

Press Release
Danderyd, Sweden, 24 January 2008

NOTE makes acquisition for growth in the UK

NOTE has signed an agreement to acquire the operations of UK EMS company Proqual.

Over the past two years, NOTE has worked extensively on developing a unique business model called Nearsourcing. The business model is intended to increase growth and profitability while simultaneously reducing the risks of its operations. Nearsourcing is based on volume production in cost-efficient countries, implementing the NOTEfied preferred parts database as a support to sourcing and development processes, and cost-efficient development work close to the customer, cutting their time to market.

Last autumn, NOTE expanded its production capacity in cost-efficient countries through the start-up of new joint venture plants in China and Poland, which created the prospects for cutting its costs in high-cost countries significantly. One consequence of this process was that NOTE issued redundancy notices to 124 employees in Sweden last week. Market reaction to the launch of the NOTEfied preferred parts database has also exceeded expectations.

NOTE's profitability has performed strongly in recent years, primarily a result of cost rationalisations. Now, NOTE's focus has moved to increasing growth, and accordingly, the acquisition of the operations of Proqual is a natural step to increase sales.

Commenting, Knut Pogost, NOTE's Chief Strategic Officer, said: "Proqual is a technologically skilled and flexible EMS (electronics manufacturing services) company located in Gloucestershire, near Bristol. Operations are focused on services early in product life-cycles like prototyping and sophisticated electronics production in shorter runs. Annualised sales are some SEK 45m and the company has 40 employees. We will now add further skills to this business and create our first Nearsourcing operation in the UK. Thus the customer base the company has accumulated offers major potential for future growth on the UK market."

"The appointment of our new Board of Directors last spring meant work on developing our unique business model intensified," added Arne Forslund, NOTE's CEO and President, "this acquisition is intended to increase our growth and is fully consistent with the previous start-up of our Nearsourcing operation NOTE Oslo. We expect the new UK company to make a positive contribution to our margins as early as the current year."

"The trend towards increased outsourcing of electronics production is strong and we expect it to offer healthy growth opportunities. Now, as planned, we are scaling up our offensive on new geographical markets which will contribute to further growth for NOTE in the long term."

For more information, please contact:

Arne Forslund, CEO & President, tel. +46 (0)8 568 990 07, +46 (0)70 547 74 77

Henrik Nygren, CFO, tel. +46 (0)8 568 990 03, +46 (0)70 977 06 86

Knut Pogost, Chief Strategic Officer, tel. +46 (0)8 568 990 06, +46 (0)70 552 34 44

About NOTE

"Our business concept is to produce electronics from design to after-market close to our customers." NOTE is one of the Nordic region's leading contract manufacturers of electronics and is established in Sweden, Finland, Norway, the UK, Estonia, Lithuania, Poland and China. Net sales for 2006 totalled SEK 1,742 m, and the NOTE group has approximately 1,200 employees. Read more at: www.note.se

NOTETM
THE EMS PARTNER