

Press Release
Danderyd, Sweden, 29 December 2008

NOTE takes further, vigorous structural measures

Against the background of declining manufacturing demand, NOTE is taking additional rationalization and cost-cutting measures. The expenses for these measures are estimated at some SEK 50 m, and will be charged to fourth quarter profits this year. Accordingly, NOTE expects to achieve operating profit just below break-even for the full year 2008. Along with structural measures taken earlier in the year, NOTE expects costs to reduce progressively in 2009, so that NOTE can remain profitable with potential volume contraction in the range of 30%.

Arne Forslund, NOTE's President and CEO commented: "In the first three quarters of the year, our sales were up somewhat on the previous year. Early in the fourth quarter, sales were also progressing positively. However, market conditions for manufacturing have deteriorated noticeably, so that for the fourth quarter, we now expect sales to be down some 10% year on year. The volume deterioration is attributable to a rapid downturn in the manufacturing cycle, and in many cases, de-stocking by our customers."

"We're now taking further, vigorous measures to modify our cost structure to match lower-than-expected volume growth in 2009. These actions remain consistent with our business model Nearsourcing which among others involves transferring labour-intensive production and sourcing services to our foreign units, whose cost structures benefit our customers and ourselves" continued Mr. Forslund, "with the steps we're now taking, we will be downsizing our employee headcount, by a further 100-plus, mainly in our Swedish business. Earlier in the year, we took steps to reduce staffing by some 300 people. Overall, we now think that we have adapted our cost base to expected lower demand from manufacturing."

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About NOTE

"Our business concept is to produce electronics from design to after-sales, close to our customers." NOTE is one of the Nordic region's leading service providers in production and logistics relating to electronics-based products. NOTE has a presence in Sweden, Norway, Finland, the UK, Estonia, Lithuania, Poland and China. In 2007, net sales were SEK 1,744 m; the group has approximately 1,200 employees. For more information, go to www.note.eu