



To business editors:

Press release

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Interim report January - March 2008

HL Display AB (publ)

- Net sales amounted to MSEK 383 (391) during the first three months of the year.
- Operating profit for three months was MSEK 31 (37) and profit before taxes was MSEK 28 (38). Net profit was MSEK 20 (26).
- Earnings per share after dilution was SEK 2.62 (3.33).
- Net sales for the latest 12-months amounted to MSEK 1 564 (1 497) and net profit after taxes was MSEK 155 (122).
- Decision about split 4:1 with record date April 28, 2008.

Net sales and earnings for the first quarter 2008

The consolidated sales for the first quarter amounted to MSEK 383 (391). This is a decrease of 2 per cent compared with the same period in 2007 that was an unusually strong first quarter. The change in the value of the Swedish krona in relation to export currencies and in comparison with the previous year had no effect on sales.

Net sales for the period have not met expectations in total. Several of HL Display's important markets in Western Europe have declined. The sales companies that was restructured in the beginning of 2007 (among others the UK) has not yet reached expected sales levels. On the positive side Eastern Europe - in particular Russia - as well as Asia continuously shows satisfying growth. Also note that Easter, that affects both orders and deliveries, took place during quarter one this year in comparison with 2007 when it affected quarter two.

The operating profit for the first three months of the year was MSEK 31 (37) and profit before taxes amounted to MSEK 28 (38). The change in the value of the Swedish krona in comparison with last year had a positive effect on operating profit of MSEK 1. Net interest for the period amounted to MSEK -1 (-2), while rates of exchange differences and other currency effects amounted to MSEK -2 (3). HL Display's most important export currencies are the Euro, the British pound and the Russian rouble. Gross margin has improved due to an advantageous product mix and price increases accomplished from the beginning of the year. Raw material prices have been continuously high during the first quarter. The efficiency improvements in the factories have however well counteracted negative effects on the result. Operating expenses has increased compared to previous year. Approximately 6 MSEK is relating to new subsidiaries as well as to expansion of sales companies on growth markets, and around 3 MSEK is relating to non-recurrent cost for EuroShop (see below).

HL Display is Europe's leading merchandising company. The business mission is to increase customer profitability by offering the retail trade and its suppliers cost efficient, customer-adapted display systems. Production is to be flexible and delivery times are to be kept short.

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Participation on EuroShop

The world's largest retail trade fair, EuroShop, took place in February. HL Display participated as one of the exhibitors with more than 100 co-workers present daily during the week-long fair, representing HL Display's 46 markets. EuroShop is arranged every third year and had this year totally 1 911 exhibitors from 50 countries and 104 000 visitors from 90 countries. The fair's total area covers 107 100 square meters.

HL Display's 400 square meters display both was well-visited and showed the latest innovations and unique conceptual shop-solutions.

New sales company

During the first quarter HL Display's former distributor in Bulgaria was acquired.

Investments

During the first three months net investments in fixed assets amounted to MSEK 9 (32). Net investments in 2007 included the acquisition of Display Team. Scheduled depreciation amounted to MSEK 9 (10).

Financial position

Liquidity as at 31 March 2008 amounted to MSEK 164 (138) and was MSEK 177 at the beginning of the year. The interest-bearing net liability that was MSEK 49 at the beginning of the year was on the balance day MSEK 41 (-62). A dividend of MSEK 43 has been decided but not been paid yet. Cash flow from operating activities decreased to MSEK -5 (41), primarily depending on decreased trade and other payables. Operating cash flow was SEK 0.50 (6.84) per share. The equity/assets ratio at the balance sheet date amounted to 56 (44) and was 53 per cent at the beginning of the year.

Personnel

The average number of employees during the period was 977 (949). The number of employees on the balance sheet date amounted to 974 (956) and was 972 at the beginning of the year.

Information on risks and uncertainty factors

Fluctuations in raw material prices and exchange rates constitute uncertainty factors but not considerable risks. Reference is made to the risk and sensitivity analysis on page 32 of the 2007 annual report for a more detailed description of the risks and uncertainty factors that HL Display faces.

Parent company

The parent company's profit after net financial items for the first three months of 2008 amounted to MSEK -25 (-22). No significant changes have been noted to affect the profit or balance sheet calculations.

Annual general meeting

The Board's proposal for dividend for 2007 amounting to SEK 5.50 (3.50) per share was resolved by the AGM that was held April 2, 2008. The AGM also resolved to increase the number of shares in the company through a share split in which each old share will entitle to 3 new shares (4:1). Record date will be April 28, 2008. Anna Ragén and Lars-Åke Rydh were elected new board members and Lis Remius resigned. For information about further decisions reference is made to separate press release or the company's home page.

Prospects for the rest of 2008

As previously announced the organic growth 2008 is expected to reach the interval of 5-10 percent, which is the company's long-term goal. Like in latest years, profitability will be prioritized. Further cost reduction is planned. HL Display plans to strengthen the company's offering and market position through further acquisitions.

A detailed forecast will, as usual, be presented in the nine month interim report.

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Interim report January – March 2008

Summary of consolidated income statement ¹⁾

	Jan - Mar 2008	Jan - Mar 2007	Jan - Dec 2007
SEK (000s)			
Net Sales	383 322	390 830	1 571 181
Cost of goods sold/services sold	-199 118	-210 521	-833 768
Gross profit/loss	184 204	180 309	737 413
Selling expenses	-116 267	-104 855	-421 685
Administrative expenses	-30 339	-30 013	-123 533
Research and development expenses	-7 468	-8 835	-37 545
Other operating income/expenses	1 116	553	5 890
Operating profit/loss	31 246	37 159	160 540
Financial income/expenses ²⁾	-2 976	413	-5 852
Profit/loss before taxes	28 270	37 572	154 688
Income tax expense	-7 916	-11 818	-46 452
Profit/loss for the period	20 354	25 754	108 236
Attributable to:			
The parent company's shareholders	20 298	25 771	107 864
Minority interest	56	-17	372
Net profit/loss for the period	20 354	25 754	108 236

Data per share

	Jan - Mar 2008	Jan - Mar 2007	Jan - Dec 2007
No of shares	7 734 772	7 734 772	7 734 772
Weighted-average no. of shares	7 734 772	7 728 776	7 733 294
Weighted-average no. of shares after dilution	7 744 952	7 733 699	7 746 111
Earnings per share ³⁾			
before dilution, SEK	2.62	3.33	13.95
after dilution, SEK	2.62	3.33	13.92
Share price at the end of period, SEK	196.00	192.50	195.00
P/E-ratio, Dec 31	-	-	14.00

Summary of income statement for parent company ^{1) 6)}

	Jan-Mar 2008	Jan-Mar 2007	Jan - Dec 2007
SEK (000s)			
Net Sales	8 731	7 166	100 505
Cost of goods sold/services sold	-1 425	82	-96 528
Gross profit/loss	7 306	7 248	3 977
Selling expenses	-8 214	-7 366	-5 964
Administrative expenses	-22 463	-19 689	-13 035
Research and development expenses	-4 113	-3 550	-15 105
Other operating income/expenses	566	485	5 874
Operating profit/loss	-26 918	-22 872	-24 253
Financial income/expenses ²⁾	1 822	1 065	121 782
Profit/loss before taxes	-25 096	-21 807	97 529
Income tax expense	6 989	6 022	-19 142
Profit/loss for the period	-18 107	-15 785	78 387

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Interim report January – March 2008

Summary of consolidated balance sheet

SEK (000s)	Mar 31, 2008	Mar 31, 2007	Dec 31, 2007
Intangible assets ⁷⁾	34 401	22 850	35 350
Property, plant and equipment	136 827	212 113	138 359
Financial assets	21 506	19 566	21 935
Total non-current assets	192 734	254 529	195 644
Inventories	154 816	143 763	153 585
Current receivables	368 158	346 566	365 389
Cash and cash equivalents	163 694	138 121	177 079
Total current assets	686 668	628 450	696 053
Total assets	879 402	882 979	891 697
Equity	493 253	387 302	474 865
Non-current liabilities	108 320	133 395	111 444
Current liabilities	277 829	362 282	305 388
Total equity and liabilities	879 402	882 979	891 697

Summary of balance sheet parent company

SEK (000s)	Mar 31, 2008	Mar 31, 2007	Dec 31, 2007
Intangible assets	9 482	6 570	10 026
Property, plant and equipment	261	520	321
Financial assets	94 319	91 485	94 319
Total non-current assets	104 062	98 575	104 666
Current receivables	282 024	234 744	340 728
Cash and cash equivalents	7 550	266	2 089
Total current assets	289 574	235 010	342 817
Total assets	393 636	333 585	447 483
Equity	307 921	242 849	327 528
Non-current liabilities	39 752	29 904	39 752
Current liabilities	45 963	60 832	80 203
Total equity and liabilities	393 636	333 585	447 483

Summary of consolidated cash flow statement

SEK (000s)	Jan-Mar 2008	Jan-Mar 2007	Jan - Dec 2007
Operating profit/loss	31 247	37 159	160 540
Depreciation	9 369	10 486	39 515
Other items not affecting liquidity	-705	1 629	-7 948
Interest received	643	807	4 085
Interest paid	-1 655	-2 613	-9 072
Income tax paid	-11 645	-7 314	-38 969
Change in working capital	-32 339	1 026	-10 468
Cash flow from operating activities	-5 085	41 180	137 683
Investing activities	-3 670	-30 098	-67 575
- whereof aquisition of subsidiary, net	-	-21 990	-36 550
- whereof sale of real estate	3 465	-	3 585
Financing activities	-1 700	-36 205	-56 625
Cash flow for the period	-10 455	-25 123	13 483

Interim report January – March 2008

Key figures the last five quarters

SEK (000s)	Q 1 2008	Q 4 2007	Q 3 2007	Q 2 2007	Q 1 2007
Net sales	383 322	413 372	378 351	388 628	390 830
Operating profit/loss	31 246	48 752	35 213	39 416	37 159
Profit/loss before taxes	28 270	48 073	33 122	35 921	37 572
No. of employees, end of period	974	972	966	966	956

Change in shareholder's equity

SEK (000s)	Mar 31, 2008	Mar 31, 2007	Dec 31, 2007
Opening balance	474 865	387 756	387 756
Dividends	-	-27 072	-27 072
Profit/loss of the period	20 354	25 754	108 236
Cash flow hedge reserve	2 886	-120	580
New share issue through warrants	-	907	654
Warrant premiums paid	-	-	1 615
Equity-settled share-based instruments	115	77	460
Translation difference ³⁾	-4 967	-	2 636
Closing balance	493 253	387 302	474 865

Key figures for the Group¹⁾

SEK (000s)	3 months Mar 2008	3 months Mar 2007	3 months Mar 2006 ³⁾	12 months Apr 2007 - Mar 2008	12 months Apr 2006 - Mar 2007 ³⁾	12 months April 2005 - Mar 2006 ³⁾	Full year 2007
Net sales	383 322	390 830	342 242	1 563 673	1 496 726	1 344 056	1 571 181
Operating profit/loss	31 246	37 159	22 145	154 627	121 741	81 447	160 540
Profit/loss before taxes ²⁾	28 270	37 572	19 706	145 386	110 120	76 866	154 688
Profit/loss after taxes ²⁾	20 354	25 754	13 400	102 836	74 228	48 672	108 236
EBITA, %	8.2	9.5	6.5	9.9	8.1	6.1	10.3
Profit margin, %	7.4	9.6	5.8	9.3	7.4	5.7	9.8
Equity/assets ratio, %	55.9	43.9	43.8	55.9	43.9	43.8	53.3
Net investments, SEK m	8.8	31.7	10.7	47.2	52.7	40.2	70.2
(excl. re-classification leasing contracts)							
Return on capital, %	-	-	-	17.8	14.8	11.7	18.6
Return on shareholders' equity, %	-	-	-	23.4	20.3	16.2	25.2
Shareholders' equity per share, SEK	63.34	49.80	43.59	63.39	49.96	43.45	61.04
Earnings per share after taxes, SEK ⁴⁾	2.62	3.33	1.73	13.25	9.47	6.76	13.95
Earnings per share after dilution and taxes, SEK ⁴⁾	2.62	3.33	1.73	13.22	9.45	6.74	13.92

Interim report January – March 2008

- 1) This interim report for the group is established according to IAS 34 Interim reporting and RR 31 Interim reporting for groups. Unless otherwise stated accounting and valuation principles in the report are equal to those in HL Display Annual Report for 2007, where principles and definitions can be found. On July 1, 2007 the Swedish law implementing the Transparency Directive became effective. The interim report for the parent company is established according to the Annual Accounts Act (1995:1554) and the Swedish Financial Accounting Standards Council 32:05. Accounting for legal person.
- 2) Of which translation differences as per 31/03/08: MSEK -, 31/03/07: MSEK 1.6, 31/12/07: MSEK -
- 3) New translation method (the current method) has been applied from the fourth quarter of 2007.
- 4) Earnings per share are calculated as profit after tax attributable to the parent company's shareholders divided by total weighted-average number of shares before/after dilution.
- 5) Cash Flow Statements before adjustments of monetary items.
- 6) Related party transactions exist concerning consultancy services provided by XLENT Consulting AB, amounting to MSEK 4.2 (8.3). See also HL Display Annual Report for 2007, note 37.
- 7) Whereof goodwill 31/3/08: MSEK 23. 2. 31/3/07: MSEK 23.4, 31/12/07: MSEK 23.4.

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

The Board and the Managing Director hereby certify that the interim report gives a fair view on the business, position and result for the group and the parent company. It also describes essential risks and factors for insecurity that the parent company and the companies that form the group are facing.

This information is published April 15, 2008 at 8.40 am.

Stockholm, April 15th, 2008

Anders Remius
Chairman of the Board

Jan-Ove Hallgren
Member of the Board

Stig Karlsson
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

Reporting dates:

Record date for split		28.04.2008
Quarterly Report	6 months 2008	16.07.2008
Quarterly Report	9 months 2008	22.10.2008

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