

Part year report January - September 2001

Half Year Report January - June, 2001

- **Turnover for third quarter grew by 25 % to 27,6 M SEK (22,1 M SEK)**
- **Margin for sold goods grew during third quarter to 23,6 % (8,8 %)**
- **Turnover for period January to September grew to 81,5 M SEK (78,9 M SEK)**
- **Considerably reduced pace of loss in operational business**

Operations

Turnover for the quarter grew by 25 % to 27,6 M SEK and the gross margin for sold goods grew during the quarter to 23,6 % from 8,8 % in the corresponding period last year. The result for the quarter amounted to a loss of 4,4 M SEK. For comparable units and with the exclusion of comparison-distorting items, the previous year's result for the same period amounted to a loss of 12,7 M SEK.

Turnover for the first nine months of the year grew to 81,5 M SEK (78,9 M SEK) and the gross margin for sold goods grew during this period to 21,1 % as against 12,9 % in the corresponding period for the previous year. With the exclusion of comparison-distorting items, the result amounted to a loss of 22,1 M SEK. The corresponding result for comparable units in the previous year amounted to a loss of 28,9 M SEK.

The board took a decision, in connection with the statement of accounts for the second quarter, to adjust the value given in the balance sheet for the acquired operation Tandberg Display. There was therefore a one-off devaluation on part of the Goodwill which arose at the time of the acquisition of 10 M SEK. The devaluation was made on the basis of the market's reassessment of the industry as a whole and it was debited from the concern's results for the second quarter.

Project sales according to MultiQ's new strategy have grown strongly and brought with them markedly improved marginal structure. During 2001, MultiQ has seen growth within the company's key operations - i.e. customer-adapted flat image screens. At the same time, a large portion of the less profitable distribution sales has disappeared, meaning that the total increase in invoicing is limited.

MultiQ's range of flat image screens are all built in a unique solid construction, which makes them ideally suited for use in cashing solutions, industrial solutions and in public places. The possibility of customer-adaptability in the form of the customer's being able to obtain a screen of a unique design, which contributes to strengthening the company's profile, is a unique concept. MultiQ's sales are more and more made up of specially-designed products, and less and less of standard screens. This strategy has made it possible to increase the margin on sold goods to 21 % as against 13 % on average in the previous year. Work has been proceeding for the past year to adapt the business model and organisation, and these are now in place and able to use the full potential of the business opportunities now apparent.

Sales and marketing development

The new strategy pursued by MultiQ since the autumn of 2000 has led to breakthrough orders from Lotto Hessen in Germany, Bingolotto in Sweden and Vodafone in the United Kingdom. This together with better marginal structure justifies the choice of strategy. Sales in the chosen segment are expected to continue a positive development during the final quarter.

The market for flat screens is in a long term growth phase in spite of short term fluctuations. The availability of panels and price of products have up to now been limiting factors. A strong expansion of production capacity has taken place, contributing both to better availability and lower prices, opening the market to entirely new applications and customer groups.

Financial Position.

The concern's liquid assets amounted to 3,2 M SEK (15,1 M SEK). As of the 30th September, approx. 20 M SEK of working capital was tied up in customer demands and in stocks belonging to large customer projects which will reach final delivery during the final quarter. Solvency amounted to 61,6% (73,8%). All product development is subject to continual costing. Investment in fixed assets for the period amounted to 1,2 M SEK (1,4 M SEK).

Parent Company.

The parent company, which has had no sales during the period, had a business result of -13,0 M SEK (-4,0 M SEK). The result following financial items amounted to -13,1 M SEK (28,1 M SEK). Investment in fixed assets in the parent company amounted to 0 M SEK (0 M SEK). Liquid assets as of 30th September 2001 amounted to 0,5 M SEK.

Accounting principles

The part year report has been drawn up according to the recommendations of the Accountancy Board. The company follows the accounting and valuation principles of the Accountancy Board.

An application of Accountancy Board recommendation RR:9 gives the company the opportunity to show a postponed tax claim referring to deficit relief of 96 M SEK. This tax claim has not been included in the accounts.

Listing

The MultiQ share has been quoted on the O list of the Stockholm Stock Exchange since December 7, 1999.

Upcoming financial information from MultiQ

Preliminary accounts February 7, 2002

Please direct all questions concerning this report to:

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