

Interim Report January–June 2011

Q2

Q2 – Sales growth continues, operating margin 7.2% and positive cash flow

FINANCIAL PERFORMANCE, JANUARY-JUNE

- Sales increased by 12% to SEK 638.6 (572.0) million.
- The operating profit was SEK 35.8 (-56.3) million. The result for the first half 2010 included structural and other non-recurring costs of approximately SEK -44 million.
- The operating margin was 5.6% (-9.8%).
- The profit after financial items was SEK 30.5 (-61.0) million.
- Profit after tax was SEK 21.4 (-55.1) million, or SEK 0.74 (-2.79) per share.
- Cash flow after investments was SEK 23.5 (-40.6) million, or SEK 0.82 (-2.06) per share.

FINANCIAL PERFORMANCE, APRIL-JUNE

- Sales increased by 9% to SEK 326.8 (298.6) million.
- The operating profit was SEK 23.5 (-3.8) million.
- The operating margin was 7.2% (-1.3%).
- The profit after financial items was SEK 21.2 (-5.9) million.
- The profit after tax was SEK 15.5 (-11.4) million, or SEK 0.54 (-0.48) per share.
- Cash flow after investments was SEK 14.5 (-54.9) million, or SEK 0.50 (-2.32) per share.

RETROSPECTIVE AND SIGNIFICANT EVENTS

- **Extensive restructuring complete**
Structural measures decided in the first quarter last year encompassing relocation and closure of production in Skänninge, Sweden, and Tauragé, Lithuania, were completed as planned in December 2010. Furthermore, the operations at Gdansk, Poland, were closed and the 50% holding in electronics factory NOTEFideltronik in Krakow, Poland, was divested. Some SEK -47 million restructuring and other non-recurring costs were charged to 2010 full-year result.
- **Divestment of NOTE Tauragé**
An Extraordinary General Meeting on 21 June approved the Board's proposal to divest all the shares in NOTE Tauragé UAB, Lithuania. Electronics production at NOTE Tauragé was closed down at year-end as part of the restructuring measures. The transaction was completed to accelerate the cost-efficient liquidation of the legal entity.
- **The Japan disaster**
A significant proportion of global electronics components production takes place in Japan. Given the extent of the earthquake in the first quarter and its consequences, there is a risk of further disruption to the electronics components market. So far the impact on NOTE's operation has been very limited.

CEO's comments

A STRONGER NOTE EMERGES

Last year NOTE completed a restructuring program intended to increase capacity utilisation and to improve profitability. We concentrated production to fewer units, both in Sweden and internationally. The measures were extensive given NOTE's size and affected just over 25% of group staff. Approximately SEK -47 million of these and other non-recurring costs were charged to 2010 profit. The target for the action program was to ensure a minimum annualized positive profit effect of SEK 50 million.

An increasingly stronger NOTE has been emerging since the end of 2010. Our costs were approximately 15% lower in the first six months compared to the same period last year, which contributed significantly to the last three consecutive quarters' positive profit figures and cash flow.

With the restructuring program now behind us, we have intensified our methodical operational improvements program during the year. We have high expectations of this initiative, which is being implemented both in group-wide projects and locally in the respective companies. Although the improvements are a long-term initiative, I consider that we are now moving fast in this area too. All the efforts we are currently making are intended to create the right conditions for improving efficiency, delivery precision and quality achievement as well as creating an even stronger offering.

In terms of capacity, we are well equipped for the production of electronics products that require high technology competence and flexibility through a large part of the product lifecycle. Our business model is based on developing business in our Nearsourcing centres in Sweden, Finland, Norway and the UK in close collaboration with our customers, while more labour-intensive volume production usually takes place at our Industrial Plants in Estonia and China.

PROGRESS IN THE FIRST HALF-YEAR

It is clear that the market for outsourced electronics production made positive progress compared to the second quarter last year. This is largely due to an overall strengthening of the economy, which increased volumes for ongoing customer assignments. Other key factors are the gradually increasing electronic elements in previously mechanical products and a sustained favourable trend for outsourcing.

Our sales increased by 12% to SEK 638.7 million in the first six months of the year. The increase was 9% for the second quarter. Volume growth was particularly strong on the Swedish and Finnish markets.

Our horizon for assessing volumes in ongoing assignments is relatively short. Our order book was slightly lower year-on-year at the end of the period. The trend is variable on the markets where we operate and is partly dependent on stock adjustments amongst our customers.

It is pleasing to note that we are on the right track in terms of profitability. Adjusted for non-recurring costs relating to the previous year, operating profit increased by just over SEK 48 million to SEK 35.8 million. The operating margin increased by 7.8% to 5.6%. Operating margin was 7.2% (-1.3%) in the second quarter. This represents an increase of 3.3% compared to the first quarter this year, of which the divestment of NOTE Tauragé and other non-recurring items provided 0.4%.

One of NOTE's key tasks is to provide cost-efficient sourcing of materials. Like last year, the global market for electronics components is characterised by a problematic shortages and long lead times for materials. Accordingly, NOTE has been required to make significant efforts together with our customers and suppliers in order to maintain our delivery capacity at sound levels. In order to ensure materials sourcing to our customers, we are carefully monitoring the effects of the Japan earthquake. However, this has had only marginal impact on our operations to date.

As a result of our operational improvement initiatives, we have succeeded in reducing stock levels despite volume growth and the problematic supply shortages on the components market. At the end of the half-year, stocks were down 18% compared to the same period in the previous year, contributing to improved liquidity and profitability – while we are simultaneously reducing the operational business risk. Cash flow after investments was positive in the first six months of the year at SEK 23.5 (-40.6) million.

FUTURE

We assign key importance to continuously improving quality and delivery precision to our customers and our focus is firmly on improving our cash flow and liquidity.

The goal is for NOTE to continue to grow, but profitability is the priority. The positive profit progress we have made over the last three quarters has strengthened our conviction that we are on the right track towards building a stronger NOTE.

Peter Laveson
CEO and President

Sales and results of operations

SALES, JANUARY-JUNE

Customer activity and demand from the manufacturing industry have progressed favourably since the second quarter last year. This has generated higher volumes in ongoing assignments while new business is also gathering pace. Sales for the period increased by 12% to SEK 638.6 (572.0) million. However, just over 1% of the sales growth comprised material sales at no margin in the first quarter, linked to the divestment of the 50% holding in NOTEFideltronik at year-end.

The group order book, which comprises a combination of secured orders and forecasts, was some 5% lower compared to the same period in the previous year.

NOTE's sales are made to a large number of customers, generally active in the engineering and communication industry in the Nordic region and the UK. The fifteen biggest customers in terms of sales generated 60% (53%) of group sales. Previously, a larger share of NOTE's sales was tied to customers in telecom. Demand from this segment is volatile in volume terms and characterised by intense price pressure

Like last year, the global market for electronics components is characterised by a problematic shortages and long lead times for materials. The situation has required additional labour input in order to keep deliveries to plan.

RESULTS OF OPERATIONS, JANUARY-JUNE

At the beginning of last year, NOTE decided to intensify its structural transformation.

The objective was to implement savings and rationalisation measures that have a minimum annualized positive profit effect of SEK 50 million in 2010. As part of this program, NOTE's manufacturing units were further concentrated in Sweden and internationally. Operations with a poor fit were closed down or divested. Central resources were adjusted to the current market situation. To all intents and purposes, the program was completed at year-end.

Capacity utilisation in the group's units has increased as a result of the measures. Competitiveness has been enhanced. Adjusted for restructuring and other non-recurring costs in the previous year, costs were approximately 15% lower in the first six months compared to the corresponding period last year.

Adjusted for non-recurring items relating to the previous year, gross margin increased by 2.4% to 10.8% (8.4%), largely as a result of higher volumes and cost streamlining.

Furthermore, selling and administrative expenses decreased by approximately 30% as a result of the restructuring. The costs corresponded to 5.8% of sales for the period. Adjusted for non-recurring items relating to the previous year, costs were 9.3% of sales.

Adjusted for non-recurring items relating to the previous year, operating profit improved by SEK 48.1 million amounting to SEK 35.8 (-12.3) m. This corresponded to an operating margin of 5.6% (-2.2%).

The financial items was SEK -5.3 (-4.7) million. Higher market interest rates have partially been offset by a reduction in consolidated net debt.

SALES AND RESULTS OF OPERATIONS, APRIL-JUNE

Sales increased by 9% to SEK 326.8 (298.6) million in the second quarter. The sales increase is largely due to a stronger market position that generated higher volumes in ongoing customer assignments. To some extent sales for new assignments have also begun to gather pace. Compared to the previous quarter, which is slightly weaker in seasonal terms, sales increased by 5% (9%).

Primarily as a result of increased volumes and cost rationalisations implemented, gross margin strengthened by 1.7 percentage points to 11.6% (9.9%). Selling and administrative expenses decreased by approximately 34% as a result of the restructuring. Costs as a proportion of sales were 5.5% (9.3%) in the period

Operating profit improved by SEK 27.3 m to SEK 23.5 (-3.8) million, corresponding to an operating margin of 7.2% (-1.3%).

As part of last year's restructuring program, electronics production in NOTE Tauragė, Lithuania, was closed down at the end of 2010. In order to accelerate the liquidation of the remaining legal entity in a cost-efficient manner, all the shares in the company were divested at the end of the second quarter. The divestment of NOTE Tauragė plus other non-recurring items had a positive effect on the operating margin of approximately 0.4% in the second quarter.

The profit after financial items for the period was SEK 21.1 (-5.9) million.

Operating segments

NOTE is a local production partner with a multinational platform for manufacturing electronics-based products that require high technology competence and flexibility across large parts of product lifecycles.

As part of the Nearsourcing business model, operations are conducted as an integrated process. The Nearsourcing centres provide development and production engineering services in close partnership with customers, such as selecting materials, production of prototypes, series production and testing. NOTE Industrial Plants provide cost-efficient volume production in both Europe and Asia. Development, management and coordination of operations are conducted in the parent company, and sourcing operations in NOTE Components.

Significant key ratios for NOTE's business segments are stated in the following table, pursuant to IFRS 8. Essentially, these consist of Nearsourcing centres and Industrial Plants. Nearsourcing centres include selling units in Sweden, Norway, Finland and the UK, where development-oriented work is conducted close to customers. Industrial Plants are the production units in Estonia and China. Other units are business support, group-wide operations.

	2011 Q2	2010 Q2	2011 Q1-Q2	2010 Q1-Q2	Rolling 12 mth.	2010 full yr.
NEARSOURCING CENTRES						
EXTERNAL SALES	309.2	281.8	601.3	544.1	1 194.9	1,137.7
INTERNAL SALES	5.3	16.6	12.8	32.6	39.1	58.9
MANUFACTURING, SELLING AND ADMINISTRATIVE EXPENSES	-81.9	-87.3	-160.0	-181.5	-312.6	-334.1
DEPRECIATION AND AMORTISATION	-2.8	-3.5	-6.1	-7.2	-11.6	-12.7
OPERATING PROFIT/LOSS	27.3	8.2	42.5	5.6	85.1	48.2
PROPERTY, PLANT AND EQUIPMENT	34.6	38.8	34.6	38.8	34.6	29.2
STOCK	124.3	128.1	124.3	128.1	124.3	123.5
AVERAGE NUMBER OF EMPLOYEES	453	412	446	410	435	417
INDUSTRIAL PLANTS						
EXTERNAL SALES	17.6	16.2	37.3	26.3	83.3	72.3
INTERNAL SALES	76.5	106.7	150.1	208.7	390.0	448.6
MANUFACTURING, SELLING AND ADMINISTRATIVE EXPENSES	-13.1	-30.5	-30.1	-87.8	-98.3	-156.0
DEPRECIATION AND AMORTISATION	-2.1	-4.3	-4.7	-8.7	-13.5	-17.5
OPERATING PROFIT/LOSS	2.8	-8.1	1.2	-47.1	-22.6	-70.9
PROPERTY, PLANT AND EQUIPMENT	28.3	53.8	28.3	53.8	28.3	43.5
STOCK	74.8	116.3	74.8	116.3	74.8	69.1
AVERAGE NUMBER OF EMPLOYEES	496	566	489	573	531	573
OTHER UNITS AND ELIMINATIONS						
EXTERNAL SALES	0.0	0.6	0.0	1.6	-0.9	0.8
INTERNAL SALES	-81.8	-123.3	-162.9	-241.3	-429.1	-507.5
MANUFACTURING, SELLING AND ADMINISTRATIVE EXPENSES	-5.0	2.6	-6.3	-1.5	-3.8	1.0
DEPRECIATION AND AMORTISATION	0.0	-0.5	0.0	-0.9	-0.8	-1.7
OPERATING PROFIT/LOSS	-6.6	-3.9	-7.9	-14.8	-18.5	-25.5
PROPERTY, PLANT AND EQUIPMENT	0.0	1.7	0.0	1.7	0.0	0.1
STOCK	0.0	0.1	0.0	0.1	0.0	0.0
AVERAGE NUMBER OF EMPLOYEES	17	9	17	9	14	10

Financial position, cash flow and investments

CASH FLOW

Competing successfully in the high mix/low volume market segment means that NOTE faces a major challenge in continuously improving working methods in purchasing inventory control and logistics. These challenges are especially apparent in rapid cyclical demand upturns and downturns, and relate mainly to the complexity of materials supply and changing lead-times of electronic components.

The Global market for electronics components was characterised by shortages in the period, with the resulting extended lead-times for certain components. NOTE made the necessary major efforts alongside its customers and suppliers to determine the appropriate inventory levels and attain good delivery precision.

NOTE's focused initiatives meant that stock levels were decreased by 18% year-on-year at the end of the period despite the sales increase.

At the end of the period, accounts receivable—trade were at approximately the same level as at year-end. Accounts receivable –trade increased by 12% year-on-year, largely as a result of the sales growth. Accordingly, NOTE's customer credit terms were mostly unchanged compared to the previous year.

Accounts payable—trade, relating mainly to sourcing electronic components and other production materials, were slightly down on year-end and year-on-year.

Cash flow for the period (after investments) improved by SEK 64.1 m to SEK 23.5 (-40.6) million, corresponding to SEK 0.82 (-2.06) per share. Amortizations of interest bearing assets related to the divestment of the 50% holding in NOTEFideltronik had a SEK 14.8 million positive impact on cash flow from investing activities.

EQUITY TO ASSETS RATIO

The equity to assets ratio was 35.3% (31.4%) at the end of the period, up 4.0% on year-end. The increase is largely due to the positive profit performance.

LIQUIDITY

The problematic situation on the global market for electronics components in combination with the sales growth in the period since last summer has increased demand for working capital, placing a significant strain on group liquidity from time to time. NOTE is maintaining a sharp focus on measures that further improve group liquidity and cash flow, with for example, NOTE's loan covenants being renegotiated in the third quarter of 2010.

Available cash and cash equivalents, including unutilised overdraft facilities, were SEK 75.6 (39.5) million at the end of the period. Factored accounts receivable – trade were some SEK 197 (150) million at the end of the period.

INVESTMENTS

Investments in property, plant and equipment in the first half-year, excluding sales, were SEK 4.4 (0.3) million, corresponding to 0.7% (0.1%) of sales. Depreciation and amortisation was SEK 10.8 (16.8) million.

Investments in the year are expected to be at a relatively low level looking ahead.

Significant events in the period

EXTENSIVE RESTRUCTURING COMPLETED

Structural measures decided in the first quarter last year encompassing relocation and closure of production in Skänninge, Sweden, and Tauragé, Lithuania, were completed as planned in December 2010. Furthermore, the operations at Gdansk, Poland, were closed and the 50% holding in electronics factory NOTEFideltronik in Krakow, Poland, was divested. Some SEK -47 million restructuring and other non-recurring costs were charged to 2010 full-year result.

DIVESTMENT OF NOTE TAURAGE

An Extraordinary General Meeting on 21 June approved the Board's proposal to divest all the shares in NOTE Tauragé UAB, Lithuania. Electronics production at Tauragé was closed down at year-end as part of the restructuring measures. The transaction was completed to accelerate the liquidation of the legal entity in a cost-efficient manner.

THE JAPAN DISASTER

As in the previous year, the global market for electronics components is characterised by problematic shortages and long lead times for certain components.

A significant proportion of global electronics components production takes place in Japan. Considering the extensive earthquake and its consequences in the first quarter, there is a risk of further disruption to the

electronics components market. So far the impact on NOTE's operation has been very limited. Together with its customers and suppliers, NOTE is giving careful attention to ensure that future disruptions to the materials supply is minimized.

Parent company

Parent company NOTE AB (publ) is primarily focused on the management, coordination and development of the group. In the period, revenue was SEK 15.8 (20.8) million and mainly related to intra-group services. The loss after tax was SEK -6.1 (-9.5) million. As a result of the sale of the CAD operation and the 50% holding in NOTEFideltronik last year, interest-bearing receivables in the parent company were approximately SEK 15.7 (-) million.

TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties were mainly intra-group sales of services to joint ventures in the period up until year-end 2010. These transactions have ceased after the divestment of NOTEFideltronik in Krakow, Poland.

Significant operational risks

NOTE is a leading manufacturing partner for outsourced electronics production in the Nordics. It has especially strong market positioning in the high mix/low volume market segment, i.e. for products in small to medium-sized series that require high technology competence and flexibility. NOTE produces PCBs, sub-assemblies and box build products. NOTE's offering covers the whole production lifecycle, from design to after-sales. NOTE's role includes being a collaboration partner for its customers, but not a product owner.

The market for outsourced electronics production is relatively young and usually considered fairly cyclical. Of the somewhat larger traditional players on this market, there are few, if any, that have succeeded in retaining good profitability through a business cycle. This fact played an important role in NOTE's choice of strategy for its future.

NOTE's focus on Nearsourcing, targeting increased sales 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 risks in NOTE's operations, the reader is referred to the Risks section on page 17, the Report of the Directors on pages 38-39 and note 25 Financial risks and finance policy on page 55 of NOTE's 2010 Annual Report.

NOTE's sales growth in combination with the current shortages and future uncertainties relating to the hard-to-assess effects of the Japan disaster risks increasing demand for working capital. Accordingly, the focus remains sharply on managing the liquidity risk.

Certification

The half-year 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 significant risks and uncertainty factors facing the parent company and group companies.

Danderyd, Sweden, 14 July 2011

The Board of Directors of NOTE AB (publ)



Stefan Charette
Chairman



Kjell-Åke Andersson
Board member



Bruce Grant
Board member



Stefan Johansson
Board member



Henry Klotz
Board member



Christoffer Skogh
Board member/Employee representative

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FORTHCOMING FINANCIAL REPORTS

20 October 2011 Interim Report January-September

AUDIT REVIEW

As in previous years, this Interim Report has not been subject to review by the company's Auditors.

ACCOUNTING AND VALUATION PRINCIPLES

NOTE adopts International Financial Reporting Standards (IFRS) as endorsed by the European Union.

Significant accounting and valuation principles are stated on pages 44-47 of the Annual Report for 2010.

The group's Interim Report has been prepared pursuant to the Swedish Annual Accounts Act and IAS 34, Interim Financial Reporting. The parent company observes RFR 2, issued by the Swedish Financial Reporting Board.

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.

Consolidated Income Statement

	2011 Q2	2010 Q2	2011 Q1-Q2	2010 Q1-Q2	Rolling 12 mth.	2010 Full yr.
REVENUES	326.8	298.6	638.6	572.0	1,277.3	1,210.7
COST OF GOODS AND SERVICES SOLD	-289.0	-269.0	-569.7	-562.6	-1,157.3	-1,150.2
GROSS PROFIT/LOSS	37.8	29.6	68.9	9.4	120.0	60.5
SALES COSTS	-9.7	-13.4	-19.3	-30.2	-42.7	-53.6
ADMINISTRATIVE COSTS	-8.1	-14.2	-17.6	-28.1	-39.2	-49.8
OTHER OPERATING INCOME/COSTS	3.5	-5.8	3.8	-7.4	5.9	-5.3
OPERATING PROFIT/LOSS	23.5	-3.8	35.8	-56.3	44.0	-48.2
NET FINANCIAL INCOME/EXPENSE	-2.3	-2.1	-5.3	-4.7	-11.9	-11.2
PROFIT/LOSS AFTER FINANCIAL ITEMS	21.2	-5.9	30.5	-61.0	32.1	-59.4
INCOME TAX	-5.7	-5.5	-9.1	5.9	-17.6	-2.6
PROFIT/LOSS AFTER TAX FOR THE PERIOD	15.5	-11.4	21.4	-55.1	14.5	-62.0

Earnings per share

	2011 Q2	2010 Q2	2011 Q1-Q2	2010 Q1-Q2	Rolling 12 mth.	2010 Full yr.
NUMBER OF OUTSTANDING SHARES (000)	28,873	28,873	28,873	28,873	28,873	28,873
WEIGHTED AVERAGE NO. OF SHARES (000)	28,873	23,681	28,873	19,737	28,873	24,342
EARNINGS PER SHARE, SEK	0.54	-0.48	0.74	-2.79	0.50	-2.55

Consolidated Statement of Comprehensive Income

	2011 Q2	2010 Q2	2011 Q1-Q2	2010 Q1-Q2	Rolling 12 mth.	2010 Full yr.
NET PROFIT/LOSS	15.5	-11.4	21.4	-55.1	14.5	-62.0
OTHER COMPREHENSIVE INCOME						
EXCHANGE RATE DIFFERENCES	0.1	-2.0	-0.4	-4.9	-5.6	-10.1
CASH FLOW HEDGES	-	-	0.1	-	-0.1	-0.2
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	0.1	-2.0	-0.3	-4.9	-5.7	-10.3
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	15.6	-13.4	21.1	-60.0	8.8	-72.3

Consolidated Balance Sheet

	2011 30 Jun	2010 30 Jun	2010 31 Dec
ASSETS			
GOODWILL	70.5	71.2	70.5
OTHER INTANGIBLE ASSETS	0.1	1.6	0.2
PROPERTY, PLANT AND EQUIPMENT	62.9	94.3	72.8
DEFERRED TAX ASSET	21.9	37.8	29.0
OTHER FINANCIAL ASSETS	8.5	2.4	8.4
FIXED ASSETS	163.9	207.3	180.9
CURRENT INTEREST-BEARING RECEIVABLES	9.7	-	24.5
STOCK	199.1	244.5	192.6
ACCOUNTS RECEIVABLE—TRADE	240.2	214.4	234.4
OTHER CURRENT RECEIVABLES	27.0	41.4	27.4
CASH AND CASH EQUIVALENTS	34.3	21.5	33.7
CURRENT ASSETS	510.3	521.8	512.6
TOTAL ASSETS	674.2	729.1	693.5
EQUITY AND LIABILITIES			
EQUITY	238.1	229.3	217.0
NON-CURRENT INTEREST-BEARING LIABILITIES	5.2	6.9	4.7
DEFERRED TAX LIABILITY	2.4	2.9	2.4
OTHER LONG-TERM PROVISIONS	-	0.1	-
NON-CURRENT LIABILITIES	7.6	9.9	7.1
CURRENT INTEREST-BEARING LIABILITIES	178.9	215.9	202.2
ACCOUNTS PAYABLE—TRADE	158.0	169.0	171.9
OTHER CURRENT LIABILITIES	86.0	73.0	78.4
SHORT-TERM PROVISIONS	5.6	32.0	16.9
CURRENT LIABILITIES	428.5	489.9	469.4
TOTAL EQUITY AND LIABILITIES	674.2	729.1	693.5

Consolidated change in equity

	2011 Q2	2010 Q2	2011 Q1-Q2	2010 Q1-Q2	Rolling 12 mth.	2010 Full yr.
OPENING EQUITY	222.5	163.3	217.0	209.9	229.3	209.9
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD AFTER TAX	15.6	-13.4	21.1	-60.0	8.8	-72.3
IPO	-	86.6	-	86.6	-	86.6
COST OF IPO	-	-7.2	-	-7.2	-	-7.2
CLOSING EQUITY	238.1	229.3	238.1	229.3	238.1	217.0

Consolidated Cash Flow Statement

	2011 Q2	2010 Q2	2011 Q1-Q2	2010 Q1-Q2	Rolling 12 mth.	2010 Full yr.
PROFIT/LOSS AFTER FINANCIAL ITEMS	21.2	-5.9	30.5	-61.0	32.1	-59.4
REVERSED DEPRECIATION AND AMORTISATION	4.9	8.3	10.8	16.8	25.9	31.9
OTHER NON-CASH ITEMS	0.7	-2.5	3.8	39.3	-45.6	-6.6
TAX PAID	-2.0	-2.7	-3.9	-3.7	-2.1	-1.9
CHANGE IN WORKING CAPITAL	-18.6	-52.2	-29.0	-31.7	13.1	10.4
CASH FLOW FROM OPERATING ACTIVITIES	6.2	-55.0	12.2	-40.3	23.4	-25.6
CASH FLOW FROM INVESTING ACTIVITIES	8.3	0.1	11.3	-0.3	27.1	12.0
CASH FLOW FROM FINANCING ACTIVITIES	-6.4	65.8	-23.1	39.9	-37.6	25.4
CHANGE IN CASH AND CASH EQUIVALENTS	8.1	10.9	0.4	-0.7	12.9	11.8
CASH AND CASH EQUIVALENTS						
AT START OF PERIOD	25.5	11.8	33.7	24.4	21.5	24.4
CASH FLOW AFTER INVESTING ACTIVITIES	14.5	-54.9	23.5	-40.6	50.5	-13.6
FINANCING ACTIVITIES	-6.4	65.8	-23.1	39.9	-37.6	25.4
EXCHANGE RATE DIFFERENCE IN CASH AND CASH EQUIVALENTS	0.7	-1.2	0.2	-2.2	-0.1	-2.5
CASH AND CASH EQUIVALENTS AT END OF PERIOD	34.3	21.5	34.3	21.5	34.3	33.7
UN-UTILISED CREDITS	41.3	18,0	41.3	18.0	41.3	33.3
AVAILABLE CASH AND CASH EQUIVALENTS	75.6	39,5	75.6	39.5	75.6	67.0

Consolidated six-year summary

	Rolling 12 mth.	2010	2009	2008	2007	2006
SALES	1,277.3	1,210.7	1,200.0	1,709.5	1,743.8	1,741.5
GROSS MARGIN	9.4%	5.0%	2.2%	7.2%	12.9%	11.9%
OPERATING MARGIN	3.4%	-4.0%	-7.6%	-0.2%	6.4%	5.9%
PROFIT MARGIN	2.5%	-4.9%	-8.2%	-0.8%	6.0%	5.5%
CASH FLOW AFTER INVESTING ACTIVITIES	50.5	-13.6	23.9	25.1	-0.5	24.8
EQUITY PER SHARE, SEK	8.25	7.52	21.81	30.64	34.02	27.86
CASH FLOW PER SHARE, SEK	1.75	-0.56	1.52	1.59	-0.03	1.57
RETURN ON OPERATING CAPITAL	10.9%	-12.1%	-18.8%	-0.7%	21.4%	22.5%
RETURN ON EQUITY	6.2%	-29.1%	-32.1%	-4.2%	26.3%	29.0%
EQUITY TO ASSETS RATIO	35.3%	31.3%	27.9%	31.1%	34.5%	30.2%
AVERAGE NUMBER OF EMPLOYEES	980	1,000	977	1,201	1,171	1,127
SALES PER EMPLOYEE, SEK 000	1,303	1,211	1,228	1,423	1,489	1,545

Consolidated quarterly summary

	2011 Q2	2011 Q1	2010 Q4	2010 Q3	2010 Q2	2010 Q1	2009 Q4	2009 Q3
SALES	326.8	311.8	366.8	271.9	298.6	273.5	291.5	267.4
GROSS MARGIN	11.6%	10.0%	8.8%	6.9%	9.9%	-7.4%	7.8%	-12.8%
OPERATING MARGIN	7.2%	3.9%	3.3%	-1.5%	-1.3%	-19.2%	-0.9%	-23.0%
PROFIT MARGIN	6.5%	3.0%	2.2%	-2.4%	-2.0%	-20.2%	-1.5%	-23.5%
CASH FLOW AFTER INVESTING ACTIVITIES	14.5	9.0	40.2	-13.2	-54.9	14.3	14.2	14.2
EQUITY PER SHARE, SEK	8.25	7.71	7.52	7.48	7.94	16.97	21.81	22.52
CASH FLOW PER SHARE, SEK	0.50	0.31	1.39	-0.46	-2.32	0.91	0.90	0.90
EQUITY TO ASSETS RATIO	35.3%	32.7%	31.3%	30.4%	31.4%	22.4%	27.9%	27.0%
AVERAGE NUMBER OF EMPLOYEES	966	938	1,008	1,006	987	997	956	888
SALES PER EMPLOYEE, SEK 000	338	332	364	270	303	274	305	301

Parent Company Income Statement

	2011 Q2	2010 Q2	2011 Q1-Q2	2010 Q1-Q2	Rolling 12 mth.	2010 Full yr.
NET SALES	5.8	10.6	15.8	20.8	35.5	40.5
COST OF GOODS SOLD	-7.4	-8.7	-13.0	-18.1	-24.8	-29.9
GROSS PROFIT/LOSS	-1.6	1.9	2.8	2.7	10.7	10.6
SALES COSTS	-1.2	-0.3	-2.8	-6.2	-4.6	-8.0
ADMINISTRATIVE COSTS	-2.5	-3.3	-6.4	-6.8	-13.6	-14.0
OTHER OPERATING INCOME/COSTS	-0.4	0.2	0.0	0.5	-0.4	0.1
OPERATING PROFIT/LOSS	-5.7	-1.5	-6.4	-9.8	-7.9	-11.3
FINANCIAL INCOME/EXPENSE	0.2	0.1	-1.7	-3.0	-94.1	-95.4
PROFIT/LOSS AFTER NET FINANCIAL ITEMS	-5.5	-1.4	-8.1	-12.8	-102.0	-106.7
APPROPRIATIONS	-	-	-	-	-	-
PROFIT/LOSS BEFORE TAX	-5.5	-1.4	-8.1	-12.8	-102.0	-106.7
INCOME TAX	1.2	0.3	2.0	3.3	4.7	6.0
PROFIT/LOSS AFTER TAX	-4.3	1.1	-6.1	-9.5	-97.3	-100.7

Parent Company Balance Sheet

	2011 30 Jun	2010 30 Jun	2010 31 Dec
ASSETS			
INTANGIBLE ASSETS	-	0.7	-
PROPERTY, PLANT AND EQUIPMENT	0.1	1.7	0.1
DEFERRED TAX ASSETS	9.9	5.8	7.9
FINANCIAL NON-CURRENT ASSETS	338.8	414.5	322.9
NON-CURRENT ASSETS	348.8	422.7	330.9
CURRENT INTEREST-BEARING RECEIVABLES	9.7	-	24.5
RECEIVABLES FROM GROUP COMPANIES & JOINT VENTURES	19.6	52.5	100.3
OTHER CURRENT RECEIVABLES	3.2	3.4	3.5
CASH AND CASH EQUIVALENTS	10.3	2.0	11.8
CURRENT ASSETS	42.8	57.9	140.1
TOTAL ASSETS	391.6	480.6	471.0
EQUITY AND LIABILITIES			
EQUITY	231.2	327.0	237.3
UNTAXED RESERVES	-	-	-
LIABILITIES TO GROUP COMPANIES & JOINT VENTURES	-	6.8	-
NON-CURRENT LIABILITIES	-	6.8	-
LIABILITIES TO CREDIT INSTITUTIONS	15.3	64.3	20.9
LIABILITIES TO GROUP COMPANIES & JOINT VENTURES	133.5	69.7	199.9
OTHER CURRENT LIABILITIES & PROVISIONS	11.6	12.8	12.9
CURRENT LIABILITIES	160.4	146.8	233.7
TOTAL EQUITY AND LIABILITIES	391.6	480.6	471.0