



To business editors:

Press release for immediate publication

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Year end report of 1998 HL Display AB (publ)

- **Consolidated sales rose by 34.4 % to MSEK 646.6 (481.1) compared to 1997**
- **Profit before tax totalled MSEK 71.0 (63.6)**

Year end report of 1998

Sales and earnings

Group sales rose during 1998 by 34.4 percent to MSEK 646.6 (481.1). Exchange rates have affected sales by +2,2 percent, compared with 1997.

Profit before taxes amounted to MSEK 71.0 (63.6), an increase by 11.6 percent. Exchange rate effects explain for MSEK 4.9 of the increase.

The fourth quarter of 1998 was a disappointment, primarily due to a slow down in incoming orders and disturbances in logistics and production.

The production capacity has increased considerably during 1998. Production floor space has increased by 60 percent and resources for sales, administration and development has been expanded. HL is well prepared for continuous expansion and can handle larger production volumes without additional fixed costs.

Market and production

Market demand has continued to be good, but a decline in growth rate was recorded for last months of 1998. Sales of France, England and Germany exceeded expectations.

The Group Management will be strengthened with a production director and a marketing director. This will increase the development within production and logistics furthermore.

Acquisitions

Envoy Display Ltd was acquired at the beginning of the year. The turnover for 1998 was MSEK 12.5 and profit amounted to MSEK 3.3. In Switzerland and Hungary new sales companies were established in 1998.

Investments

During the period, net investments in fixed assets amounted to MSEK 63.6 (51.3). The investments mainly pertain to production equipment.

Normal depreciation during the period totalled MSEK 25.7 (21.3).

Financial position

Liquidity was weakened by MSEK 21.3 since year-end and amounted to 38.7 (60.0) at December 31. The decline is attributable to large investments and an increase in working capital. The equity/assets ratio was 51.8 percent, compared to 55.1 at the beginning of the year.

Share data

Earnings per share after full tax amounted to SEK 5.81 (5.65). Shareholders' equity per share was SEK 26.00 (21.39). The total number of shares outstanding is 7,688,872.

Personnel

The average number of employees was 582 (464). At 31 of December the number of employees was 614 (504).

Outlook 1999

The slow down in growth rate that was recorded towards the end of 1998 is estimated to recover and reach a normal level

during the first quarter of 1999. The problems within logistics and production will mainly be solved before the second quarter of 1999. Conclusively, the long-term goal for a growth of at least 20 percent with a sustained profit margin of 10 - 15 percent will be fulfilled for 1999.

Dividend, AGM and Annual Report

The Board proposes that the dividend for 1998 is SEK 1.30 (1.20) per share. This is in line with the long-term dividend policy stipulating that the dividend should, over time, amount to one fifth of the net profit after tax.

The Annual General Meeting will be Monday, 18th of Mars, 1999, at 4:00 pm, at Aragon Fondkommision, Mäster Samuelsgatan 6, Stockholm.

The Annual report for 1998 will distributed during week 9.

Year end report of 1998

- 1) Of which, translation differences at Dec 31, 1998: +3 641; Dec 31, 1997: 1 604.
- 2) Estimated full tax
- 3) See Annual Report for definitions
- 4) Before exchange adjustment of monetary items, se (1)