SPEED UP YOUR BUSINESS

Q3

Interim Report January–September 2010

NOTE™

YOUR BUSINESS PARTNER

23% sales growth in Q3—ongoing rationalisation package to improve profitability

FINANCIAL PERFORMANCE, JANUARY-SEPTEMBER

- Customer activity increased on the second quarter. The order book at the end of the period was up over 25% year on year.
- Sales were SEK 843.9 (908.6) million. In like-for-like terms, sales increased by 9%.
- The underlying operating loss excluding structural and other non-recurring costs, was SEK -13.6 (-24.4) million, of which currency effects represented SEK -6.4 (-6.3) million.
- The operating loss was SEK -60.4 (-88.1) million.
- The operating margin was -7.2% (-9.7%).
- The loss after financial items was SEK -67.6 (-93.7) million. Excluding structural and other non-recurring costs, the loss after financial items was SEK -20.8 (-30.0) million.
- The loss after tax was SEK -64.0 (-71.1) million.
- Earnings per share were SEK -2.80 (-4.51). Excluding structural and other non-recurring costs, earnings per share were SEK -1.29 (-1.53).
- Cash flow after investments was SEK -53.8 (9.7) million, equating to SEK -2.36 (0.62) per share.

FINANCIAL PERFORMANCE, JULY-SEPTEMBER

- Sales were SEK 271.9 (267.4) million. In like-for-like terms, sales increased by 23%.
- The underlying operating loss was SEK -1.3 (-5.7) million, or an operating margin of -0.5% (-2.1%).
- The operating loss was SEK -4.1 (-61.4) million.
- The loss after financial items was SEK -6.6 (-62.7) million. This figure includes non-recurring costs of SEK 2.8 (55.7) million.
- The loss after tax was SEK -8.9 (-46.6) million, or SEK -0.31 (-2.96) per share.
- Cash flow after investments was SEK -13.2 (14.2) million, or SEK -0.46 (0.90) per share.

SIGNIFICANT EVENTS IN THE YEAR

- **Extensive structural measures**
  Early in the year, NOTE took a decision on extensive structural measures to increase profitability and capacity utilisation. The objective is for these measures to have a minimum profit effect of SEK 50 million annualised. The transfer of production from Skänninge, Sweden, was completed as planned in the summer. The transfer of production from Tauragé, Lithuania and the closure of the operation in Gdansk are scheduled for completion at year-end.
- **Rights issue 2010**
  NOTE conducted a guaranteed new issue with a gross total of some SEK 87 million in the second quarter, with preferential rights for NOTE's current shareholders.
- **New CEO and President of NOTE**
  Peter Laveson was appointed as NOTE's new CEO and President in July. Peter replaced Göran Jansson, who had been acting CEO and President since January.
- **Focusing on NOTEfied**
  A decision was taken to organise operations in CAD (PCB design) and the NOTEfied preferred parts database in a separate company. NOTE will be a minority owner of this new company. The purpose of this measure is to increase efficiency and the number of customers of NOTEfied. The plan was to execute the transfer as early as the third quarter. This transaction is scheduled for the fourth quarter, and is expected to result in a modest capital gain.

CEO's comments

RATIONALISATION PACKAGE TO INCREASE PROFITABILITY

The third quarter of this year was my first in the role of President and CEO of NOTE. Already in April, becoming new board member, I had actively contributed in several profit improvement programs enabling me to learn to know several employees. As President and CEO it has been full speed from day one, focusing on getting more familiar with our business, and getting to know our customers and people. I have also spent a lot of time focusing on our working capital and on following up and ensuring the progress of our ongoing group-wide profitability package.

In recent years, NOTE has had many operational challenges. Together with the global recession NOTE was challenged with major shifts in product generations among the customer base, and also in changing business models towards the high mix/low volume market segment. In parallel with the execution of our rationalisation package, back in the spring, we started extensive work on developing our organisation and business processes—with the consistent aim of increasing efficiency and reducing costs and business risks. This is a change process requiring efficient control and competent employees, and it will generate positive result over time. As part of this work, Robert Rosenzweig recently joined our group management, as NOTE's COO.

In the first quarter, we started a rationalisation package intended to increase profitability and capacity utilisation. This involves the concentration of our units close to customers—Nearsourcing centres—and our units for labour-intensive production in low-cost countries—Industrial Plants.

Volume production has been focused on a plant in Pärnu, Estonia, one in Tangxia, China and on our joint venture plant in Krakow, Poland. As part of this package, we discontinued production at Skänninge, Sweden, this summer. Also, we expect to have fully completed the transfer from our plant in Tauragé, Lithuania and closed down the operation at Gdansk, Poland by year-end. The cost of these actions and other non-recurring costs comprised SEK -47 million of our reported operating loss for January-September of SEK -60.4 million.

The objective is that this rationalisation package will result in profit improvements of at least SEK 50 million annualised.

As planned, the new issue we completed in the second quarter improved our capital structure and prospects of additional sales growth. Our market is evolving quickly and we are increasing our focus on measures that improve our utilisation of working capital and reduce our business risks.

During the third quarter, additional cost reduction measures were initiated. We look forward to the cost savings they will generate together with our continuous activities to improve our competitiveness.

PROGRESS IN THE YEAR

The beginning of the year featured some caution from our customers. Accordingly, volume growth on current business was somewhat lower than expected. But in the second quarter we saw a significant increase in demand, something that became even more evident in the third quarter.

Year-to-date sales are SEK 843.9 million. For current business, this means a year-on-year increase of 9%. Sales gains in the second quarter were 10%, and growth in current business in the third quarter was 23%.

Volume growth remains healthy. And it is pleasing to note that our customers appreciate our offering. Our order book grew by 10% in the third quarter, and at the end of the period, was up over 25% on the corresponding period of the previous year.

Profitability remains unsatisfactory. The operating loss was SEK -60.4 million, primarily a result of non-recurring costs relating to our rationalisation packages. As a result of our actions, processing costs will gradually reduce. Year to date, we have reduced costs by some 10%.

We are heading in the right direction. In the seasonally weak third quarter, our underlying operating loss was SEK -1.3 million, and we saw a positive trend towards the end of the quarter.

Right through the year, the global market for electronic components has featured troublesome shortages and long lead-times for materials. Our challenge was especially clear in the second and third quarters, when the activity levels of our customers increased significantly. Component shortages have required substantial efforts to maintain our delivery capacity at positive levels. Additionally, a difficult supply situation put severe strains on our inventories and cash flow. Accordingly, it is also pleasing that after the summer we succeeded in downscaling our inventories—despite accelerating sales gains. Our cash flow is weak, but mainly as a result of de-stocking, it was limited to SEK -13 million in the third quarter. For the full period, cash flow was SEK -54 million.

THE FUTURE

We are putting a big emphasis on continuously improving quality and delivery precision to our customers. Our rationalisation packages are on track, and we will be reducing our costs. The goal is for NOTE to keep growing, and for this growth to be achieved with high efficiency and profitability.

Demand remains positive. But the troublesome situation on the global market for electronic components means that volume growth in the immediate future is hard to assess. We have a sharp focus on improving our cash flow.

My own conviction, and that of the Board, remains that the NOTE of tomorrow has good prospects of building sustainable values for customers and shareholders.

Peter Laveson

President and CEO

Sales and results of operations

SALES, JANUARY-SEPTEMBER

Sales for the period were SEK 843.9 (908.6) million in the first half-year, a 7% reduction. The operation at NOTE Skellefteå, which essentially, produces for NOTE's previous largest customer in the Telecom segment, was divested at year-end 2009. In like-for-like terms, i.e. excluding NOTE Skellefteå, sales increased by 9%.

NOTE's sales are to a large customer base, largely active in the engineering and defence industries in the Nordics and UK. The intention is that the focus on customers in the Industrial segment will result in more stable demand growth, and relatively longer product life-cycles and customer assignments.

Volume production is usually located at the group's plants in low-cost countries in Eastern Europe and Asia.

Volume growth early in the year was somewhat weaker than expected. This was mainly due to delays, and some uncertainty regarding market progress from several industrial customers. The accentuating component shortage on the global market was a strong contributor.

A significant increase in customer activity appeared in the second quarter. Demand from industry also progressed positively in the third quarter. At the end of the period, the group's order book, consisting of a combination of firm orders and estimates, was over 25% higher than the corresponding period of the previous year.

RESULTS OF OPERATIONS, JANUARY-SEPTEMBER

Late in the previous year, NOTE started an extensive overhaul of the group's units, and in the first quarter, NOTE took a decision to intensify its structural transformation. The objective is to take savings and rationalisation measures in 2010 to generate a minimum annualised profit effect of SEK 50 million. Further concentration of the group's production units, in Sweden and other countries, is part of this package. Operations that do not fit will be sold off or closed down.

After production was transferred to other group units, production in Skänninge, Sweden was discontinued in the summer. The transfer and closure of production at Tauragé, Lithuania is currently ongoing. Extensive initiatives are being conducted alongside customers to either transfer production to other parts of the group or complete the production of current customer assignments. As a result of the component shortage, production at Tauragé will continue somewhat longer than previously planned, although completion is scheduled for the fourth quarter of the year. In addition, NOTE is closing down its operation at Gdansk, Poland. This is also scheduled to be fully complete around year-end 2010. The total cost for these structural measures has been charged to profit/loss for the period. Alongside termination costs at the beginning of the year of just over SEK 5 million for the previous CEO and President, profit/loss was charged with structural and non-recurring costs totalling SEK 47 million.

Mainly as a result of increased volumes and cost savings completed to date, gross margins adjusted for non-recurring items increased to 7.9% (5.7%).

As a result of ongoing structural actions, the group's capacity utilisation will increase. Operating loss was SEK -60.4 (-88.1) million. Adjusted for non-recurring costs, the operating loss was SEK -13.6 (-24.4) million, equivalent to an operating margin of -1.6% (-2.7%). Processing costs in the period were down some 10% year on year.

Other operating income/costs of SEK -6.4 (-6.3) million include primarily negative currency effects.

The net financial income/expense for the period was SEK -7.2 (-5.6) million. Reduced net debt only partially compensated for higher interest costs.

The loss after financial items was SEK -67.6 (- 93.7) million, of which non-recurring items comprised SEK -46.8 (-63.7) million.

SALES AND RESULTS OF OPERATIONS, JULY-SEPTEMBER

Sales in the seasonally weak third quarter increased by 2% to SEK 271.9 (267.4) million. In like-for-like terms, i.e. excluding NOTE Skellefteå, this is an increase of over 23% compared to the third quarter of last year.

The sales increase primarily relates to improved market conditions for industry, which had a direct positive effect on current customer assignments. The continued volume gains on new customer assignments were additional. The order book expanded by 10% in the quarter and by the end of the period, was up over 25% on the corresponding period of last year.

The positive effects of ongoing restructuring measures are expected to be achieved gradually towards year-end. The third-quarter operating loss was SEK -4.1 (-61.4) million, of which non-recurring costs were SEK 2.8 (55.7) million. The underlying operating margin was -0.5% (-2.1%).

The loss after financial items was SEK -6.6 (-62.7) million. The loss after tax for the period was negatively affected by the dissolution of deferred tax assets in units undergoing closure.

Operating segments

As part of the Nearsourcing business model, operations are conducted as an integrated process through local Nearsourcing centres that are responsible for customers in each local market. Essentially, volume production is in facilities in low-cost countries—Industrial Plants. Development, management and coordination of operations is conducted in the parent company, and sourcing operations in NOTE Components.

Significant key ratios for NOTE's business segments are stated in the following table, pursuant to IFRS 8. Essentially, these consist of Nearsourcing centres and Industrial Plants. Nearsourcing centres include selling units in Sweden, Norway, Finland and the UK, where development-oriented work is conducted close to customers. Industrial Plants are the production units in Estonia, Lithuania, Poland and China. Other units are business support, group-wide operations.

	2010 Q3	2009 Q3	**2010 Q1-Q3**	2009 Q1-Q3	**Rolling 12 mth.**	2009 full yr.
NEARSOURCING CENTRES						
EXTERNAL SALES	**250.1**	260.2	**794.2**	887.9	**1,079.6**	1,173.3
INTERNAL SALES	**13.7**	15.5	**46.2**	76.7	**62.5**	93.0
MANUFACTURING, SELLING AND ADMINISTRATIVE EXPENSES	**-73.5**	-93.3	**-255.0**	-303.0	**-337.9**	-385.9
DEPRECIATION AND AMORTISATION	**-3.4**	-4.6	**-10.6**	-14.4	**-15.5**	-19.3
OPERATING PROFIT/LOSS	**6.1**	-49.2	**11.7**	-53.9	**18.9**	-46.7
PROPERTY, PLANT AND EQUIPMENT	**26.9**	61.2	**26.9**	61.2	**26.9**	57.1
STOCK	**138.4**	131.7	**138.4**	131.7	**138.4**	114.7
AVERAGE NUMBER OF EMPLOYEES	**417**	469	**412**	516	**423**	501
INDUSTRIAL PLANTS						
EXTERNAL SALES	**19.7**	6.9	**46.0**	20.4	**52.1**	26.5
INTERNAL SALES	**121.4**	90.5	**330.2**	261.0	**435.7**	366.5
MANUFACTURING, SELLING AND ADMINISTRATIVE EXPENSES	**-31.7**	-26.9	**-119.4**	-83.1	**-148.5**	-112.2
DEPRECIATION AND AMORTISATION	**-3.9**	-4.2	**-12.6**	-11.8	**-15.8**	-15.0
OPERATING PROFIT/LOSS	**-3.4**	-5.9	**-50.5**	-14.9	**-54.5**	-18.9
PROPERTY, PLANT AND EQUIPMENT	**55.7**	58.2	**55.7**	58.2	**55.7**	63.0
STOCK	**97.8**	88.8	**97.8**	88.8	**97.8**	103.1
AVERAGE NUMBER OF EMPLOYEES	**579**	406	**575**	449	**554**	460
OTHER UNITS AND ELIMINATIONS						
EXTERNAL SALES	**2.1**	0.3	**3.7**	0.3	**3.7**	0.3
INTERNAL SALES	**-135.1**	-106.0	**-376.4**	-337.7	**-498.3**	-459.6
MANUFACTURING, SELLING AND ADMINISTRATIVE EXPENSES	**0.7**	-2.8	**-0.8**	-13.5	**-6.3**	-19.0
DEPRECIATION AND AMORTISATION	**-0.4**	-0.4	**-1.3**	-1.5	**-1.8**	-2.0
OPERATING PROFIT/LOSS	**-6.8**	-6.3	**-21.6**	-19.3	**-27.5**	-25.2
PROPERTY, PLANT AND EQUIPMENT	**1.6**	2.1	**1.6**	2.1	**1.6**	2.0
STOCK	**0.0**	0.0	**0.0**	0.0	**0.0**	0.1
AVERAGE NUMBER OF EMPLOYEES	**10**	13	**10**	19	**10**	16

Financial position, cash flow and investments

CASH FLOW

Competing successfully sets high standards for the efficient management of working capital. So like other medium-sized players in the high mix/low volume segment, NOTE faces a major challenge in continuously improve processes within inventory control and logistics. This challenge is especially apparent in rapid demand upturns and downturns, and relate mainly to the complexity in material sourcing and changing lead-times for electronic components. Throughout the year, the global market for electronic components has featured shortages with extended lead-times for certain components. Major efforts have been necessary to adapt inventory levels and maintain delivery precision at a favourable level alongside customers and suppliers. As a result of a combination of the difficult situation on the component market and accelerating sales growth, inventories increased by SEK 18 million (8%) on year-end. But the increase compared to the end of the third quarter of last year is 7%. Focused efforts enabled NOTE to reduce inventory after the summer—NOTE judges its prospects of continued de-stocking in the fourth quarter as favourable.

Accounts Receivable—trade reduced by 5% in the period and by 14% year on year. The number of days of credit was largely unchanged compared to the previous year-end but significantly lower than at the end of the third quarter last year.

Accounts payable—trade, relating mainly to purchases of electronic components and other production materials, were up 3% on year-end.

Cash flow for the period (after investments) was SEK -53.8 (9.7) million, corresponding to SEK -2.36 (0.62) per share.

EQUITY TO ASSETS RATIO

The equity to assets ratio at the end of the period was 30.4% (27.0%). The equity assets ratio increased by 8.0 percentage points compared to the end of the first quarter of the year mainly as a result of the new share issue conducted in the second quarter.

LIQUIDITY

Great efforts have been conducted during the year to improve the liquidity of the group. The sharp focus on measures improving the liquidity and cash flow of the group continues, recently the funding agreements have been re-negotiated. Liquidity at the end of the period was healthy. Available cash and cash equivalents including un-utilised overdraft facilities were SEK 32.7 (98.4) million. Factored accounts receivable at the end of the period were SEK 139 million.

CAPITAL EXPENDITURES

Capital expenditures in the period were SEK 0.9 (11.4) million, or 0.1% (1.3%) of sales. Depreciation and amortisation according to plan was SEK 24.5 (27.8) million. As part of the rationalisation package, tangible and other intangible fixed assets of SEK 17.0 million have been written down during the period.

Investments in the remainder of the year are expected to be low.

Significant events in the period

NEW CEO AND PRESIDENT

Peter Laveson became CEO and President of NOTE in July. Peter has been a Board member of NOTE since April, and previously worked as a Business Developer at Investment AB Öresund. Peter has many years' experience of corporate development and change programmes in Swedish and foreign companies including AB Custos as Regional Manager for the Nordic region, UK and Spain in portfolio company Johnson Pump AB and as a Corporate Developer at Accenture.

Peter replaced Göran Jansson, who was appointed Acting CEO and President in January, succeeding Knut Pogost. Göran has been a member of NOTE's Board since spring 2007.

RIGHTS ISSUE 2010

A guaranteed new share issue of a gross total of some SEK 87 million was conducted in the second quarter with preferential rights for NOTE's shareholders.

CHANGES TO OWNERSHIP

Significant changes to NOTE's major shareholders occurred early in the year. The biggest single shareholder is Investment AB Öresund, which holds 10.6% of NOTE's shares.

AGM 2010—NEW BOARD MEMBERS

The Annual General Meeting (AGM) on 27 April elected Kjell-Åke Andersson, Stefan Charette, Henry Klotz and Peter Laveson as new Board members. Bruce Grant and Göran Jansson are also Board members elected by the AGM. Stefan Charette is Chairman—no Deputy Chairman was appointed.

FOCUSED INITIATIVE FOR NOTEFIED

NOTE has built its own preferred parts database—NOTEfied—in recent years, which is unique in the sector. To sharpen this focus, NOTE took a decision to organise its activities in CAD (PCB design) and NOTEfied into a separate company. NOTE will be a partner of this new entity, but a Norwegian, Anders G Johansen, will become principal owner. Anders has been key to the build-up of NOTEfied. The purpose of the new ownership constellation is to increase NOTEfied's efficiency and the number of its customers. The plan was to execute these transfers as soon as the third quarter. The transaction is scheduled for execution in the fourth quarter, and will result in a modest capital gain.

Parent company

Parent company NOTE AB (publ) is primarily focused on the management, coordination and development of the group. In the period, revenue was SEK 30.3 (36.1) million and mainly related to intra-group services. Loss after tax was SEK -74.3 (-11.5) million. Just over SEK 62 million of the loss consists of write-downs of shares in subsidiaries where operations are being discontinued during the year.

TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties were mainly internal sales of services to joint ventures.

Significant operational risks

NOTE is a services company active in production and logistics relating to electronics-based products. NOTE's role involves it serving as a collaboration partner to its customers, although not a product owner.

The electronics manufacturing services (EMS) market is relatively young and usually considered fairly cyclical. Very few, if any, of the somewhat larger traditional EMS corporations have succeeded in maintaining good profitability over a business cycle.

This fact was important to NOTE's choice of future strategy. NOTE's forward-looking emphasis on Nearsourcing, intended to promote the combination of sales growth with low investment costs and overheads in high-cost countries, is one way of reducing its operational risks.

For a more detailed review of the group's operational and financial risks, the reader is referred to the Report of the Directors in NOTE's Annual Report for 2009.

The group's increasing sales growth, in combination with the shortage situation of some electronic components, puts additional pressure on working capital. Consequently, high attention is currently on managing the liquidity risk.

Danderyd, Sweden, 20 October 2010

The Board of Directors, NOTE AB (publ)

REVIEW REPORT

We have conducted a limited review of the summarized financial Interim information (Interim Report) for NOTE AB (publ) for the period 1 January– 30 September 2010. The preparation and presentation of these interim financial statements pursuant to IAS 34 and the Swedish Annual Accounts Act are the responsibility of the Board of Directors and Chief Executive Officer. Our responsibility is to report our conclusions concerning these interim financial statements on the basis of our limited review.

We have conducted our limited review pursuant to the Standard for Limited Review (SÖG) 2410 "Limited review of interim financial information conducted by the company's appointed auditor." A limited review consists of making inquiries, primarily to individuals responsible for financial and accounting matters, as well as performing analytical procedures and taking other limited review measures. A limited review has a different focus and significantly less scope than an audit according to RS Auditing Standards in Sweden and generally accepted auditing practice. The review procedures undertaken in a limited review do not enable us to obtain a level of assurance where we would be aware of all important circumstances that would have been identified had an audit been conducted. Therefore, a conclusion reported on the basis of a limited review does not have the level of certainty of a conclusion reported on the basis of an audit.

Based on our limited review, no circumstances have come to our attention that would give us reason to believe that the interim financial statements have not been prepared pursuant to IAS 34 and the Swedish Annual Accounts Act for the group, and pursuant to the Swedish Annual Accounts Act for the parent company, in all material respects.

Magnus Brändström
Authorised Public Accountant
Senior Auditor

Anders Magnussen
Authorised Public Accountant

Öhrlings PricewaterhouseCoopers

Stockholm, Sweden, 20 October 2010

FOR MORE INFORMATION, PLEASE CONTACT

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FORTHCOMING FINANCIAL REPORTS

10 February 2011 Financial Statement 2010

28 April 2011 Interim Report January-March

15 July 2011 Interim Report January-June

20 October 2011 Interim Report January-September

ANNUAL GENERAL MEETING

The AGM will be held at Spårvagnshallarna, Stockholm, Sweden on 28 April 2011.

ACCOUNTING AND VALUATION PRINCIPLES

NOTE adopts International Financial Reporting Standards (IFRS) as endorsed by the European Union. Significant accounting and valuation principles are stated on pages 40-42 of the Annual Report for 2009.

NOTE's new share issue in the second quarter of 2010 increased the number of shares. This means that statements of earnings and cash flow per share are calculated on a weighted average number of shares in the period, and pursuant to IAS 33, comparative periods have also been re-stated.

The group's Interim Report has been prepared in accordance with the Swedish Annual Accounts Act and IAS 34, Interim Financial Reporting. The parent company adopts RFR 2:3.

All amounts are in millions of Swedish kronor (SEK million) unless otherwise stated.

DISCREPANCIES BETWEEN REPORTS

Swedish and English versions of this Report have been prepared. In instances of any discrepancy between the two, the Swedish version will take precedence.

Consolidated Income Statement

	2010 Q3	2009 Q3	2010 Q1-Q3	2009 Q1-Q3	Rolling 12 mth.	2009 Full yr.
REVENUES	**271.9**	267.4	**843.9**	908.6	**1,135.4**	1,200.1
COST OF GOODS AND SERVICES SOLD	**-253.1**	-301.6	**-815.7**	-904.8	**-1,084.6**	-1,173.7
GROSS PROFIT/LOSS	**18.8**	**-34.2**	**28.2**	**3.8**	**50.8**	**26.4**
SALES COSTS	**-11.7**	-9.8	**-41.8**	-34.2	**-55.8**	-48.2
ADMINISTRATIVE COSTS	**-12.3**	-14.3	**-40.4**	-51.4	**-53.8**	-64.8
OTHER OPERATING INCOME/COSTS	**1.1**	-3.1	**-6.4**	-6.3	**-4.3**	-4.2
OPERATING PROFIT/LOSS	**-4.1**	**-61.4**	**-60.4**	**-88.1**	**-63.1**	**-90.8**
NET FINANCIAL INCOME/EXPENSE	**-2.5**	-1.3	**-7.2**	-5.6	**-8.7**	-7.1
PROFIT/LOSS AFTER FINANCIAL ITEMS	**-6.6**	**-62.7**	**-67.6**	**-93.7**	**-71.8**	**-97.9**
INCOME TAX	**-2.3**	16.1	**3.6**	22.6	**-2.1**	16.9
PROFIT/LOSS AFTER TAX FOR THE PERIOD	**-8.9**	**-46.6**	**-64.0**	**-71.1**	**-73.9**	**-81.0**

Earnings per share

	2010 Q3	2009 Q3	2010 Q1-Q3	2009 Q1-Q3	Rolling 12 mth.	2009 Full yr.
NUMBER OF SHARES AT END OF PERIOD (000)	**28,873**	9,624	**28,873**	9,624	**28,873**	9,624
WEIGHTED AVERAGE NUMBER OF SHARES (000)	**28,873**	15,749	**22,815**	15,749	**21,034**	15,749
EARNINGS PER SHARE, SEK	**-0.31**	-2.96	**-2.80**	-4.51	**-3.51**	-5.14

Consolidated Statement of Comprehensive Income

	2010 Q3	2009 Q3	2010 Q1-Q3	2009 Q1-Q3	Rolling 12 mth.	2009 Full yr.
NET PROFIT/LOSS	**-8.9**	**-46.6**	**-64.0**	**-71.1**	**-73.9**	**-81.0**
OTHER COMPREHENSIVE INCOME						
EXCHANGE RATE DIFFERENCES	**-4.5**	-5.6	**-9.4**	-6.8	**-6.3**	-3.7
CASH FLOW HEDGES	**-**	-	**-**	-0.3	**-**	-0.3
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	**-4.5**	**-5.6**	**-9.4**	**-7.1**	**-6.3**	**-4.0**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**-13.4**	**-52.2**	**-73.4**	**-78.2**	**-80.2**	**-85.0**

Consolidated Balance Sheet

	2010 30 Sep	2009 30 Sep	2009 31 Dec
ASSETS			
GOODWILL	**70.6**	67.1	71.2
OTHER INTANGIBLE ASSETS	**0.8**	9.6	10.3
PROPERTY, PLANT AND EQUIPMENT	**84.2**	121.5	122.1
DEFERRED TAX ASSETS	**34.2**	49.3	28.4
OTHER FINANCIAL ASSETS	**2.6**	14.2	2.6
FIXED ASSETS	**192.4**	**261.7**	**234.6**
STOCK	**236.2**	221.3	217.9
ACCOUNTS RECEIVABLE—TRADE	**219.2**	256.1	231.9
OTHER CURRENT RECEIVABLES	**41.3**	45.2	44.3
CASH AND CASH EQUIVALENTS	**21.1**	19.1	24.4
CURRENT ASSETS	**517.8**	**541.7**	**518.5**
TOTAL ASSETS	**710.2**	**803.4**	**753.1**
EQUITY AND LIABILITIES			
EQUITY	**215.9**	216.7	209.9
NON-CURRENT INTEREST-BEARING LIABILITIES	**5.5**	17.2	14.0
DEFERRED TAX LIABILITIES	**2.8**	19.2	3.6
OTHER LONG-TERM PROVISIONS	**0.1**	12.7	12.9
NON-CURRENT LIABILITIES	**8.4**	**49.1**	**30.5**
CURRENT INTEREST-BEARING LIABILITIES	**229.5**	228.3	237.6
ACCOUNTS PAYABLE—TRADE	**158.1**	151.9	153.9
OTHER CURRENT LIABILITIES	**73.3**	90.4	82.9
SHORT-TERM PROVISIONS	**25.0**	67.0	38.3
CURRENT LIABILITIES	**485.9**	**537.6**	**512.7**
TOTAL EQUITY AND LIABILITIES	**710.2**	**803.4**	**753.1**

Consolidated Change in Equity

	2010 Q3	2009 Q3	**2010 Q1-Q3**	2009 Q1-Q3	**Rolling 12 mth.**	2009 Full yr.
OPENING EQUITY	**229.3**	268.9	**209.9**	294.9	**216.7**	294.9
COMPREHENSIVE INCOME FOR THE PERIOD AFTER TAX	**-13.4**	-52.2	**-73.4**	-78.2	**-80.2**	-85.0
NEW SHARE ISSUE	**-**	-	**86.6**	-	**86.6**	-
COSTS RELATING TO NEW SHARE ISSUE	**-**	-	**-7.2**	-	**-7.2**	-
CLOSING EQUITY	**215.9**	**216.7**	**215.9**	**216.7**	**215.9**	**209.9**

Consolidated Cash Flow Statement

	2010 Q3	2009 Q3	2010 Q1-Q3	2009 Q1-Q3	Rolling 12 mth.	2009 Full yr.
PROFIT/LOSS AFTER FINANCIAL ITEMS	**-6.6**	-62.8	**-67.6**	-93.7	**-71.8**	-97.9
REVERSED DEPRECIATION AND AMORTISATION	**7.7**	9.5	**24.5**	27.8	**33.0**	36.3
OTHER NON-CASH ITEMS	**-2.6**	52.9	**36.7**	53.3	**20.1**	36.7
TAX PAID	**-2.5**	6.0	**-6.2**	-2.4	**-8.8**	-5.0
CHANGE IN WORKING CAPITAL	**-8.6**	8.9	**-40.3**	36.1	**-3.9**	72.5
CASH FLOW FROM OPERATING ACTIVITIES	**-12.6**	**14.5**	**-52.9**	**21.1**	**-31.4**	**42.6**
CASH FLOW FROM INVESTING ACTIVITIES	**-0.6**	-0.3	**-0.9**	-11.4	**-8.2**	-18.7
CASH FLOW FROM FINANCING ACTIVITIES	**14.0**	-17.7	**53.9**	-25.5	**44.8**	-34.6
CHANGE IN CASH AND CASH EQUIVALENTS	**0.8**	**-3.5**	**0.1**	**-15.8**	**5.2**	**-10.7**
CASH AND CASH EQUIVALENTS						
AT BEGINNING OF PERIOD	**21.5**	23.4	**24.4**	35.9	**19.1**	35.9
CASH FLOW AFTER INVESTING ACTIVITIES	**-13.2**	14.2	**-53.8**	9.7	**-39.6**	23.9
FINANCING ACTIVITIES	**14.0**	-17.7	**53.9**	-25.5	**44.8**	-34.6
FX DIFFERENCES IN CASH AND CASH EQUIVALENTS	**-1.2**	-0.8	**-3.4**	-1.0	**-3.2**	-0.8
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**21.1**	**19.1**	**21.1**	**19.1**	**21.1**	**24.4**
UN-UTILISED CREDITS	**11.6**	79.3	**11.6**	79.3	**11.6**	26.3
AVAILABLE CASH AND CASH EQUIVALENTS	**32.7**	**98.4**	**32.7**	**98.4**	**32.7**	**50.7**

Consolidated six-year summary

	Rolling 12 mth.	2009	2008	2007	2006	2005
SALES	**1,135.4**	1,200.0	1,709.5	1,743.8	1,741.5	1,504.1
GROSS MARGIN	**4.5%**	2.2%	7.2%	12.9%	11.9%	3.6%
OPERATING MARGIN	**-5.6%**	-7.6%	-0.2%	6.4%	5.9%	-4.3%
PROFIT MARGIN	**-6.3%**	-8.2%	-0.8%	6.0%	5.5%	-4.9%
CASH FLOW AFTER INVESTING ACTIVITIES	**-39.6**	23.9	25.1	-0.5	24.8	-9.7
EQUITY PER SHARE, SEK	**7.48**	21.81	30.64	34.02	27.86	21.31
CASH FLOW PER SHARE, SEK	**-1.88**	1.52	1.59	-0.03	1.57	-0.61
RETURN ON OPERATING CAPITAL	**-14.5%**	-18.8%	-0.7%	21.4%	22.5%	-14.3%
RETURN ON EQUITY	**-34.2%**	-32.1%	-4.2%	26.3%	29.0%	-23.7%
EQUITY TO ASSETS RATIO	**30.4%**	27.9%	31.1%	34.5%	30.2%	25.3%
AVERAGE NUMBER OF EMPLOYEES	**987**	977	1,201	1,171	1,127	1,097
SALES PER EMPLOYEE, SEK 000	**1,150**	1,228	1,423	1,489	1,545	1,371

Consolidated quarterly summary

	2010 Q3	2010 Q2	2010 Q1	2009 Q4	2009 Q3	2009 Q2	2009 Q1	2008 Q4
SALES	**271.9**	298.6	273.5	291.5	267.4	312.1	329.1	414.5
GROSS MARGIN	**6.9%**	9.9%	-7.4%	7.8%	-12.8%	6.2%	5.7%	-2.8%
OPERATING MARGIN	**-1.5%**	-1.3%	-19.2%	-0.9%	-23.0%	-5.8%	-2.6%	-11.6%
PROFIT MARGIN	**-2.4%**	-2.0%	-20.2%	-1.5%	-23.5%	-6.3%	-3.4%	-12.2%
CASH FLOW AFTER INVESTING ACTIVITIES	**-13.2**	-54.9	14.3	14.2	14.2	10.8	-15.3	-6.2
EQUITY PER SHARE, SEK	**7.48**	7.94	16.97	21.81	22.52	27.94	29.59	30.64
CASH FLOW PER SHARE, SEK	**-0.46**	-2.32	0.91	0.90	0.90	0.69	-0.97	-0.39
EQUITY TO ASSETS RATIO	**30.4%**	31.4%	22.4%	27.9%	27.0%	32.2%	31.4%	31.1%
AVERAGE NUMBER OF EMPLOYEES	**1,006**	987	997	956	888	944	1,121	1,185
SALES PER EMPLOYEE, SEK 000	**270**	303	274	305	301	331	294	350

Parent Company Income Statement

	2010 Q3	2009 Q3	2010 Q1-Q3	2009 Q1-Q3	Rolling 12 mth.	2009 Full yr.
NET SALES	9.5	11.0	30.3	36.1	40.1	45.9
COST OF GOODS SOLD	-7.6	-4.4	-5.7	-23.1	-42.1	-39.5
GROSS PROFIT/LOSS	**1.9**	**6.6**	**4.6**	**13.0**	**-2.0**	**6.4**
SALES COSTS	-0.2	-1.5	-6.4	-9.0	-8.0	-10.6
ADMINISTRATIVE COSTS	-4.8	-3.4	-11.5	-19.1	-13.6	-21.2
OTHER OPERATING INCOME/COSTS	-0.4	-2.9	0.0	-2.5	0.6	-1.9
OPERATING PROFIT/LOSS	**-3.5**	**-1.2**	**-13.3**	**-17.6**	**-23.0**	**-27.3**
FINANCIAL INCOME/EXPENSE	-13.6	-5.6	-66.7	0.3	-64.9	2.1
PROFIT/LOSS AFTER NET FINANCIAL ITEMS	**-67.1**	**-6.8**	**-80.0**	**-17.3**	**-87.9**	**-25.2**
APPROPRIATIONS	-	-	-	-	48.1	48.1
PROFIT/LOSS BEFORE TAX	**-67.1**	**-6.8**	**-80.0**	**-17.3**	**-39.8**	**22.9**
INCOME TAX	2.4	1.8	5.7	5.8	-5.0	-4.9
PROFIT/LOSS AFTER TAX	**-64.7**	**-5.0**	**-74.3**	**-11.5**	**-44.8**	**18.0**

Parent Company Balance Sheet

	2010 30 Sep	2009 30 Sep	2009 31 Dec
ASSETS			
INTANGIBLE ASSETS	0.6	2.0	0.9
PROPERTY, PLANT AND EQUIPMENT	1.6	2.1	2.0
DEFERRED TAX ASSETS	8.2	5.9	2.5
FINANCIAL NON-CURRENT ASSETS	350.1	328.5	340.3
NON-CURRENT ASSETS	**360.5**	**338.5**	**345.7**
RECEIVABLES FROM GROUP COMPANIES & JOINT VENTURES	58.5	88.3	111.5
OTHER CURRENT RECEIVABLES	2.7	3.6	6.4
CASH AND CASH EQUIVALENTS	1.9	8.0	4.8
CURRENT ASSETS	**63.1**	**99.9**	**122.7**
TOTAL ASSETS	**423.6**	**438.4**	**468.4**
EQUITY AND LIABILITIES			
EQUITY	262.2	248.6	257.1
UNTAXED RESERVES	**-**	**48.1**	**-**
LIABILITIES TO GROUP COMPANIES & JOINT VENTURES	6.8	6.8	6.8
NON-CURRENT LIABILITIES	**6.8**	**6.8**	**6.8**
LIABILITIES TO CREDIT INSTITUTIONS	69.0	64.5	64.9
LIABILITIES TO GROUP COMPANIES & JOINT VENTURES	71.8	51.8	126.2
OTHER CURRENT LIABILITIES & PROVISIONS	13.8	18.6	13.4
CURRENT LIABILITIES	**154.6**	**134.9**	**204.5**
TOTAL EQUITY AND LIABILITIES	**423.6**	**438.4**	**468.4**