—trade	238.9	202.7	201.7
Other current receivables	21.6	21.9	16.3
Cash and bank balances	23.0	25.1	35.2
Total current assets	495.4	447.2	458.8
TOTAL ASSETS	650.6	585.4	612.9
Equity and liabilities			
Equity	283.3	260.3	270.2
Liabilities			
Long-term interest-bearing liabilities	10.1	3.0	9.5
Deferred tax liabilities	2.5	2.5	2.5
Total non-current liabilities	12.6	5.5	12.0
Current interest-bearing liabilities	113.4	86.1	90.0
Accounts payable—trade	173.2	164.1	163.9
Other current liabilities	68.1	69.4	72.8
Other provisions	–	–	4.0
Total current liabilities	354.7	319.6	330.7
TOTAL EQUITY AND LIABILITIES	650.6	585.4	612.9

Consolidated Change in Equity

SEK million	2015 Q3	2014 Q3	2015 Q1-Q3	2014 Q1-Q3	Rolling 12 month	2014 full year
Opening equity	273.5	249.8	270.2	238.1	260.3	238.1
Comprehensive income after tax	9.8	10.5	27.5	22.2	37.4	32.1
Dividend	–	–	–14.4	–	–14.4	–
Closing equity	283.3	260.3	283.3	260.3	283.3	270.2

Consolidated Cash Flow Statement

SEK million	2015 Q3	2014 Q3	2015 Q1-Q3	2014 Q1-Q3	Rolling 12 month	2014 full year
Operating activities						
Profit after financial items	10.4	9.8	30.6	20.7	38.7	28.8
Reversed depreciation and amortisation	3.0	2.0	9.0	5.9	11.5	8.4
Other non-cash items	-0.7	-0.8	-3.6	-2.2	-2.8	-1.4
Tax paid	-1.7	-1.4	-4.4	-7.0	-1.4	-4.0
Change in working capital	-31.9	-31.1	-43.2	-17.6	-41.7	-16.1
Cash flow from operating activities	-20.9	-21.5	-11.6	-0.2	4.3	15.7
Cash flow from investing activities	-3.1	-1.7	-8.7	-8.1	-13.8	-13.2
Cash flow from financing activities	20.2	-10.5	8.4	-9.3	7.1	-10.6
Change in cash and cash equivalents	-3.8	-33.7	-11.9	-17.6	-2.4	-8.1
Cash and cash equivalents						
At beginning of period	27.0	57.9	35.2	40.8	25.1	40.8
Cash flow after investing activities	-24.0	-23.2	-20.3	-8.3	-9.5	2.5
Cash flow from financing activities	20.2	-10.5	8.4	-9.3	7.1	-10.6
Exchange rate difference in cash and cash equivalents	-0.2	0.9	-0.3	1.9	0.3	2.5
Cash and cash equivalents at end of period	23.0	25.1	23.0	25.1	23.0	35.2
Un-utilised credits	35.4	57.9	35.4	57.9	35.4	56.8
Available cash and cash equivalents	58.4	83.0	58.4	83.0	58.4	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 Q3	2014 Q3	2015 Q1-Q3	2014 Q1-Q3	Rolling 12 month	2014 full year
NEARSOURCING CENTRES						
External net sales	154.8	164.7	522.7	516.9	689.3	683.5
Internal net sales	1.3	2.5	3.3	8.1	4.7	9.5
Operating profit	4.3	6.9	16.7	13.5	14.2	11.0
Operating margin	2.8%	4.1%	3.2%	2.6%	2.0%	1.6%
Inventories	110.3	98.5	110.3	98.5	110.3	96.3
External accounts receivable—trade	136.7	138.4	136.7	138.4	136.7	127.7
Average number of employees	349	371	356	374	359	373
INDUSTRIAL PLANTS						
External net sales	106.7	70.8	293.6	199.0	375.1	280.5
Internal net sales	37.9	42.3	114.6	125.3	158.7	169.4
Operating profit	7.7	4.8	20.0	13.7	32.0	25.7
Operating margin	5.3%	4.2%	4.9%	4.2%	6.0%	5.7%
Inventories	101.6	99.0	101.6	99.0	101.6	109.3
External accounts receivable—trade	101.6	64.1	101.6	64.1	101.6	73.8
Average number of employees	595	514	559	504	547	505
OTHER UNITS AND ELIMINATIONS						
Internal net sales	-39.2	-44.8	-117.9	-133.4	-163.4	-178.9
Operating profit	-0.4	-1.3	-2.0	-3.5	-3.4	-4.9
External accounts receivable—trade	0.6	0.2	0.6	0.2	0.6	0.2
Average number of employees	18	15	17	15	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 Q3	2014 Q3	2015 Q1-Q3	2014 Q1-Q3	Rolling 12 month	2014 full year
Net sales	6.9	9.3	22.8	28.0	31.9	37.1
Cost of services sold	-3.7	-6.1	-13.2	-18.9	-18.8	-24.5
Gross profit	3.2	2.9	9.6	9.1	13.1	12.6
Selling expenses	-1.8	-2.6	-4.8	-5.9	-6.0	-7.1
Administrative expenses	-2.4	-2.0	-8.1	-6.7	-11.0	-9.6
Other operating income/expenses	0.1	0.0	0.0	0.0	0.1	0.1
Operating profit	-0.9	-1.4	-3.3	-3.5	-3.8	-4.0
Net financial income/expenses	0.4	1.3	11.1	5.3	9.0	3.2
Profit after financial items	-0.5	-0.1	7.8	1.8	5.2	-0.8
Appropriations	-	-	-	-	-	-
Profit before tax	-0.5	-0.1	7.8	1.8	5.2	-0.8
Income tax	-	-	-	0.0	0.6	0.6
Profit after tax	-0.5	-0.1	7.8	1.8	5.8	-0.2

Parent Company Statement of Other Comprehensive Income

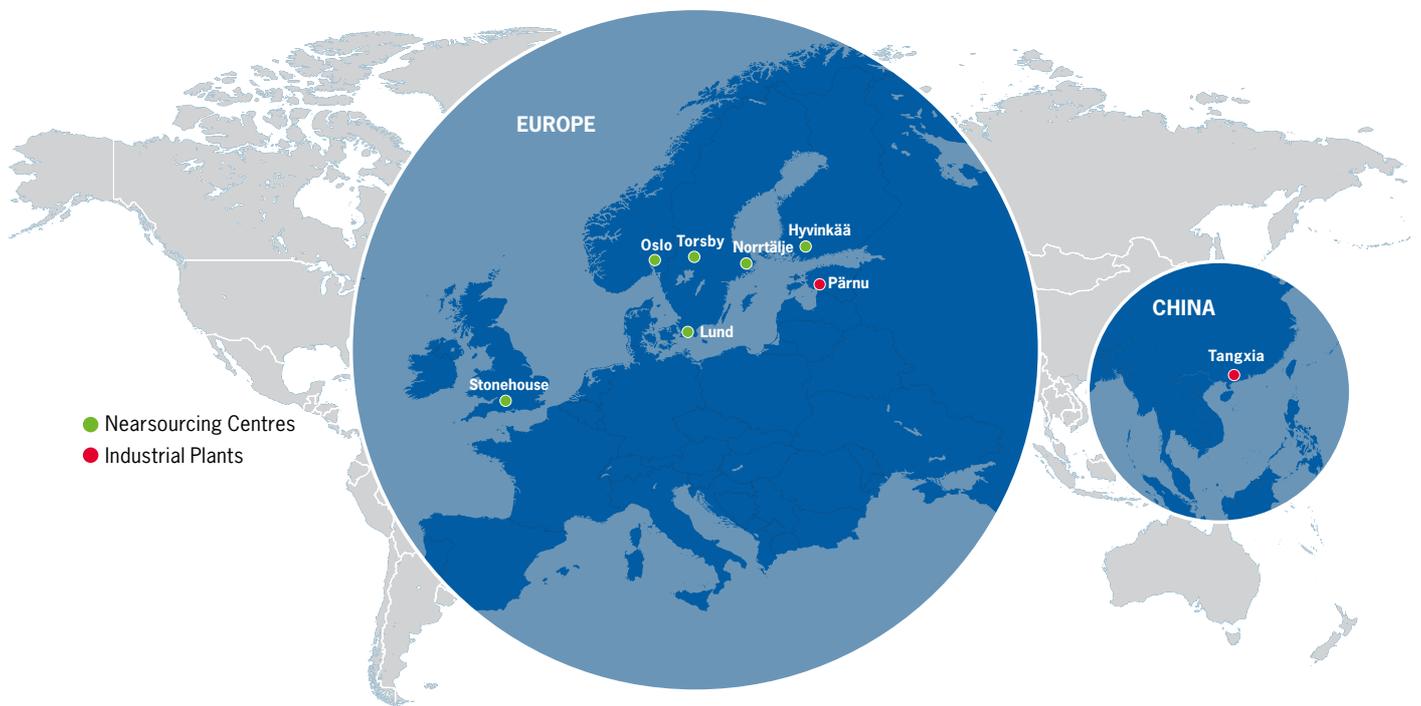
SEK million	2015 Q3	2014 Q3	2015 Q1-Q3	2014 Q1-Q3	Rolling 12 month	2014 full year
Profit after tax	-0.5	-0.1	7.8	1.8	5.8	-0.2
Other comprehensive income						
<i>Items that can be subsequently reversed in the income statement:</i>						
Fair value reserve	0.0	0.4	0.0	1.9	0.9	2.8
Tax on fair value reserve	0.0	-0.1	0.0	-0.4	-0.2	-0.6
Total other comprehensive income after tax	0.0	0.3	0.0	1.5	0.7	2.2
Comprehensive income after tax	-0.5	0.2	7.8	3.3	6.5	2.0

Parent Company Balance Sheet

SEK million	2015 30 Sep	2014 30 Sep	2014 31 Dec
Assets			
Intangible assets	0.8	6.6	8.0
Property, plant and equipment	0.1	–	–
Deferred tax assets	4.1	2.3	2.5
Long-term receivables from group companies	42.4	41.5	42.3
Financial non-current assets	243.7	243.7	243.7
Total non-current assets	291.1	294.1	296.5
Receivables from group companies	45.6	52.4	53.3
Other current receivables	2.3	2.7	1.9
Cash and bank balances	0.7	1.2	1.0
Total current assets	48.6	56.3	56.2
TOTAL ASSETS	339.7	350.4	352.7
Equity and liabilities			
Equity	248.9	262.3	261.0
Liabilities			
Liabilities to credit institutions	21.9	–	1.6
Liabilities to group companies	59.6	77.5	81.3
Other current liabilities and provisions	9.3	10.6	8.8
Total current liabilities	90.8	88.1	91.7
TOTAL EQUITY AND LIABILITIES	339.7	350.4	352.7

Parent Company Change in Equity

SEK million	2015 Q3	2014 Q3	2015 Q1-Q3	2014 Q1-Q3	Rolling 12 month	2014 full year
Opening equity	249.4	262.1	261.0	259.0	262.3	259.0
Comprehensive income after tax	–0.5	0.2	7.8	3.3	6.5	2.0
Dividend	–	–	–14.4	–	–14.4	–
Effect of change in accounting principle	–	–	–5.5	–	–5.5	–
Closing equity	248.9	262.3	248.9	262.3	248.9	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

Year-end Report 2015	4 Feb 2016
Interim Report, Jan–March	19 April 2016

Annual General Meeting

The AGM will be held at Spårvagnshallarna in Stockholm, Sweden, at 2 p.m on 19 April 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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