SPEED UP YOUR BUSINESS

Q4

Year-end Report January-December 2008

NOTE™

YOUR BUSINESS PARTNER

Adapting to our future

JANUARY-DECEMBER

- Sales amounted to SEK 1,709.5 (1,743.8) m.
- Operating loss of SEK -3.8 (111.9) m. Profit was charged with restructuring-related costs of some SEK 80 m.
- The operating margin amounted to -0.2% (6.4%)
- Profit after financial items was SEK -14.4 (103.8) m
- The loss after tax was SEK -13.1 (78.2) m, or SEK -1.36 (8.13) per share.
- Cash flow was SEK 25.1 (-0.5) m, or SEK 2.61 (-0.05) per share.
- **Dividends**—the Board of Directors is proposing to the AGM (Annual General Meeting) that no dividends are paid for the financial year 2008.

OCTOBER-DECEMBER

- Sales amounted to SEK 414.5 (458.6) m.
- Operating loss of SEK -47.9 (28.5) m. Profit charged with restructuring-related costs of some SEK 50 m.
- Operating margin amounted to -11.6% (6.2%)
- The loss after financial items was SEK -50.4 (26.6) m.
- The loss after tax was SEK -36.6 (21.0) m, or SEK -3.80 (2.18) per share.
- Cash flow was SEK -6.2 (-34.8) m, equivalent to SEK -0.64 (-3.61) per share.

SIGNIFICANT EVENTS IN THE YEAR

- **Methodical focus on Nearsourcing**—measures implemented to transfer labour-intensive production and sourcing services to cost-efficient countries, reducing headcount in Sweden by some 400 staff, or just over 50%. Most lay-offs will occur in the first half-year 2009.
- **UK acquisition**—new Nearsourcing Centre for long-term sales growth started on the UK market.
- **Swedish mechanical engineering services acquisition**—valuable mechanical engineering know-how added close to customers to develop advanced prototypes and for shorter production runs.
- **Acquisition in Norway**—start-up of Nearsourcing Centre for additional growth on the Norwegian market.

SIGNIFICANT EVENTS AFTER THE END OF THE YEAR

- **Market breakthrough for Nearsourcing**—building on its collaboration with the Nearsourcing Centre in Oslo, Kongsberg Defence & Aerospace of Norway has decided to utilise NOTEfied when developing new products.

CEO's comments

ADAPTING TO OUR FUTURE

NOTE is working methodically to realign its business—from a traditional role as a contract electronics manufacturer to a unique services provider on the EMS market.

We drove implementation of our new Nearsourcing business model resolutely through the year, which aims for profitable sales growth, while limiting the risks in our business.

In practice, actions are focused on three segments—starting up Nearsourcing Centres close to our customers, implementing our proprietary NOTEfied preferred parts database as a support in development and sourcing work and volume production in cost-efficient countries.

One element of this realignment was expanding our capacity in cost-efficient countries back in 2007 by acquiring electronics plants in China and Poland. In the beginning of 2008, we issued redundancy notices to some 200 staff, mainly in our Swedish business, as we created the right prospects for being able to transfer labour-intensive production and sourcing services to units whose cost base favours our customers and ourselves.

Our first Nearsourcing Centre was started from the ground up by acquiring a smaller CAD enterprise in Oslo in 2006. It is clear that customers value our business model. Thanks to Nearsourcing, Kongsberg Defence & Aerospace of Norway recently chose to expand their collaboration with us. To increase our market shares in Norway further, we acquired Norteam Electronics in December. This company will be run in close collaboration with our Nearsourcing Centre in Oslo.

In the first quarter, we started our first Nearsourcing Centre on the UK market by acquiring Proqual outside Bristol. During the year, we brought new know-how to the business, invested in sophisticated equipment and relocated to contemporary premises. This forward-looking initiative has impacted our earnings in the short term. However, compared to our investment in Norway, customer reaction suggests that net sales growth will get underway far faster in the UK.

Consistent with our new business model, we are realigning our Swedish plants in skill and cost terms, and have made significant progress. By 31 December, six of our former plants had become pure-play Nearsourcing Centres, against three at 1 January.

After several years' investment, we have now built an efficient, centralised purchasing base in Gdansk. Development of our unique preferred parts database NOTEfied with the associated PLM tool went as planned. Demand for NOTEfied has developed very positively. However, we were not able to offer the full range of services on the market until the latter part of 2008.

In the second quarter, we acquired a mechanical engineering enterprise close to the market in Järfälla outside Stockholm. This acquisition enhances our customer offering by cutting customers' time to market further.

PROGRESS IN 2008

As a result of our recently acquired companies, Nearsourcing Centres, in the first three quarters we succeeded in maintaining sales above the previous year—despite somewhat weaker market conditions. Early in the fourth quarter, sales also made positive progress. However, rapid deterioration of the manufacturing cycle and inventory reduction by several of our customers meant that fourth-quarter sales were down 10% year on year. In full-year terms, sales were down 2%.

Profit growth in 2008 was far from satisfactory. Apart from lower volumes, we experienced price pressure, mainly from USD-dependent customers. Our sales have also shifted more towards the Telecom segment, which has inherently lower margins than the Industrial segment.

Initially, we charged the costs for our realignment to profits on an ongoing basis. As a result of reducing demand in the fourth quarter, in December, we were forced into further, large-scale rationalisation and savings measures. The cost for these actions was charged fully to fourth-quarter profits. Accordingly, the costs associated with our realignment amounted to nearly SEK 80 m in total, all of which were the expensed to profits in 2008.

Adapting to our future is very challenging, and I sincerely regret that many of our competent employees have to leave NOTE. We expect to reduce staffing in our Swedish business by some 400 employees. Excluding new companies, the personnel reduction in Sweden was 130 in the year. Essentially, the remaining lay-offs are expected to occur in the first half-year 2009.

In the year, we also resolved a dispute with one of our customers. The results of the arbitration process were reported in December. The outcome was fully in NOTE's favour.

OUR FUTURE

Our realignment gives us a radically improved cost structure. In a relatively short time, we're building a new NOTE with a unique, competitive customer offering.

We expect to still be able to increase our new business sales. Current global economic uncertainty means that future sales to existing customers are hard to predict. Through our actions, we assess that we have created capacity to cope with a potential volume downturn of the order of 30% in 2009 while remaining profitable.

From our secure position in the sector, and with our new business model, we are retaining our ambition of increasing our sales growth and profitability in the long term.

Arne Forslund

President and CEO

Sales and profits

SALES, JANUARY-DECEMBER

Sales in the year reduced by 2% to SEK 1,709.5 (1,743.8) m, the reduction attributable to the sharp demand slowdown in the fourth quarter. Extra sales from recently acquired businesses in the UK, China and Järfälla, near Stockholm, amounted to SEK 61.1 m, or 4% of total sales. Thus sales for other units decreased by 6%.

Sales in NOTE's largest customer segment, Industrial, usually feature stability and relatively long product live-cycles. Back at the end of the second quarter this year, NOTE experienced some demand slowdown, mainly from customers in the Swedish engineering sector. Including the demand slowdown in the fourth quarter of the year, in like-for-like terms, sales in the Industrial business segment were down by 9% year on year.

Demand from customers in the Telecom business segment is inherently more unstable over time than some other segments. In the first three quarters of 2008, demand in Telecom was robust, but then slowed significantly in the fourth quarter. However, for the full year, sales were up 2% year on year.

PROFIT, JANUARY-DECEMBER

Costs associated with NOTE's ongoing change process had a negative impact on net profit. In the first three quarters of the year, these costs were some SEK 30 m. The costs relate mainly to staff downsizing in Sweden, costs relating to temporary surplus capacity in new acquisitions—mainly in cost-efficient countries—and a temporary increase to project management capacity for change initiatives.

Against the background of declining industrial demand, in December, NOTE decided to take additional rationalization and savings measures to adapt its cost structure. These measures mean the transfer of more labour-intensive production and sourcing services to NOTE's foreign units in cost-efficient countries in tandem with modifying capacity and cost structures across all business segments. The costs of these measures were fully charged to fourth-quarter profits. In total, costs relating to the realignment of operations amount to some SEK 80 m, or 4.7% of sales, all of which has been charged to net profit.

The majority of these realignment costs had a negative impact on gross profit. Gross margins were 7.2% (12.9%). Adjusted for the extra costs for the change and restructuring measures, gross margins were 11.6% (12.9%). Thus, rationalisation so far and cost-cutting on electronics components and production materials in the year did not fully offset increasing price pressure from international customers, and an altered product mix—an increased share of Telecom, with comparatively lower gross margins than industrial products.

As part of the Nearsourcing initiative, NOTE is migrating skills to more value-added services close to the customer. As part of the initiative to expand and enhance the skills of our sales resources, sales costs increased year on year. But including expenses relating to staff downsizing and newly acquired operations, overheads for the year were approximately unchanged compared to the previous year.

Mainly as a result of the costs of the change package and altered product mix, NOTE posted an operating loss of SEK -3.8 (111.9) m, corresponding to an operating margin of -0.2% (6.4%).

Higher average interest rates over the year and increased net debt, largely relating to newly acquired operations, resulted in a net financial income/expense of SEK -10.6 (-8.1) m.

Due to an increased share of value-added being generated in foreign units and basically all sourcing of electronic components and production materials being denominated in foreign currencies (EUR/USD), NOTE has fairly extensive currency management. With the aim of limiting currency risks, NOTE utilises trading in currency forwards and currency options. As new expedient processes for currency risk management were introduced, during the fourth quarter, NOTE adopted hedge accounting pursuant to IAS 39. This has implications including the estimated market values of forecasted cash flow from currency forward hedges being reported directly to shareholders' equity.

The exchange fluctuations of the EUR and USD were significant, particularly in the second half-year 2008. Other operating income includes positive currency effects of over SEK 5 m. The loss after financial items was SEK -14.4 (103.8) m, equivalent to a profit margin of -0.8% (6.0%).

The loss after tax was SEK -13.1 (78.2) m, or SEK -1.36 (8.13) per share.

SALES AND PROFITS, OCTOBER-DECEMBER

Sales in the fourth quarter were down 10% to SEK 414.5 (458.6) m. Like-for-like sales reduced by 14%.

After fairly positive volume progress early in the period, a sharp demand downturn was apparent in November and December. The volume downturn is attributable to the rapid deterioration of the manufacturing cycle, and several customers reducing inventories. In like-for-like terms, sales to customers in the Industrial business segment were down 15% on the fourth quarter of the previous year. Demand from customers in the Telecom business segment, which made brisk progress in the first three quarters of the year, fell by over 11% from the fourth quarter of the previous year.

Against a background of rapid demand deterioration, NOTE decided on further rationalisation and savings measures to adapt its cost structure to an expected weaker volume growth in 2009. The cost of these measures amounted some SEK 50 m, the majority consisting of costs for terminating staff, which have been fully charged to fourth-quarter profits. As a result of the rationalization package and deteriorating volume growth, NOTE posted a net loss of SEK -11.7 (59.0) m.

The initiative to enhance and upgrade NOTE's sales resources were a contributor to increased sales costs in year-on-year terms. Additionally, costs for downsizing staff resulted in like-for-like overheads being higher than the previous year.

Mainly as a result of weaker market conditions and costs for the restructuring decided in December, operating profit reduced to a loss of SEK -47.9 (28.5) m, equivalent to a profit margin of -11.6% (6.2%).

The loss after financial items was SEK -50.4 (26.6) m, equivalent to a profit margin of -12.2% (5.8%). The loss after tax was SEK -36.6 (21.0) m.

Financial position, cash flow and investments

CASH FLOW

Like other medium-sized companies on the EMS market, NOTE is facing a big challenge in the continued development of its business models, in terms of stock control and logistics. This challenge is particularly clear in rapid demand fluctuations and is mainly associated with the complexity of electronics production and the long lead-times for electronics components.

Thus NOTE is focusing sharply on progressively improving consolidated cash flow. Its primary aim is to enhance efficiency and balance business risks in operations.

The current transfer of production to NOTE's units to cost-efficient countries places additional demands on capital tied-up, for example in the form of increased buffer inventories to ensure high delivery capacity. Considering the long lead-times for electronics components, declining demand in the fourth quarter presented major challenges to adjust inventory levels to match expected lower sales. Nevertheless, NOTE was able to reduce inventories by 2% in the fourth quarter of the year in like-for-like terms. However, the total inventory levels at year-end were 6% higher than one year previously.

Mainly due to lower sales in November and December, accounts receivable at the end of the period were down 21% on the previous year-end. Despite increased market demand for extended credit terms, the average number of outstanding days of credit was largely unchanged since 1 January.

Following large-scale inventory reduction conducted in late 2007, accounts payable—trade have moved to more normal levels. Accordingly, accounts payable—trade increased by over 12% since 1 January.

For the fourth quarter, cash flow after investments was SEK -6.2 (-34.8) m. For the full year, cash flow after investments was SEK 25.1 (-0.5) m, or SEK 2.61 (-0.05) per share.

EQUITY TO ASSETS RATIO

The equity to assets ratio was 31.1% (34.5%) at the end of the year, a reduction of 3.4 percentage points since year-end 2007.

LIQUIDITY

Liquidity was healthy at the end of the year. Available cash equivalents, including unutilised overdraft facilities, were SEK 84.6 (94.4) m.

INVESTMENTS

As a result of NOTE's aggressive focus on Nearsourcing, the rate of investment increased in the year.

Total net investments amounted to SEK 58.1 (48.8) m in the year, corresponding to 3.4% (2.8%) of sales. Investments related largely to an additional purchase price for the IONOTE plant in China (based on achieved profit), the acquisition of Nearsourcing Centres in the UK, Norway and Järfälla, and new IT systems for production and logistics.

Investments in tangible fixed assets were SEK 32.7 (36.8) m. These investments were mainly intended to increase production capacity at the plant in Estonia. Depreciation and amortisation was SEK 32.3 (27.7) m.

Significant events in the year

STRATEGIC CHANGE CONTINUES

As part of realising the Nearsourcing strategy, production capacity in cost-efficient countries was increased in 2007 by starting up joint venture plants in China and Poland. Thus NOTE has accumulated the skills and capacity for future growth, and to transfer more labour-intensive production and sourcing services to units whose cost structure favours customers and NOTE.

Against this background, 200 staff in Sweden were issued with redundancy notices in the first half-year. The notices affected staff at NOTE's operations at Skellefteå, Norrtälje, Skänninge and Lund.

A new, forward-looking organisational structure was implemented in the autumn. Key central management functions were moved close to our business, while creating clear responsibility for sales, production and sourcing. As a result of the measures taken, NOTE expects its employee headcount in Sweden to reduce by some 400, or over 50%. There were 130 staff terminations in Sweden in the year. Essentially, the remaining lay-offs are expected in the first half-year 2009. These measures are part of enhancing efficiency, while simultaneously alleviating the risks and cyclicality of the Swedish operation.

AN ACQUISITION FOR GROWTH IN THE UK

NOTE acquired the operations of Proqual located near Bristol, Gloucestershire, UK in the first quarter. The acquisition brought technically skilled, flexible organisational resources focused on services early in product life-cycles. Sales were SEK 32 m and staffing was reduced by some 15% to 33 at year-end. By bringing in additional know-how, NOTE started its first Nearsourcing Centre in the UK. The customer base this company has accumulated offers healthy growth potential on the UK market. NOTE invested in new surface mounting capacity in the autumn and this operation relocated to contemporary and suitable premises.

ACQUISITION OF SWEDISH MECHANICAL ENGINEERING SERVICES COMPANY

NOTE acquired all the shares of a mechanical engineering production services company in Järfälla outside Stockholm at the end of March. The company has advanced technology equipment and specialist know-how in cutting machining. Its products and associated services are supplied to sectors including the nuclear and telecom industries. This acquisition is a step in improving NOTE's offering to customers by reducing their time to market further. Annualised sales are some SEK 25 m and there are 20 employees. The company's name has been changed to NOTE Components Järfälla AB.

AGM 2008

The AGM in April 2008 authorised the Board of Directors to take decisions on non-cash and set-off issues of shares and the acquisition and transfer of treasury shares, subject to certain conditions. The purpose was to facilitate funding of acquisitions as NOTE rolls out the Nearsourcing business model on new markets. The authorizations were not utilized during the year.

The AGM's other resolutions included appointing Öhrlings PriceWaterhouseCoopers as NOTE's auditor.

ACQUISITION FOR MORE GROWTH IN NORWAY

NOTE acquired all the shares of Norwegian electronics producer Norteam Electronics AS in December. This company focuses on services early in product life-cycles like producing prototypes and small-scale electronics production. Sales are some SEK 60 m and the company has 40 staff. Norteam has established a position on the Norwegian market, and will be run in close collaboration with the Oslo Nearsourcing centre.

MANAGEMENT SKILLS ENHANCEMENT

NOTE's Board and management has largely been replaced in recent years. In tandem with the current restructuring, NOTE has reviewed its current senior executives.

As a result, new Presidents took up positions in subsidiaries in NOTE's Swedish operations at Norrtelje, Skänninge, Lund and Skellefteå and at Tauragé, Lithuania, and at IONOTE, China in the past year. A new management team has also been appointed for the group-wide sourcing entity NOTE Components Gdansk.

NEW SHARE-BASED INCENTIVE SCHEME

In November 2007, in consultation with the Board of Directors, NOTE's main shareholder Catella Kapitalförvaltning decided to issue a maximum of 500,000 call options as part of a new incentive scheme. 50 senior executives are eligible for the scheme. The valuation and sale of these call options is on market terms. Because the scheme is based on currently outstanding shares, the scheme does not imply any dilution of the number of shares. The options have a term of just over three years until August 2011 and the exercise price is SEK 125 per share. Subscription and payment was according to plan early in the year.

DISPUTE IN ARBITRATION RESOLVED

As previously reported, NOTE has been conducting extended discussions with a customer of one of its Swedish subsidiaries regarding the processing of input components in this customer's product. With the backing of several external advisers, NOTE contested all the claims in this case. However, in late-2007, the customer invoked arbitration of this dispute at the Stockholm Chamber of Commerce Arbitration Institute.
The outcome of the arbitration process was announced in December 2008, and was fully in NOTE's favour. This dispute is now concluded.

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 64.9 (34.9) m and primarily related to intra-group services. The loss after financial items was SEK -5.7 (-13.8) m.

TRANSACTIONS WITH RELATED PARTIES

As in the previous year, transactions with related parties were at a fairly low level.

Significant operational risks

NOTE is a services company active in production and logistics relating to electronics products. NOTE's role involves it serving as a collaboration partner to its customers, although not a product owner.

The electronics manufacturing services (EMS) market is relatively young and usually considered fairly cyclical. Very few, if any, of the somewhat larger traditional EMS corporations have succeeded in maintaining good profitability over a business cycle, a fact that has played an important role in NOTE's choice of future strategy. NOTE's forward-looking emphasis on Nearsourcing, intended to promote the combination of sales growth with low investment costs and overheads in high-cost countries, is one way of reducing its operational risks.

For a more detailed review of the risks in NOTE's operations, the reader is referred to the Report of the Directors in NOTE's Annual Report for 2007.

Dividends

NOTE's view is that the growth and profitability potential of its investment in Nearsourcing are significant. Against the background of NOTE's ongoing realignment and unpredictable future demand, the Board of Directors is proposing to the AGM that no dividends are paid for the financial year 2008. In the previous year, dividends were SEK 2.75 per share, or SEK 26.5 m.

The Board of Directors

NOTE AB (publ)

Danderyd, Sweden, 10 February 2009

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 33-36 of the Annual Report for 2007.

New or revised IFRS that have come into force after 31 December 2007 have not exerted any significant effect on the Consolidated Income Statement and Balance Sheet. During the fourth quarter of 2008, NOTE adopted hedge accounting pursuant to IAS 39.

The Consolidated Financial Statement has been prepared pursuant to IAS 34, Interim Financial Reporting and the Swedish Annual Accounts Act. The parent company observes RFR 2.1 issued by the Swedish Financial Reporting Board. All amounts are in SEK m (millions of Swedish kronor) unless otherwise indicated.

FOR MORE INFORMATION, PLEASE CONTACT

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FORTHCOMING FINANCIAL REPORTS

The Interim Report for the first quarter 2009 will be published on 21 April 2009.

ANNUAL GENERAL MEETING

The AGM will be held at Salénhuset, in Stockholm, Sweden, at 11:00 a.m. on 21 April 2009.

ANNUAL REPORT

The complete Annual Report for 2008 will be published on NOTE's website www.note.eu on 7 April 2009.

NOTE in brief

NOTE is one of the Nordic region's leaders in manufacturing and logistics services for electronics-based products. NOTE is active on the EMS (electronics manufacturing services) market and offers electronics production services right through the value chain, from development and production to after-sales. Its customers are mainly in the Nordic region and the UK.

A process to transform NOTE from a contract manufacturer to services provider began in 2006. Its new, unique concept—Nearsourcing—was developed and tailored to meet customer needs to get their products on the market fast. The aim is to increase growth and profitability while reducing the risks of operations. The model has three main elements:

- *Nearsourcing Centres* close to customers, where cost-efficient development work is conducted close to the customer geographically, reducing time to market, the time from idea to the product reaching the final market.

- *Implementation of the NOTEfied preferred parts database* that supports development and sourcing processes. The database has functionality including direct links to customers' design systems, and includes technical and commercial data, helping increase efficiency and cut product development lead-times.
  With a new PLM (Product Life-cycle Management) tool, NOTE has created a platform for effective documentation and accounting management. The PLM tool is linked to the preferred parts database, and thus always maintains updated information on component lifetimes.
  NOTE Components is responsible for the database and strategic sourcing work for the group. NOTE sources components at competitive prices through highly developed sourcing functions in northern Europe, central Europe and Asia.

- *Volume production in cost-efficient countries*

NOTE has production plants in Sweden, Norway, Finland, the UK, Estonia, Lithuania Poland and China. Participation in the multinational ems-ALLIANCE enables NOTE to offer its customers other alternatives for cost-efficient production close to the market.
NOTE has a total of some 1,200 employees and sales of some SEK 1.7 bn. The NOTE share is listed on NASDAQ OMX Nordic Exchange Stockholm in the Small Cap segment and Information Technology sector.

Consolidated Income Statement

	2008 Q4	2007 Q4	2008 Full yr.	2007 Full yr.
SALES	**414.5**	458.6	**1,709.5**	1,743.8
COST OF GOODS AND SERVICES SOLD	**-426.2**	-399.6	**-1,586.5**	-1,519.2
GROSS PROFIT	**-11.7**	**59.0**	**123.0**	**224.6**
SALES COSTS	**-18.0**	-11.0	**-56.8**	-42.5
ADMINISTRATIVE COSTS	**-22.6**	-18.8	**-75.7**	-69.7
OTHER OPERATING INCOME/COSTS	**4.4**	-0.7	**5.7**	-0.5
OPERATING PROFIT	**-47.9**	**28.5**	**-3.8**	**111.9**
NET FINANCIAL INCOME/EXPENSE	**-2.5**	-1.9	**-10.6**	-8.1
PROFIT AFTER FINANCIAL ITEMS	**-50.4**	**26.6**	**-14.4**	**103.8**
TAX	**13.8**	-5.6	**1.3**	-25.6
PROFIT AFTER TAX	**-36.6**	**21.0**	**-13.1**	**78.2**

Consolidated key ratios

	2008 Q4	2007 Q4	2008 Full yr.	2007 Full yr.
DATA PER SHARE*				
NUMBER OF OUTSTANDING SHARES (000)	**9,624**	9,624	**9,624**	9,624
EARNINGS PER SHARE, SEK	**-3.80**	2.18	**-1.36**	8.13
EQUITY PER SHARE, SEK	**30.64**	34.02	**30.64**	34.02
CASH FLOW PER SHARE, SEK	**-0.64**	-3.61	**2.61**	-0.05
OTHER KEY RATIOS				
GROSS MARGIN	**-2.8%**	12.9%	**7.2%**	12.9%
OPERATING MARGIN	**-11.6%**	6.2%	**-0.2%**	6.4%
PROFIT MARGIN	**-12.2%**	5.8%	**-0.8%**	6.0%
RETURN ON OPERATING CAPITAL	**-**	-	**-0.7%**	21.4%
RETURN ON EQUITY	**-**	-	**-4.2%**	26.3%
EQUITY TO ASSETS RATIO, END OF YEAR	**31.1%**	34.5%	**31.1%**	34.5%
AVERAGE NUMBER OF EMPLOYEES	**1,185**	1,188	**1,201**	1,171
SALES PER EMPLOYEE, SEK 000	**350**	386	**1,423**	1,489

** DATA PER SHARE IS CALCULATED ON THE BASIS OF THE ACTUAL NUMBER OF OUTSTANDING SHARES. THE AGM 2006 RESOLVED ON THE ISSUE OF WARRANTS CORRESPONDING TO 200,000 SHARES, IMPLYING A MAXIMUM DILUTION EFFECT OF 2%. THE EXERCISE PRICE OF THE OPTIONS IS SEK 92.89 PER SHARE.*

Consolidated quarterly summary

	2008 Q4	2008 Q3	2008 Q2	2008 Q1	2007 Q4	2007 Q3	2007 Q2	2007 Q1
SALES	**414.5**	398.5	469.2	427.3	458.6	389.9	470.2	425.0
GROSS PROFIT	**-11.7**	44.3	48.9	41.6	59.0	51.4	61.0	53.3
OPERATING PROFIT	**-47.9**	14.2	16.2	13.8	28.5	28.1	30.5	24.8
PROFIT AFTER FINANCIAL ITEMS	**-50.4**	12.0	12.5	11.5	26.6	25.7	28.5	23.0
PROFIT AFTER TAX	**-36.6**	7.7	8.2	7.5	21.0	18.9	22.4	16.0
CASH FLOW	**-6.2**	1.9	5.4	24.0	-34.8	-39.1	27.8	45.6
EARNINGS PER SHARE, SEK	**-3.80**	0.80	0.85	0.78	2.18	1.96	2.32	1.66
CASH FLOW PER SHARE, SEK	**-0.64**	0.20	0.56	2.49	-3.61	-4.06	2.89	4.74
PROFIT MARGIN	**-12.2%**	3.0%	2.7%	2.7%	5.8%	6.6%	6.1%	5.4%
EQUITY TO ASSETS RATIO	**31.1%**	33.7%	32.2%	35.2%	34.5%	33.2%	31.8%	32.7%

Consolidated Balance Sheet

	2008 31 Dec	2007 31 Dec
ASSETS		
GOODWILL	**67.1**	57.7
OTHER INTANGIBLE FIXED ASSETS	**9.2**	2.8
TANGIBLE FIXED ASSETS	**141.9**	131.2
DEFERRED TAX ASSET	**24.0**	7.4
OTHER FINANCIAL FIXED ASSETS	**4.9**	1.5
FIXED ASSETS	**247.1**	**200.6**
STOCK	**342.9**	324.6
ACCOUNTS RECEIVABLE	**272.7**	347.0
OTHER CURRENT RECEIVABLES	**49.7**	37.4
CASH EQUIVALENTS	**35.9**	38.5
CURRENT ASSETS	**701.2**	**747.5**
TOTAL ASSETS	**948.3**	**948.1**
EQUITY AND LIABILITIES		
EQUITY	**294.9**	327.4
LONG-TERM INTEREST-BEARING LIABILITIES	**66.7**	108.4
DEFERRED TAX LIABILITY	**19.6**	20.0
OTHER LONG-TERM PROVISIONS	**12.1**	11.7
LONG-TERM LIABILITIES	**98.4**	**140.1**
CURRENT INTEREST-BEARING LIABILITIES	**209.0**	165.4
ACCOUNTS PAYABLE—TRADE	**208.6**	186.0
OTHER CURRENT LIABILITIES	**96.2**	116.9
SHORT-TERM PROVISIONS	**41.2**	12.3
CURRENT LIABILITIES	**555.0**	**480.6**
TOTAL EQUITY AND LIABILITIES	**948.3**	**948.1**

Consolidated change in equity

	2008 Q4	2007 Q4	2008 Full yr.	2007 Full yr.
OPENING EQUITY	**327.6**	304.8	**327.4**	268.1
PROFIT AFTER TAX FOR THE YEAR	**-36.6**	21.0	**-13.1**	78.2
TRANSLATION DIFFERENCE	**3.7**	1.6	**6.9**	2.7
CASH FLOW HEDGES	**0.3**	-	**0.3**	-
DIVIDENDS PAID	**-**	-	**-26.5**	-21.7
PAYMENT, WARRANTS	**-0.1**	0.0	**-0.1**	0.1
CLOSING EQUITY	**294.9**	**327.4**	**294.9**	**327.4**

Consolidated cash flow

	2008 Q4	2007 Q4	2008 Full yr.	2007 Full yr.
PROFIT AFTER FINANCIAL ITEMS	**-50.4**	26.6	**-14.4**	103.8
REVERSED DEPRECIATION AND AMORTISATION	**7.9**	6.3	**32.3**	27.7
OTHER NON-CASH ITEMS	**35.7**	6.4	**35.7**	3.9
TAX PAID	**-1.7**	-12.7	**-25.8**	-24.3
CHANGE IN WORKING CAPITAL	**16.7**	-44.2	**55.4**	-62.8
INVESTMENT BUSINESS	**-14.4**	-17.2	**-58.1**	-48.8
CASH FLOW	**-6.2**	**-34.8**	**25.1**	**-0.5**
CASH EQUIVALENTS				
AT THE START OF THE YEAR	**41.6**	22.0	**38.5**	18.8
CASH FLOW	**-6.2**	-34.8	**25.1**	-0.5
FINANCING ACTIVITIES	**-1.0**	51.0	**-30.1**	19.8
EXCHANGE RATE DIFFERENCE IN CASH EQUIVALENTS	**1.5**	0.3	**2.4**	0.4
CASH EQUIVALENTS AT END OF YEAR	**35.9**	38.5	**35.9**	38.5
UNUSED CREDITS	**48.7**	55.9	**48.7**	55.9
AVAILABLE CASH EQUIVALENTS	**84.6**	**94.4**	**84.6**	**94.4**

Consolidated six-year summary

	2008	2007	2006	2005	2004	2003
SALES	**1,709.5**	1,743.8	1,741.5	1,504.1	1,103.1	859.2
GROSS PROFIT	**123.0**	224.6	206.5	54.2	126.0	94.1
OPERATING PROFIT	**-3.8**	111.9	103.6	-64.3	29.3	74.4
PROFIT AFTER FINANCIAL ITEMS	**-14.4**	103.8	96.2	-73.1	19.5	63.0
PROFIT AFTER TAX	**-13.1**	78.2	68.6	-55.7	13.6	44.2
CASH FLOW	**25.1**	-0.5	24.8	-9.7	-14.4	-63.6
EARNINGS PER SHARE, SEK	**-1.36**	8.13	7.13	-5.78	1.50	5.41
CASH FLOW PER SHARE, SEK	**2.61**	-0.05	2.58	-1.01	-1.60	-7.79
PROFIT MARGIN	**-0.8%**	6.0%	5.5%	-4.9%	1.8%	7.3%
RETURN ON OPERATING CAPITAL	**-0.7%**	21.4%	22.5%	-14.3%	6.6%	21.0%
RETURN ON EQUITY	**-4.2%**	26.3%	29.0%	-23.7%	6.6%	37.0%
EQUITY TO ASSETS RATIO	**31.1%**	34.5%	30.2%	25.3%	36.1%	22.0%
AVERAGE NUMBER EMPLOYEES	**1,201**	1,171	1,127	1,097	887	681

2004-2008 ACCORDING TO IFRS; 2003 ACCORDING TO SWEDISH GAAP.

Parent Company Income Statement

	2008 Q4	2007 Q4	2008 Full yr.	2007 Full yr.
NET SALES	**29.1**	8.0	**64.9**	34.9
COST OF GOODS SOLD	**-15.5**	-2.5	**-30.9**	-10.4
GROSS PROFIT	**13.6**	**5.5**	**34.0**	**24.5**
SALES COSTS	**-8.1**	-6.6	**-22.9**	-19.1
ADMINISTRATIVE COSTS	**-8.8**	-5.9	**-26.5**	-22.9
OTHER OPERATING INCOME/COSTS	**1.3**	0.0	**1.2**	-0.1
OPERATING PROFIT	**-2.0**	**-7.0**	**-14.2**	**-17.6**
PROFIT FROM PARTICIPATIONS IN GROUP COMPANIES	**5.1**	-	**5.1**	-
INTEREST INCOME, ETC.	**5.7**	1.6	**15.7**	6.5
INTEREST COSTS, ETC.	**-2.8**	-0.6	**-12.3**	-2.7
PROFIT AFTER NET FINANCIAL ITEMS	**6.0**	**-6.0**	**-5.7**	**-13.8**
APPROPRIATIONS	**-15.5**	-22.4	**-15.5**	-22.4
PROFIT BEFORE TAX	**-9.5**	**-28.4**	**-21.2**	**-36.2**
TAX	**3.7**	7.8	**7.0**	9.9
PROFIT AFTER TAX	**-5.8**	**-20.6**	**-14.2**	**-26.3**

Parent Company Balance Sheet

	2008 31 Dec	2007 31 Dec
ASSETS		
INTANGIBLE FIXED ASSETS	**3.8**	-
TANGIBLE FIXED ASSETS	**2.6**	0.2
PARTICIPATIONS IN GROUP COMPANIES	**201.4**	174.3
PARTICIPATIONS IN JOINT VENTURES	**37.7**	18.6
RECEIVABLES FROM GROUP COMPANIES	**44.8**	188.6
RECEIVABLES FROM JOINT VENTURES	**9.1**	2.5
FIXED ASSETS	**299.4**	**384.2**
ACCOUNTS RECEIVABLE	**-**	0.0
RECEIVABLES ON GROUP COMPANIES	**276.5**	177.0
OTHER CURRENT RECEIVABLES	**2.4**	7.7
PREPAID EXPENSES AND ACCRUED INCOME	**0.3**	2.6
CASH EQUIVALENTS	**13.0**	7.6
CURRENT ASSETS	**292.2**	**194.9**
TOTAL ASSETS	**591.6**	**579.1**
EQUITY AND LIABILITIES		
SHARE CAPITAL	**4.8**	4.8
STATUTORY RESERVE	**148.2**	148.2
ACCUMULATED PROFIT	**121.2**	122.1
PROFIT FOR THE YEAR	**-14.2**	-26.3
EQUITY	**260.0**	**248.8**
UNTAXED RESERVES	**48.1**	**32.6**
LIABILITIES TO CREDIT INSTITUTIONS	**35.0**	82.3
LIABILITIES TO GROUP COMPANIES	**6.5**	6.9
LONG-TERM LIABILITIES	**41.5**	**89.2**
LIABILITIES TO CREDIT INSTITUTIONS	**179.1**	140.9
ACCOUNTS PAYABLE	**1.2**	1.1
LIABILITIES TO GROUP COMPANIES	**48.8**	34.6
TAX LIABILITIES	**1.3**	17.0
OTHER CURRENT LIABILITIES	**1.4**	0.6
ACCRUED EXPENSES AND DEFERRED INCOME	**10.2**	6.3
OTHER SHORT-TERM PROVISIONS	**-**	8.0
CURRENT LIABILITIES	**242.0**	**208.5**
TOTAL EQUITY AND LIABILITIES	**591.6**	**579.1**