



# Interim report January-March 2012

Micronic Mydata AB (publ)

Press release 282E

Micronic Mydata AB is a Swedish high-tech company engaged in the development, manufacture and marketing of a series of laser based pattern generators for the production of photomasks and advanced surface mount technology (SMT) equipment for flexible production of electronics. The pattern generators are used by the world's leading electronics companies in the manufacture of semiconductor circuits, for advanced electronic packaging and displays used in PC tablets, smart phones, TVs and computers. The SMT equipment, including software applications, is used for surface mounting of electronic components and stencil free jetting of solder paste. The SMT equipment is used by large and small manufacturers of electronics in aerospace, aviation and telecom. Micronic Mydata headquarters is located in Täby, north of Stockholm and the Group has subsidiaries in China, France, Germany Japan, Singapore, South Korea, Taiwan, the Netherlands, United Kingdom and the United States. For more information see our web site at: [www.micronic-mydata.com](http://www.micronic-mydata.com)

## First quarter 2012

- Net sales were SEK 295 (255) million.
- EBIT was SEK 2 (-19) million.
- Adjusted EBIT was 7 (-11) million.
- Earnings per share was SEK -0,08 (-0,26).

## Outlook

Sales for 2011 were SEK 1,198 million. The Board's assessment is that sales in 2012 will exceed that amount somewhat.

## CEO comments on first quarter

The start of 2012, after a strong 2011 and in line with our expectations, has continued to be strong in terms of surface mount (SMT). Sales increased 13 percent and the operating margin was 14 percent. The demand has been particularly strong for the equipment in the MY100e series, which was successfully launched in 2011.

It is also heartening to see that the SMT aftermarket sales continue to grow. Service operations especially have seen increased volume during the first quarter. The Group's overall aftermarket continues to grow in terms of volume and profitability, which provides a solid base for continued profitable growth.

The profitability of the company's underlying businesses is good, and we are reducing our dependence of deliveries of single mask writers, whose sales are more volatile. During the first quarter, Micronic Mydata did not deliver any mask writers. However, one system was shipped in the middle of April.

During the first quarter, we have seen restructurings within the display industry, which point towards increased profitability among our customers going forward. Moreover, several new products have been launched, such as the new iPad, where it is the display that has been primarily improved. Consumers demand more advanced electronics with higher quality. This creates demand for displays with ever increasing image quality and semiconductor components with ever increasing functionality, which in turn drives demand for cost-effective production solutions. Micronic Mydata offers these production solutions.

For future growth, we have continuing investments in new product areas, foremost LDI.

A technology shift is underway driven by increasing demands on functionality in combination with cost-efficiency. Our LDI technology contributes to the continued development of new electronics products. After the market launch at the end of last year, we are now working toward the next milestone, the "selection" which our cooperation partners will make. The work is primarily focused on reaching high performance in production processes.



Peter Uddfors, *President and CEO*

## Group summary

SEK million	Jan-Mar 12	Jan-Mar 11	Rolling 12 mths	Jan-Dec 11
Order intake	307.8	312.7	1,209.1	1,214.0
Order backlog	182.1	209.8	182.1	176.0
Net sales	295.2	255.0	1,237.8	1,197.6
Gross profit	141.9	105.8	524.1	488.0
Gross margin, %	48%	41%	42%	41%
EBIT	1.8	-19.2	-44.6	-65.7
EBIT margin, %	1%	-8%	-4%	-5%
Adjusted EBIT 1)	7.2	-10.6	-10.2	-28.1
Adjusted EBIT margin, %	2%	-4%	-1%	-2%
Earnings per share, SEK	-0.08	-0.26	-0.73	-0.91
Cash flow	-22.3	-25.3	-48.9	-51.9

1) Adjusted EBIT is adjusted for capitalized development, amortization on previously capitalized development and excess values in technology.

## Group

The Group provides cost-effective and innovative production solutions for the manufacture of electronics products. World leading companies use equipment from Micronic Mydata's two business areas, Surface mount technology (SMT) and Pattern generators (PG).

SMT sells advanced systems for stencil-free jetting of solder paste on circuit boards and for mounting components on circuit boards, which, in turn, are used in the manufacture of electronics products. PG sells products for writing patterns via photomasks or for writing directly on a substrate with LDI. Pattern generators are used for manufacturing displays, semi-conductors as well as in electronic packaging, which in turn, are used in the manufacture of electronics products.

The Group strives to be a global high-tech growth company with sustainable profitability.

## First quarter January-March 2012

The order intake, including aftermarket sales for both business areas, amounted to SEK 308 (313) million. The order intake for the PG business area only includes aftermarket. The order intake for the SMT business area has had positive growth during the first quarter, with an increase in order of 30 percent, compared with the corresponding period last year.

The Group reached total sales of SEK 295 (255) million. The increase in sales can be explained by strong aftermarket sales and higher system sales in the SMT business area. Sales during the first quarter have been positively affected by currency effects. Sales converted to the same exchange rates which prevailed during the same period last year amount to SEK 286 million.

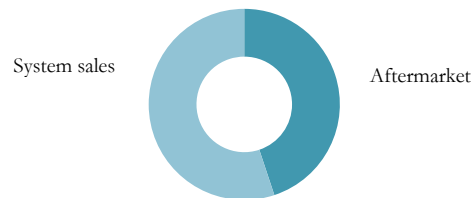
The Group's gross profit amounted to SEK 142 (106) million, which is equal to a gross margin of 48 (41) percent. The first quarter gross margin has been affected by the number of systems sold, by the mix of systems sold, by the mix of aftermarket products and services sold, as well as by positive growth in the aftermarket.

The Group's operating profit amounted to SEK 2 (-19) million, which is equal to an operating margin of 1 (-8) percent. The operating profit improved primarily as a result of increased aftermarket results in business area PG and by an increase in system sales within business area SMT. Expenses related to research and development, sales and administration rose to SEK 137 (121) million, primarily selling expenses, as a part of developing the LDI business and the SMT business. The higher sales also generated increased sales commission costs.

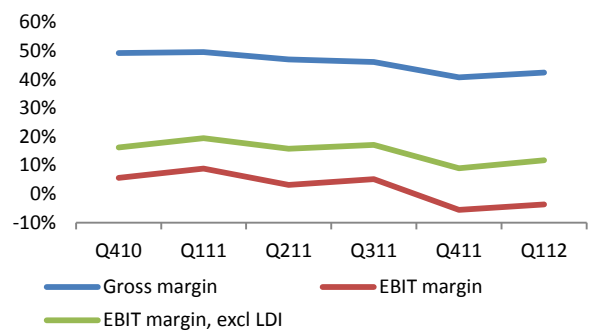
Rolling 12 months sales by business area



Rolling 12 months sales by application



Group margins, rolling 12 months



### Cash flow and financial position

The Group's cash and cash equivalents at the end of the first quarter were SEK 504 (552) million, compared with SEK 536 million at the end of 2011. The Group had a negative cash flow of SEK 22 (-25) million during the first quarter. Operations accounted for SEK -20 (-15) million. This can be explained by changes in working capital, SEK -23 (8) million, primarily generated by the build-up in inventories for pattern generators. Investing activities accounted for SEK -1 (-9) million, of which investment in development claimed SEK 0 (3) million. Other investments, SEK 1 (6) million primarily involves continued expansion of the property in Täby.

Financing activities accounted for SEK -1 (-2) million and related to a continued reduction in operations-related loans in foreign subsidiaries.

### Equity

The Group's equity at the end of the interim period was SEK 1,212 million, compared with SEK 1,232 million at the end of 2011. The number of outstanding shares at the end of the period was 97,916,509. The earnings per share were SEK -0.08 (-0.26). An employee stock option program expired at the end of the first quarter. Because the set strike prices exceeded the actual market price, the program has not resulted in any share subscriptions.

## Business area SMT Summary

SEK million	Jan-Mar 12	Jan-Mar 11	Rolling 12 mths	Jan-Dec 11
<b>Order intake and net sales</b>				
Order intake	215.0	165.9	840.0	790.9
Order backlog	132.1	118.4	132.1	119.5
Net sales	202.5	179.9	826.4	803.8
<b>Results</b>				
Gross profit	86.8	71.1	357.4	341.7
Gross margin, %	43%	40%	43%	43%
EBIT	28.9	26.6	141.3	139.0
EBIT margin, %	14%	15%	17%	17%
<b>Development costs</b>				
Development expenses	-15.0	-17.4	-61.8	-64.2
Capitalized development	-	2.8	6.3	9.1
Amortization of capitalized development	-4.2	-3.3	-15.4	-14.5
Total development costs	-19.2	-17.9	-70.9	-69.6

### Financial performance

The order intake, including aftermarket sales, amounted to SEK 215 (166) million during the first quarter. The order intake had strong growth during the first quarter with an increase of 30 percent, compared with the corresponding period last year.

The increase in sales can be explained by higher system sales, above all surface mount systems from the MY100e series, and by a positive development in aftermarket sales. Aftermarket sales include accessories, spare parts, software and service.

Sales during the first quarter have been positively affected by currency effects. Sales converted to the same exchange rates which prevailed during the same period last year amount to SEK 198 million.

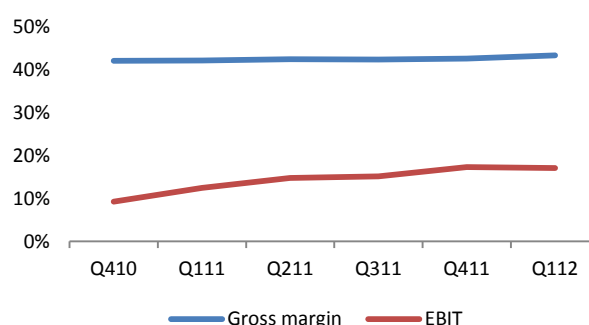
Gross profit during the first quarter amounted to SEK 87 (71) million, which is equal to a gross margin of 43 (40) percent. The product mix of delivered systems, with a larger share of surface mount systems from the MY100e series compared with the corresponding period last year has contributed to the improved profits and thereby improved gross margin.

The Group's operating profit amounted to SEK 29 (27) million, which is equal to an operating margin of 14 (15) percent. Expenses related to research and development, sales and administration rose to SEK 57 (46) million, primarily selling expenses as a part of strategic business development and trade fair costs in the US, which were incurred last year during the second quarter.

The higher sales have also generated increased sales commission costs.

Expenses for research and development negatively affected operating profits during the first quarter by SEK 15 (17) million. The operating profit was also affected by capitalized development as well as amortization of previously capitalized development. There was no capitalization of development during the first quarter, SEK 0 (3) million. Amortization of previously capitalized development in the amount of SEK 4 (3) million took place.

SMT margins, rolling 12 months



### **SMT market development**

The global market for SMT equipment has been favorable during the first quarter of 2012. For Micronic Mydata, this means continued strong growth, primarily in North America, most of the European markets and in Japan. System sales increased by 18 percent compared with the same period in 2011, thanks in large part to the strong demand for surface mount equipment from the MY100e series. Micronic Mydata continues to gain market shares in its segments of the market. The aftermarket business is also growing well, the service sales increased by 20 percent compared with the same period in 2011. The total order intake for the SMT business area increased 30 percent compared with the first quarter of 2011.

During 2012, the global semiconductor market is expected to grow by 5 percent (Prismark, April 2012) with a shift toward the second half of the year. This indicates a positive growth in demand for global surface mount equipment during the full year of 2012. Based on this background, positive growth for sales in the SMT business area is expected to continue to be stable during the rest of 2012.

## Business area PG Summary

SEK million	Jan-Mar 12	Jan-Mar 11	Rolling 12 mths	Jan-Dec 11
<b>Order intake and net sales</b>				
Order intake	92.8	146.8	369.1	423.1
Order backlog 1)	50.1	91.4	50.1	56.5
Net sales	92.8	75.1	411.5	393.8
<b>Results</b>				
Gross profit	55.2	34.7	166.9	146.4
Gross margin, %	59%	46%	41%	37%
EBIT	-25.5	-44.2	-179.6	-198.3
EBIT margin, %	-28%	-59%	-44%	-50%
EBIT mask writers 2)	29.5	-	-	-
EBIT LDI 2)	-55.0	-	-	-
EBIT, total	-25.5	-44.2	-179.6	-198.3
<b>Development costs</b>				
Development expenses, LDI	-41.3	-38.8	-176.5	-174.0
Development expenses mask writers	-4.4	-2.7	-14.8	-13.1
Capitalized development	-	-	-	-
Amortization of capitalized development	-	-6.9	-20.7	-27.6
Total development costs	-45.7	-48.4	-212.0	-214.7

1) The order backlog includes systems and major upgrades.

2) EBIT divided by mask writers and LDI is presented starting 2012.

### Financial performance

The order intake including just aftermarket sales, amounted to SEK 93 (147) million during the first quarter. The order intake for the corresponding period last year also included one system for semiconductor applications.

The increase in sales can be explained by strong aftermarket sales, particularly upgrades and system relocations. No system deliveries took place during the first quarter. Sales during the first quarter were positively affected by currency effects. Sales converted to the same exchange rates which prevailed during the same period last year amount to SEK 88 million.

Gross profit during the first quarter amounted to SEK 55 (35) million, which is equal to a gross margin of 59 (46) percent. The gross margin is affected by the number of systems sold, by the mix of systems sold and by the mix of aftermarket products and services sold. No system deliveries took place during the first quarter. As a part of a system deal in 2011, additional sales have occurred during the first quarter, which has contributed to the high gross margin in aftermarket.

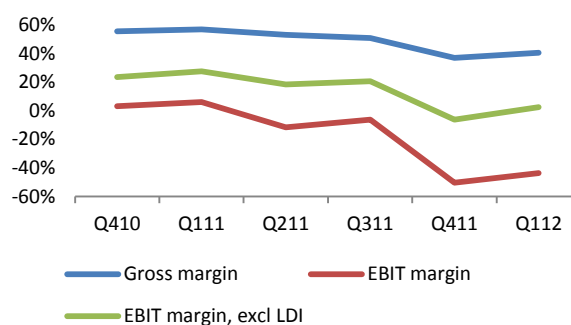
The operating profit for the business area, SEK -26 (-44) million, is negatively affected by the LDI development project costs by an amount of SEK 55 (39) million, which includes costs for development, product management and sales.

The corresponding amount from the previous year only includes development costs for LDI.

The higher aftermarket sales have generated increased sales commission costs.

Expenses for research and development have negatively affected the operating profits by SEK 46 (42) million. The majority of the Group's development resources continue to be focused on LDI, a development that occurs in close cooperation with customers and partners. During the first quarter, the development costs for LDI amounted to SEK 41 (39) million. The operating profit was also affected by capitalized development as well as amortization of previously capitalized development. All previously capitalized development is fully amortized.

PG margins, rolling 12 months



### Market development – mask writers

After a year of weak TV sales, the display market turned upwards during the first quarter. The TV market continues to be weak, but a strong demand for high-resolution displays for mobile products, in combination with stable prices, helped contribute to the development. A number of pioneering products were launched during the quarter and several restructurings in the display industry were unveiled. Thanks to stable panel prices and relatively strong demand, panel manufacturers are expected to show improved profitability again, which will lead to expectations to be revised upwards in terms of the total investment in production equipment for the year. Increased import duties to China mean that both LG and Samsung are expected to make investments in China. The success that Samsung has had with its AMOLED displays is causing other manufacturers to invest in order to gain a share of the market going forward.

For Micronic Mydata's customers, the weak TV sales mean that demand for large-scale photomasks is relatively weak. This is weighed against increasing demand for complex, yet smaller, photomasks designed for manufacturing displays for mobile products. Utilization of the installed base of Micronic Mydata's mask writers was stable during the quarter and is expected to remain at the same level during the coming quarters. The trend toward more complex mobile displays and the introduction of new manufacturing techniques, such as AMOLED, means that utilization of the installed base has been skewed towards the most modern systems.

The total number of photomasks that are produced for semiconductor applications is relatively constant, and in the long term, as the structures become smaller, the manufacturing will be phased over to electron beam writers. There are still good opportunities for selling Micronic Mydata's laser based systems because the write times for the most advanced photomasks have gradually increased and certain patterns are better written with more productive laser writers.

### Market development - LDI

During the fourth quarter of 2011, the product series LDI 5s was launched at the TPCA electronics exhibition in Taiwan. This increased awareness of the benefits of Micronic Mydata's LDI systems in terms of substrate production and the development of future electronics products. During 2012, similar marketing activities will be made in South Korea and Japan.

At the same time, the development and evaluation of LDI continues to pass set milestones. Micronic Mydata's cooperation partners are, in terms of their respective evaluation processes, approaching a final decision regarding the choice of technology and suppliers, a so-called "selection".

In this part of the evaluation process the main challenges are to show results in a manufacturing process. During the first quarter, focus has been on identifying these challenges and delivering solutions to show that the technology is ready for high-volume production. The goal is to increase stability in a fully integrated substrate production line.



## Other

### Parent Company

Micronic Mydata AB is the Group's parent company. The Group's product development and sales of pattern generators takes place through the parent company.

The parent company's net sales during the first quarter were SEK 40 (31) million. No system deliveries took place during the first quarter. The operating profit amounted to SEK -59 (-65) million.

In the parent company, all R&D costs are expensed as they are incurred. The parent company does not capitalize any development costs in the balance sheet and thus does not report any amortization of previously capitalized development costs either.

The parent company's cash and cash equivalents at the end of the first quarter amounted to SEK 260 (390) million, compared with SEK 301 million at the end of 2011.

### Events after the end of the interim period

An FPS system, which was previously considered to be shipped during the first quarter, was actually shipped in the middle of April.

### Risks and uncertainty factors

Through its operations, the Group is exposed to a number of risks and uncertainties of both an operating and financial nature, which are described in the annual report for 2011.

Those risks that are most prominent in the short term are the result of development efforts and launches within new product areas. No new risks appear to have developed since the fourth quarter of 2011.

### Accounting policies

The interim report for the Micronic Mydata Group in summary has been prepared in accordance with IAS 34, Interim Financial Reporting and applicable parts parts of the Annual Accounts Act. The interim report of the parent company has been prepared in accordance with Chapter 9 of the Annual Accounts Act.

For the Group and the parent company the same accounting principles as well as accounting estimates and assumptions have been used in this interim report as were used to prepare the most recent annual report.

### Annual general meeting

The 2012 AGM is held today 23 April, 2012, at 5 pm, at Näsby Slott, Täby, Sweden.

### Financial information and company and market information

Micronic Mydata AB (publ) is listed on NASDAQ OMX Stockholm, Small Cap, MICR. The information in this report is of the type that Micronic Mydata is required to disclose under the Swedish Securities Markets Act. The information was submitted for publication on 23 April 2012, at 10 am.

This interim report has not been reviewed by the company's auditors.

Financial statements and press releases are published in Swedish and English. Company information, market and product information are also available on the web site: [www.micronic-mydata.com](http://www.micronic-mydata.com)

### Financial calendar

AGM 2012	23 April, 2012
Interim report, January-June	12 July, 2012
Interim report, January-September	25 October, 2012

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Täby, 23 April 2012  
Micronic Mydata AB (publ)  
The Board

**CONSOLIDATED PROFIT AND LOSS ACCOUNT**

SEK million	Jan-Mar 12	Jan-Mar 11	Rolling 12 mths	Jan-Dec 11
Net sales	295.2	255.0	1,237.8	1,197.6
Cost of goods sold	-153.3	-149.2	-713.7	-709.6
<b>Gross profit</b>	<b>141.9</b>	<b>105.8</b>	<b>524.1</b>	<b>488.0</b>
Research and development expenses	-66.1	-67.5	-287.6	-289.0
Selling expenses 1)	-51.0	-33.6	-190.9	-173.6
Administrative expenses 1)	-19.5	-20.1	-94.7	-95.3
Other income and expenses	-3.5	-3.9	4.5	4.2
<b>EBIT</b>	<b>1.8</b>	<b>-19.2</b>	<b>-44.6</b>	<b>-65.7</b>
Financial income and expenses	2.1	2.1	8.7	8.7
<b>Profit/loss before tax</b>	<b>4.0</b>	<b>-17.1</b>	<b>-35.9</b>	<b>-57.0</b>
Tax	-12.2	-8.3	-35.6	-31.8
<b>Net profit/loss</b>	<b>-8.3</b>	<b>-25.4</b>	<b>-71.5</b>	<b>-88.8</b>
Earnings/share, SEK	-0.08	-0.26	-0.73	-0.91
Average number of shares, thousands	97,917	97,917	97,917	97,917

**STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME**

SEK million	Jan-Mar 12	Jan-Mar 11	Rolling 12 mths	Jan-Dec 11
<b>Net profit/loss</b>	<b>-8.3</b>	<b>-25.4</b>	<b>-71.5</b>	<b>-88.8</b>
<b>Other comprehensive income</b>				
Translation differences	-12.0	-8.9	1.2	4.3
Cash flow hedges	0.3	-	-0.2	-0.5
Tax relating to other comprehensive income	0.0	-1.0	3.0	2.1
	<b>-11.7</b>	<b>-9.9</b>	<b>4.0</b>	<b>5.8</b>
<b>Total comprehensive income</b>	<b>-20.0</b>	<b>-35.3</b>	<b>-67.5</b>	<b>-83.0</b>

1) Costs related to product management have previously been accounted for as administrative expenses. Beginning 2012 these costs are accounted for as selling expenses. Comparative figures have been restated.

**Research and development costs**

SEK million	Jan-Mar 12	Jan-Mar 11	Rolling 12 mths	Jan-Dec 11
<i>R&amp;D expenditures</i>				
Pattern generators	-45.7	-41.5	-191.3	-187.1
SMT equipment	-15.0	-17.4	-61.8	-64.2
	<b>-60.7</b>	<b>-58.9</b>	<b>-253.1</b>	<b>-251.4</b>
<i>Capitalized development costs</i>				
Pattern generators	-	-	-	-
SMT equipment	-	2.8	6.3	9.1
	<b>-</b>	<b>2.8</b>	<b>6.3</b>	<b>9.1</b>
<i>Amortization of capitalized development</i>				
Pattern generators	-	-6.9	-20.7	-27.6
SMT equipment	-4.2	-3.3	-15.4	-14.5
	<b>-4.2</b>	<b>-10.2</b>	<b>-36.1</b>	<b>-42.1</b>
<b>R&amp;D costs</b>	<b>-64.9</b>	<b>-66.4</b>	<b>-283.0</b>	<b>-284.4</b>
Amortization of excess value in technology	-1.2	-1.2	-4.6	-4.6
<b>Reported cost, total</b>	<b>-66.1</b>	<b>-67.5</b>	<b>-287.6</b>	<b>-289.0</b>

**Revenue by geographical area**

SEK million	Jan-Mar 12	Jan-Mar 11	Rolling 12 mths	Jan-Dec 11
EMEA	103.1	100.5	462.7	460.1
Americas	80.0	62.8	317.4	300.2
Asia	112.1	91.7	457.6	437.2
	<b>295.2</b>	<b>255.0</b>	<b>1,237.8</b>	<b>1,197.6</b>

**CONSOLIDATED CASH FLOW STATEMENTS**

SEK million	Jan-Mar 12	Jan-Mar 11	Rolling 12 mths	Jan-Dec 11
Cash flow from operations before changes in working capital	3.6	-22.9	30.4	4.0
Changes in working capital	-23.3	7.9	-50.6	-19.4
<b>Cash flow from operations</b>	<b>-19.7</b>	<b>-15.0</b>	<b>-20.2</b>	<b>-15.4</b>
Cash flow from investing in development	-	-2.8	-6.3	-9.1
Cash flow from other investing activities	-1.2	-6.0	-16.9	-21.7
<i>Cash flow from investing activities, total</i>	<i>-1.2</i>	<i>-8.8</i>	<i>-23.2</i>	<i>-30.8</i>
Cash flow from financing activities	-1.4	-1.5	-5.5	-5.7
<b>Increase/decrease in cash and cash equivalents</b>	<b>-22.3</b>	<b>-25.3</b>	<b>-48.9</b>	<b>-51.9</b>
Opening balance, cash and cash equivalents	536.4	582.6	551.8	582.6
Exchange differences	-9.7	-5.5	1.5	5.6
Closing balance, cash and cash equivalents	504.4	551.8	504.4	536.4

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

SEK million	31 Mar 12	31 Mar 11	31 Dec 11
<b>ASSETS</b>			
<b>Fixed assets</b>			
Intangible assets	137.5	176.9	144.2
Tangible assets	116.2	85.2	123.4
Long-term receivables	31.8	34.2	32.9
Deferred tax assets	107.8	96.7	108.8
<b>Total fixed assets</b>	<b>393.3</b>	<b>393.0</b>	<b>409.3</b>
<b>Current assets</b>			
Inventories	402.8	352.8	357.5
Trade receivables	175.5	151.7	223.0
Other current receivables	58.9	175.2	60.5
Cash and cash equivalents	504.4	551.8	536.4
<b>Total current assets</b>	<b>1,141.5</b>	<b>1,231.4</b>	<b>1,177.4</b>
<b>Total assets</b>	<b>1,534.8</b>	<b>1,624.4</b>	<b>1,586.7</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>1,211.7</b>	<b>1,279.4</b>	<b>1,231.7</b>
<b>Liabilities</b>			
Long-term interest-bearing liabilities	2.5	5.9	2.7
Other long-term liabilities	12.2	10.7	12.8
Deferred tax liabilities	10.1	11.8	10.5
<b>Total non-current liabilities</b>	<b>24.7</b>	<b>28.4</b>	<b>26.0</b>
Current interest-bearing liabilities	2.5	3.8	4.2
Trade payables	101.5	117.6	109.3
Other current liabilities	194.4	195.3	215.5
<b>Total current liabilities</b>	<b>298.4</b>	<b>316.6</b>	<b>329.0</b>
<b>Total liabilities</b>	<b>323.1</b>	<b>345.0</b>	<b>355.0</b>
<b>Total equity and liabilities</b>	<b>1,534.8</b>	<b>1,624.4</b>	<b>1,586.7</b>

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

SEK million	Jan-Mar 12	Jan-Mar 11	Jan-Dec 11
<b>Opening balance</b>	<b>1,231.7</b>	<b>1,314.7</b>	<b>1,314.7</b>
Total comprehensive income	-20.0	-35.3	-83.0
<b>Closing balance</b>	<b>1,211.7</b>	<b>1,279.4</b>	<b>1,231.7</b>

Financial key figures	Jan-Mar 12	Jan-Mar 11	Jan-Dec 11
Order intake	307.8	312.7	1,214.0
Net sales	295.2	255.0	1,197.6
Gross margin	48.1%	41.5%	40.8%
EBIT margin	0.6%	-7.5%	-5.5%
Adjusted EBIT margin 1)	2.4%	-4.2%	-2.3%
Return on equity	-0.7%	-2.0%	-7.0%
Equity/total assets	78.9%	78.8%	77.6%
Equity/average number of shares	12.4	13.1	12.6
Average number of employees	573	554	561
<b>Capital expenditures</b>			
Capitalized development costs	-	2.8	9.1
Other fixed assets	1.2	6.0	21.7
<b>The Micronic Mydata share</b>			
Closing share price	12.20	18.50	11.95
Market cap, SEK million	1,194.6	1,811.5	1,170.1

1) Adjusted EBIT is adjusted for capitalized development, amortization of previously capitalized development and excess values in technology.

Quarterly data	Q 2-10	Q 3-10	Q 4-10	Q 1-11	Q 2-11	Q 3-11	Q 4-11	Q 1-12
Sales, SMT equipment	131.6	161.1	224.3	179.9	177.3	187.6	259.0	202.5
Sales, Pattern generators	214.0	70.2	327.7	75.1	66.2	142.2	110.3	92.8
	<b>345.6</b>	<b>231.3</b>	<b>552.0</b>	<b>255.0</b>	<b>243.5</b>	<b>329.8</b>	<b>369.3</b>	<b>295.2</b>
Gross profit, SMT equipment	51.9	71.4	98.8	71.1	73.7	81.6	115.3	86.8
Gross profit, Pattern generators	135.8	22.3	199.0	34.7	31.2	46.2	34.3	55.2
<b>Gross profit, total</b>	<b>187.7</b>	<b>93.6</b>	<b>297.7</b>	<b>105.8</b>	<b>104.9</b>	<b>127.8</b>	<b>149.5</b>	<b>141.9</b>
Gross margin, SMT equipment	39%	44%	44%	40%	42%	44%	45%	43%
Gross margin, Pattern generators	63%	32%	61%	46%	47%	32%	31%	59%
<b>Gross margin, total</b>	<b>54%</b>	<b>40%</b>	<b>54%</b>	<b>41%</b>	<b>43%</b>	<b>39%</b>	<b>40%</b>	<b>48%</b>
R&D expenses	-77.3	-68.0	-92.8	-67.5	-74.8	-65.4	-81.3	-66.1
Selling expenses 1)	-36.3	-31.7	-49.8	-33.6	-43.0	-42.7	-54.3	-51.0
Administrative expenses 1)	-23.3	-17.6	-26.5	-20.1	-21.8	-21.3	-32.1	-19.5
Other income/expenses	-4.1	-4.4	-4.7	-3.9	-1.0	4.8	4.2	-3.5
EBIT	<b>46.6</b>	<b>-28.2</b>	<b>124.0</b>	<b>-19.2</b>	<b>-35.7</b>	<b>3.2</b>	<b>-14.0</b>	<b>1.8</b>

1) Costs related to product management have previously been accounted for as administrative expenses. Beginning from 2012 these costs are accounted for as selling expenses. Comparative figures have been restated.

## Segment reporting

SEK million	Jan-Mar 12	Jan-Mar 11	Jan-Dec 11
<b>Revenue</b>			
SMT equipment	202.5	179.9	803.8
Pattern generators	92.8	75.1	393.8
	<b>295.2</b>	<b>255.0</b>	<b>1,197.6</b>
<b>EBIT</b>			
SMT equipment	28.9	26.6	139.0
Pattern generators	-25.5	-44.2	-198.3
Amortization of intangible assets	-1.6	-1.6	-6.5
<b>Group</b>	<b>1.8</b>	<b>-19.2</b>	<b>-65.7</b>

**INCOME STATEMENTS, PARENT COMPANY**

SEK million	Jan-Mar 12	Jan-Mar 11	Jan-Dec 11
Net sales	39.8	31.1	212.2
Cost of goods sold	-24.9	-26.8	-187.6
<b>Gross profit</b>	<b>14.9</b>	<b>4.3</b>	<b>24.6</b>
Research and development expenses	-46.0	-42.0	-188.8
Selling expenses	-19.4	-13.0	-63.7
Administrative expenses	-8.3	-9.2	-41.0
Other incomes and expenses	-0.3	-4.9	13.7
<b>EBIT</b>	<b>-59.0</b>	<b>-64.9</b>	<b>-255.3</b>
Result from financial investments	2.1	2.2	133.5
<b>Profit/loss before tax</b>	<b>-56.9</b>	<b>-62.7</b>	<b>-121.8</b>
Tax	-0.1	-0.1	0.1
<b>Net profit/loss</b>	<b>-57.0</b>	<b>-62.8</b>	<b>-121.7</b>

**STATEMENT OF COMPREHENSIVE INCOME, PARENT COMPANY**

SEK million	Jan-Mar 12	Jan-Mar 11	Jan-Dec 11
<b>Net profit/loss</b>	<b>-57.0</b>	<b>-62.8</b>	<b>-121.7</b>
<b>Other comprehensive income</b>			
Translation differences	-0.3	-0.2	0.5
Tax relating to other comprehensive income	0.1	0.1	-0.1
	<b>-0.2</b>	<b>-0.1</b>	<b>0.4</b>
<b>Total comprehensive income</b>	<b>-57.2</b>	<b>-63.0</b>	<b>-121.3</b>

**BALANCE SHEETS, PARENT COMPANY**

SEK million	31 Mar 12	31 Mar 11	31 Dec 11
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible and tangible assets	109.2	82.2	115.9
<i>Financial assets</i>			
Participations in group companies	351.2	351.2	351.2
Receivables from group companies	7.3	6.9	7.6
Other non-current receivables	22.7	24.9	23.3
Deferred tax receivables	76.3	76.3	76.3
<i>Total financial assets</i>	<i>457.5</i>	<i>459.4</i>	<i>458.4</i>
<b>Total non-current assets</b>	<b>566.7</b>	<b>541.6</b>	<b>574.3</b>
<b>Current assets</b>			
Inventories	41.3	64.1	35.1
<i>Current receivables</i>			
Trade receivables	11.5	9.0	23.0
Other current receivables	382.1	293.7	304.7
<i>Total current receivables</i>	<i>393.5</i>	<i>302.7</i>	<i>327.7</i>
Cash and cash equivalents	260.1	390.0	301.5
<b>Total current assets</b>	<b>694.9</b>	<b>756.8</b>	<b>664.3</b>
<b>Total assets</b>	<b>1,261.7</b>	<b>1,298.4</b>	<b>1,238.6</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	1,059.0	1,174.5	1,116.2
Trade payables	25.9	26.6	16.4
Current liabilities	176.9	97.3	106.0
<b>Total liabilities</b>	<b>202.7</b>	<b>123.9</b>	<b>122.4</b>
<b>Total equity and liabilities</b>	<b>1,261.7</b>	<b>1,298.4</b>	<b>1,238.6</b>
<i>Pledged assets and contingent liabilities</i>			
Pledged assets	89.0	89.0	89.0
Contingent liabilities	-	4,2	-

## Appendix, market information with market data

### Business area surface mount technology (SMT)

The market for SMT equipment normally follows the semiconductor market with a delay of a few quarters. The growth in the semiconductor market had strong gains in the first half of 2011, but it tapered off in the second half. The year ended with growth of 0.4 percent compared with 32 percent growth in 2010 (Prismark, April 2012). The global market for SMT equipment largely followed this trend, and 2011 ended with volumes being unchanged compared with the previous year.

The market situation during the first quarter of 2012 has continued to be positive for the business area, with promising growth in North America, most of the markets in Europe, as well as Japan. Sales of SMT systems saw growth of 18 percent in the first quarter of 2012 compared with the same period during the previous year. The strong growth can be attributed to strong sales of the surface mount MY100e series. The service business, which is a part of aftermarket sales and an important part in the business area's strategy, grew by 20 percent over the same period.

The total order intake during the first quarter of 2012, including aftermarket, has been strong and increased by 30 percent compared with the same period during the previous year. A contributing factor to this is the large demand for the top of the line, high-performance, surface mount equipment, MY100DXe model, while the aftermarket order intake has remained strong with 13 percent growth in the first quarter of 2012, compared to the same period during the previous year.

The global market for SMT equipment had a strong first six months in 2011, with weakening starting during the third and fourth quarter in line with the semiconductor market. In 2012, the semiconductor market is expected to grow by 5 percent (Prismark, April 2012), which indicates stable growth in the global market for SMT equipment. However, this forecast points to a shift toward the second half of 2012. Seen across the entire year, the demand for SMT equipment should remain at a stable level, which points to positive developments for sales in the business area.

### Business area pattern generators (PG)

#### The display market

After a year with weak TV sales, the display market turned upwards during the first quarter. Several new products were launched and display industry restructurings were announced.

The trend is continuing toward more mobile products with high resolution displays, and these products are expected to make up an increasingly large portion of sales. During 2012, total sales in the display market are expected to reach USD 128 billion, an increase of 15 percent compared with 2011. Sales in 2013 are expected to increase to USD 144 billion (DisplaySearch, April 2012). The stable price situation for panel displays, which was established at the end of 2011, continued into the first quarter of 2012. As an effect of stable panel prices, in combination with a relatively strong demand, several manufacturers are expected to improve profitability after 18 months of losses (DisplaySearch, February, 2012).

In January, both LG and Samsung launched a 55 inch AMOLED panel. They plan to start selling these panels at the end of the year, and they are expected to be selecting various technologies. In March, Apple launched their "new iPad". The new display has a 2048 x 1536 pixel resolution. This means that the new iPad's 9.7 inch display has 50 percent more pixels than, for example, a 46 inch HD TV and four times as many pixels as the previous iPad. The display sets a new standard that other manufactures want to meet.

Sony's TV division has shown losses for several years, and at the end of 2011, Sony announced that they intend to sell their share of the Samsung joint venture, S-LCD, which manufacturers displays for TVs, among other items. Samsung has also announced that they are creating a new company, Samsung Display. The new company is taking over the production of LCD and AMOLED displays, and will be the world's largest panel manufacturer (Korea Times, April 2012). In addition, Sony reported that they intend to expand their investment in Sharp's G10 plant in Japan. Shortly thereafter, it was announced that the Taiwanese Hon Hai Precision Industries, the world's largest subcontractor for electronics, will be part-owner of Sharp's G10 plant, from which they intend to buy half of all panels produced.

China reported that the import duties on LCD displays would be raised from 3 to 5 percent as of April 2012 to protect domestic factories that have started up or will soon start production. As a result of this, it is now expected that both LG and Samsung will each build a G8 plant in China (China Daily, March, 2012).

The forecast for total investment in production equipment for manufacturing displays has been adjusted upwards somewhat to USD 5 billion for 2012. During 2013, investment is expected to increase sharply to USD 10.3 billion (DisplaySearch, April 2012).

For Micronic Mydata's customers, the weak TV sales mean that demand for large-scale photomasks, which are used in G7-G10 plants, is relatively weak. This is weighed against increasing demand for complex, yet smaller, photomasks designed for manufacturing displays for mobile products.

Utilization of the installed base of Micronic Mydata's mask writers was stable during the quarter and is expected to remain at the same level during the coming quarter. The trend toward more complex mobile displays and the introduction of new manufacturing techniques means that utilization of the installed base is shifting toward the most modern systems.

### **The semiconductor market**

The main factors that drive the semiconductor industry are cost-reduction, greater functionality and mobility. By making the semiconductors smaller, more chips fit on a silicon wafer. This lower costs, but also means that the semiconductor uses less energy, takes up less space and that more functionality fits into a given area. Together, the result is that manufacturers can continue to reduce the interconnect width in accordance with "Moore's law". For the photomask industry, this development means that customers are demanding photomasks with higher resolution and better image quality.

The record high sales in the semiconductor market seen in 2010 and 2011 are expected to continue in 2012. The forecast for 2012 is USD 314.5 billion, which is an increase of 5 percent compared with 2011. The anticipated strong growth in terms of tablets is a contributing factor (Prismark, April 2012).

The total investment in the semiconductor market follows the development of the overall semiconductor market, but the difference between the top and the bottom of the economic cycle is usually more pronounced. Investment remained at historically high levels during 2011 and reached USD 58 billion, an increase of 17 percent (Prismark, April 2012). In 2012, total investment is expected to drop somewhat to USD 57 billion.

The total number of photomasks that are produced for semiconductor applications is relatively constant, and in the long term, as the structures become smaller, manufacturing will be phased over to electron beam writers. However, there are opportunities to sell Micronic Mydata's laser based systems, Omega6000 and Sigma7700. The writing times for the most advanced photomasks have increased gradually and certain patterns can be written on the more productive laser writers.

### **The electronic packaging market**

Electronic packaging connects and protects semiconductor chips when manufacturing electronics products. The techniques used are more or less advanced. The more advanced techniques use a substrate, which can be compared to a microcircuit board. Today, the substrate is manufactured using traditional lithography, where the pattern is transferred to the substrate via photomasks.

Micronic Mydata is an established supplier of mask writers for the production of photomasks for electronic packaging. The key parameters in the lithography step are the ability to write small structures, to achieve extremely precise correlation between the different layers and to produce copies at high speed. Today's lithographic equipment has difficulty meeting these three requirements simultaneously. The market has thus opened up for new, innovative solutions such as Laser Direct Imaging (LDI). LDI means that the pattern is transferred to the substrate directly from a digital format without using photomasks. Development within the industry is driven primarily by achieving better performance in electronics products, for example tablets and smart phones, cheaper and smaller products with a long battery life, and shorter product life cycles.

The overall market for substrates reached USD 8.7 billion 2011, and the growth is estimated at 6.5 percent annually between 2011 and 2015. The market for advanced substrates was USD 5 billion in 2011, and the growth was estimated at 9.2 percent annually between 2011 and 2015 (Prismark, January 2012). The market for advanced substrates is especially interesting as it faces a technology shift and the rate of growth is high. It is Micronic Mydata's assessment that the market for exposure equipment for substrate manufacturing is currently USD 100-150 million annually and that the market will grow. Using experiences from its current core competencies, Micronic Mydata approaches this new growth market. After a qualification phase at substrate manufacturer sites, additional deliveries can begin during 2012.