



## **HL Display**

Corporate Report 2011  
with Sustainability Report



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This corporate report has been prepared in Swedish and translated into English. In the event of any discrepancies between the Swedish and the translation, the former shall have precedence.

# The year in brief

- Net sales amounted to MSEK 1,643 (1,617).
- Operating profit amounted to MSEK 63 (64)
- Profit before tax was MSEK 24 (29).
- Launch of the screen-based sales tool Ad'Pulse™.
- New production facility in Gliwice, Poland.

## Second quarter

Ad'Pulse™, a screen-based sales tool for the shelf and part of HL Display's new technology range, was launched in several markets. Customers have confirmed the theory that small screens with quick and easy message changing are an interesting alternative to traditional shelf talkers –and they perceive HL Display as the natural supplier.

## Third quarter

HL Display's new production facility in Poland was officially opened in October. All production of injection-moulded items which previously took place in Karlskoga was moved to the new unit and the Swedish factory was completely shut down at the end of September.

HL Display signed an agreement with a distributor in South Africa.

## Fourth quarter

HL Display decided to shift production from the factory in Falun to the newly established facility in the Polish city of Gliwice. The production transfer is expected to be completed in 2012.

HL Display signed an agreement with a distributor in Brazil.

## First quarter

EuroShop, the world's largest retail trade fair, was held at the end of February. HL Display launched several major product development projects. These include 3eBins™, a new display system for loose goods, and Ad'Lite™, a solution providing LED lighting for shelves. HL Display's new products met with a very positive response.

## Key ratios

	2011	2010 <sup>1)</sup>	2009	2008
Net sales for the Group, MSEK	1,643	1,617	1,360	1,536
Operating profit, MSEK	63	64	86	130
Profit before tax, MSEK	24	29	84	136
Profit after tax, MSEK	18	18	58	96
EBITA margin, %	3.9	4.1	6.4	8.5
Equity/assets ratio, %	53.3	50.6	44.5	57.3
Average number of employees	1,158	1,102	836 <sup>2)</sup>	983

<sup>1)</sup> Pro forma.

<sup>2)</sup> Excluding PPE, that was consolidated from 31 December, 2009.



# HL Display in two minutes

**HL Display is Europe's leading merchandising company. With a track record stretching back more than 50 years, HL Display is a natural partner in the creation of attractive and selling in-store environments that strengthen the consumer's shopping experience.**

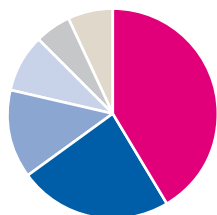
## Offering

HL Display offers products and concepts that help customers create attractive and effective in-store environments.

## Optishop™ – HL Display's range for the food and non-food retail sectors

Optishop™ consists of products and solutions for merchandising and in-store communication. These help customers to increase sales and reduce costs by creating a more efficiently functioning store.

Sales per customer segment



- Retail food **41%**
- Brand manufacturers **24%**
- Retail non-food **14%**
- Shop-fitters **9%**
- Distributors **5%**
- Other **7%**

## Brandman™ – HL Display's range for brand manufacturers

Brandman™ consists of products and solutions for product placement on the shelf and campaign placement in other parts of the store. These help customers to optimise brand-building and ensure their products have visibility in the store, resulting in increased sales.

## Customers

HL Display has three prioritised customer segments – the food and non-food retail sectors, and brand manufacturers, which produce the products sold in stores. Most of the world's leading retail chains and brand manufacturers are customers of HL Display.

## Effective delivery organisation

With efficient production and logistics, HL Display is able to offer its customers a high level of service and short lead times. The majority of the products that HL Display sells are manufactured in the Company's own factories and the ambition is to have production at world class level in HL Display's prioritised production processes. HL Display has five factories – Falun and Sundsvall (Sweden), Harlow (UK), Gliwice (Poland) and Suzhou (China). Deliveries to customers are handled through regional logistics centres in selected locations around the world.





### Presence in 48 markets

HL Display is an international company with operations in 48 markets around the world. 36 of these markets are serviced by the Company's own sales companies, while the other 12 are serviced by selected distributors. HL Display's five largest markets are the United Kingdom, France, Russia, Sweden and Norway.

HL Display has just over 1,100 employees and is owned by the publicly listed private-equity company Ratos.

## HL Display's operations around the world

● Own sales companies		● Distributors	● Factories	● Logistic centres
Australia/ New Zealand	India	Slovenia	China (Suzhou)	France (Tours)
Austria	Indonesia	South Korea	Poland (Gliwice)	Hungary (Győr)
Belgium	Latvia/Lithuania	Spain	Sweden (Falun, Sundsvall)	Poland (Gliwice)
Bulgaria	Malaysia	Sweden	United Kingdom (Harlow)	Russia (Moscow)
China (Hong Kong)	Netherlands	Switzerland		Singapore
China (Shanghai)	Norway	Taiwan		Sweden (Falkenberg)
Dubai	Poland	Thailand		The United Arab Emirates (Dubai)
Finland	Romania	The Czech Republic		
France	Russia	Turkey		
Germany	Serbia	Ukraine		
Hungary	Singapore	United Kingdom		
	Slovakia			
		Brazil		
		Denmark		
		Estonia		
		Greece		
		Iceland		
		Ireland		
		Israel		
		Italy		
		Kazakhstan		
		Malta		
		Portugal		
		South Africa		

# A positive year with a spirit of change

**2011 was a year of clear recovery in the market. For HL Display, this meant that the Company was able to regain some of the sales volumes lost during the financial crisis.**

I am pleased to say that, this year, we saw business starting to come back after the financial crisis of 2009. Our customers are now showing higher activity than before, for example in the food retail sector where we are seeing increased numbers of store renovations and new concept introductions. It is my perception that we have a good market position at present and are gaining market share in many of our markets.

## **Increased sales volume**

Sales in local currency increased by 8 percent compared with 2010. However, translated into Swedish kronor, sales growth was more modest, 2 percent. This is because the Swedish krona is stronger against our major export currencies, such as the euro and sterling, than it was in the previous year. This has had an adverse effect on our restated sales figures.

Despite good volume growth during the year, we still have some volume to regain before we are back at the levels of 2007 and 2008. As long as we are below these levels, I cannot be completely satisfied.

## **Increased uncertainty means more moderate expectations**

In 2011, market uncertainty increased significantly at the end of the year, with problems for several EU countries and concerns about the future of the euro. If this were to result in poorer market growth in Europe, it would obviously have a negative impact on HL Display, as a large proportion of our sales are conducted in the European market.

In response to this uncertainty, at the end of the year we drew up contingency plans for each region, consisting of about ten action points. These are ready for use if we find ourselves back in a situation of sharply declining volumes, as in 2009. Our original plans are obviously still in place as the main scenario and we hope that we will not have to use these contingency plans.

## **Positive underlying profitability trend**

Operating profit (EBITA) for 2011 amounted to SEK 64 million, which is a decline of 3 percent compared with the previous year. Earnings were affected by non-recurring costs associated with changes to the production structure we made during the year. Costs of moving production from Karlskoga and Falun to Gliwice in Poland amounted to approx. SEK 40 million. At the same time, earnings were adversely affected by a strong Swedish krona, with currency effects amounting to approx. SEK 31 million. Looking at the results excluding these items, I can conclude that the underlying profitability is good.

## **Non-food retail shows largest increase in sales**

Looking at sales trends in a little more detail, I note that the largest increase

comes from non-food retail. These companies operate in the areas of commerce that were hit hardest by the recession and it is pleasing to see that this business is coming back.

In food retail, which is HL Display's largest customer segment, the number of store renovations has shown a marked increase compared with the previous year. There is also widespread interest in changing and renewing stores using attractive merchandising concepts. These trends have clearly affected demand for the products and solutions we offer.

Sales to the brand manufacturers segment were flat during the year. However, it is important to note that our business in this segment was not particularly affected during the recession. Brand manufacturers continued to invest in new display solutions for their products. In fact, our sales to this customer segment are currently higher than before the crisis and represent an increasing proportion of our total sales.

## **Continuing strong growth in Asia**

If we look at sales growth in our different regions, I am satisfied with developments in most regions. Growth in Asia/Pacific amounted to 18 percent, which was according to plan. The South Europe region also developed positively, with growth of 11 percent. This is largely due to strong sales growth in France, which is our second largest single market.

The North Europe region experienced sales growth of 7 percent after a relatively weak start to the year, while the Middle East/Africa region grew by 8 percent. We also achieved sales growth of 5 percent in the UK, which is a market that is still affected by the economic downturn. The acquisition of PPE has



played a key role in this growth. By offering broad and competitive products and services, HL Display's position in the UK market has strengthened considerably.

In East Europe sales were more or less flat in 2011, which is primarily the result of a market environment that continues to be difficult.

#### **Contracts in new markets**

In 2011, we signed contracts with external distributors in South Africa and Brazil. These are two completely new markets for us. Both are attractive retail markets in which the modern retail sector is continuously gaining market share. Although the contracts will have a limited impact for HL Display initially, they may prove to be interesting markets in the longer term.

We also ended the cooperation with U.S. company Trion Industries during the year. Thus, we can now decide for ourselves how we want to approach the American markets.

#### **A better HL Display for customers**

2011 was a year of major changes for HL Display. In fact, we are currently implementing what are perhaps the most comprehensive changes in the Company's history – changes that affect most operations within HL Display.

During the year, we conducted an in-depth review of our work processes in connection with the introduction of a new business system. In every part of our business, we asked ourselves how we could become more efficient. We identified easily implemented improvements as well as more far-reaching changes. This has resulted in changed and more efficient business processes in most areas of our business. The introduction of these improvements is already underway and will continue in stages during the course of the next two years. The purpose is basically simple. We shall become more efficient in order to increase our capacity, reduce our costs and – most important – offer faster and better service to our customers.

#### **New factory in Gliwice, Poland**

In parallel with our business process review, we also made major changes

in our production structure. The new production unit in the Polish city of Gliwice was officially opened in October 2011 and all production of injection-moulded items previously manufactured in Karlskoga has been moved there. We are proud of this new modern factory, which gives us efficient, cost-effective production closer to our major markets. The plant provides a good working environment for our employees who work there and there is potential for extending its capacity to meet future needs.

The next stage, scheduled for completion in 2012, will involve all production currently carried out at the Falun factory being moved to Gliwice. The move will give us broader production expertise in Gliwice, while also reducing costs significantly. With this relocation of production, we gather all the production methods required to meet the needs of the brand manufacturers in one single plant. This is an essential part of our increased focus on this customer segment which offers good future potential for HL Display.

#### **Keen interest in digital signage products**

I am also pleased to confirm that there has been keen interest in the products that are part of our new Ad'Pulse™ digital signage solution. These are digital displays – with or without a touch function and WiFi/3G connection – on which messages, images and film material can be tailored by the user. When we developed Ad'Pulse™, an important consideration was that this would not be an IT product, but a sales tool for retailers. This means that we can offer an item of software that can be easily handled by staff in the store. This is also attractive to HL Display as it introduces a new business model which, in addition to hardware sales, includes licence fees for software and a support service.

#### **Continuing commitment to sustainability**

At HL Display, we have a strong tradition of taking responsibility for our impacts, while also operating an economically successful business. We engage in continuous improvement work associated with these areas. In 2010, we joined the

UN Global Compact and we support the UN's fundamental values and principles in the areas of human rights, labour, environment and anti-corruption.

#### **Increased competitiveness**

As I mentioned earlier, 2011 was marked by large-scale changes throughout the Company. I would like to conclude by saying a big thank you to my colleagues in HL Display. The change process we are now going through places high demands on every part of the Company. It is extremely heartening to see the outstanding commitment and exemplary attitude shown by all our employees. This is absolutely critical in order for the change process to be conducted in a positive spirit and with a successful outcome.



I have already mentioned that there is uncertainty about how the market will develop in 2012. However, I can say that, with the measures implemented in recent years and the changes we initiated in 2011, we have clearly increased the competitiveness of our business. A business that is ready to embrace the opportunities and challenges that lie ahead.

Nacka Strand, February 2012

**Gérard Dubuy,**  
Managing Director and CEO



# Value-creating work

**HL Display has a clear focus on creating value for the Company's various stakeholders. This is reflected in the business concept and mission, as well as in the Company's core values and financial targets.**

## Mission

Creating an attractive and selling in-store environment that strengthens the consumer's shopping experience.

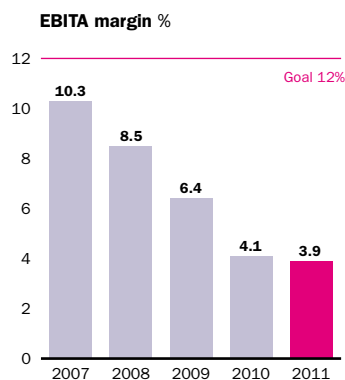
## Business concept

HL Display's business concept is to increase its customers' profitability by offering the retail sector and its suppliers cost-efficient products and solutions for in-store communication and merchandising. The focus is on making products and solutions adaptable to customers' specific needs.

## Financial goal

HL Display has a clear focus on profitable growth. Fulfilment of the Company's financial targets will strengthen its leading position in the sector and contribute towards a good return for its owners. HL Display has two main financial targets, one growth target and one profit target.

- Annual organic growth of 5-10%
- EBITA margin of 12%.



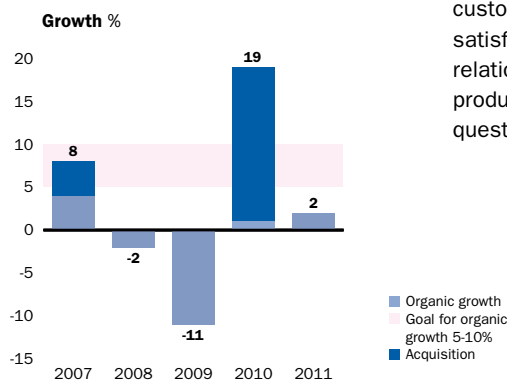
## Strategies

HL Display employs the following four main strategies to achieve the Company's targets.

1. Focus on three primary customer segments – food retail, non-food retail and brand manufacturers.
2. Prioritise design and innovation for the purpose of setting new standards. Product development will be customer-driven.
3. Streamline and adapt the organisation to market requirements and needs.
4. Strengthen the market position and product range by means of acquisitions.

## Values

**Customer focus** – The customers are behind HL Display's growth and success. This is why it is only natural for the Company to place a clear focus on creating customer value and increased profitability for customers. HL Display is a reliable and committed company, with all its efforts aimed at increasing customer satisfaction and establishing strong relationships. HL Display strives for direct contact with customers without any intermediaries.



**Competence** – HL Display is an expert in its field. The Company has in-depth knowledge about its customers' business, and offers extensive experience, both as a problem-solver and a supplier of innovative products and solutions. HL Display's sales force is made up of talented and qualified employees who are able to work at all levels in the customers' organisations.

**Innovation** – HL Display anticipates and utilises change, challenges the status quo and values entrepreneurship. The Company's product development constantly develops solutions to problems – both old and new. HL Display's investment in product development is unparalleled in the sector and the Company's product range is developed in order to meet customers' present and future needs.

**Quality** – HL Display's organisation bears the hallmark of professionalism and customers are able to put their trust in the Company. Each delivery must be a recommendation for a new order. The Company's commitment to constant improvement of its business operations and offering creates clear customer value, which in turn means satisfied customers and good customer relationships. The quality of HL Display's products and solutions must be beyond question.





### Creating customer value

HL Display will continue to be a successful company by constantly becoming a better partner and supplier to its customers. HL Display creates customer value through the products and solutions it offers and by having efficient business processes and working practices.

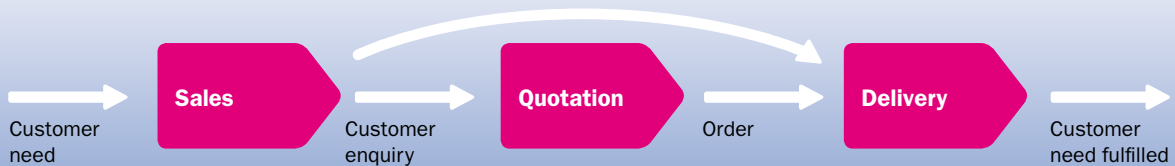
### Customer value

### Products and solutions

**Optishop**<sup>HL</sup>

**BRANDMAN**<sup>HL</sup>

### Business processes



HL Display's products and solutions help customers to increase their sales and to have a more efficiently functioning store, which reduces costs. Innovation, quality and a focus on return on investment create additional value for customers.

HL Display's efforts to streamline

the operations are concentrated on the elements that create value for customers. The expertise level and experience of the sales force ensure that customers receive the best possible help in creating attractive in-store environments. Efficient processes in everything from price

quotations to production and logistics create short lead times and ensure that promised delivery dates are honoured.

# A market-leading range

**HL Display offers market-leading products and solutions for retailers and brand manufacturers wishing to create attractive and selling in-store environments. The Optishop™ product family encompasses products and concepts for the food and non-food retail sectors. The Brandman™ product family comprises HL Display's product range for brand manufacturers.**

## Optishop™

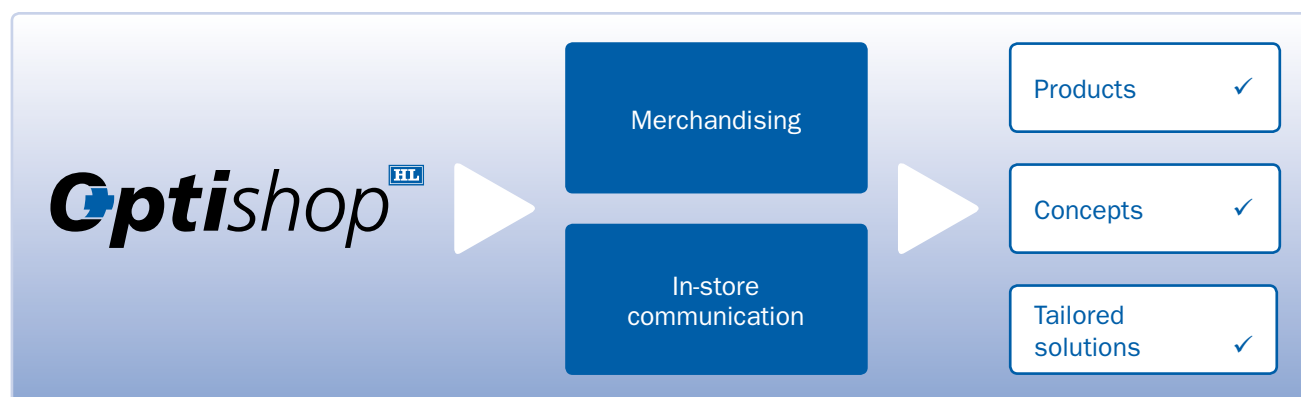
Optishop™ is the collective name for HL Display's offering for the food and non-food retail sectors. It includes products, concepts and tailored solutions for merchandising and in-store communication which help customers create attractive and selling in-store environments. This enhances the consumer's shopping experience and helps to increase the store's profitability by means of increased sales and reduced costs due to a more efficiently functioning store.

### Merchandising

HL Display's merchandising products and solutions fulfil several functions in the retail sector. Firstly, they ensure products are attractively presented to the consumer. This makes the products stand out and encourages purchasing, thereby creating more sales. Secondly, they ensure orderly merchandising, with maximised use of shelf space, and that the store functions more efficiently, which results in reduced costs and other advantages for the store.

### In-store communication

HL Display's products and solutions for in-store communication concern two main areas. The first involves supporting clear overall information in the store (signs on ceilings and in aisles, for example) which enables customers to quickly locate the products they are looking for. The second involves providing customers with all the information they need to make a purchasing decision exactly where the product is. This means providing basic price information, as well as more detailed information such as product campaigns and environmental labelling. New technology creates exciting scope for increasing the degree of interactivity and the impact of communication on the store shelf.







*In the spotlight:*

**Concepts – complete display solutions that help customers achieve their business goals**

HL Display has particular expertise in displaying products in stores. Using this expertise as a base, HL Display has created conceptual solutions that help customers resolve problems and achieve defined goals. These may include increasing sales within a certain product category, achieving a more efficiently functioning store or reducing costs of wastage from retired products.



## Brandman™

Brandman™ is the collective name for HL Display's product range for brand manufacturers. Brandman™ offers products, concepts and tailored solutions for merchandising in different parts of the store. Attractive displays ensure that brand manufacturers' products and brands stand out in the store's large assortment of goods. The ability to tailor products and solutions to brand manufacturers' needs and requirements is important. The display of a brand must reflect the brand image that has been built and support long-term brand building.

### Product placement on the shelf

HL Display's range for product placement on the shelf meets two important needs of brand manufacturers. The first is optimal exploitation of the allocated shelf space in the store. The second is attractive presentation of the goods, with the aim of tempting the consumer to make a purchase, which will ultimately lead to increased sales. There are also different

accessories that provide customers with relevant product information or special solutions that support brand manufacturers' new product launches.

### Campaign placement

HL Display's Campaign placement products and solutions enable brand manufacturers to display their goods elsewhere in the store, rather than just on the shelf. These include, for example, floor stands that can be placed in aisles or at check-outs to create increased attention and sales in connection with campaigns. There are also solutions for cross merchandising, which involves goods with a close association, such as soft drinks and snacks, or brushes and paint, being displayed next to each other to create more sales.



### *In the spotlight:*

**Tailored solutions – making customers' ideas a reality.**

With high design expertise and flexible production, HL Display is able to offer brand manufacturers products and solutions that are specially adapted to their needs and requirements. Based on the customer's initial concept and requirements specification, HL Display develops a solution with an attractive design and the right functionality.

**BRAND***man*<sup>HL</sup>

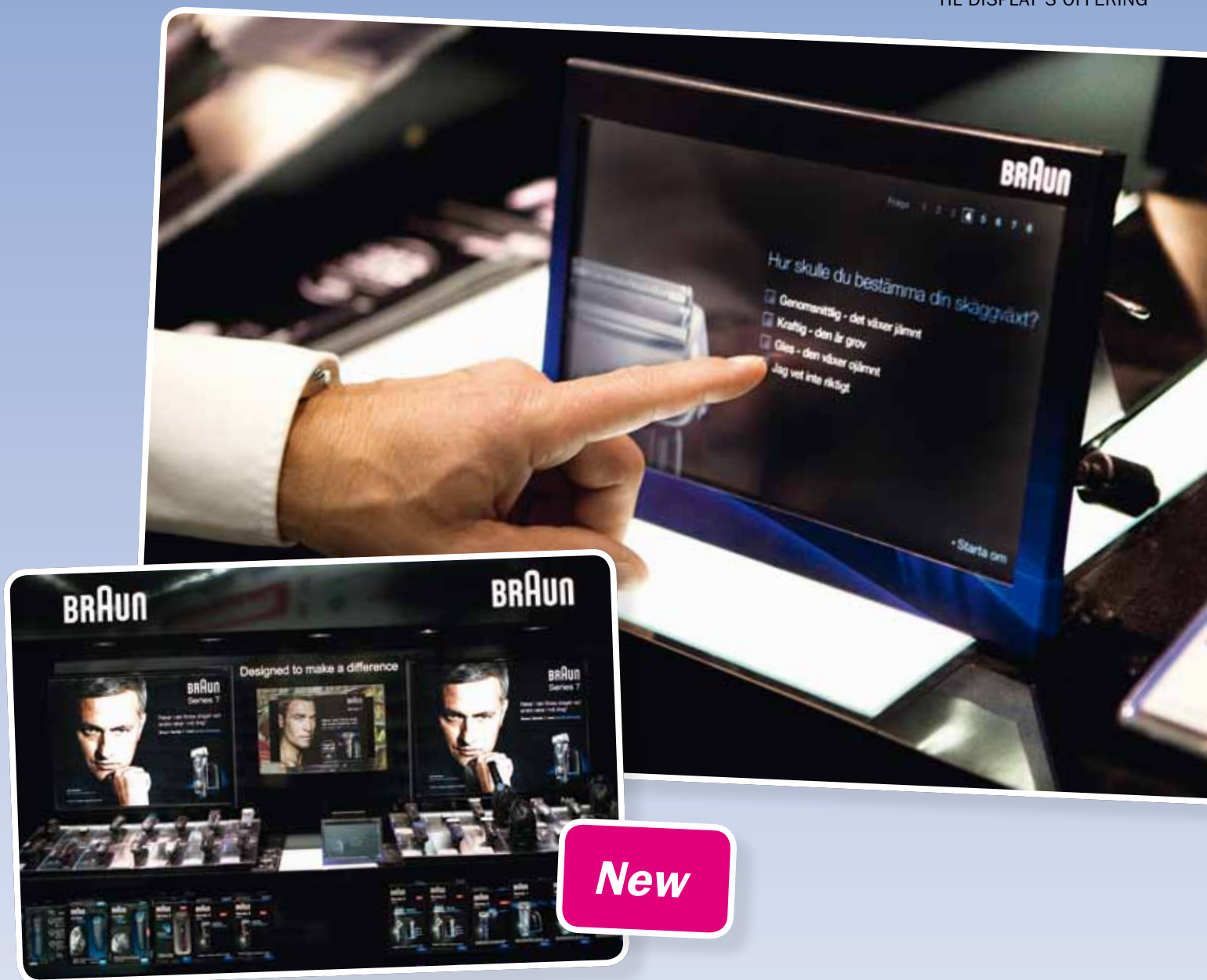
Product placement  
on the shelf

Campaign  
placement

Products ✓

Concepts ✓

Tailored  
solutions ✓



**New**

### **Ad'Pulse™ – new sales tool for retailers**

Ad'Pulse™ is HL Display's new digital screen-based sales tool for store shelves. For the consumer, the solutions enhance the buying experience and provide access to updated and interactive product information. For the store, they represent an easy-to-use sales tool which tests have shown to increase sales.

Ad'Pulse™ is available in three models – Ad'Pulse™ Local, Ad'Pulse™ Connected and Ad'Pulse™ Touch.

Ad'Pulse™ Local is updated easily via a USB stick and supports all traditional media formats for video, still images and

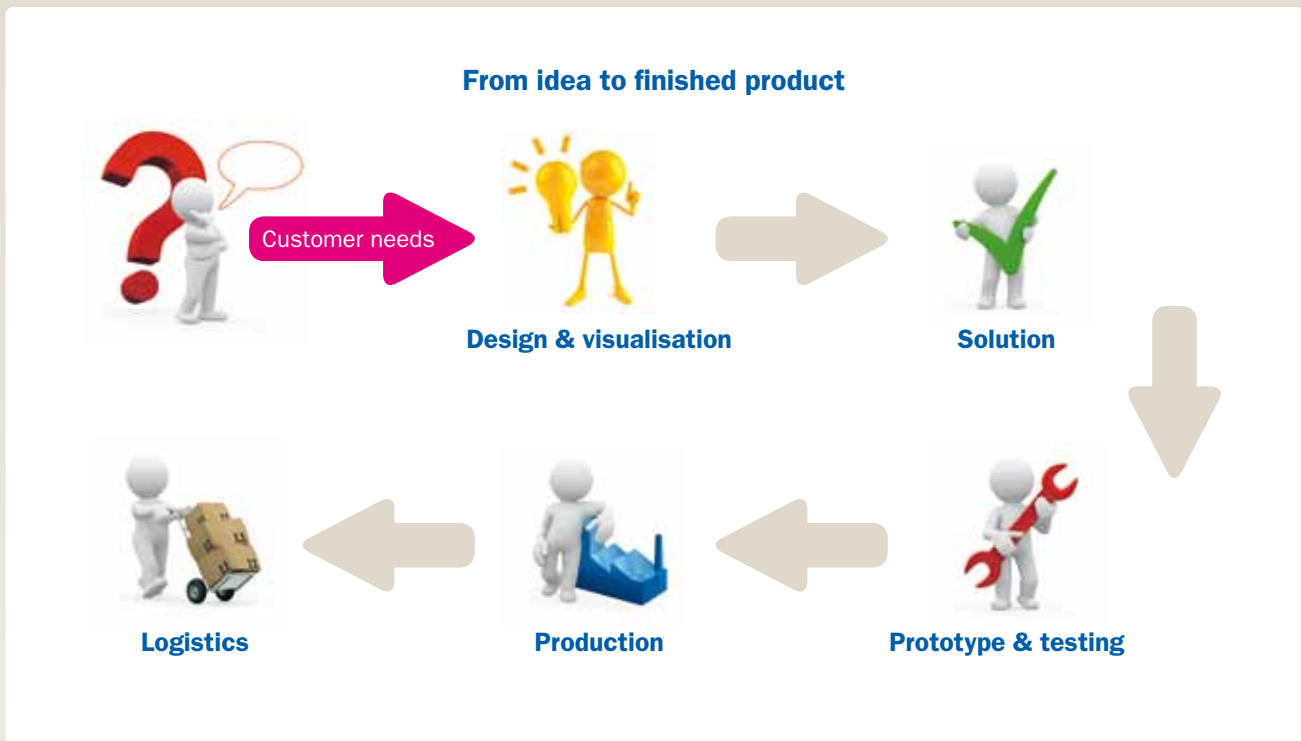
audio. It is suitable for communicating targeted and up-to-date messages – right in the consumer's line of vision.

Ad'Pulse™ Connected is updated via the Internet rather than via USB. Easy-to-use software, specially adapted for use in retail, allows store staff to easily update the content of the screens. With Ad'Pulse™ Connected, the message can be varied quickly, from special offer deals on items on the shelf to key messages from the chain and sold advertising space for brand manufacturers.

Ad'Pulse™ Touch also has added touch functionality. This is an interactive tool which is excellent for guided selling,

where the consumer gets help choosing the right product by selecting options on the screen.

Common to the Ad'Pulse™ concept is that it supports a multi-channel strategy. The content that retail chains produce in other contexts, such as pictures and commercials, can be used in Ad'Pulse™.



## Focus on design and innovation

**At HL Display, major emphasis is placed on design and innovation – this is one of the Company’s overall strategies. Working closely with customers, HL Display helps them to realise their ideas and develop solutions that best meet their needs.**

Customer-driven product development is a key concept at HL Display. Product development takes place in close cooperation with customers and is based on HL Display’s unique retail experience and knowledge of what customers need in their business. This culminates in products that create clear added value for the customers and the consumers.

### Emphasis on design

HL Display is an innovative partner to customers throughout the development process – from initial design proposal to finished product. HL Display attaches great importance to the design aspect of the products. Design is an increasingly

important factor in merchandising solutions and customers are raising their expectations in terms of good design. This is particularly true of brand manufacturers. They want the in-store display of their products to be as attractive as possible and to support the graphic identity developed for a particular brand.

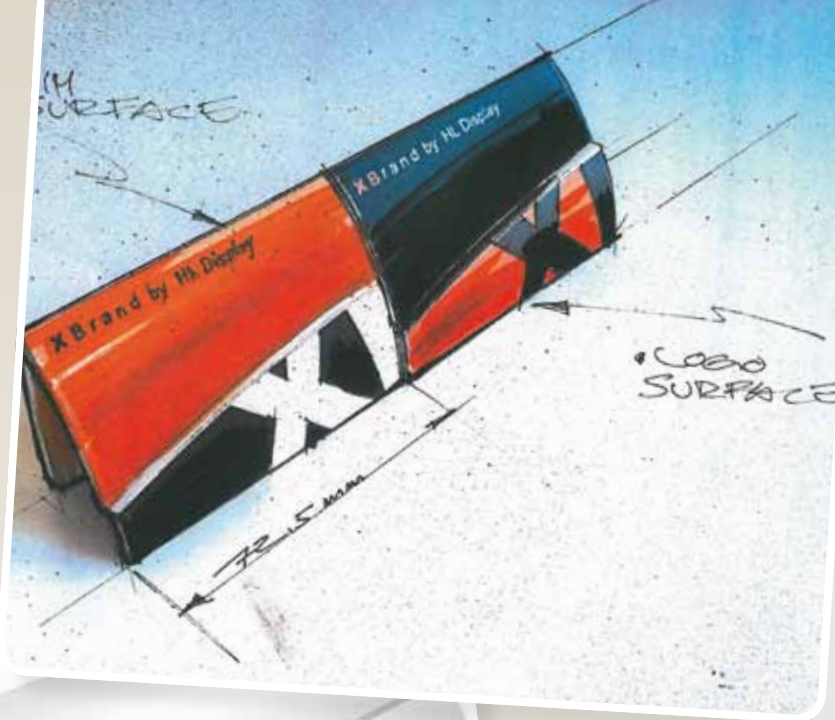
In simple terms, the development of these products can be divided into two main processes: from concept to prototype and from prototype to finished product.

HL Display currently has design centres in Sweden, France and the UK which manage the entire design process – from the customer’s specification, production

of sketches or hand-made samples, to CAD drawings and subsequent prototypes. This is a very creative phase and involves close dialogue with customers in order to guarantee a product appearance that corresponds to their wishes.

Once an approved prototype is produced, the next step in the process begins. This involves transferring the prototypes into finished products, a process which includes work on materials, tooling, quality assurance and production launch. HL Display’s work in this area is characterised by clear structure and control which results in short lead times for customers.





### Exciting products with new technology

In addition to customer-driven product development, HL Display also works on the general development of innovative new solutions for the retail sector. Solutions based on new technology are examples of this area of work. In recent years, HL Display has been developing new products in areas where the Company has not previously been active. These include Power Track™, a flexible infrastructure that brings low voltage power to shelves, and Ad'Lite™, a solution that provides shelves with ambience lighting. During the year, Ad'Lite™ was further developed to allow use of LED lighting, which increases adaptability compared to fluorescent tubes that always has a fixed length.

The focus on new technology was also expanded in 2011 in the form of Ad'Pulse™, which is a digital screen-based sales tool for store shelves. Ad'Pulse™ is available in different models, both as a standard screen and with touch screen functions. It is also possible to control the screens via WiFi or 3G connection. For the consumer, the solutions enhance the buying experience and provide access to up-to-date and interactive product information. For the store, they represent an attractive, easy-to-handle sales tool which tests have shown to increase sales.



The design process – from initial design proposal to finished product.

# Local presence creates proximity to customers

**With operations in 48 markets, HL Display is always close to its customers. This proximity means that HL Display is able to demonstrate its commitment to offer customers a high level of service and prompt help in their efforts to create attractive and effective in-store environments.**

HL Display's sales efforts are characterised by a strong local presence through its own sales companies in most of the Company's markets. At present, 36 markets are serviced by HL Display's own sales companies, while 12 are serviced by selected distributors.

## Global retail solutions

The majority of HL Display's marketing and sales work is conducted in the local markets. The reason is that the majority of the customers have decentralised organisations, with purchasing decisions in HL Display's area being taken in each individual market. This is particularly the case in the food retail sector, which is HL Display's largest customer segment. With a strong local presence, HL Display is always close to these customers.

Some customers, in particular brand

manufacturers, have a larger measure of global or regional coordination regarding the purchasing of products in HL Display's area. Customers may, for example, have regional organisations for markets with similar language, such as Germany, Switzerland and Austria, or the Nordic countries.

HL Display's business operations are organised to enable these customers to be helped at global, regional and local level, which is one of HL Display's strengths. The Company has global and regional account managers to complement the local sales organisations in the individual markets. With a supplier that can help them in many markets, customers benefit from opportunities for improvement of efficiency and economies of scale. It is also easier for customers to ensure that central directives are

implemented in the desired way in all markets.

## Creating added value for customers

HL Display is strongly committed to continuously strengthening sales efforts and improving skills in the sales force. HL Display has a strong offering to its customers in the form of the Company's conceptual solutions – solutions that are designed to create clear added value for customers. The concepts are designed to help increase sales and reduce costs by creating a more efficiently functioning store (by minimising staff required for shelf management, for example). A sales force with high expertise and commitment can engage in dialogue with customers to identify their particular needs and enable them to take advantage of the opportunities created by HL Display's concepts.







## Business operations are divided into six regions

**HL Display's operations are geographically divided into six regions: North Europe, South Europe, the UK, East Europe, Asia/Pacific and Middle East/Africa. Each region is headed by an Area Manager with responsibility for both sales and earnings.**

There are clear similarities between the regions of North Europe, South Europe and the UK, which are classified as mature markets, and between East Europe, Asia/Pacific and the Middle East/Africa, which are considered to be emerging markets.

### **The mature markets – North Europe, South Europe and the UK**

The regions of North Europe, South Europe and the UK share several common characteristics. They are characterised by a high degree of consolidation in the retail sector. This means that large retail chains dominate many retail segments, with food retailing offering perhaps the clearest example. The top five players in

each market have, with few exceptions, a market share exceeding 50 percent – sometimes considerably higher.

In mature markets, HL Display's sales to the retailer sector are largely linked to store renovations, which are being carried out continuously. This involves implementing new store concepts or developing existing ones – in other words, introducing innovation and creating stores that are attractive to consumers. Brand manufacturers, which supply the products sold in stores, represent an important customer segment in mature markets. HL Display is a strong partner in the process of creating display solutions for their brands.





cooperation with brand manufacturers. HL Display helps them to produce solutions that are tailored to their own needs and preferences.

### **Market development**

HL Display's market is generally affected by the retail sector's development, both regionally and globally. When the retail sector shows strong growth, HL Display notices an increase in demand for its products and solutions, and vice versa. According to figures provided by Eurostat, the statistical office of the European Union, the average volume of retail trade for 2011 in the EU27 fell by 0.1 percent compared with 2010. The corresponding figure for the Euro area was -0.6 percent. However, the trend differs quite markedly from country to country. Eurostat's statistics show clear declines in the volume of retail trade in Greece, Spain and Portugal, while in other countries, such as France, HL Display's second-largest market, the trend was positive during the year.

Looking at particular market trends, it was HL Display's experience that the retail sector, notably food retailing, was prioritising cost reductions in stores during 2011, their aim being to reduce both energy costs and staff costs. This trend will create opportunities for HL Display as a developer of concepts that streamline work in the store.

HL Display's sales in local currency were positive in the regions of North Europe (+7%), South Europe (+11%) and the UK (+5%). South Europe's positive growth is mainly attributable to strong sales in France. In this region, HL Display has noticed pent-up investment demand among retailers after the restraint during the recession.

### **Market position**

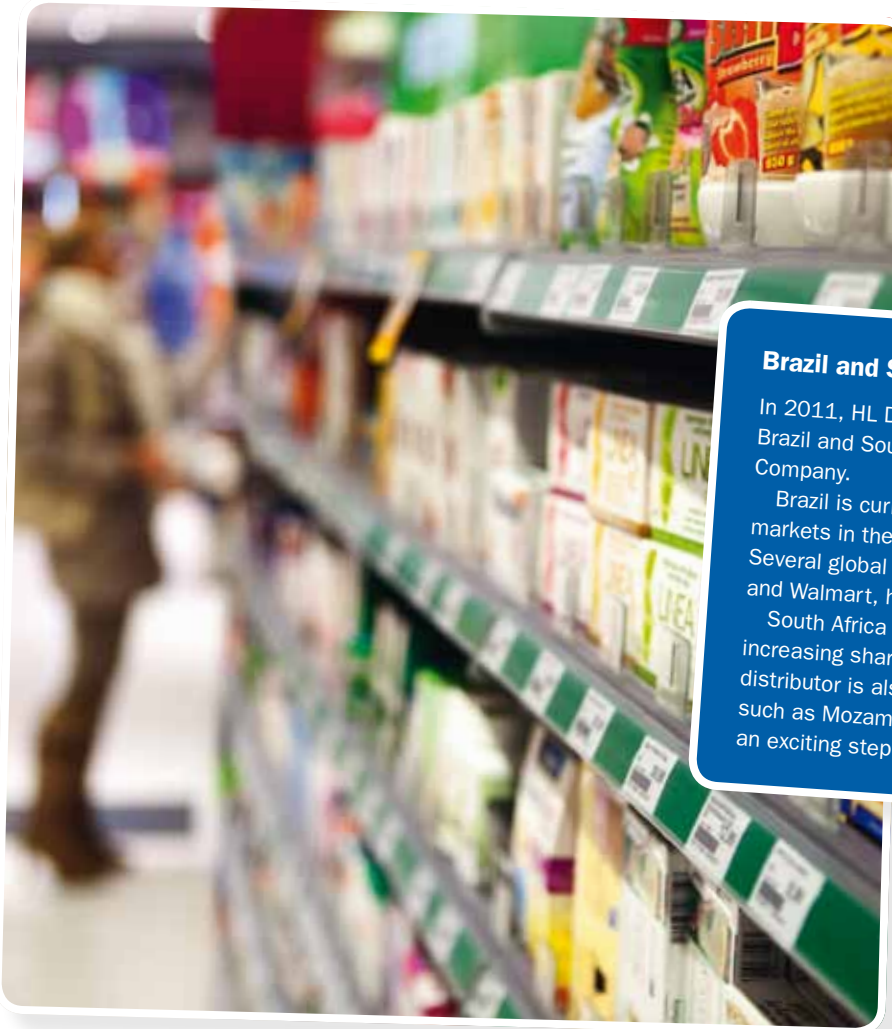
HL Display has a strong market position in the regions of North Europe, South Europe and the UK, and the Company is, with few exceptions, a market leader in the individual markets. HL Display's concept solutions play an important role in the mature markets. The concepts are designed to help customers by increasing sales in a particular product category and reducing costs by creating a more efficiently functioning store and reducing wastage when products are retired.

HL Display has a very strong position in the brand manufacturers segment, particularly in the UK and South Europe regions. One contributing factor is the acquisition of PPE in 2009. PPE focuses largely on solutions for brand manufacturers with operations in the UK and Netherlands.

HL Display's focus on tailored solutions is a vital strength in the

### **The mature markets**

Region	Own sales companies	Distributors
<b>North Europe</b>	Czech Republic	Denmark
	Finland	Iceland
	Germany	
	Norway	
	Poland	
	Sweden	
	Switzerland	
<b>UK</b>	United Kingdom	Ireland
<b>South Europe</b>	Belgium	Greece
	France	Italy
	Netherlands	Malta
	Spain	Portugal



### New markets

#### Brazil and South Africa

In 2011, HL Display signed agreements with distributors in Brazil and South Africa, which are two new markets for the Company.

Brazil is currently one of the fastest growing retail markets in the world, with many new store openings. Several global retail chains, including Carrefour, Casino and Walmart, have established themselves in the country.

South Africa is a well-developed retail market with an increasing share of the modern retail sector. HL Display's distributor is also active in large neighbouring markets such as Mozambique and Zambia. For HL Display, this is an exciting step into southern Africa.

#### Emerging markets – East Europe, Asia/Pacific and Middle East/Africa

The markets in HL Display's emerging regions of East Europe, Asia/Pacific and Middle East/Africa are more fragmented than in the mature regions where HL Display operates. The large retail chains do not have the same dominant position in the markets. The five largest retail companies typically have less than 50 percent of the market share and in some cases this is as low as 10 percent.

The modern retail sector has a high rate of growth in many markets, which is also reflected in the high rate of new store openings. A major reason for this is the rapid expansion of the major international chains, particularly the European ones. Geographic expansion into attractive new markets has been a priority

growth strategy for these chains in the face of reduced scope for growth in the domestic market. At the same time, the domestic retail chains are growing rapidly and expanding their operations.

In the emerging markets, HL Display's sales are primarily connected with the building of new stores, which is taking place at a rapid pace. Sales are largely related to providing these stores with all the basic products required for merchandising and in-store communication.

#### Market position

HL Display has a strong position as supplier to the retail sector in the majority of markets in the regions of East Europe and Asia/Pacific. HL Display had a relatively early presence in these markets, and this is a contributing factor to the strong market position. The expansion

#### Emerging markets

Region	Own sales companies	Distributors
<b>East Europe</b>	Austria	Estonia
	Bulgaria	Israel
	Hungary	Kazakhstan
	Latvia/Lithuania	
	Romania	
	Russia	
	Serbia	
	Slovakia	
	Slovenia	
	Turkey	
	Ukraine	
<b>Asia/Pacific</b>	Australia	
	/New Zealand	
	China (Shanghai and Hong Kong)	
	India	
	Indonesia	
	Malaysia	
	Singapore	
	South Korea	
	Taiwan	
<b>Middle East/Africa</b>	United Arab Emirates	

into Eastern Europe dates back to the mid-nineties, while the Company's Asian expansion began in the early 2000s. When HL Display established its own production in China in 2006, this enabled the Company to increase its price competitiveness in Asia, which in turn contributed to strengthening the market position.

HL Display's work with the retail sector in East Europe and Asia/Pacific consists mainly of standard products for in-store communication and merchandising – in other words the basic products required for new store openings. As markets develop and become more mature, demand for HL Display's concept solutions increases.

HL Display's position in the brand manufacturers segment is a little weaker in East Europe and Asia/Pacific than in the mature markets. As HL Display develops its operations and increases the focus on this segment, this will create good opportunities for strengthening the Company's position.

HL Display is a relatively new player in the Middle East/Africa region. HL Display has sales in the region to both the brand manufacturers and retail segments.

#### **Market development**

Market development in HL Display's emerging regions differs from region to region, and also within the regions themselves. Taking East Europe as an example, many of the countries in the region were hit hard by the recession. One market that quickly showed signs of recovery was Russia, where the retail sector showed good growth even in 2010. Figures from Eurostat show that the volume of retail trade during 2011 declined in some markets in the East

Europe region (Romania, for example), while the trend was positive in other markets (Latvia and Lithuania).

Many emerging markets in Asia have recovered quickly after the recession. In several countries in the region, notably India and China, international and domestic retail chains continue to expand. Retail sector growth is also positive in several markets. In China, for example, total retail sales of consumer goods in 2011 increased by over 11 percent compared with 2010.

HL Display is beginning to experience increasing interest in the Company's concept solutions in certain emerging markets. This trend is most noticeable in markets where the modern retail sector has been expanding for several years and market maturity has made the most progress, for example in Russia.

HL Display's sales in local currency remained positive in the Asia/Pacific region during 2011. The region's growth of 18 percent was boosted by the very strong development in China. Growth for the Middle East/Africa region was 8 percent. Sales in the region of East Europe were essentially unchanged in what continues to be a tough market climate for HL Display.





# Efficient operations create customer value

**HL Display wants to offer its customers short lead times and a high service level by running an efficient business. HL Display's supply organisation consists of three elements – purchasing, production and logistics – which work together in order that every single customer order is executed quickly and with high quality.**

## Purchasing

HL Display has a wide-ranging purchasing operation. It involves not only goods used as components in production, but also finished goods purchased from subcontractors. HL Display works in a structured way in the field of purchasing to create benefits both for its customers and for itself. Strategic purchasing, such as raw materials for production, is managed centrally by the purchasing organisation. Purchasing to satisfy the product needs of local sales companies is centralised with buyers who work at the regional logistical centres all around the world.

### Guarantees best possible conditions and quality

The work of the purchasing organisation is led by two guiding principles. Firstly, they must guarantee the quality of suppliers and of products purchased. Quality

is one of HL Display's core values, and it is crucial that the products delivered to customers satisfy HL Display's quality requirements. The purchasing function guarantees that suppliers satisfy HL Display's quality requirements, and also that they satisfy organisational and environmental requirements. This is done by means of making all suppliers sign up to HL Display's purchasing policy, which sets out clearly defined requirements in a number of areas. There is also followup on suppliers in the form of visits by staff from HL Display. For customers, this means that they can rest assured in the knowledge that a product from HL Display will always be of high quality.

The other guiding principle involves guaranteeing the best possible terms and conditions for their purchases. This means weighing up factors such as price, terms of payment and delivery time. For HL Display's customers, this means that they enjoy competitive prices and good terms of delivery.

## Production

HL Display's ambition is to have a production operation that is absolutely world class within its prioritised production processes. The aim is that this will guarantee that HL Display has a cost-efficient range of products for its customers, which at the same time satisfies the Company's requirements for high quality.

### Production closer to the customers

In 2011, HL Display made major changes to the way in which its production is structured. During the year, production started at HL Display's newly built factory in Gliwice, Poland. The ambition for the factory in Poland is that it will combine a broad production expertise with



## HL Display's production

Type of production	Locations	Production methods
<b>Standard products</b> Products which are standard in nature, such as shelf dividers and datastrips.	Sundsvall, Sweden Suzhou, China	<b>Extrusion</b> A method that involves molten plastic being forced through a nozzle. The products are manufactured in strips which are cooled in a water bath.  <b>Injection moulding</b> A production method that involves molten plastic being injected into a hollow mould which determines the product's shape.
<b>Modified standard products</b> Standard products with a certain amount of customisation, such as printing preferences.	Gliwice, Poland Falun, Sweden (will be closed in 2012)	<b>Injection moulding</b> <b>Plastic sheet processing</b> Printing of plastic sheets which in many cases are further processed by means of punching.
<b>Customised solutions</b> Products which are adapted to customers' requirements and needs, both in terms of design and material selection and colour and printing.	Harlow, United Kingdom	<b>Multi-material</b> Production process adapted to production with a high level of customisation and in several different materials.

cost-efficient production. At the same time it is strategically located, close to many of HL Display's major markets.

In 2011, all production of injection-moulded products that had previously been manufactured in Karlskoga was moved to Gliwice, and the factory in Karlskoga was closed down. In the next stage, all production that currently takes place at the factory in Falun will be moved to Gliwice, which should be completed during 2012.

The factory in Gliwice will be an important element of the extended initiative in the brand manufacturer customer segment. By bringing together expertise in a number of production techniques – injection moulding, hot-bending, digital printing and assembly – HL Display can meet many of the needs of brand manufacturers in one single factory.

### Improved production structure

It is HL Display's ambition to have fewer, but more specialised, production facilities than before that handle larger volumes and that are located at the most suitable places. Having had seven production facilities a few years ago, HL Display will have four facilities at the end of 2012. The factory in Sundsvall is specialised

in efficient, automated production in the areas of extrusion and injection-moulding. In Gliwice, the Company has an expanding factory with several production competences in a strategic location close to major markets. The factory in Harlow is customised to best meet the needs of brand suppliers for production in a number of different materials such as plastic, wood and metal. The factory in Suzhou is an efficient production facility that meets the needs of the Asian markets.

The Company has also maintained its level of investment in order to guarantee a continuous rise in productivity. Among other things, two new fully-automated injection-moulding lines have been bought for the factory in Sundsvall, as well as new, modern, extrusion machines.

### Logistics

HL Display's logistical structure is based on regional logistics centres located at strategically selected sites around the world. The purpose of this structure is to guarantee a consistent, high level of service to customers and at the same time to create cost benefits for HL Display. Each logistics centre has a number of sales companies linked

to it, and they manage purchasing, administration, warehousing and distribution for these sales companies. The logistics centres also offer services that give customers added value, for example assembly or kit packing of goods according to customer preference.

The Company has logistics centres in Falkenberg (Sweden), Tours (France), Győr (Hungary), Moscow (Russia), Harlow (UK), Dubai (United Arab Emirates) and Singapore. During the year, HL Display also set up a logistics centre in Gliwice, Poland, providing service to the sales companies in Poland and the Czech Republic. In 2012, the sales company in Germany will also be linked to the logistics centre in Gliwice.

The logistics centre in Falkenberg also serves as a cross-docking point for all products that are shipped from the Swedish factories to logistics centres around the world. This was previously performed by an external logistics company. By having this function in-house instead, HL Display is better able to follow up on the service level, at the same time reducing costs.

### Work to further improve the service level

Ongoing work with joint business models and the introduction of a new business system will further improve efficiency and the service level in HL Display's logistics chain. One example of this is the fact that customers will be given much-improved information about their order status. Information about an order will be updated in real time throughout the whole process, from order to delivery. In other words, customers will always be able to see exactly where their orders are in the process.

# Sustainability Report

Corporate responsibility has long been important to HL Display. The Company has endeavoured to reduce its environmental impacts over a period of many years, and its largest production facilities were awarded ISO 14001 certification back in the late 1990s. During its rapid international expansion in the 1990s and the early 2000s, the Company made it a priority to communicate a culture of good business ethics to its subsidiaries. HL Display is a participant in UN Global Compact, which means the Company actively supports the UN's fundamental values and principles in the areas of human rights, labour, environment and anti-corruption.



## HL Display's environmental work starts as early as the product development phase

Active environmental work needs to start while the products are being developed. By making early environmental assessments, products can be adapted so that they are produced more effectively or can be packed more tightly and therefore transported more efficiently. These are measures that save energy while also reducing costs. HL Display also works constantly on development of the materials contained in its products. This involves using alternative materials in more and more products and increasing the proportion of recycled materials.







HL Display's sustainability programme is incorporated into the Board's work, and the Board also makes decisions in this area. The sustainability programme has been initiated at Group management level. The work is headed by the Company's Product Development Director, supported by other members of Group management. Much of the day-to-day sustainability responsibility lies with the local entities in the Group. The production facilities in particular have a high level of environmental responsibility.

HL Display's Corporate Responsibility Policy, which was adopted by the Board in early 2010, is the Company's central policy in this area. There are also other associated policies that govern corporate responsibility work, including HL Display's Code of Conduct, Environmental Policy, Work Environment Policy, Purchasing Policy and the common operational policy for the production facilities.

### HL Display and the environment

HL Display has two production facilities in Sweden, one in Poland, one in the UK and one in China. HL Display's main environmental impacts in its production

are plastic waste, energy consumption and use of plastic raw materials. With sales companies and distributors in 48 markets around the world, transport is also a source of indirect environmental impacts.

HL Display endeavours to promote a high level of awareness about environmental impacts, not just in its production, but also in daily business activity at the Company's offices around the world. This means collecting and sorting paper, packaging material and old electronic equipment and ensuring they are sent for recycling.

For many years, HL Display has been using telephone and video conferences as an alternative to travel between offices. The proportion of video conferencing increased during 2011, thereby reducing environmental impacts and improving efficiency.

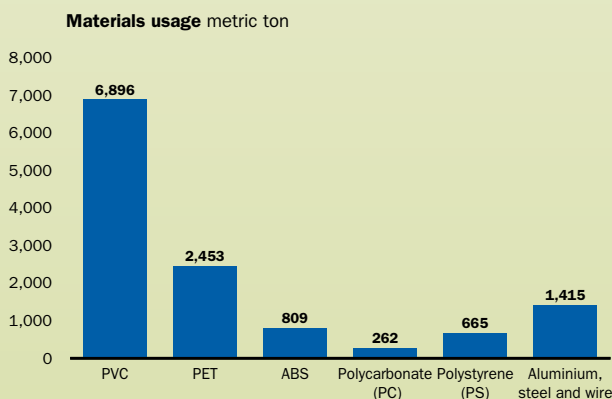
### ISO 14001 certification

Certification under the ISO 14001 environmental management standard is an important part of HL Display's environmental programme. Today, three of the five facilities are ISO 14001 certified. HL Display's factories in Sundsvall and Falun were certified under ISO 14001 in the late 1990s, while the factory in China became ISO 14001 certified in 2010. It is HL Display's aim that the UK factory and the newly established factory in Poland will be certified under ISO 14001 in 2013.

### Raw materials

HL Display's main raw material is plastic, notably PVC. Different plastics account for approximately 85 percent of the Group's total raw material use. HL Display works to develop methods that allow increased use of recycled materials in the Company's products, particularly in data-strips and shelf divider systems.

HL Display complies with REACH, the EU's chemicals legislation, and this is taken into account when the Company approves new materials. The Company now requires its raw materials suppliers to complete a special declaration form based on the REACH requirements. No substances classified as SVHC (Substances of Very High Concern) may be used, and the presence of phase-out substances is also checked. 27 substances were added to the list in 2011 and the list now contains 73 substances.



### Chemicals

Operations at HL Display's production facility in Falun are subject to notification requirements because of solvent use in the screen-printing process. The solvent is used in the printing ink itself and to wash templates used in the printing process.

Total solvent usage at the Falun factory in 2011 was 4,968 (4,998) litres. The use of solvent per template has increased to 0.20 (0.19) litre/template. HL Display has been able to replace solvent-based inks with UV inks to a certain extent. Unlike traditional solvent-based inks, UV inks are dried using UV radiation rather than by evaporation of the solvents. HL Display has also invested in a new digital printing line, which has reduced the use of screen printing.

### Energy consumption

HL Display's direct electricity consumption in production was 25.8 (24.1) GWh in 2011. Various measures for reducing electricity consumption are being implemented at all the factories. These range from heating the factories using waste heat from machinery to installing time relays for lighting.

In 2010, HL Display signed an energy agreement with Vattenfall, which means that all the Swedish factories and the logistics centre in Falkenberg will run entirely on green electricity, i.e. electricity from renewable sources.

Water is used primarily for cooling in certain of HL Display's production processes, in particular the cooling of extruded plastic products, such as datastrips, in waterbaths. Several of HL Display's factories use closed cooling water systems to minimise

water consumption. In 2011, 317,233 (399,322) cubic metres of water were used at the Group's production facilities.

### Transport

HL Display has sales companies on several continents, which means that transport represents a significant proportion of the Company's environmental impacts. HL Display engages third-party suppliers for its transport and requires these suppliers to have environmental programmes in place.

HL Display also works with its logistics suppliers to route inward and outward transport flows from road transport to sea and rail transport wherever possible. HL Display's efforts to reduce



### Plastic and other waste

The waste generated at HL Display's production facilities is for the most part plastic. HL Display addresses the problem of waste in production in two ways. The first is to reduce plastic waste generated in production by fine-tuning the production processes where possible. The second is to recycle plastic and other waste as far as possible.

HL Display's goal is that all waste from production will eventually be recyclable. Total waste at the Company's production facilities in 2011 was 2,724 tonnes, and 91.3 percent of this was recycled.

### Energy consumption

Electricity "green" (MWh)*	13,532
Electricity (MWh)	7,132
Gas (MWh)	5,095
Oil (m³)	59
Water (m³)	317,233

\* Electricity from renewable sources.

## Waste management, metric ton

Total	Plastic	Metal	Packaging materials	Mixed materials	Other safe waste	Total safe waste	Hazardous waste
Composting	–	–	–	1	–	1	–
Re-use in own production	45	–	3	–	–	48	–
Recycled externally	1,311	273	267	334	–	2,185	4
Recycled for heating	–	–	–	254	–	254	–
Deposit	27	–	–	1	209	237	5

these emissions also include strategies to make its logistics more efficient. The Company constantly endeavours to increase the number of products per package and reduce the size of packages.

In 2011, a new logistics centre was opened in the Polish city of Gliwice. The purpose of the centre is to improve traffic flows and ensure more efficient transport in Central and Eastern Europe. This should result in reduced costs and fewer environmental impacts from transport.

HL Display introduced a global company car policy in 2010. The policy, which only allows fuel-efficient diesel engines when cars are replaced, is designed to reduce the car fleet's carbon dioxide emissions.

### Requirements for suppliers

HL Display requires its suppliers to comply with all current environmental legislation. All new suppliers are required to sign HL Display's purchasing policy, which defines the Company's requirements for its suppliers in this area. Actual conditions at suppliers' premises are observed during site visits.

HL Display's major suppliers are large international producers of plastic raw materials which have their own environmental programmes in place.

### HL Display and ethics

HL Display's CR Policy defines the fundamental values that will permeate the Company and covers areas such as human rights, working conditions, equality, discrimination and anti-corruption.

HL Display's suppliers are expected to adhere to the same high standards as the Company follows. All suppliers have to sign a purchasing policy containing requirements relating to the above

areas. As with environmental issues, compliance is primarily monitored by HL Display's representatives visiting suppliers.

### Zero tolerance towards corruption

In 2011, HL Display conducted a risk analysis aimed at identifying the areas of responsibility where the Company has the greatest risks. The analysis revealed that the greatest risks were related to corruption. These risks are primarily associated with the purchases HL Display makes in each local market. The production facilities are not particularly exposed to risk, as the counterparties are large international suppliers which share HL Display's high standards in the area of maintaining corruption-free operations.

### Initiatives

HL Display has zero tolerance towards corruption, and the Company focused on anti-corruption activities in 2011. A CR workshop for all country managers and distributors was held during the year. Related information material was also produced and presented to local staff by all the country managers. HL Display's

different regions then worked to define the risks and take preventive measures at both regional and local level.

All employees in managerial or particularly vulnerable positions currently have to sign HL Display's code of conduct, which includes, among other things, rules of practice on corruption. Similarly, all suppliers have to sign HL Display's purchasing policy, which covers corruption issues.

HL Display has also introduced procedures into the purchasing process which are designed to reduce the risk of malpractice. For example, the person who selects a supplier is not the one who places the purchase order.

HL Display had two corruption-related incidents that led to disciplinary action in 2011.

### Whistleblower function

In 2012, HL Display will introduce a whistleblower function, which will allow employees to report malpractice without having to worry about reprisals. This covers malpractice related to working conditions as well as corruption.





## HL Display's employees

**HL Display's success is based on targeted work and commitment from the Company's employees. The achievement of long-term success requires a properly dimensioned organisation, with employees having the opportunity to develop in their role at the Company.**

As HL Display is a multicultural company, it goes without saying that all employees are given equal opportunities for development in their professional roles, promotion and pay growth, regardless of background, gender, race or age. The Company also respects employees' right to collective agreements and organisation into trade unions.

### Skills development

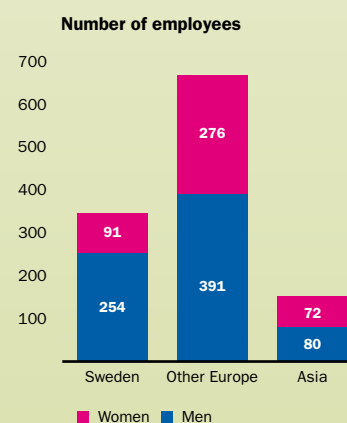
HL Display aims to provide employees with the opportunity for development and growth in their role at the Company. This strengthens both the individual employee and the Company's ability to achieve its business goals. HL Display's strong focus on this area in 2011 included the development of HL Plus 2.0, which is a new online-based tool for performance appraisals and employee development. The tool is currently being implemented

in the organisation, with the Company's account managers as the first group.

Using HL Plus 2.0, all employees are given well-defined individual targets which are monitored each year in a performance appraisal. In addition to individual goals, employees also have a long-term development plan. HL Display has also developed training materials for all area managers and country managers to ensure consistent use of HL Plus 2.0 throughout the organisation.

### New salary model

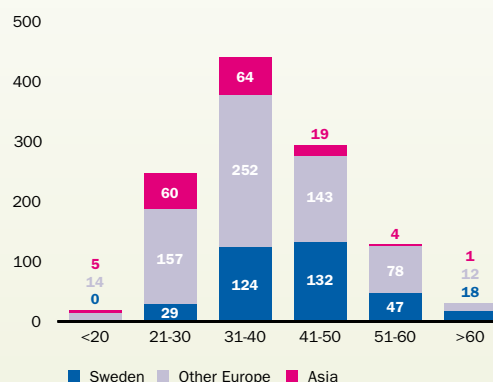
HL Plus 2.0 also plays a key part in the monitoring of the new salary model which has been introduced for the Company's sales force. Although the new salary model contains a slightly lower guaranteed salary, it has an extended variable pay component which can give the employee significant added value. The



## Employee facts

		2011	2010
Number of employees as of December 31		1,168	1,109
Gender structure, %	Male	62	64
	Female	38	36
Education level, %	University	36	33
	Upper secondary school	38	39
	Compulsory school	26	28
Investment in staff training	Total, MSEK	4	2
	Per employee, KSEK	4	1
Costs related to health promotion activities	Per employee, KSEK	1	2
Reported serious incidents		2	5

Age distribution



variable component of the employee's salary is measured against clearly defined indicators to be achieved. These are monitored on a quarterly basis within the framework of HL Plus 2.0.

The aim of the new salary system is to encourage and reward good work and results. There is a direct link between individual performance and salary growth. Transition to the new pay model is voluntary. Employees can choose whether they want to work under the new pay model or keep the old one.

### Succession planning and skills supply

HL Plus 2.0 is also an important tool in the process of ensuring long-term succession planning. This involves discussion of employees' long-term development, such as assuming new duties within their present role and opportunities for taking on new challenges or a managerial position.

HL Display is also implementing a structured process for establishing an order of succession at management level. Each manager is surveyed based on the short-term opportunities for taking on new positions with more responsibility at the Company.

### Identifying success factors for sales personnel

In order to strengthen recruitment to the sales organisation, HL Display conducted a personality survey and sales profile for 17 of the Company's most successful

key account managers during the year. Both genders were included in the initiative and there was representation from all parts of the world in which HL Display operates. The aim was to identify the characteristics of a successful salesperson at HL Display. This has resulted in a number of well-defined characteristics which will now be integrated into the process of recruiting new salespersons to HL Display.

### Transfer of skills to Poland

One of the main tasks of HL Display's human resources department during the year was the new recruitment and transfer of skills associated with the transfer of production from Falun to the Polish city of Gliwice. The aim was to ensure a smooth transfer of skills, which involved bringing over Polish staff for training in the Falun factory. The Company was also keen to ensure that production in Falun was as disruption-free as possible until the factory's closure. HL Display also wanted to create a bridge to new jobs for employees at the factory in Falun.

A training programme has been initiated, under which Polish staff receive training in Falun in blocks of three weeks at a time. HL Display has also contracted eleven key personnel at the Falun factory who will work on site in Poland during 2012 in order to ensure an effective transfer of skills.

HL Display has also initiated a project

in partnership with IF Metall (Swedish trade union) to help factory workers in Falun obtain a new job. The Company has carried out a skills inventory for all factory workers. The results have been compiled to produce material that clearly describes what skills the individual employees possess. This material has been distributed to 152 employers in the region with the aim of creating new opportunities for the employees.

### Health and Safety

Health risks at HL Display are mainly associated with production. HL Display's preventive work is aimed at ensuring safe workplaces with a good working environment. The Company regularly updates its safety procedures and examines different risk factors. HL Display has centrally established processes which are designed to provide local managers, mainly at the production facilities, with methods for optimal handling of sickness absence. HL Display follows up on all serious incidents leading to hospital visits. 2 (5) serious incidents were reported in 2011. No fatal accidents have occurred.

# Income statement and balance sheet

## Income statement for the Group

KSEK, 1 January - 31 December	2011	2010
Net sales	1,643,317	1,617,289
Cost of goods/services sold	-926,705	-901,507
<b>Gross profit</b>	<b>716,612</b>	<b>715,782</b>
Selling expenses	-438,487	-461,045
Administrative expenses	-166,859	-147,764
Research and development expenses	-20,779	-26,232
Other operating income	10,708	11,435
Other operating expenses	-38,560	-27,731
<b>Operating profit</b>	<b>62,635</b>	<b>64,445</b>
Financial income	2,163	8,291
Financial expenses	-40,576	-43,998
<b>Net financial items</b>	<b>-38,413</b>	<b>-35,707</b>
<b>Profit before taxes</b>	<b>24,222</b>	<b>28,738</b>
Income tax expense	-5,844	-10,538
<b>Net profit for the year</b>	<b>18,378</b>	<b>18,200</b>
<b>Attributable to:</b>		
The parent company's shareholders	18,378	18,200
Non-controlling interest	0	0
	18,378	18,200

## Statement of comprehensive income for the Group

KSEK, 1 January - 31 December	2011	2010
<b>Net profit for the year</b>	<b>18,378</b>	<b>18,200</b>
<b>Other comprehensive income</b>		
Translation differences on translation of foreign operations	1,297	-18,352
Net change in fair value of cash flow hedges	-11,578	-962
<b>Other comprehensive income for the year</b>	<b>-10,281</b>	<b>-19,314</b>
<b>Comprehensive income for the year</b>	<b>8,097</b>	<b>-1,114</b>
<b>Comprehensive income for the year attributable to:</b>		
The parent company's shareholders	8,097	-1,114
Minority interest	-	-
<b>Comprehensive income for the year</b>	<b>8,097</b>	<b>-1,114</b>

## Statement of financial position for the Group

KSEK	31-12-2011	31-12-2010
<b>Assets</b>		
Intangible assets	1,166,975	1,187,476
Property, plant and equipment	226,515	213,627
Participations in associated companies and joint ventures	3,075	3,074
Financial investments	-	6,668
Non-current receivables	2,329	13,124
Deferred tax asset	31,301	14,097
<b>Total non-current assets</b>	<b>1,430,195</b>	<b>1,438,066</b>
Inventories	177,120	194,936
Tax assets	12,635	0
Trade and other receivables	267,392	297,963
Prepaid expenses and accrued income	28,382	35,555
Other current assets	24,000	47,892
Cash and cash equivalents	163,216	206,309
<b>Total current assets</b>	<b>672,745</b>	<b>782,655</b>
<b>Total assets</b>	<b>2,102,940</b>	<b>2,220,721</b>
<b>Equity</b>		
Share capital	147	147
Other capital contributions	-	1,141,283
Reserves	36,945	-4,816
Retained earnings including net profit for the year	1,085,686	-16,483
<b>Equity attributable to the parent company's shareholders</b>	<b>1,122,778</b>	<b>1,120,131</b>
Non-controlling interest		2,855
<b>Total equity</b>	<b>1,122,778</b>	<b>1,122,986</b>
<b>Liabilities</b>		
Non-current interest-bearing liabilities	535,342	611,881
Other non-current liabilities	11,412	16,935
Pension provisions	2,753	4,444
Other provisions	1,783	1,929
Deferred tax liability	19,972	21,943
<b>Total non-current liabilities</b>	<b>571,262</b>	<b>657,132</b>
Current interest-bearing liabilities	96,711	93,445
Trade and other payables	130,094	165,193
Tax liabilities	3,775	7,816
Other current liabilities	36,678	39,786
Accrued expenses and prepaid income	141,643	134,363
<b>Total current liabilities</b>	<b>408,900</b>	<b>440,603</b>
<b>Total liabilities</b>	<b>980,162</b>	<b>1,097,735</b>
<b>Total equity and liabilities</b>	<b>2,102,940</b>	<b>2,220,721</b>

The financial information for 2010 refers to the HL Display Holding Group. The financial information has been restated as if the acquisition of HL Display with related refinancing had instead been made at the beginning of 2010. This means that the presented financial information for 2010 refers to the actual outcome for twelve months for the HL Display Group, with the addition that financial costs have been increased by an extrapolated interest charge. HL Display applies IFRS. This corporate report has not been prepared in accordance with IFRS and has not been reviewed by the auditor.



# Risk and sensivity analysis

## Raw material sensitivity

Plastic raw materials accounted for 63 percent of the Group's total raw material purchases. The main raw material, PVC, accounted for 31 percent of the Group's total raw materials costs. The supply of standard plastics in 2011 was rather stable, with a fairly good output available throughout the year. However, the uncertainty in the Eurozone pushed producers to export volumes to more stable business areas such as Asia, China getting the most of it. Buyers at the end of the year (Q4) experienced longer than usual lead-times. The demand was also rather stable until mid-year, with main decision makers placing orders for most plastics but polystyrene. From July onwards, big market players started destocking in an attempt to lower inventory values, also anticipating lower activity for 2012. In order to reduce commodity price sensitivity, HL Display's purchasing is made using a mix of contracting and spot pricing.

## Currency risk

HL Display's main markets are in the eurozone and the UK. HL Display is exposed to currency movements, as most production takes place in Sweden, while most invoicing is abroad. Sales to subsidiaries are conducted in their local currency in order to concentrate the Group's currency exposure to Sweden, where it is managed by a central treasury function. External distributors are invoiced in Swedish kronor. The currency effects that have an impact on the Company's earnings are transaction flows in different currencies (transaction exposure) and translation of foreign subsidiaries' income statements and balance sheets (translation exposure).

## Transaction exposure

Transaction exposure arises partly from foreign currency invoicing and partly from foreign currency purchases or purchases for which the price is regulated by a currency clause. 32 percent

of HL Display's sales are invoiced in euros, 20 percent in sterling and 12 percent in Swedish kronor. The remainder is spread among the other currencies, led by Russian roubles and Norwegian kroner, with 6 percent each. The Swedish krona continued to strengthen significantly against HL Display's main trading currencies in 2011. On average, the Swedish currency strengthened by 5 percent against the euro, and when entering 2012 it had strengthened by 6 percent against the euro. The Swedish krona strengthened on average by 6 percent against the pound sterling. Revenue currency exposure is offset by purchases in the corresponding currencies, in particular the foreign sales companies' expenses, but also by purchasing materials with prices regulated by currency clauses. HL Display hedges future cash flows in the major currencies. HL Display's total currency exposure had a negative effect of SEK 31.1 million on pre-tax profit for 2011 compared with 2010, as illustrated in the table below.

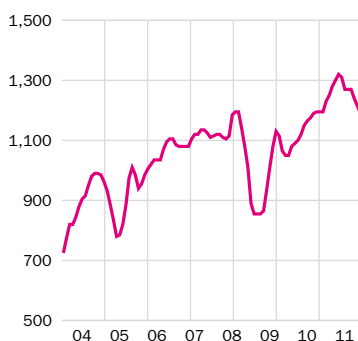
**Effect of exchange differences on operating profit**  
(compared with average rate in 2010, SEK millions)

Net sales	-96.9
Costs goods/services sold incl. freight	44.7
Distribution costs	18.5
Administrative expenses	4.8
Development costs	0.1
Other operating income/expenses	2.3
<b>Total effect of exchange differences on operating profit</b>	<b>-31.1</b>

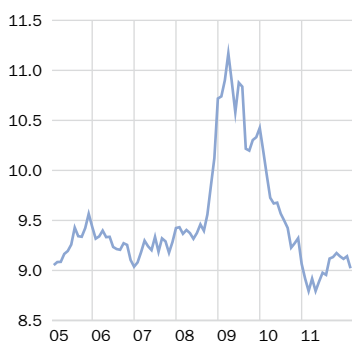
**Sensitivity analysis**  
**Factor**

Factor	Change	Effect on net earnings, SEK million
Net sales	1% volume	7.2
Decline on largest market	-1%	-1.1
Price of PVC	1%	1.2
Price of PET	1%	0.3
Personnel expenses	1%	5.1
Market rate	1 percentage point	0.0
Depreciation	1%	0.4
Euro rate	10 öre	2.4

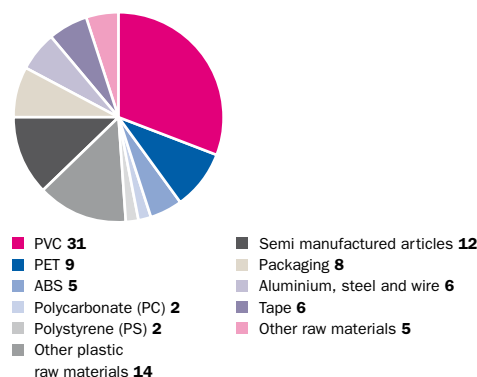
**Price of PVC Resin EURO/TONNE**



**Exchange rate EURO/SEK**



**Raw materials and input goods 2011 %**



# How HL Display is managed

## Owned by Ratos

HL Display's day-to-day business operations are conducted in the operational subsidiary HL Display AB and its subsidiaries. The sole business of the owner company HL Display Holding AB is the ownership and administration of the wholly-owned subsidiary HL Display AB. HL Display Holding AB is 99 percent owned by HL Intressenter AB, a wholly-owned subsidiary in the Ratos Group.

## The general meeting

The general meeting of shareholders is HL Display's ultimate decision making body and the forum in which the owners exercise their formal influence over HL Display. The annual general meeting of shareholders (AGM) elects the Board members and chairman, appoints the

auditor, adopts the income statement, balance sheet and distribution of the Company's profit, decides on discharge from liability for the Board members and CEO and fixes Board fees.

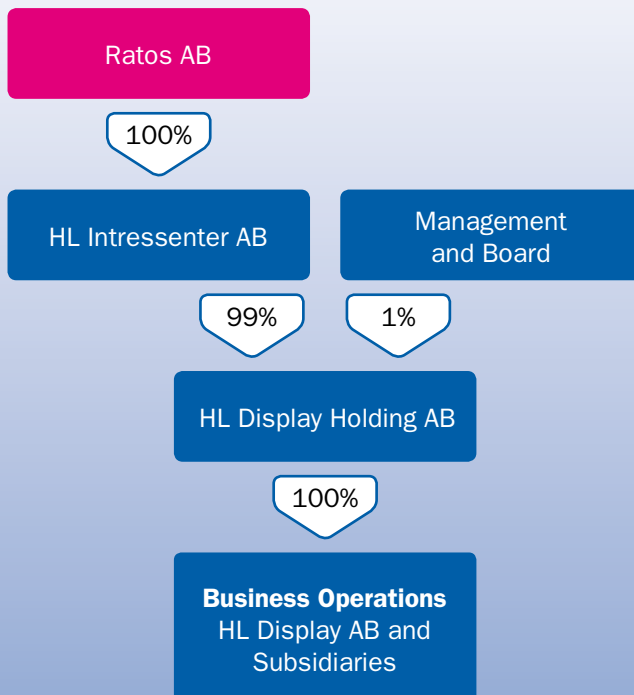
## Board of Directors

HL Display's Board consists of five AGM-elected members, including CEO Gérard Dubuy. The Board is composed of individuals with expertise and experience in the areas of strategy and finance, as well as in industry and other matters relating to HL Display's operations.

The Board has ultimate responsibility for managing the Company's affairs between the annual general meetings. The Board appoints the Managing Director and CEO and makes decisions on matters concerning the strategic direction of the



## Ownership of HL Display



business and the Company's overall organisation. Members of the Board are appointed by the owner at the annual general meeting for a one-year term until the end of the following AGM.

The only AGM-elected Board member who is an employee of HL Display is CEO Gérard Dubuy. All other AGM-elected members are independent of the Company. Stig Karlsson (Industrial Advisor to Ratos) and Susanna Campbell (Ratos) are not independent of the Company's owner.

Other AGM-elected members – Mats-Olof Ljungquist and Lars-Åke Rydh – are independent of the Company's owner. Further information about the Board members can be found on page 35.

### Work of the Board

The Chairman of the Board, Stig Karlsson, organises and leads the work of the Board. The Chairman is in continuous dialogue with the CEO. He is responsible for ensuring that Board members have the information they need to monitor the Company's position,

financial planning and development, and receive satisfactory decision support material for their work. The Chairman is also responsible for ensuring that the Board's work is evaluated every year.

The Board's work is regulated by a set of specially drawn up rules of procedure. The rules of procedure essentially mean that the Board is responsible for the Company's strategy and organisation, as well as the administration of its affairs. The Board regularly assesses the Company's and the Group's financial position. Information is reported on a monthly basis to allow the Board to perform its duty of evaluation pursuant to current legislation and good board practice.

The Board deals with matters of significant importance to the Group, which include

- Strategy plans.
- Budgets and forecasts.
- Acquisitions, sales and closures of companies or operations.
- Purchases, sales and write-downs of other significant assets.

The Board held nine meetings in 2011. The Board normally sets the meeting dates for the coming calendar year at the October Board meeting. Some Board meetings are planned to coincide with interim and annual reports. The Board's work follows an annual presentation plan with special topics and fixed decision-making points.

Board meeting agendas normally include the following items:

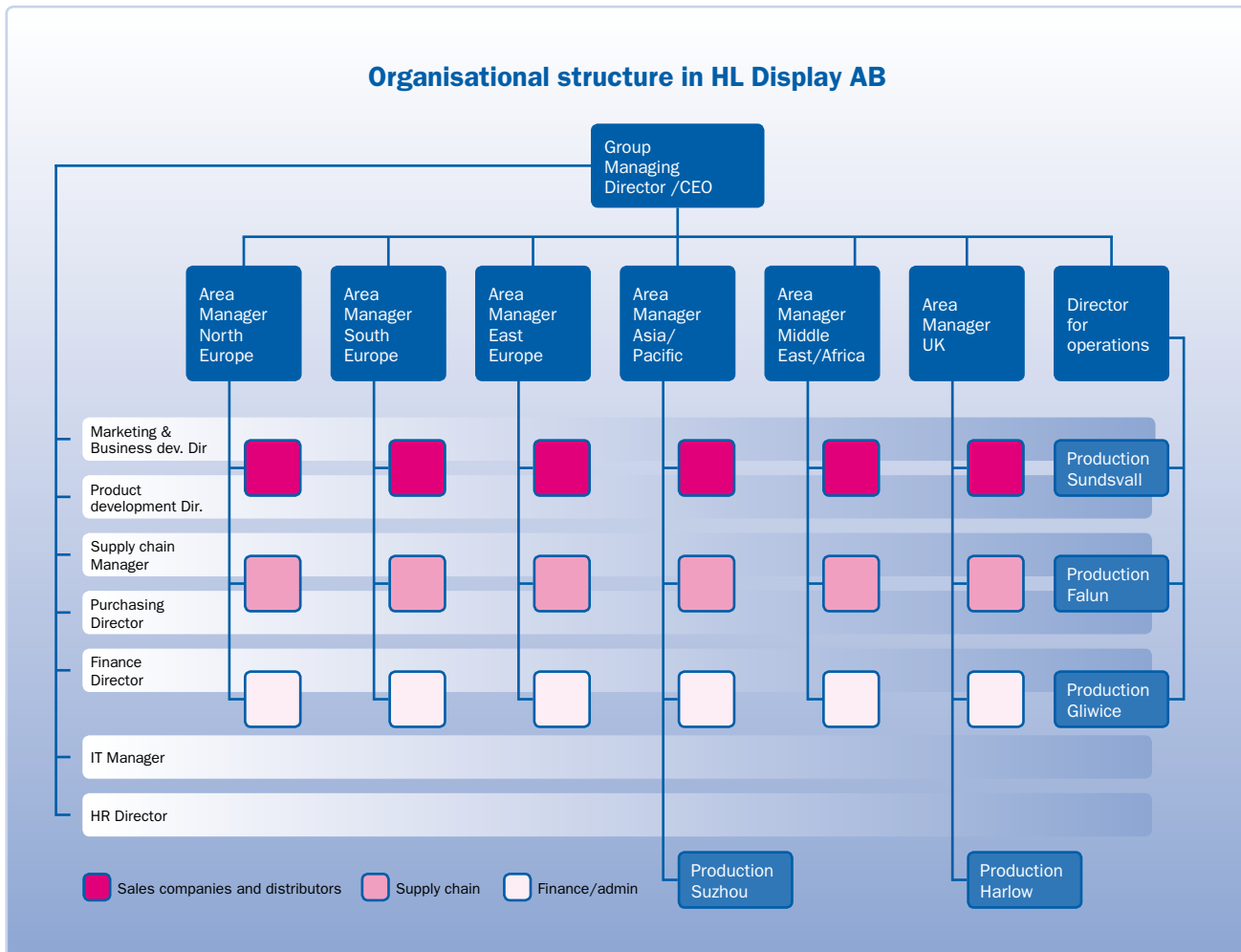
- Review of the previous meeting's minutes and action list.
- CEO's current status report.
- Financial overview.
- Reporting from committees.
- Any other business.
- Approval of policies.

HL Display's long-term strategy is discussed at one of the Board meetings during the year. In addition, the Board visits one of the Company's customers on one occasion during the year. At least one Board meeting per year is held at one of HL Display's locations away from the head office.

It is also the expressed wish of the







Board to invite members of HL Display's management group or other areas of the organisation to attend Board meetings in order to provide the Board with in-depth information about their specific area.

HL Display's auditors normally attend at least one Board meeting during the year.

Important matters dealt with in 2011 included:

- Restructuring of production.
- New corporate governance structure.
- Investments in new IT infrastructure.
- Contingency plan for dramatic changes in market conditions.

#### **Board committees**

The Board has established a remuneration committee and an audit committee which prepare certain defined matters for resolution by the Board.

**The Remuneration Committee** examines and prepares matters relating to remuneration and terms of employment for company management and makes annual proposals for guidelines on remuneration of the CEO and senior executives. The remuneration committee consists of Stig Karlsson, Susanna Campbell and Mats-Olof Ljungquist. Stig Karlsson is chairman of the committee. The CEO's remuneration is decided by the Board. Remuneration of other senior executives is decided by the CEO in consultation with the remuneration committee.

**The Audit Committee** consists of all Board members apart from CEO Gérard Dubuy. Mats-Olof Ljungquist is chairman of the committee. The audit committee's task is to ensure that high quality is achieved in three primary areas: internal



controls, financial reporting and external auditing. The committee ensures that effective internal control systems are in place and a correct assessment of the Company's financial position has been made. The committee reviews the quarterly financial information and annual reports for HL Display AB and HL Display Holding AB. It also deals with critical accounting issues, such as valuation and assessments. It is also the audit committee's task to maintain dialogue with the external auditors about the audit.

#### **Managing Director and CEO**

HL Display's Chief Executive Officer, Gérard Dubuy, is in charge of day-to-day operational business. A written set of instructions defines the division of responsibilities between the Board and CEO. The CEO reports to the Board and presents a special CEO's report at each Board meeting, with information about how the business is performing on the

basis of defined strategies and Board decisions. Further information about the CEO can be found on page 36.

#### **Group Management**

In addition to the CEO, HL Display's Group management consists of eight members who have day-to-day responsibility for different parts of the business. Group management has at least ten scheduled meetings during a year. Further information about members of Group management can be found on page 36.

#### **Management of Subsidiaries**

HL Display has six area managers, who report directly to the CEO. The area managers have full responsibility for sales and results in their geographical region. This responsibility also includes the sales companies and logistics centre in each region. For the UK and Asia, it also includes the production companies.

The division of responsibilities between the area managers and the country managers who are responsible for day-to-day operations in the sales companies is regulated in the framework of the internal Subsidiary Guide Book, which contains guidelines on various aspects of the subsidiaries' business. The Director of Operations, who also reports to the CEO, is in charge of the Group's other production units.

#### **Auditor**

The annual general meeting elects the auditor, following a proposal by the Board. KPMG AB was appointed as the Company's auditor until the 2012 annual general meeting. It is the auditor's task, on behalf of the owner, to audit HL Display's annual accounts and bookkeeping methods, as well as the Board and CEO's administration of the Company. The chief auditor also submits an audit report to the annual general meeting. Further information about the auditor can be found on page 35.

# Board of Directors



**Stig Karlsson**

Born: 1952.  
Chairman of the Board.  
Member of the Board since 2001, Chairman since 2010.  
Position: Industrial Advisor Ratos AB.  
Education: Master of Science in Economics and Business administration.  
Other appointments: Chairman of the Board in Diab AB and Hafa Bathroom Group.  
Member of the Board in Lindab AB and Lagerstedt och Krantz AB.  
Not independent in relation to major owners.



**Mats-Olof Ljungquist**

Born 1951.  
Member of the Board since 2007.  
Education: Master of Science in Economics and Business administration.  
Other appointments: Chairman of the Board in Brunnberg & Forshed and Hermods AB.  
Member of the Board in SBC Sveriges Bostadsrätts Centrum AB, Svegro AB, Swedsec AB and JLT Risk Solutions AB.  
Independent member.



**Lars-Åke Rydh**

Born: 1953.  
Member of the Board since 2008.  
Education: Master of Engineering.  
Other appointments: Chairman of the Board in Nefab AB, San Sac AB, Plastprint AB, Schuchardt Maskin AB, CombiQ AB and OEM International AB. Member of the board in Nolato AB, Arla Plast AB and OLJA ekonomisk förening.  
Independent member.



**Gérard Dubuy**

Born: 1961.  
CEO of HL Display AB.  
Member of the Board since 2006.  
Education: Master of Science in Economics and Business administration.  
Not independent in relation to the Company.



**Susanna Campbell**

Born: 1973.  
Member of the Board since 2009.  
Position: Investment Director Ratos AB.  
Education: Master of Science in Economics and Business administration.  
Other appointments: Member of the board in Arcus-Gruppen A/S and VinGruppen i Norden AB.  
Not independent in relation to major owners.



**Kent Mossberg**

Born: 1957.  
Employee representative.  
Member of the Board since 1995.  
Position: Property Manager.  
Education: Engineering qualification.



**Henrik Smedlund**

Born: 1976.  
Employee representative.  
Deputy member.  
Position: Machine operator.  
Education: Financial qualification.



**Magnus Jonsson**

Born: 1969.  
Employee representative.  
Member of the Board since 1998.  
Position: Machine operator.  
Education: Structural Engineering qualification.



**Åsa Wirén Linder**

Auditor in charge and authorised public accountant (Far)  
Born: 1968.  
Other assignments: Auditor in charge in SkiStar AB, Pricer AB and Seco Tools. Member of the board in Far.

**Auditor**  
KPMG AB Stockholm.  
Auditors since 2004.  
Re-elected at the AGM 2008 for the next four-year period.



# Senior Executives



**Gérard Dubuy**

Managing Director (CEO)  
Born: 1961.  
Employed since: 1995.  
Education: M. Sc. Economics.



**Magnus Bergendorff**

Finance Director (CFO)  
Born: 1964.  
Employed since: 2011.  
Education: B. Sc. Business Administration.



**Xavier Volpato**

Director for Operations  
Born: 1969.  
Employed since: 2007.  
Education: M. Sc. Economics, Politics and MBA.



**Håkan Eriksson**

Marketing and Business Development Director  
Born: 1966.  
Employed since: 1992.  
Education: M. Sc. Engineering.



**Staffan Forslund**

Human Resources Director  
Born: 1949.  
Employed since: 2000.  
Education: B. Sc. Economics.



**Birger Nilsson**

Development Director  
Born: 1961.  
Employed since: 1999.  
Education: M. Sc. Economics.



**Marc Hoeschen**

Group Supply Chain Manager  
Born: 1967.  
Employed since: 2009.  
Education: M. Sc. Engineering and MBA.



**Julien Wagner**

Purchasing Director (CPO)  
Born: 1975.  
Employed since: 2008.  
Education: M. Sc. Engineering and MBA.



**Fredrik Birkhammar**

Group IT Manager (CIO)  
Born: 1964.  
Employed since: 2010.  
Education: B. Sc. Economics.

# Five year summary

Income statement (KSEK)	2011	2010	2009	2008	2007
Net sales	1,643,317	1,617,289	1,360,416	1,535,639	1,571,181
Operating profit	62,635	64,445	86,216	130,258	160,540
Depreciation and amortisation	35,874	38,587	35,581	36,123	39,515
Profit before taxes	24,222	28,738	84,143	136,157	154,688
Loss from discontinued operations	–	–	–	–	–
<b>Net profit for the year</b>	<b>18,378</b>	<b>18,200</b>	<b>58,208</b>	<b>96,317</b>	<b>108,236</b>
<b>Balance sheet (KSEK)</b>					
Non-current assets	1,430,195	1,438,066	390,094	202,233	195,644
Current assets	672,745	782,655	667,124	744,064	696,053
<b>Total assets</b>	<b>2,102,940</b>	<b>2,220,721</b>	<b>1,057,218</b>	<b>946,297</b>	<b>891,697</b>
Shareholders' equity	1,122,778	1,122,986	433,113	541,853	474,865
Non-current liabilities	571,262	657,132	295,217	88,780	111,444
Current liabilities	408,900	440,603	328,889	315,664	305,388
<b>Shareholders' equity and liabilities</b>	<b>2,102,940</b>	<b>2,220,721</b>	<b>1,057,218</b>	<b>946,297</b>	<b>891,697</b>
<b>Key ratios</b>					
EBITDA, KSEK	100,181	104,832	121,797	166,381	200,055
EBITA, KSEK	64,306	66,245	86,679	130,652	161,630
EBITA margin, %	3.9	4.1	6.4	8.5	10.3
EBT margin, %	1.5	1.8	6.2	8.9	9.8
Return on equity after tax, %	1.6	3.4	13.6 <sup>1)</sup>	19.1	25.2
Return on capital employed, %	3.6	5.3	11.0 <sup>1)</sup>	23.0	27.6
Return on total capital, %	3.0	4.2	8.9 <sup>1)</sup>	15.6	18.6
Equity/assets ratio, %	53.3	50.6	44.4	57.3	53.3
Net interest-bearing debt, KSEK	469,258	490,336	143,251	-119,693	-69,444
Debt/equity ratio, times	0.57	0.63	0.64	0.19	0.27
Interest coverage ratio, times	1.6	1.7	20.9	20.7	16.5
Net investments, KSEK	52,816	39,613	330,056	31,749	70,179
Cash and cash equivalents, KSEK	163,216	206,309	205,892	220,773	177,079
Goodwill, KSEK	1,157,309	1,180,343	230,754	33,270	23,411
Revenue per employee, KSEK	1,419	1,468	1,627 <sup>1)</sup>	1,562	1,623
Development expenses, KSEK	20,779	26,232	26,984	28,000	37,545
Average number of employees	1,158	1,102	836 <sup>1)</sup>	983	968

<sup>1)</sup> Average figures for 2009 excluding PPE, that was consolidated from 31 December, 2009.

The financial information for 2010 refers to the HL Display Holding Group. The financial information has been restated as if the acquisition of HL Display with related refinancing had instead been made at the beginning of 2010. This means that the presented financial information for 2010 refers to the actual outcome for twelve months for the HL Display Group, with the addition that financial costs have been increased by an extrapolated interest charge. Comparative data for 2009 refers to those previously reported by the former group, HL Display AB (publ). HL Display applies IFRS. This corporate report has not been prepared in accordance with IFRS and has not been reviewed by the auditor.

## Definitions

### Development expenses

Development expenses are expenses for production, materials and product development.

### Debt/equity ratio

Interest-bearing liabilities in relation to total equity.

### EBITA margin

Earnings before interest, taxes and amortisations. Operating profit added for amortisation and impairment of goodwill on consolidation, in relation to net sales.

### EBITDA

Operating profit added for depreciation amortisation and impairments.

### EBT margin

Earnings before taxes. Profit before taxes in relation to net sales.

### Equity/assets ratio

Equity including minority share in relation to balance sheet total.

### Interest-bearing net liability/receivable

Interest-bearing liabilities less interest-bearing assets.

### Interest coverage ratio

Profit before taxes plus financial expenses in relation to financial expenses.

### Return on capital employed

Profit after financial items plus financial expenses in relation to average capital employed. Capital employed is the balance sheet total less non interest-bearing liabilities.

### Return on equity after tax

Profit after tax in relation to average equity. Minority shares have been excluded from both profit and capital.

### Return on total capital

Profit before taxes plus financial expenses in relation to average balance sheet total.

### Working capital

Current assets excluding cash and cash equivalents less non interest-bearing current liabilities.

# History

**HL Display was started** in Borlänge, Sweden, in 1954 by Harry Lundvall. His first product for shops was a plate stand made of shaped metal wire. In due course, by hot bending plastic he also produced an item for displaying the price next to the product.

**In 1969, Harry's** son Åke Westberg took over the business, which was at the time turning over about SEK two million and had five employees.

**In 1975, Åke Westberg** obtained a patent for the shelf edge strip that he had developed. The HL Datastrip remains an important part of the product range. The patent was the breakthrough for HL Display. The largest Swedish retail chains recognised the benefits of Åke's solution, and they soon became major customers.

**In 1977, Åke Westberg's** daughter Lis Remius and her husband Anders Remius started a sales company that mainly sold products from HL Display's product range.

**In 1986, Lis and Anders Remius** bought HL Display from the investment company Parcon, which had acquired the Company from Åke Westberg in 1982. They recognised a potential in HL Display that they wanted to develop themselves, including the establishment of sales companies in other countries.

**International expansion began** in 1987. Sales abroad had previously been channelled through direct sales and distributors, but now HL Display set up its own sales companies in Belgium and the UK. Sales companies were then set up in Germany in 1989 and in Norway and France in 1990.

**In 1993,** HL Display was listed on the Stockholm Stock Exchange.

**From the mid-1990s** international expansion continued in line with the rapid growth of the retail trade. Sales

companies were established in Poland, Austria, the Czech Republic, Latvia, Russia and Turkey.

**In 2000 and 2001,** the number of sales companies in Eastern Europe was augmented with new ones in Ukraine, Slovenia and Slovakia. During 2000, HL Display also began to look further to the east, towards Southeast Asia. Many of the Company's customers, such as Carrefour, already had a presence in several major Asian markets. It was therefore natural for HL Display to have its own presence in these markets. The first Asian company was launched in 2000 in Singapore, and it now serves as the hub of HL Display's activities in the region. Ratos becomes a minority shareholder in 2001.

**In 2002 and 2003,** expansion continued apace in Asia, with new companies being established in Hong Kong, Malaysia, Taiwan, Thailand and China. A sales company was started in Romania in 2002.

**At the 2006 Annual General Meeting,** Anders Remius was succeeded by Gérard Dubuy as CEO of HL Display. Anders Remius' commitment to the Company continued, now as the Chairman of the Board. In 2006, production started up at

HL Display's factory in China, situated in Suzhou, to the northwest of Shanghai. Local production was a very important step to increase competitiveness in the region.

**During 2007-2009,** HL Display made a number of acquisitions. Finnish Display Team, a leading provider of merchandising solutions targeting the brand manufacturer customer segment, was acquired in 2007. HL Display also acquired its distributors in Finland and Bulgaria. In 2009, the Company made its biggest acquisition so far, by acquiring British company PPE Ltd. Through the acquisition HL Display extended its offer to the brand manufacturer customer segment as well as strengthened its market position in the UK.

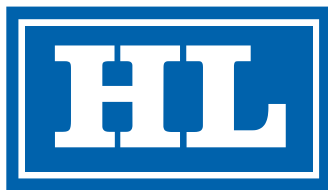
**In 2009,** a sales company was started in Dubai as a first entry into the Middle East market.

**In July of 2010,** the publicly traded private equity company Ratos acquired the Remius family's holding in HL Display and then made a public offer to all other shareholders to acquire their shares. HL Display was delisted from Nasdaq OMX Stockholm on 17 September 2010.









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