

HL Display

Interim report January-June 2010

Net sales for January – June amounted to MSEK 834 (696). Excluding newly acquired units and currency effects, net sales increased 4 percent compared to the first half year 2009.

Operating profit was MSEK 50 (38), whereof newly acquired units contributed with MSEK 13. Profit before tax amounted to MSEK 49 (38) and net profit was MSEK 34 (27).

Net sales during the second quarter of 2010 increased by 25 percent to MSEK 429 (343). Excluding newly acquired units and currency effects, net sales in the second quarter increased by 8 percent. Operating profit amounted to MSEK 22 (21), and profit before tax amounted to MSEK 22 (20). Net profit was reported as MSEK 15 (15).

EBITA-margin for the first half year was 6.1 (5.5) percent. EBITA-margin for the second quarter amounted to 5.3 (6.0) percent.

Earnings per share after dilution amounted to SEK 1.11 (0.88) for the first six months of the year.

On the 2 June 2010 Ratos announced a public offer to the shareholders in HL Display to tender all outstanding shares in HL Display for SEK 49 per share.

GROWTH TREND AFTER CHALLENGING START TO THE YEAR

The early part of 2010 continued to present challenges in the field of sales. Towards the end of the first six months, however, developments have been more positive, with a growth trend in sales. There has been an improvement in underlying profits, not least thanks to targeted work on operating expenses in the company.

During the second quarter we saw more positive signs coming from most sales companies all around the world. This was also reflected in the sales figures for the last few months of the first half of the year, which indicate clear growth in many markets. These are positive signs following what was otherwise a very challenging start to 2010, with sales falling well short of our expectations.

All in all, sales during the first half of the year are in line with the same period last year, if we exclude the acquired business in PPE. Like the rest of HL Display, PPE sales have been affected by a slow market in the first quarter. In the second quarter the situation has improved, but sales for the first half of the year are nevertheless below our expectations.

Improved operating profit

During the first half of the year the operating profit improved, which however was neutralised by currency effects. The operating profit for HL Display excluding PPE fell by 3 percent. Excluding currency effects, that operating profit instead improved by 19 percent. Of the total operating profit of MSEK 50, which corresponds to an EBITA margin of 6.1 per cent, the acquired business in PPE contributed MSEK 13. This improvement in profits is largely the result of the measures we undertook in 2009 to adapt the business to lower sales volumes. This involved, among other things, a reduction in the number of people employed in sales companies all around the world and in the factories. During the first half of the year the company continued to keep a close eye on operating expenses, which led to these being reduced by MSEK 15 compared to the previous year.

Sales growth in prioritised customer segments

If we take a more detailed look at sales to our prioritised customer segments – food retail, non-food retail and brand manufacturers – we can confirm that all segments continued to be cautious in their investments during the first quarter. There were, however, signs of an improvement during the last months of the second quarter, when sales to all prioritised segments reported growth compared with

During the second quarter activity levels among customers started to rise, after having been very guarded, which means that we are experiencing a positive sales trend in most regions.



the previous year. Non-food retail was the segment that was most affected by the market climate last year. By contrast, during the first half of the year it was non-food retail that recorded the highest growth in sales.

The prevailing recession of recent years has affected all geographical markets where the company has its business, albeit to varying degrees. During the second quarter activity levels among customers started to rise, after having been very guarded, which means that we are experiencing a positive sales trend in most regions. The Central and Eastern Europe Region was particularly hard hit by the recession. In that region we can now see the first signs of stabilisation and recovery, with growth in sales of no less than 29 per cent during the first six months.

Integration work continues according to plan

One of the most important projects in the company right now is the integration of UK company PPE, in order to make use as quickly as possible of the knowledge and expertise that exist in the field of customised display solutions for brand manufacturers. Integration work is proceeding according to the plan we drew up in connection with the acquisition. I am positive about what we have achieved so far, but at the same time I can confirm that a great deal of time-consuming work is still to be done. As a part of the integration process, we have merged HL Display's UK sales company and PPE to create one unit, which means that the two companies' sales organisations and warehousing are fully integrated. Once the first parts of the integration process have been completed, we will gradually be phasing PPE's product range into the company's global range.

Restructuring in production

During the first half of the year we have undertaken restructuring measures in order to further improve the competitiveness. We are building a new production facility in Poland, which will take over labour-intensive parts of the production that is currently based in Karlskoga. This move will take place in stages and be completed during the second quarter of 2011. The automated production in Karlskoga will be transferred to the factory in Sundsvall and the Karlskoga factory will be closed down. All in all, this will result in much more efficient resource utilisation.

Following the acquisition of PPE, HL Display has also closed down its manufacturing unit in Shipley and transferred the production to PPE's factory in Harlow, England.

New launches during the year

Our expressed strategy has been to retain levels of investment in product development despite the recession of recent years, not least in order to benefit from the high number of exciting opportunities that exist in the area we refer to as new technology. We started this initiative last year with the launch of PowerTrack™ and Ad'Lite™, our solutions for power supply and atmospheric lighting on shop shelves. At present we are working on a number of projects relating to digital signage in shops. These include test

installations being tried out together with a leading food retail chain. We have also supplied a digital signage solution to shops in the Nordic region's leading health food chain, Life.

In June, HL Display launched 3eBins, one of HL Display's biggest development initiatives. 3eBins is a series of merchandising solutions developed in-house for goods sold loose, such as nuts and grain. HL Display previously offered a solution produced externally. During this period we have been able to confirm that there is high demand for these products and interest is increasing, primarily in Europe. With our own new solutions we will offer products with improved functionality for the European market and take full advantage of the growing interest in these types of products.

Future developments

As I mentioned at the beginning of this report, we are starting to see some slightly more positive signs among our sales companies, which are signs that we are seeing the beginning of a recovery. After the first quarter we reached the conclusion that 2010 will probably be an intermediate year for HL Display, a conclusion that still holds true. It is not a real year of crisis, but the company is quite a long way away from the sales volumes that were being achieved before the recession.

It is, however, pleasing to confirm that the work undertaken to rationalise the business has been successful. It has made possible a satisfactory profit development despite the absence of growth in sales. Above all, it lays the foundations for a good lever effect when growth returns.

And it is growth in particular that HL Display is seeking at present. This will of course be affected by how the economic situation develops in future. At the same time, we have taken care to analyse how we can improve our own sales work and strengthen our sales force. This has resulted in a number of measures that are now being implemented. The aim is to ensure that we are well equipped to seize the opportunities when the economy recovers once more.

Nacka Strand, July 2010

Gérard Dubuy,
MD and CEO

INTERIM REPORT

Net sales and profit for the first half year 2010

The Group's net sales amounted to MSEK 834 (696) for the first six months 2010, representing an increase of 20 percent compared to the same period 2009. For HL Display excluding PPE, net sales were on par with the first half year 2009. Adjusted for currency effects net sales increased by 4 percent.

Fluctuation in the value of the SEK vis-à-vis the trading currencies as a whole has affected net sales negatively by MSEK 33 in comparison to last year.

The operating profit for the period amounted to MSEK 50 (38) whereof MSEK 13 was contributed from PPE. The profit before tax amounted to MSEK 49 (38).

Fluctuation in value of the SEK compared to last year has had a negative effect of MSEK 8.2 on the operating profit (see table on page 6). Financial net for the period amounted to MSEK -0.7 (-0.3) of which net interest represented MSEK -4.4 (-0.4) and exchange rate effects MSEK 3.7 (0.2). Apart from SEK, HL Display's most important trading currencies are the euro, the British pound, the Russian ruble and the Norwegian krona.

The gross margin has decreased from 49 percent to 45 percent, primarily due to the fact that the gross margin for PPE is lower than that for the rest of HL Display. Operating expenses (excluding freight), have for HL Display, excluding PPE, decreased by MSEK 15 or 6 percent in comparison to last year. Adjusted in regard to currency fluctuations, operating expenses have decreased by 2 percent. See table P/L analysis on page 7.

Net sales and result for the second quarter 2010

Net sales for the Group amounted to MSEK 429 (343) for the second quarter, representing an increase of 25 percent compared to the same period in 2009. For HL Display excluding PPE, net sales increased by 3 percent. Adjusted for currency effects net sales increased by 8 percent. Operating profit for the second quarter amounted to MSEK 22 (21), whereof PPE contributed with 9 MSEK. Profit before tax amounted to MSEK 22 (20). The operating profit for the second quarter has been charged with one-off items amounting to MSEK -3.3 net. Financial net for the second quarter amounted to

MSEK 0.1 (0,0) whereof interest net amounted to MSEK -0,9 (-0,4), and exchange rate effects to MSEK 1,0 (0,0).

Restructuring of production

In a press release on April 23 HL Display announced that the company is restructuring its production. A new production unit will be established in Poland and the factories in Karlskoga (Sweden) and Shipley (UK) are being closed down. Estimated one-off cost during 2010 amounts to around MSEK 13. Out of these 6.8 has been charged to profits for the first half year 2010.

Market development

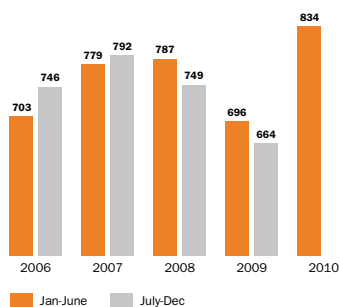
Demand for HL Display's products and solutions is largely affected by the performance of the retail trade, both at global and regional level. When the retail trade is doing well, demand for HL Display's products and solutions tends to rise, and vice versa.

According to figures from Eurostat, the Statistical Office of the European Communities, the retail trade is showing sales growth during May compared with the same month the previous year. The total volume of retail trade in the EU-area (EU27) increased by 0.5 percent. The increase within the non-food retail segment was 1.9 percent during the same period. However, it is not possible to see a trend in European retail trade based on Eurostat's figures. Compared with the same months 2009, the figures show decreases in January and April, while February remained unchanged. In March and May, the volume of total retail trade increased somewhat.

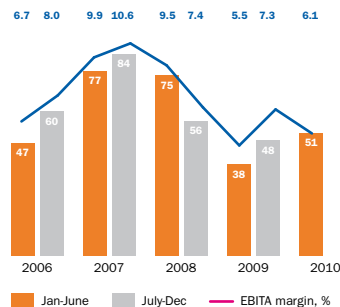
There are on the other hand more clearly defined trends with regards to individual countries and regions. In HL Display's biggest market, France, the retail trade development has been positive during the entire first half of the year. The same is true for Norway and Sweden, HL Display's most important markets in the Nordic region. The UK market showed a decrease in January, but has since then had a positive development.

In some countries, the negative development has continued according to Eurostat figures. The volume of retail trade in the Baltic countries for example, is significantly down compared with the same months the previous year.

Net sales by half year MSEK



EBITA by half year MSEK



Price of crude PVC EURO/TONNE



The statistics related to the retail trade developments, to a great extent corresponds to HL Display's own observations. The market for HL Display's products and solutions has, in general, been characterised by customers having a continued cautious attitude towards investments during most of the first half of the year. This has been most evident in the food retail segment. During the latter part of the second quarter, a break in the trend has been evident within all of HL Display's customer segments, leading to increased activity and an increased willingness to invest.

Sales by geographical segment

Sales in Central/Eastern Europe region, primarily Russia, has during the first half year of 2010 shown a stable increase of 29 percent compared to previous year. Also in the UK a clear improvement can be observed, with an increase of 11 percent. The other regions where affected later by the crisis and are continually reporting decreases; although less significant than previously. (For an analysis of the sales development per region, see table on page 8, and for a definition of the company's regions, see note 7.)

Seasonal effects

HL Display is normally affected by seasonal variations, with lower sales in December and January. This is due to customers, who are primarily retailers, not planning for changes during the Christmas shopping period.

Investments

During the first half of the year, net investments in non-current assets amounted to MSEK 21 (12). Scheduled depreciation amounted to MSEK 21 (20). During the second quarter, net investments in non-current assets amounted to MSEK 12 (5). Scheduled depreciation for the same period amounted to MSEK 11 (10).

Cash flow and financial position

Cash flow during the first half year amounted to MSEK -66 (-21). Dividend decided upon amounting to MSEK 43 (43) has been paid during the second quarter. Cash flow from operating activities was MSEK 22 (39). The effect of improved operating profit was counteracted by increased trade receivables as a result of higher invoicing.

Cash flow during the second quarter amounted to MSEK -28 (-27), whereof cash flow from operating activities was MSEK 28 (29).

Operative cash flow (for definition see note 3) for the first six months amounted to MSEK 21 (55) Operating cash flow per share amounted to SEK 0.69 (1.77) for the first six months and during the second quarter to SEK 0.89 (0.99).

Cash and cash equivalents amounted to MSEK 148 (202) as of 30 June 2010, at the beginning of the year MSEK 213. Interest-bearing net debt amounted to MSEK 187 (last year net receivable of MSEK 101).

The equity ratio as per the end of the reporting period amounted to 43.3 (60.6) percent.

Employees

The average number of employees during the period was 1 115 (939). The number of employees at June 30 2010 was 1,117 (920) and 1,114 at the beginning of the year. Excluding PPE the number of employees at the end of the period was 831.

Information about risks and uncertainty factors

Variations in raw material prices and exchange rate differences

constitute uncertainty factors, but not significant risks. For a closer description of the risks and uncertainty factors facing HL Display, please see the risk and sensitivity analysis on page 36 of the Annual Report for 2009.

Parent Company

The Parent Company's profit after financial items for 2010 amounted to MSEK 17 (19). No significant changes have been noted in the income statement or balance sheet. For the Parent Company's contingent liabilities, see note 9.

Dividends, AGM and new Chairman of the Board

The Board's proposal of dividend for 2009 amounting to SEK 1.38 (1.38) per share was resolved at the AGM held April 22, 2010. For information about further decisions, reference is made to a separate press release available on the Company's website. The elected Chairman Anders Remius has resigned from the Board on July 19. The Board has today appointed Stig Karlsson to become Chairman from that date.

Related party transactions

There were no related party transactions during 2010.

Legal dispute

The dispute that has been ongoing with the American partner in the company's two joint ventures – Trion Industries – is approaching an end. An American court has in July decided that the Joint venture shall be dissolved in accordance to the request from HL Display. No negative effect on the Company's profit is expected in relation to the execution of the verdict. The reported closing of the books has been affected by a positive one-off of MSEK 3.5 due to the release of a provision from 2009.

Public offer for HL Display

Ratos has entered into an agreement to acquire all shares in HL Display owned by the Remius family As per 30 June the Acquisition had not been completed as clearance from relevant competition authorities had not yet been received. On June 2 Ratos announced a public offer to the shareholders in HL Display to tender all their outstanding shares in HL Display for SEK 49 per share.

Significant events further to the balance sheet date

After the end of the reporting period, the Company's Swedish joint venture, HL Trion, has been sold to a subcontractor without significant effect on profits. In a press release from July 5, the Board of HL Display recommended the shareholders to accept Ratos' offer to acquire all shares at SEK 49 per share.

No significant events after the balance sheet date with effect on the book closing have occurred in the Parent Company.

Outlook for 2010

The Board's view remains that the market is beginning to stabilize, however still acknowledging that there is large uncertainty concerning the development for the remainder of the year.

The Board maintains its estimate that HL Display's net sales and profit will increase in 2010. The estimate is based on the positive contribution expected from the acquisition of PPE and the implemented cost efficiency improvements.

Summary of consolidated income statement ¹⁾

SEK (000s)	Apr-Jun 2010	Apr-Jun 2009	Jan-Jun 2010	Jan-Jun 2009	Jan-Dec 2009
Net Sales	428,745	342,842	834,302	696,183	1,360,416
Cost of goods sold/services sold	-242,638	-175,588	-459,886	-357,726	-693,151
Gross profit/loss	186,107	167,254	374,416	338,457	667,265
Selling expenses	-117,438	-109,894	-232,767	-221,855	-425,245
Administrative expenses	-35,763	-28,534	-72,897	-63,976	-123,460
Research and development expenses	-6,639	-7,013	-14,535	-13,872	-26,984
Other operating income/expenses	-4,162	-1,124	-4,373	-564	-5,361
Operating profit/loss	22,105	20,689	49,844	38,190	86,215
Financial net ²⁾	131	-410	-730	-264	-2,072
Profit/loss before taxes	22,236	20,279	49,114	37,926	84,143
Income tax expense	-7,209	-5,678	-14,734	-10,619	-25,935
Profit/loss for the period	15,027	14,601	34,380	27,307	58,208
Attributable to:					
The parent company's shareholders	15,027	14,601	34,380	27,307	58,208
Net profit/loss for the period	15,027	14,601	34,380	27,307	58,208
Earnings per share ³⁾					
before dilution, SEK	0.49	0.47	1.11	0.88	1.88
after dilution, SEK	0.48	0.47	1.11	0.88	1.88

Condensed consolidated statement of recognised income and expense for the Group ¹⁾

SEK (000s)	Apr-Jun 2010	Apr-Jun 2009	Jan-Jun 2010	Jan-Jun 2009	Jan-Dec 2009
Profit/loss for the period	15,027	14,601	34,380	27,307	58,208
Recognised income and expense directly in equity					
Exchange differences of the period ⁸⁾	4,077	-3,477	-6,770	2,130	-14,998
Gains on cash flow hedges	-1,869	2,443	-1,556	9,158	11,486
Net income recognised directly in equity	2,138	-1,034	-8,326	11,288	-3,512
Total recognised income and expense for the period	17,165	13,567	26,054	38,595	54,696
Attributable to:					
Equity holders of the parent	17,165	13,567	26,054	38,595	54,696
Total recognised income and expense for the period	17,165	13,567	26,054	38,595	54,696

Currency's effect on operating profit before taxes

	2010 Apr-Jun	2010 Jan-Jun
(as compared to average exchange rate same period in 2009, MSEK)		
Net sales	-20.1	-33.2
Cost Goods/Services sold & freight	7.8	16.3
Selling and marketing expenses	4.3	8.6
Administrative expenses	1.1	2.3
Development expenses	0.1	0.2
Other operating income/expenses	0.0	-2.4
Total effect on operating profit	-6.8	-8.2

P/L analysis HL Display excluding PPE

SEK (000s)	HL Display	PPE	Group total	Change HL Display excl. PPE	
	Jan-Jun 2010	Jan-Jun 2010	Jan-Jun 2010	Change Reported currency, %	Change Local currency, %
		Reported currency			
Net Sales	693	141	834	-0.5	4.3
Cost of goods sold/services sold	-364	-96	-460	1.8	6.0
Gross profit/loss	329	46	374	-2.8	2.6
Operating expenses excluding freight	-245	-30	-275	-5.8	-1.6
Operating profit/loss	37	13	50	-2.9	18.7
Amortisations on group surplus values	1	0	1		
EBITA-margin, %	5.5	9.0	6.1		

Summary of consolidated balance sheet

SEK (000s)	30 Jun 2010	30 Jun 2009	31 Dec 2009
Intangible assets ⁵⁾	242,612	41,415	243,612
Property, plant and equipment	226,736	132,510	223,469
Financial assets	23,586	20,664	20,887
Total non-current assets	492,934	194,589	487,968
Inventories	180,201	169,716	179,718
Current receivables	413,455	316,431	360,520
Cash and cash equivalents	147,570	201,594	213,427
Total current assets	741,226	687,741	753,665
Total assets	1,234,160	882,330	1,241,633
Equity	534,473	535,013	551,115
Non-current liabilities	301,985	90,214	315,528
Current liabilities	397,702	257,103	374,990
Total equity and liabilities	1,234,160	882,330	1,241,633

Summary of consolidated cash flow statement

SEK (000s)	Apr-Jun 2010	Apr-Jun 2009	Jan-Jun 2010	Jan-Jun 2009	Jan-Dec 2009
Operating profit/loss	22,105	20,691	49,844	38,191	86,215
Depreciation	10,541	10,347	21,264	19,657	35,580
Other items not affecting cash flow	-2,735	-1,171	1,850	1,993	4,940
Interest received	1,443	311	2,202	1,557	3,072
Interest paid	-2,897	-873	-6,862	-2,211	-4,508
Income tax paid	-10,137	-7,066	-14,999	-27,377	-35,683
Change in working capital	9,634	6,970	-30,903	6,741	36,305
Cash flow from operating activities	27,954	29,209	22,396	38,551	125,921
Investing activities	-11,904	-8,410	-20,821	-17,937	-289,913
– whereof acquisition of subsidiary, net	–	–	–	-4,006	-265,547
Financing activities	-44,360	-48,292	-67,545	-41,604	159,207
Net Cash flow for the year	-28,310	-27,493	-65,970	-20,990	-4,785
Cash and cash equivalents at beginning of the period	171,734	229,019	213,427	220,773	220,773
Foreign exchange difference in cash and bank balances	4,146	68	113	1,811	-2,561
Cash and cash equivalents at end of the period	147,570	201,594	147,570	201,594	213,427

Consolidated statement of changes in equity

SEK (000s)	Parent company's shareholders	Minority interest	Total equity
Balance at Jan 1, 2009	538,229	3,624	541,853
Total recognised income for the period	38,595	-	38,595
Dividends	-42,696	-	-42,696
Change of minority	-	-3,624	-3,624
Warrant premiums paid ³⁾	778	-	778
Equity-settled share-based instruments (IFRS 2)	107	-	107
Balance at June 30, 2009	535,013	-	535,013

TSEK	Parent company's shareholders	Minority interest	Total equity
Balance at Jan 1, 2010	551,115	-	551,115
Total recognised income for the period	26,054	-	26,054
Dividends	-42,696	-	-42,696
Balance at June 30, 2010	534,473	-	534,473

The Group's operating segments ⁷⁾

SEK (000s)	Nordic Baltic		UK		Middle Europe		Southern Europe		Central/ Eastern Europe	
	Jan-Jun 2010	Jan-Jun 2009	Jan-Jun 2010	Jan-Jun 2009	Jan-Jun 2010	Jan-Jun 2009	Jan-Jun 2010	Jan-Jun 2009	Jan-Jun 2010	Jan-Jun 2009
	External net sales	150,590	160,262	195,002	48,362	97,277	112,128	211,920	227,329	107,286
The segment's operating profit	19,736	23,717	14,303	3,233	9,257	11,866	19,622	23,775	7,696	6,616
Adjustments to legal profit ⁸⁾										
Finansiella poster, netto										

cont.	Asia/Australia		Middle East		Other sales		Consolidated	
SEK (000s)	Jan-Jun 2010	Jan-Jun 2009	Jan-Jun 2010	Jan-Jun 2009	Jan-Jun 2010	Jan-Jun 2009	Jan-Jun 2010	Jan-Jun 2009
External net sales	52,885	64,039	10,901	-	8,442	620	834,302	696,183
The segment's operating profit	-2,060	2,129	2,601	-	-	-	71,155	71,336
Adjustments to legal profit ⁸⁾							-21,311	-33,146
Finansiella poster, netto							-730	-264
Profit before tax							49,114	37,926

Sales development per region

(as compared to corresponding period 2009, %)	Apr-Jun 2010	Jan-Jun 2010	Apr-Jun 2010	Jan-Jun 2010
	Change	Reported	Change	Local
	currency, %		currency, %	
Nordic & Baltic	-3	-6	-2	-6
UK	268	303	258	296
UK (for comparable units, ie excluding PPE)	3	11	2	10
Middle Europe	-11	-13	-9	-13
Southern Europe	-4	-7	0	-4
Central/Eastern Europe	29	29	15	16
Asia/Australia	6	0	-6	-10

Summary of income statement Parent Company ¹⁾

SEK (000s)	Apr-Jun 2010	Apr-Jun 2009	Jan-Jun 2010	Jan-Jun 2009	Jan-Dec 2009
Net Sales	21,791	39,354	41,606	42,583	77,834
Cost of services sold	-6,746	-38,505	-25,440	-40,654	-81,211
Gross profit/loss	15,045	849	16,166	1,929	-3,377
Selling expenses	-4,145	8,271	-1,936	2,981	9,844
Administrative expenses	-16,195	2,734	-25,655	-12,940	-23,552
Research and development expenses	-4,815	-3,300	-9,775	-6,271	-18,085
Other operating income/expenses	648	57	1,296	296	2,530
Operating profit/loss	-9,462	8,611	-19,904	-14,005	-32,640
Financial income/expenses ²⁾	26,715	10,433	28,162	10,523	103,955
Profit/loss before taxes	17,253	19,044	8,258	-3,482	71,315
Income tax expense	1,909	-8,926	4,180	-2,968	-7,583
Profit/loss for the period	19,162	10,118	12,438	-6,450	63,732

Condensed statement of recognised income and expense for the Parent Company ¹⁾

SEK (000s)	Apr-Jun 2010	Apr-Jun 2009	Jan-Jun 2010	Apr-Jun 2009	Jan-Dec 2009
Profit/loss for the period	19,162	10,118	12,438	-6,450	63,732
Recognised income and expense directly in equity					
Exchange differences of the period	77	-	296	-	-1,331
Net income recognised directly in equity	77	-	296	-	-1,331
Total recognised income and expense for the period	19,239	10,118	12,734	-6,450	62,401

Summary of balance sheet Parent Company

SEK (000s)	30 Jun 2010	30 Jun 2009	31 Dec 2009
Intangible assets	4,007	6,259	5,537
Property, plant and equipment	6,537	3,915	5,490
Financial assets	361,472	95,365	349,971
Total non-current assets	372,016	105,539	360,998
Current receivables	324,789	273,126	386,822
Cash and cash equivalents	2,706	6,476	514
Total current assets	327,495	279,602	387,336
Total assets	699,511	385,141	748,334
Equity	346,229	326,222	376,191
Untaxed reserves	54,834	52,138	54,834
Non-current liabilities	257,310	-	253,766
Current liabilities	41,138	6,781	63,543
Total equity and liabilities	699,511	385,141	748,334

Data per share ⁶⁾

	Apr-Jun 2010	Apr-Jun 2009	Jan-Jun 2010	Jan-Jun 2009	Jan-Dec 2009
No of shares	30,939,088	30,939,088	30,939,088	30,939,088	30,939,088
Weighted-average no. of shares	30,939,088	30,939,088	30,939,088	30,939,088	30,939,088
Weighted-average no. of shares after dilution	31,008,340	30,939,088	31,002,707	30,939,088	30,939,088
Share price at the end of period, SEK	48.60	26.80	48.60	26.80	42.40
Operational cash flow per share, SEK	0.89	0.99	0.69	1.77	4.42
P/E-ratio, Dec 31	-	-	-	-	22.5

Key figures the last eight quarters ⁶⁾

SEK (000s)	Q 2 2010	Q 1 2010	Q 4 2009	Q 3 2009	Q 2 2009	Q 1 2009	Q 4 2008	Q 3 2008
Net sales	428,745	405,558	338,792	325,441	342,842	353,341	381,960	366,709
Operating profit/loss	22,105	27,740	21,652	26,375	20,689	17,501	19,905	35,505
Profit/loss before taxes	22,236	26,880	24,234	21,984	20,279	17,647	26,516	37,767
Profit/loss after taxes	15,027	19,353	17,758	13,144	14,601	12,705	18,472	26,095
EBITA-margin %	5.3	7.0	6.4	8.1	6.0	5.0	5.2	9.7
Earnings per share after dilution and taxes, SEK ³⁾	1.11	0.62	0.57	0.42	0.47	0.41	0.59	0.84
No. of employees, end of period	1,117	1,125	1,114	873	920	946	974	989

Key figures for the Group ⁶⁾

SEK (000s)	6 months Jun 2010	6 months Jun 2009	12 months Jul 2009 -Jun 2010	12 months Jul 2008 -Jun 2009	Full year 2009
Net sales	834,302	696,183	1,498,534	1,444,853	1,360,416
Operating profit/loss	49,844	38,190	97,870	93,600	86,215
Profit/loss before taxes	49,114	37,926	95,332	102,209	84,143
Profit/loss after taxes	34,380	27,307	65,282	71,874	58,208
EBITA margin, %	6.1	5.5	0.1	5.5	6.4
Profit margin (EBT), %	5.9	5.4	6.4	7.1	6.2
Equity/assets ratio, %	43.3	60.6	43.3	60.6	44.4
Net investments, MSEK ⁴⁾	20.8	11.9	341.7	24.9	330.1
Return on total capital, %	-	-	4.2	11.9	8.9
Return on equity after tax, %	-	-	6.4	14.1	13.6
Return on capital employed, %	-	-	5.9	17.1	12.8
Shareholders' equity per share, SEK ³⁾	17.28	17.29	17.28	17.30	17.81
Shareholders' equity per share after dilution, SEK ³⁾	17.24	17.29	17.27	17.30	17.81
Earnings per share after taxes, SEK ³⁾	1.11	0.88	2.11	2.32	1.88
Earnings per share after dilution and taxes, SEK ³⁾	1.11	0.88	2.11	2.32	1.88

Notes

- 1) This Interim report for the Group has been drawn up in accordance with IAS 34 Interim reporting and with applicable provisions of the Swedish Annual Accounts Act. The interim report for the Parent Company has been prepared in accordance with the Swedish Annual Accounts Act (Chapter 9, Interim Report. Unless otherwise is stated, the same accounting policies and calculation methods are applied as in the most recent annual report.
- 2) For the Group: Of which interest net 2010-06-30; MSEK -4.4 (-0.4) and exchange rate differences MSEK 3.7(0.2). For the Parent Company tax appropriations is included.
- 3) **Profit per share** is calculated as profit after tax relating to the Parent Company's owners divided by the total weighted number of shares before/after dilution.

During the second quarter warrants have been subscribed to by members of the Group management and premiums have been paid. If this and earlier programs are fully used, new shares can result in a total dilution effect of approx. 3.9 percent of the capital and approx. 1.9 percent of the votes.

Operating cash flow per share is calculated as changes in cash and cash equivalents from operating activities after deduction of interests and tax payments, plus investments in intangible and tangible operational fixed assets, divided by the weighted average number of shares.
- 4) Excluding PPE, net investments amounted to MSEK 21 for the first half year.
- 5) Of which goodwill 2010-06-30; MSEK 231.8, 2009-06-30 MSEK 33.1, 2009-12-31; MSEK 230,8.
- 6) For definitions of key ratios, please refer to HL Display Annual report 2009, page 37.
- 7) HL Displays operating segments from 2010: Nordic Baltic (Sweden, Norway, Denmark, Finland, Island, Latvia Estonia, Lithuania); UK (UK including PPE and Ireland); Middle Europe (Austria, Switzerland, Germany, Poland, Slovenia and Serbia); Southern Europe (France, Spain, Belgium, Netherlands, Portugal, Italy, Greece and Malta); Central/Eastern Europe (Russia, Ukraine, Hungary, Czech Republic, Slovakia, Romania, Bulgaria, Turkey, Kazakhstan and Israel); Asia/Australia (China, Hong Kong, India, Indonesia, Korea, Malaysia, Singapore, Thailand, Taiwan, Australia, New Zealand) and Middle East (Dubai/UAE).
- 8) The segments' sales refer to Group external net sales. The segments' operating profit includes calculated production cost and calculated cost for Group functions. The item "Adjustment to legal profit" is referring to the difference between calculated and actual cost. Assets are not being followed distributed on operating segments.
- 9) As per the end of the reporting period the Parent Company had securities for the benefit of subsidiaries the amount of MSEK 304 and guarantees issued for the benefit of subsidiaries amounting to MSEK 54. HL Display AB has, to SEB, undertaken that no company in the Group will provide guarantees for loans or that the parent company will transfer the ownership of its shares or control of subsidiaries that have credits in this bank without the permission of the bank. In addition the company guarantees to fulfill certain financial covenants relating to the net debt/EBITDA, and for the equity/assets ratio.

The contents of this report have not been the subject of examination by the company's auditors.

The Board and the Managing Director confirm that the interim report provides a true overview of the parent company and the Group's operation, position and result and describes significant risks and uncertainty factors facing the parent company and the companies that are part of the Group.

The information was released for publication on July 21st 2010 at 8.40 am.

Nacka Strand, July 21st, 2010

Stig Karlsson
Chairman of the Board

Susanna Campbell
Member of the Board

Mats-Olof Ljungkvist
Member of the Board

Åke Modig
Member of the Board

Anna Ragén
Member of the Board

Lars-Åke Rydh
Member of the Board

Magnus Jonsson
*Member of the Board,
Employee Repr.*

Kent Mossberg
*Member of the Board,
Employee Repr.*

Gérard Dubuy
*Member of the Board,
Managing Director and CEO*

THE HL DISPLAY SHARE

The HL Display share was listed in 1993 and is currently quoted on the Nasdaq OMX Stockholm Small Cap list. As at 30 June 2010 the share capital in HL Display totalled SEK 38,673,860, divided among 30,939,088 shares, of which 3,652,096 are class A shares and 27,286,992 class B shares. Each share has a quotient value of SEK 1.25. Class A shares carry one vote and class B shares 1/10 of a vote. All shares provide equal entitlement to a share of the company's assets and profits.

Share price development

HL Display's share price increased by 11.7 percent during the first six months of 2010 while the OMXSPI Index increased by 2.9 percent. Since its Stock Exchange launch in 1993, the share's value has increased by 1,254 percent from SEK 3.59 (corrected for bonus issues and split) to SEK 46.80 on June 30 2010. During 2010 HL Display's peak price has been SEK 49.10 and its lowest SEK 30.60. As of June 30th 2010, HL Display's Stock Exchange value was MSEK 1,326.

Trade volumes

During the first half of 2010, 11,658,246 (1,100,379) shares were traded at a value of MSEK 555 (32), corresponding to 43 (4) percent of the total number of HL Display shares.

Shareholders

As of June 30th 2010 the number of shareholders was 1,906 (1,699). The proportion of institutional shareholders is estimated

at 91 (62) percent of capital and the proportion of foreign shareholders is 29 (6) percent. 60 (53) percent of all shareholders in HL Display each owned less than 500 shares. In terms of capital, the biggest shareholder as of June 30th 2010 was Ratos AB with 60.6 percent.

Public offer for HL Display

Ratos has entered into an agreement to acquire all shares in HL Display owned by the Remius family. As per 30 June the acquisition had not been completed as clearance from relevant competition authorities had not yet been received. On June 2 Ratos announced a public offer to the shareholders in HL Display to tender all their outstanding shares in HL Display for SEK 49 per share. In a press release from July 5, the Board of HL Display recommended the shareholders to accept Ratos' offer.

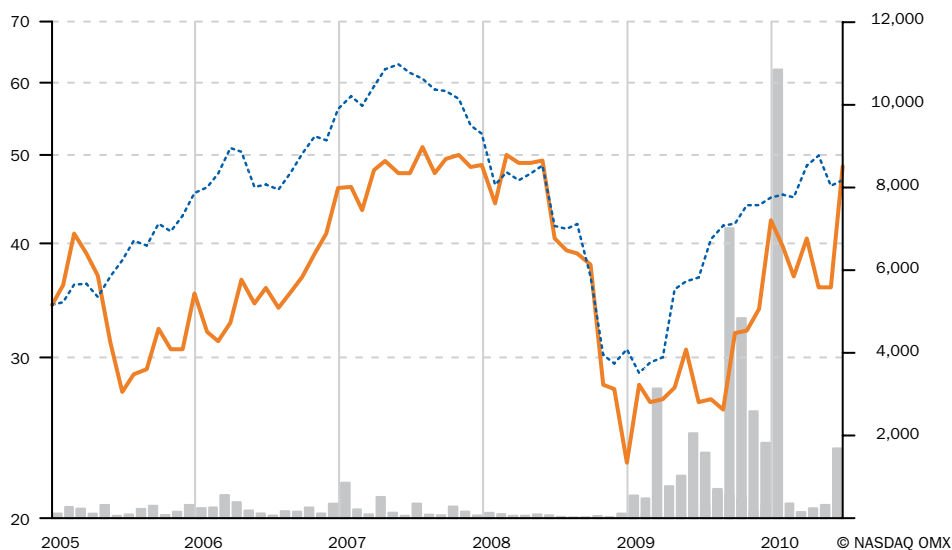
Should Ratos acquire more than 90 percent of the shares outstanding in HL Display, Ratos intends to call for compulsory acquisition of the remaining shares and act to have the shares de-listed from NASDAQ OMX Stockholm.

Dividend policy

In the long term the Board is striving to achieve a dividend proportion corresponding to 30-50 percent of the profit per share after tax. This year's dividend was SEK 1.38 (1.38) per share.

Share price trends

- B-share
- OMX Stockholm_PI
- Number of shares traded, thousands





Ownership structure, 30 June 2010

No. of shares	No. of shareholders	No. of shares	% of shares
1 - 500	1,150	234,023	0.8
501 - 2,000	493	549,558	1.8
2,001 - 10,000	221	967,775	3.1
10,001 - 50,000	34	821,971	2.7
50,001 - 100,000	2	124,815	0.4
100,001 -	6	28,240,946	91.3
Total	1,906	30,939,088	100.0

Largest shareholders, 30 June 2010

	No. of A shares	No. of B shares	Total no. of shares	Share of capital, %	No. of votes	Share of votes, %
Ratos AB	436,864	18,323,067	18,759,931	60.6	2,269,171	35.6
Remius, family and company	3,215,232	5,568,632	8,783,864	28.4	3,772,095	59.1
Jonsson, family	-	420,751	420,751	1.4	42,075	0.7
Göran Källebo	-	326,400	326,400	1.1	32,640	0.5
Second Swedish National Pension Fund	-	67,215	67,215	0.2	6,722	0.1
Commercial Bank of New York	-	57,600	57,600	0.2	5,760	0.1
Robur Insurance	-	48,891	48,891	0.2	4,889	0.1
SIX-SIS AG	-	41,200	41,200	0.1	4,120	0.1
Others	-	2,433,236	2,433,236	7.8	243,324	3.7
Total	3,652,096	27,286,992	30,939,088	100.0	6,380,795	100.0

HL Display is Europe's leading merchandising company. With more than 50 years experience, the company specialises in displaying products in stores in a way that increases sales and makes the store-work more efficient, and at the same time providing end consumers with all the information necessary to make a purchasing decision.

The company has sales companies in 34 countries in Western and Eastern Europe, and Asia. The five largest markets are found in France, UK, Sweden, Russia and Norway. A further 12 countries are serviced via external distributors.

HL Display shall be a market-leading growth company with good profitability and value growth for shareholders. Profitability shall be prioritised. HL Display's long-term financial goals for the group are an EBITA-margin (Earnings before interest, taxes and amortizations) of at least 12 percent and an organic growth of between 5-10 percent.

HL Display has approximately 1,100 employees. The HL Display share was listed in 1993 and is currently quoted on the NasdaqOMX Stockholm Small Cap list.

Financial reporting dates 2010

Quarterly report 9 months

October 29, 2010

This interim report will not be printed and distributed via regular mail, but is available for download on the Company's web site.

