

## Interim Report January–September 2003

### LGP Telecom Holding AB

#### SUMMARY JULY–SEPTEMBER

- Net sales amounted to MSEK 596.3 (382.0). This represents an increase of 17.5 percent compared to the second quarter of 2003.
- The operating result before items affecting comparability amounted to MSEK 20.6 (41.5).
- The operating result amounted to MSEK 0.9 (41.5). This represents an improvement of MSEK 78.9 compared to the second quarter 2003.
- Net profit/loss amounted to MSEK –13.4 (26.0).
- Cash flow after capital expenditures was positive for the seventh consecutive quarter: MSEK 12.6 (30.6).
- Earnings per share amounted to SEK –0.27 (0.86).

#### SUMMARY JANUARY–SEPTEMBER

- Net sales amounted to MSEK 1 421.2 (965.9).
- The operating result was MSEK –152.3 (–1.3).
- Net profit/loss was MSEK –151.9 (–15.8).
- Cash flow after capital expenditures was positive: MSEK 105.4 (68.6).
- Earnings per share amounted to SEK –3.43 (–0.52).

#### MARKET

##### Telecom

The level of activity in the market for products in infrastructure for wireless telecom increased during the quarter from a low level. The market was very weak during the first six months of the year, but towards the end of the second quarter a certain recovery was noted. This recovery continued during the third quarter and demand for the Company's products increased.

The market is driven primarily by growth markets, such as India and Russia.

Some increase in activity in the 3G market in Europe was perceived during the quarter, but the attitude remains cautious on the part of operators. Availability of 3G handsets and more advanced mobile services is limited. 3G handsets are not expected to become a volume product until 2004. A possible positive growth factor is the pricing offers for voice traffic launched by a number of major operators. The broad market remains in a wait-and-see mode despite increased activities from certain customers.

Sales to 3G networks accounted for about 17 percent of total sales during the quarter. 3G sales accounted for 19 percent of total sales during the first three quarters of the year.

The market is distinguished by short lead times and continued pricing pressures.

The Company's earnings are affected with some delay by foreign exchange fluctuations with a weaker dollar and a stronger Swedish krona experienced during the quarter. Over a longer term the development of exchange rates and their effect on sales is difficult to predict, however. In a bid to reduce the exposure to exchange rate fluctuations, at the same time lowering manufacturing costs, the Company is gradually increasing production at its plant in China.

##### Europe

Expansion of the 3G network continues, as does expansion of GSM networks in Eastern Europe, especially Russia. The Company has noted increased levels of activity in 3G in countries such as Italy, Germany and the United Kingdom.

##### North and South America

The market in North America continued to be stable during the quarter. The market in the United States is driven primarily by applications for 2.5G GSM and 3G CDMA. The level of activity in South America has increased, which has resulted in orders in Brazil.

##### Asia

Market demand in Asia increased during the period, but from a very low level. In China investments in GSM have resumed, while operators wait for word of decisions regarding 3G licenses.

### Contract manufacturing

Market demand and shipments in business area Contract Manufacturing increased during the third quarter. However, normal seasonal fluctuations in connection with the summer vacation period affect net sales during the period.

### INTEGRATION OF LGP AND ALLGON

In January 2003 LGP Telecom Holding AB made an offer to the shareholders in Allgon AB to acquire their Allgon shares in exchange for LGP shares. After extension of this offer, and following a private offer, LGP was the owner 95.0 percent of the capital and 96.2 percent of the votes in Allgon AB. Compulsory redemption proceedings were initiated during the second quarter 2003.

The job of integrating the two organizations is on track. Continued improvements were achieved during the second quarter in coordinating the production and sales organizations. The Group has adopted a common graphic profile and logotype during the quarter.

Previously announced cost savings of MSEK 75 will be well achieved.

Allgon is consolidated in the Group since March 31, 2003. Figures provided in the textual comments below include Allgon's income statement only for the period April-September 2003 unless otherwise specifically stated.

### EXTRA MEETING OF SHAREHOLDERS

An extra meeting of the shareholders in LGP Telecom Holding AB was held October 16, 2003. The meeting passed a resolution as proposed by the Board of Directors to change the name of LGP Telecom Holding AB to LGP Allgon Holding AB. An amendment application has been submitted to the Swedish Patent and Registration Office.

### NET SALES

Net sales for the quarter increased by 56.1 percent to MSEK 596.3 (382.0). The increase compared to the second quarter 2003 was 19 percent in comparable operations.

The following table illustrates net sales including those of Allgon's operations included in the Group as of September 30, 2003:

	Jul.-Sep. 2003	Jul.-Sep. 2002	Jan.-Sep. 2003	Jan.-Sep. 2002
MSEK				
Telecom	509.7	608.1	1 405.7	1 688.4
Contract Manufacturing	86.6	89.9	243.7	274.5
<b>Total</b>	<b>596.3</b>	<b>698.0</b>	<b>1 649.4</b>	<b>1 962.9</b>

### RESULT

The operating result for the third quarter amounted to MSEK 0.9 (41.5). The gross margin improved significantly during the quarter, primarily due to better capacity utilization in production, and reached 23.9 percent for the quarter. The customer and product mix was favorable despite severe pressure on selling prices. Improvement measures in product rollout, production and purchasing have now been completed in large part. The level of overhead was lower than during the previous quarter, which to a significant degree is the result of cost savings made possible by the merger now being achieved. The seasonal effect with usually lower overhead during the summer months also had a favorable impact on overhead.

Expenses for research and development were capitalized in an amount of MSEK 3.4 (2.0) during the quarter, while the corresponding depreciation amounted to MSEK 5.4 (0.3). The Company reached a settlement in a patent dispute with an American company during the quarter. The settlement has a negative effect on third quarter earnings in an amount of MSEK 0.9. No further costs of material significance attributable to this dispute are expected.

The operating result was affected by restructuring costs as a consequence of the merger with Allgon in a total amount of MSEK 19.7, reported as items affecting comparability in the income statement. These restructuring costs refer primarily to termination of personnel and closing of offices.

The consolidated income statement includes subsidiaries Bertmann GmbH and Håmex Hårdmetallverktug AB up to and including April 2003.

Items affecting comparability can be categorized as follows:

	Jul.-Sep. 2003	Apr.-Jun. 2003	Jan.-Mar. 2003	Jan.-Sep. 2003
MSEK				
Restructuring costs	-19.7	-20.1	-	-39.8
Writedown of real estate	-	-	-48.0	-48.0
Writedown of fixed assets. Bertmann	-	-	-34.0	-34.0
Capital loss on sale of Bertmann and Håmex	-	-0.6	-	-0.6
Miscellaneous	-	0.2	-	0.2
<b>Total</b>	<b>-19.7</b>	<b>-20.5</b>	<b>-82.0</b>	<b>-122.2</b>

The operating result was affected by realized and unrealized foreign exchange effects of MSEK -7.1 (-1.5).

The result after financial items for the third quarter amounted to MSEK –6.9 (40.4). The result would have been lower by MSEK 9.2 if the Group had not hedged any of its foreign exchange flows.

#### CAPITAL TIED UP

Accounts receivable amounted to MSEK 490.8 (279.7). This is equivalent to 82.3 (73.2) percent of net sales for the most recent quarter. The increase during the quarter, MSEK 113.2, is explained largely by the sharp increase in net sales. Inventories amounted to MSEK 305.3 (206.3), which is equivalent to 51.2 (54.0) percent of the same net sales. Inventories contracted by MSEK 41.3 during the quarter.

#### CAPITAL EXPENDITURES

Capital expenditures in fixed assets during the third quarter amounted to MSEK 9.5 (2.9). Expenses for development work were capitalized in an amount of MSEK 3.4 (2.0) during the quarter. This is reported in the balance sheet under Other intangible fixed assets.

#### FINANCIAL POSITION

The equity ratio as of September 30, 2003 was 57.8 percent (68.2). As of December 31, 2002 the equity ratio was 69.5 percent. The equity ratio as of March 31, 2003 was 56.6 percent. With Allgon excluded, the equity ratio as of March 31, 2003 was 66.6 percent. Liquid funds at the end of the period amounted to MSEK 106.1 (47.8), while net debt was MSEK 158.5 (149.4). MSEK 33.4 of the liquid funds are held in a restricted account as a guarantee for certain undertakings made by Allgon in connection with the sale of Allgon Mobile Communications during 2002. As during calendar year 2002 and the first two quarters of this year, cash flow after capital expenditures was positive and amounted to MSEK 12.6 (30.6). The effect of the acquisition of Allgon on the Group's financial position is summarized below, with Allgon included only in the data as of September 30, 2003.

	Sep. 30 2003	Sep. 30 2003 not including Allgon	Dec. 31 2002	Sep. 30 2002
MSEK				
Interest-bearing liabilities	264.6	105.0	171.0	197.2
Liquid funds	106.1 <sup>1)</sup>	13.0	45.8	47.8
<b>Net liabilities</b>	<b>158.5</b>	<b>92.0</b>	<b>125.2</b>	<b>149.4</b>
Unutilized credit facilities	235.6	185.6	150.0	150.0
Accounts receivable	490.8	290.1	285.1	279.7
Inventories	305.3	126.8	202.4	206.3

#### EMPLOYEES

As of September 30, 2003 the number of employees was 1 427 (856). The average number of employees in the Group was 1 298 during the quarter (865).

#### PARENT COMPANY

Net sales for the period January–September 2003 amounted to MSEK 5.8 (7.4). The result after financial items for the same period was MSEK –26.3 (–8.6). As of September 30, 2003 shareholders' equity amounted to MSEK 1 254.8 (861.1). Capital expenditures in fixed assets were made during the period January–September 2003 in an amount of MSEK 0.8 (0.0), of which MSEK 0.8 (0.0) during the third quarter. An additional 0.2 percent of the capital in Allgon AB was acquired during the period. Liquid funds at the end of the period amounted to MSEK 0.0 (10.0).

#### ACCOUNTING PRINCIPLES

The same accounting principles and calculation methods have been applied for the interim report as for the most recent annual report.

#### OUTLOOK

The following outlook was offered in the interim report of July 11, 2003: "Prospects continue to be uncertain for the rest of the year for the telecom market as a whole. The Group is recording a certain increase in activity and demand, but it is too early to tell if the trend is stable. A certain recovery is expected for Contract Manufacturing during the third quarter."

The Group now makes the following assessment: "The increase in market demand noted during the third quarter is expected to be sustained during the fourth quarter of the year, both in Telecom and Contract Manufacturing."

<sup>1)</sup> Including MSEK 33.4 in a restricted account. Refer to text under Financial position.

## ANALYST AND PRESS MEETING

At 9:00 a.m. CET, Friday, October 17 at Operaterassen, Stockholm.

## SCHEDULE OF FUTURE REPORTING

Year-end report 2003	January 29, 2004
Annual Report 2003	March 2004
Annual General Meeting 2004	March 18, 2004
Quarterly report January–March	April 28, 2004
Quarterly report April–June	July 15, 2004
Quarterly report July–September	October 15, 2004

**Stockholm, October 17, 2003**

LGP Telecom Holding AB

Board of Directors

This interim report has not been examined by LGP's auditors.

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*The LGP Group consists of two business areas: Telecom and Contract manufacturing. Business area Telecom, which consists of LGP's telecom operations and Allgon, develops, manufactures and markets telecom products that improve radio coverage, capacity and data transmission speed in mobile communications networks all over the world. The product line includes antenna systems, coverage solutions, base stations systems and radio link systems.*

*In business area Contract manufacturing, the LGP Group is, in its niche, a leading contract manufacturer of advanced industrial components.*

*The Group has about 1,400 employees in 13 countries and annual sales of about 2.5 billion kronor. LGP is listed on the Attract40 list of the Stockholm Stock Exchange.*

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# SUMMARY CONSOLIDATED STATEMENTS OF INCOME

	Jul.–Sep. 2003	Jul.–Sep. 2002	Jan.–Sep. 2003	Jan.–Sep. 2002	Jan.–Sep. 2003 pro forma <sup>2)</sup>	Jan.–Dec. 2002
<b>MSEK</b>						
Net sales	596.3	382.0	1 421.2	965.9	1 649.4	1 378.6
Cost of goods sold	–454.0	–289.2	–1 139.3	–790.1	–1 313.7	–1 116.1
<b>Gross profit</b>	<b>142.3</b>	<b>92.8</b>	<b>281.9</b>	<b>175.8</b>	<b>335.7</b>	<b>262.5</b>
Selling expenses	–43.2	–21.0	–120.4	–68.4	–144.4	–95.3
Administrative expenses	–21.3	–15.3	–62.9	–50.0	–77.1	–61.7
Research and development expenses	–50.0	–18.3	–124.3	–57.2	–151.8	–77.2
Items affecting comparability	–19.7	–	–122.2	–	–117.9	–
Other operating income/expense	–7.2	3.3	–4.4	–1.5	–2.4	0.8
<b>Operating result</b>	<b>0.9</b>	<b>41.5</b>	<b>–152.3</b>	<b>–1.3</b>	<b>–157.9</b>	<b>29.1</b>
Financial items	–7.8	–1.1	–12.7	–9.4	–18.2	–13.1
<b>Result after financial items</b>	<b>–6.9</b>	<b>40.4</b>	<b>–165.0</b>	<b>–10.7</b>	<b>–176.1</b>	<b>16.0</b>
Taxes	–5.5	–14.4	14.9	–5.1	16.9	–11.6
Minority interest	–1.0	–	–1.8	–	–3.0	–
<b>Net profit/loss</b>	<b>–13.4</b>	<b>26.0</b>	<b>–151.9</b>	<b>–15.8</b>	<b>–162.2</b>	<b>4.4</b>

# PER-SHARE DATA ADJUSTED FOR STOCK DIVIDEND, NEW ISSUE AND SPLIT <sup>3)</sup>

	Jul.–Sep. 2003	Jul.–Sep. 2002	Jan.–Sep. 2003	Jan.–Sep. 2002	Jan.–Sep. 2003 pro forma <sup>4)</sup>	Jan.–Dec. 2002
Earnings per share (SEK)	–0.27	0.86	–3.43	–0.52	–3.66	0.15
Equity per share (SEK)	26.05	33.92	26.05	33.92	26.05	34.61
Average number of shares outstanding (thousands)	49 628	30 250	44 333	30 250	44 333	30 250
Number of shares outstanding at end of period (thousands)	49 628	30 250	49 628	30 250	49 628	30 250

# DEPRECIATION AND AMORTIZATION

	Jul.–Sep. 2003	Jul.–Sep. 2002	Jan.–Sep. 2003	Jan.–Sep. 2002	Jan.–Sep. 2003 pro forma <sup>2)</sup>	Jan.–Dec. 2002
<b>MSEK</b>						
Goodwill	–5.8	–5.0	–16.6	–14.8	–17.5	–19.7
Other intangible fixed assets	–5.4	–0.3	–11.2	–0.3	–15.1	–0.8
Tangible fixed assets	–30.7	–20.8	–85.7	–65.1	–98.5	–92.9
<b>Total</b>	<b>–41.9</b>	<b>–26.1</b>	<b>–113.5</b>	<b>–80.2</b>	<b>–131.1</b>	<b>–113.4</b>

<sup>2)</sup> Pro forma data also include Allgon for January–March 2003.

<sup>3)</sup> Option programs outstanding have no dilutive effect. All data are identical before and after dilution.

<sup>4)</sup> Pro forma values are based on the premise that the number of LGP shares outstanding was the same during the entire period.

## SUMMARY CONSOLIDATED BALANCE SHEETS

MSEK	Sep. 30, 2003	Sep. 30, 2002	Dec. 31, 2002
Goodwill	342.6	340.2	335.3
Other intangible fixed assets	33.5	7.1	7.2
Tangible fixed assets	736.9	580.3	580.0
Financial assets	118.5	4.0	2.1
Inventories	305.3	206.3	202.4
Short-term receivables	593.7	319.0	335.0
Cash and bank balances <sup>5)</sup>	106.1	47.8	45.8
<b>Total assets</b>	<b>2 236.6</b>	<b>1 504.7</b>	<b>1 507.8</b>
Shareholders' equity	1 292.8	1 026.0	1 047.1
Minority interest	4.5		
Provisions	233.7	30.0	47.0
Interest-bearing liabilities	264.6	197.2	171.0
Non-interest-bearing liabilities	441.0	251.5	242.7
<b>Total shareholders' equity and liabilities</b>	<b>2 236.6</b>	<b>1 504.7</b>	<b>1 507.8</b>
Pledged assets	1 140.8	956.3	962.3
Contingent liabilities	24.7	0.1	0.1

## CONSOLIDATED STATEMENTS OF CASH FLOW

MSEK	Jul.–Sep. 2003	Jul.–Sep. 2002	Jan.–Sep. 2003	Jan.–Sep. 2002	Jan.–Dec. 2002
Cash flow from current operations	35.4	62.4	18.2	109.3	158.4
Change in working capital	-8.8	-25.1	98.6	-19.8	-22.0
Cash flow from investment operations	-14.0	-6.6	-11.4	-20.8	-41.4
Cash flow after capital expenditures	12.6	30.6	105.4	68.6	95.0
Cash flow from financing operations	-33.7	-24.0	-116.2	-74.9	-99.5
Acquired liquid funds	–	–	71.1	–	–
Change in liquid funds	-21.1	6.6	60.3	-6.3	-4.5

## KEY FINANCIAL INDICATORS

	Jul.–Sep. 2003	Jul.–Sep. 2002	Jan.–Sep. 2003	Jan.–Sep. 2002	Jan.–Sep. 2003 pro forma <sup>6)</sup>	Jan.–Dec. 2002
Operating margin (%)	0.2	10.9	-10.7	-0.1	-9.6	2.1
Profit margin (%)	-1.2	10.6	-11.6	-1.1	-10.7	1.2
R&D in percent of sales (%)	8.4	4.8	8.7	5.9	9.2	5.6
Return on equity (%) <sup>7)</sup>	-0.7	-4.3	-0.7	-4.3	-1.9	0.4
Return on capital employed (%) <sup>7)</sup>	1.6	-2.0	1.6	-2.0	1.3	2.9
Return on operating capital (%) <sup>7)</sup>	0.0	<sup>8)</sup>	0.0	<sup>8)</sup>	-0.8	2.4
Equity ratio (%)	57.8	68.2	57.8	68.2	57.8	69.5
Net debt (MSEK)	158.5	149.4	158.5	149.4	158.5	125.2
Average number of employees	1 298	865	1 225	805	1 403	843
Investments in goodwill (MSEK)	–	–	22.5	–	–	–
Investments in other intangible fixed assets (MSEK)	3.4	2.0	7.3	6.6	11.8	8.0
Investments in tangible fixed assets (MSEK)	9.5	2.9	31.7	11.1	37.2	43.7
Market price of share at end of period (SEK)	30.0	21.5	30.0	21.5	30.0	35.6

<sup>5)</sup> Including MSEK 33.4 in restricted account. See under Financial position in text part, page 3.

<sup>6)</sup> Pro forma includes Allgon also for January–March 2003.

<sup>7)</sup> Refers to return, not including items affecting comparability, during the past twelve months.

<sup>8)</sup> Not previously published.

# NET SALES BY GEOGRAPHIC MARKET

	Jul.–Sep. 2003	Jul.–Sep. 2002	Jan.–Sep. 2003	Jan.–Sep. 2002	Jan.–Sep. 2003 pro forma <sup>9)</sup>	Jan.–Dec. 2002
<b>MSEK</b>						
Europe <sup>10)</sup>	383.9	295.7	981.3	755.8	1 096.8	1 065.1
North and South America	141.4	64.4	286.6	125.0	366.5	171.1
Asia	70.8	19.4	146.0	72.2	177.2	122.4
Other	0.2	2.5	7.3	12.9	8.9	20.0
<b>Total</b>	<b>596.3</b>	<b>382.0</b>	<b>1 421.2</b>	<b>965.9</b>	<b>1 649.4</b>	<b>1 378.6</b>

# NET SALES BY BUSINESS AREA

	Jul.–Sep. 2003	Jul.–Sep. 2002	Jan.–Sep. 2003	Jan.–Sep. 2002	Jan.–Sep. 2003 pro forma <sup>9)</sup>	Jan.–Dec. 2002
<b>MSEK</b>						
Telecom	509.7	292.1	1 177.5	691.4	1 405.7	1 015.2
Contract Manufacturing	86.6	89.9	243.7	274.5	243.7	363.4
<b>Total</b>	<b>596.3</b>	<b>382.0</b>	<b>1 421.2</b>	<b>965.9</b>	<b>1 649.4</b>	<b>1 378.6</b>

# CHANGE IN SHAREHOLDERS' EQUITY

	Jul.–Sep. 2003	Jul.–Sep. 2002	Jan.–Sep. 2003	Jan.–Sep. 2002	Jan.–Dec. 2002
<b>MSEK</b>					
Opening balance	1 313,4	1 002,5	1 047,1	1 049,6	1 049,6
New issue	-	-	412,9	-	-
Translation difference	-8,2	-2,5	15,7	-7,8	-6,9
Net profit/loss	-13,4	26,0	-151,9	-15,8	4,4
Closing balance	1 292,8	1 026,0	1 292,8	1 026,0	1 047,1

# QUARTERLY VALUES

# SUMMARY CONSOLIDATED STATEMENTS OF INCOME

	Q 3 2003	Q 2 2003	Q 1 2003	Q 1 2003 pro forma <sup>11)</sup>	Q 4 2002	Q 3 2002	Q 2 2002	Q 1 2002
<b>MSEK</b>								
Net sales	596.3	507.7	317.2	545.4	412.7	382.0	317.9	266.0
Cost of goods sold	-454.0	-435.3	-250.0	-424.4	-326.0	-289.2	-286.8	-214.1
<b>Gross profit</b>	<b>142.3</b>	<b>72.4</b>	<b>67.2</b>	<b>121.0</b>	<b>86.7</b>	<b>92.8</b>	<b>31.1</b>	<b>51.9</b>
Selling expenses	-43.2	-52.3	-24.9	-48.9	-26.9	-21.0	-25.6	-21.8
Administrative expenses	-21.3	-27.6	-14.0	-28.2	-11.7	-15.3	-16.5	-18.2
Research & development expenses	-50.0	-52.2	-22.1	-49.6	-20.0	-18.3	-20.3	-18.6
Items affecting comparability	-19.7	-20.5	-82.0	-77.7	-	-	-	-
Other operating income/expense	-7.2	2.2	0.6	2.6	2.3	3.3	-5.3	0.5
<b>Operating result</b>	<b>0.9</b>	<b>-78.0</b>	<b>-75.2</b>	<b>-80.8</b>	<b>30.4</b>	<b>41.5</b>	<b>-36.6</b>	<b>-6.2</b>
Financial items	-7.8	-3.5	-1.4	-6.9	-3.7	-1.1	-1.9	-6.4
<b>Result after financial items</b>	<b>-6.9</b>	<b>-81.5</b>	<b>-76.6</b>	<b>-87.7</b>	<b>26.7</b>	<b>40.4</b>	<b>-38.5</b>	<b>-12.6</b>
Taxes	-5.5	23.2	-2.8	-0.8	-6.5	-14.4	7.3	2.0
Minority interest	-1.0	-0.8	-	-1.2	-	-	-	-
<b>Net profit/loss</b>	<b>-13.4</b>	<b>-59.1</b>	<b>-79.4</b>	<b>-89.7</b>	<b>20.2</b>	<b>26.0</b>	<b>-31.2</b>	<b>-10.6</b>

<sup>9)</sup> Pro forma data also includes Allgon for January–March 2003.

<sup>10)</sup> Contains OEM sales to, among others, Ericsson, Nokia, Siemens and Motorola where the final destination may be outside Europe.

<sup>11)</sup> Pro forma data includes Allgon for the entire period.

## DEPRECIATION AND AMORTIZATION

	Q 3	Q 2	Q 1	Q 1	Q 4	Q 3	Q 2	Q 1
	2003	2003	2003	2003	2002	2002	2002	2002
<b>MSEK</b>				pro forma <sup>12)</sup>				
Goodwill	-5.8	-5.9	-4.9	-5.8	-4.9	-5.0	-4.9	-4.9
Other intangible fixed assets	-5.4	-5.2	-0.6	-4.5	-0.5	-0.3	-	-
Tangible fixed assets	-30.7	-32.6	-22.4	-35.2	-27.8	-20.8	-21.7	-22.6
<b>Total</b>	<b>-41.9</b>	<b>-43.7</b>	<b>-27.9</b>	<b>-45.5</b>	<b>-33.2</b>	<b>-26.1</b>	<b>-26.6</b>	<b>-27.5</b>

## SUMMARY CONSOLIDATED BALANCE SHEET

	Sep. 30	Jun. 30	Mar. 31	Dec. 31	Sep. 30	Jun. 30	Mar. 31
<b>MSEK</b>	<b>2003</b>	<b>2003</b>	<b>2003</b>	<b>2002</b>	<b>2002</b>	<b>2002</b>	<b>2002</b>
Goodwill	342.6	348.4	355.3	335.3	340.2	345.1	350.1
Other intangible fixed assets	33.5	35.9	37.8	7.2	7.1	5.1	2.3
Tangible fixed assets	736.9	764.0	813.3	580.0	580.3	596.8	611.8
Financial assets	118.5	120.3	90.7	2.1	4.0	4.7	4.7
Inventories	305.3	346.6	427.3	202.4	206.3	184.4	218.9
Short-term receivables	593.7	471.2	587.1	335.0	319.0	289.6	220.6
Cash and bank balances	106.1	127.2	93.1	45.8	47.8	41.2	47.4
<b>Total assets</b>	<b>2 236.6</b>	<b>2 213.6</b>	<b>2 404.6</b>	<b>1 507.8</b>	<b>1 504.7</b>	<b>1 466.9</b>	<b>1 455.8</b>
Shareholders' equity	1 292.8	1 313.4	1 361.2	1 047.1	1 026.0	1 002.5	1 035.0
Minority interest	4.5	5.3	4.6				
Provisions	233.7	217.9	219.2	47.0	30.0	32.2	37.5
Interest-bearing liabilities	264.6	295.4	353.1	171.0	197.2	220.8	228.5
Non-interest-bearing liabilities	441.0	381.6	466.5	242.7	251.5	211.4	154.8
<b>Total shareholders' equity and liabilities</b>	<b>2 236.6</b>	<b>2 213.6</b>	<b>2 404.6</b>	<b>1 507.8</b>	<b>1 504.7</b>	<b>1 466.9</b>	<b>1 455.8</b>
Pledged assets	1 140.8	1 137.1	1 272.1	962.3	956.3	910.2	950.6
Contingent liabilities	24.7	13.5	20.0	0.1	0.1	0.1	0.1

<sup>12)</sup> Pro forma data includes Allgon for the entire period.



## FINANCIAL INDICATORS

	Q 3 2003	Q 2 2003	Q 1 2003	Q 1 2003	Q 4 2002	Q 3 2002	Q 2 2002	Q 1 2002
				pro forma <sup>13), 14)</sup>				
Operating margin (%)	0.2	-15.4	-23.7	-14.9	7.4	10.9	-11.5	-2.3
Profit margin (%)	-1.2	-16.1	-24.1	-16.2	6.5	10.6	-12.1	-4.7
R&D in percent of sales (%)	8.4	10.3	7.0	9.1	4.8	4.8	6.4	7.0
Return on equity (%) <sup>15)</sup>	-0.7	0.4	-0.4	-1.5	0.4	-4.3	-8.4	-1.0
Return on capital employed (%) <sup>15)</sup>	1.6	2.8	3.4	2.7	2.9	-2.0	-6.3	-5.7
Return on operating capital (%) <sup>15)</sup>	0.0	1.6	3.1	2.3	<sup>16)</sup>	<sup>16)</sup>	<sup>16)</sup>	<sup>16)</sup>
Equity ratio (%)	57.8	59.6	56.6	56.6	69.5	68.2	68.3	71.0
Net debt (MSEK)	158.5	168.2	260.0	260.0	125.2	149.4	179.6	181.1
Average number of employees	1 298	1 423	934	1 458	850	865	807	743
Investments in goodwill (MSEK)	–	-1.0	23.5	–	–	–	–	–
Investments in other intangible fixed assets (MSEK)	3.4	3.4	0.5	5.0	1.4	2.0	2.8	1.8
Investments in tangible fixed assets (MSEK)	9.5	13.7	8.5	14.0	32.6	2.9	3.3	4.9
Market price of share at end of period (SEK)	30.0	22.5	23.0	23.0	35.6	21.5	29.0	53.0
Earnings per share (SEK)	-0.27	-1.20	-2.35	-1.83	0.67	0.86	-1.03	-0.35
Shareholders' equity per share (SEK)	26.05	26.46	27.90	27.90	34.61	33.92	33.14	34.20
Average number of shares outstanding (thousands)	49 628	49 433	33 764	48 786	30 250	30 250	30 250	30 250
Number of shares outstanding at end of period (thousands)	49 628	49 628	48 786	48 786	30 250	30 250	30 250	30 250

## NET SALES BY GEOGRAPHIC MARKET

	Q 3 2003	Q 2 2003	Q 1 2003	Q 1 2003	Q 4 2002	Q 3 2002	Q 2 2002	Q 1 2002
				pro forma <sup>13)</sup>				
<b>MSEK</b>								
Europe <sup>17)</sup>	383.9	329.0	268.4	383.9	309.3	295.7	256.9	203.2
North and South America	141.4	107.8	37.4	117.3	46.1	64.4	32.8	27.8
Asia	70.8	65.3	9.9	41.1	50.2	19.4	23.5	29.3
Other	0.2	5.6	1.5	3.1	7.1	2.5	4.7	5.7
<b>Total</b>	<b>596.3</b>	<b>507.7</b>	<b>317.2</b>	<b>545.4</b>	<b>412.7</b>	<b>382.0</b>	<b>317.9</b>	<b>266.0</b>

## NET SALES BY BUSINESS AREA

	Q 3 2003	Q 2 2003	Q 1 2003	Q 1 2003	Q 4 2002	Q 3 2002	Q 2 2002	Q 1 2002
				pro forma <sup>13)</sup>				
<b>MSEK</b>								
Telecom	509,7	434,2	233,6	461,8	323,8	292,1	224,1	175,2
Contract Manufacturing	86,6	73,5	83,6	83,6	88,9	89,9	93,8	90,8
<b>Total</b>	<b>596,3</b>	<b>507,7</b>	<b>317,2</b>	<b>545,4</b>	<b>412,7</b>	<b>382,0</b>	<b>317,9</b>	<b>266,0</b>

<sup>13)</sup> Pro forma data includes Allgon for the entire period.

<sup>14)</sup> Pro forma values are based on the premise that the number of LGP shares outstanding was the same during the entire period.

<sup>15)</sup> Refers to return, not including items affecting comparability, during the past twelve months.

<sup>16)</sup> Not previously published.

<sup>17)</sup> Contains OEM sales to, among others, Ericsson, Nokia, Siemens and Motorola where the final destination may be outside Europe.