

Financial report

January – September 2002

Closer proximity to our customers

- Profit before tax increased by 58% to SEK 27 million (17)
- The net sales increased by 19% to SEK 451 million (379)
- Earnings per share after full income tax SEK 64.7 (40.7)
- As per October 1 one of the leading EMS-suppliers in the southern part of Sweden joined forces with NOTE. The merger provides a strong geographical positioning for NOTE with a pro forma turnover of approximately SEK 850 m.

The business

The NOTE group of companies is one of the leading EMS (Electronic Manufacturing Services) suppliers in Sweden, and in addition the only Swedish owned global electronic manufacturer.

Market

The market for electronics has been continuously weak during the third quarter of the year, but the development for NOTE has continued in a positive direction. NOTE has been elected Nordic preferred supplier to Assa-Abloy (electronic locks) and selected as exclusive EMS-supplier in the Nordic countries for Trimble (optical measuring equipment). Furthermore a new agreement has been settled with Bewator (guarding cameras) and a dialog is held with Technology Nexus regarding a substantial increase of commitment for production.

Turnover and earnings

The groups turnover during the period amounts to SEK 450.8 m. which is an increase of 19% compared to the equivalent period last year (379.5). The growth is entirely organic. The profitability is continuously good, which creates possibilities for further expansion. The income before taxes increased with 58% to SEK 26.9 m. (17).

Financial standing

The solidity increased during the period and was 19.9% (12.8%) end of September. The merger with Xperi 1:st of October further improve the solidity of the group. The activities reached a positive cash flow after investments during the third quarter of the year. The net borrowing was reduced with SEK 6.4 m. and the working capital remained approximately the same.

Investments

The groups investments in fixed capital assets amounts to SEK 8.3 m. (7.4) during the period.

Staff

The average number of full-time employees within the group was 361 (366) during the first nine months 2002.

Important events

At an extra general meeting September 9, the board of directors in NOTE were strengthened by the nomination of two new members, Ulf Mikaelsson, previously Divisional Manager in Skandia (insurance), and Lennart Svensson, previously Financial Director in Holmen (paper).

First of October the merger with one of the leading EMS-suppliers in the southern part of Sweden, Xperi AB in Lund, was a fact. The financing was mainly covered by issue of slightly less than 22% new NOTE shares, which was approved by an extra general meeting October 16. The board of directors also elected the President of Xperi, Kjell-Åke Andersson to the board of NOTE AB.

The merger is a further step in NOTE's strategy to grow with profitability, by working close to the customer with local presence and global delivery capacity. NOTE are estimated to a pro forma turnover of SEK 850 m. together with Xperi.

Prospective

The group of companies improved geographical position strengthen our previous prospective that NOTE will continue to grow and that both turnover and profit for 2002 will well exceed previous years result.

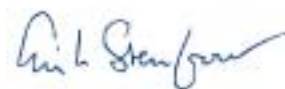
Next financial report

Communiqué of closing balance of the books for year 2002 will be published February 6, 2003.

Norrtelje October 30, 2002



Sten Dybeck
Chairman of the board



Erik Stenfors
President

CONSOLIDATED INCOME STATEMENT IN SUMMARY

| (MSEK) | 2002 Jul-Sep | 2001 Jul-Sep | 2002 Jan-Sep | 2001 Jan-Sep | 2001 Jan-Dec |
|-------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Net sales | 125,5 | 126,9 | 450,8 | 379,5 | 514,0 |
| Cost of goods and services sold | -103,3 | -107,2 | -385,4 | -326,2 | -443,0 |
| Gross profit | 22,2 | 19,7 | 65,4 | 53,3 | 71,0 |
| Selling expenses | -4,7 | -4,9 | -16,3 | -14,1 | -18,1 |
| Administrative expenses | -5,9 | -5,1 | -19,0 | -17,3 | -25,3 |
| Items affecting comparability | - | - | - | - | 0,4 |
| Other operating income/expenses | - | -0,2 | 2,3 | -0,6 | -0,6 |
| Operating profit | 11,6 | 9,5 | 32,4 | 21,3 | 27,4 |
| Net financial items | -1,8 | -1,5 | -5,5 | -4,3 | -5,7 |
| Profit after financial items | 9,8 | 8,0 | 26,9 | 17,0 | 21,7 |
| Tax | -2,7 | -2,2 | -7,5 | -4,8 | -6,1 |
| NET PROFIT FOR THE PERIOD | 7,1 | 5,8 | 19,4 | 12,2 | 15,6 |

CONSOLIDATED BALANCE SHEET IN SUMMARY

| (MSEK) | 2002 30 Sep | 2001 30 Sep | 2001 31 Dec |
|---|----------------|----------------|----------------|
| ASSETS | | | |
| Fixed assets | 31,9 | 28,0 | 28,6 |
| Inventories | 112,3 | 96,4 | 91,1 |
| Accounts receivable | 120,4 | 115,3 | 113,7 |
| Other current assets | 11,8 | 10,2 | 6,6 |
| Current assets | 244,5 | 221,9 | 211,4 |
| TOTAL ASSETS | 276,4 | 249,9 | 240,0 |
| SHAREHOLDERS' EQUITY AND LIABILITIES | | | |
| Shareholders' equity | 55,0 | 32,1 | 35,5 |
| Provisions | 3,6 | 1,8 | 3,6 |
| Long-term liabilities | 113,6 | 94,2 | 97,5 |
| Accounts payable - trade | 65,0 | 90,4 | 65,6 |
| Other current liabilities | 39,2 | 31,4 | 37,8 |
| Current liabilities | 104,2 | 121,8 | 103,4 |
| TOTAL EQUITY AND LIABILITIES | 276,4 | 249,9 | 240,0 |

CONSOLIDATED CASH FLOW STATEMENT

| (MSEK) | 2002 Jul-Sep | 2001 Jul-Sep | 2002 Jan-Sep | 2001 Jan-Sep | 2001 Jan-Dec |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| Profit/loss after financial items | 9,8 | 8,0 | 26,9 | 17,0 | 21,7 |
| Adjustment items | 1,6 | 1,5 | 4,7 | 4,2 | 6,0 |
| Paid taxes | -1,6 | -0,3 | -3,5 | -1,2 | -1,2 |
| Cash flow from the current operations before change in working capital | 9,8 | 9,2 | 28,1 | 20,0 | 26,5 |
| Change in working capital | -0,4 | -12,1 | -35,2 | -39,9 | -47,7 |
| Net investments | -2,0 | -1,2 | -7,9 | -6,7 | -9,0 |
| Cash flos after investments | 7,4 | -4,1 | -15,0 | -26,6 | -30,2 |
| Net change in loans | -6,4 | 4,7 | 15,5 | 27,4 | 31,3 |
| CHANGE IN LIQUID FUNDS | 1,0 | 0,6 | 0,5 | 0,8 | 1,1 |

KEY RATIOS (in percent)

| | 2002 Jan-Sep | 2001 Jan-Sep | 2001 Jan-Dec |
|----------------------------|-----------------|-----------------|-----------------|
| Operating margin | 7,2 | 5,6 | 5,3 |
| Profit margin | 6,0 | 4,5 | 4,2 |
| Return on capital employed | 24,7 | 21,6 | 19,6 |
| Solidity | 19,9 | 12,8 | 14,8 |

For additional information:

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The company's auditors have not examined this Financial report.