Annual Report 2012

NOTE

YOUR MANUFACTURING PARTNER

Contents

Shareholder information

Annual General Meeting
The AGM (Annual General Meeting) will be held at 2:00 p.m. on Monday, 22 April at Spårvagnshallarna, Birger Jarlsgatan 57 A, Stockholm, Sweden. Information on the notification procedure for the Meeting will be uploaded to the website www.note.eu jointly with the invitation to the Meeting by no later than four weeks prior to the Meeting.

Notification
Shareholders intending to participate in the AGM must be recorded in the share register maintained by Euroclear Sweden AB by 16 April, and notify NOTE of their intention to participate by no later than 16 April.

Business
Information on the agenda of the AGM is published in the Swedish Official Gazette and will be available on NOTE's website. Documentation is also available from NOTE coincident with notification of intention to participate at the Meeting.

Dividend
The Board of Directors is proposing to the AGM that a dividend of SEK 0.75 (0.30) per share is paid for the financial year 2012.

Nomination committee
The Nomination Committee has the following members:

Kjell-Åke Andersson
(representing his own holdings)

Bruce Grant
(representing Garden Growth Capital LLC)

Daniel Nyhrén
(representing Creades AB)

Peter Zonabend
(representing Museion Förvaltning AB, appointed by Banque Carnegie Luxembourg S.A.)

Financial information

Calendar

Interim Report, Jan–Mar 2013	22 Apr 2013
Interim Report, Jan–Jun 2013	16 Jul 2013
Interim Report, Jan–Sep 2013	21 Oct 2013

Ordering financial information
Financial and other relevant information can be ordered from NOTE. Out of consideration for the environment, a subscription service is readily available from NOTE's website.

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This is NOTE

NOTE offers manufacturing and logistics services for electronics products across product lifecycles—from design to after-sales.

NOTE is one of the leading manufacturing and logistics partners for electronics production in northern Europe. It has especially strong market positioning in the high mix/low volume market segment, i.e. for products in small to medium-sized batches that require high technology competence and flexibility. NOTE produces PCBAs, subassemblies and box build products. NOTE's offering covers the whole product lifecycle, from design to after-sales.

NOTE's business is organised to address the differing needs of its customers optimally. NOTE's Nearsourcing Centres deliver production technology services in close collaboration with customers, such as selecting materials, developing test equipment, prototyping and batch production. NOTE's Industrial Plants deliver cost-efficient volume production in Europe and Asia.

Customers are mainly in the engineering and communication industries in the Nordics and UK.

+ Key facts

- **Production units:** Sweden, Norway, Finland, UK, Estonia and China.
- **Number of employees as of 31 December 2012:** 898
- **Sales in 2012:** SEK 1,029 million.
- **Share:** Quoted on NASDAQ OMX Stockholm (Small Cap/Industrial Goods & Services). At year-end 2012, the share price was SEK 7.55. Market capitalisation was SEK 218 million, divided between 28,872,600 shares.

+ Milestones in NOTE's history

1999 Company founded on the business concept of producing electronics-based products in Central Europe for Swedish customers jointly with collaboration partners. The gateway to this European region is opened through the start-up of an operation in Gdansk, Poland.

2000 Merger with an electronics producer in Norrtälje, Sweden. A well-established enterprise in Torsby, Sweden, is also quickly acquired. The goal is to grow and conduct an IPO of the group within five years.

2001 NOTE takes the initiative for a international network of independent electronics producers in Europe, South and North America and Asia. The goal: to help growth customers find production alternatives close to the markets where they want to expand.

2001–2003 NOTE Components AB formed to co-ordinate the group's global sourcing operations. NOTE makes a number of acquisitions in Sweden, which also bring a presence in Lithuania.

2004 NOTE's IPO on the Stockholm Stock Exchange.

2005–2006 More acquisitions in Sweden, Norway, Finland and Estonia.

2007 NOTE's production capacity extended through joint ventures in China and Poland. NOTE opens one of Sweden's most advanced electronics plants in Norrtälje.

2008 Acquisition of an electronics enterprise in the UK and a mechanics enterprise in Sweden. The financial crisis and following recession hit the sector hard.

2009 Another acquisition in Norway. A series of rationalisation measures are taken in the group to address the recession.

2009/2010 The Chinese operation becomes a wholly owned subsidiary at year-end. NOTE's operation in Skellefteå, Sweden, is sold off after one customer discontinues a major telecommunication product.

2010 Fundamental reorientation and concentration of the business that started post-financial crisis in 2008 results in the closure of more operations or their relocation to other parts of the group.

2010/2011 Holding in the joint venture in Krakow, Poland, sold at year-end.

2011 Closure of the operation in Lithuania. NOTE now has Nearsourcing Centres in Sweden, Norway, Finland and the UK, and Industrial Plants in Estonia and China.

2012 Initiative to increase direct sales from NOTE's Industrial Plants progressing well.

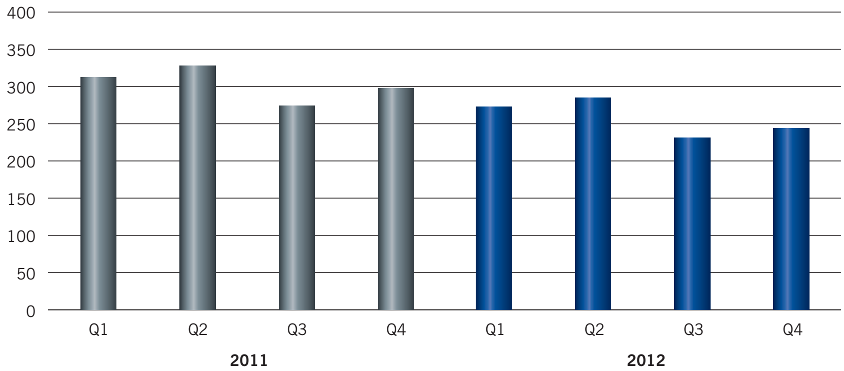
The year in brief

January–December

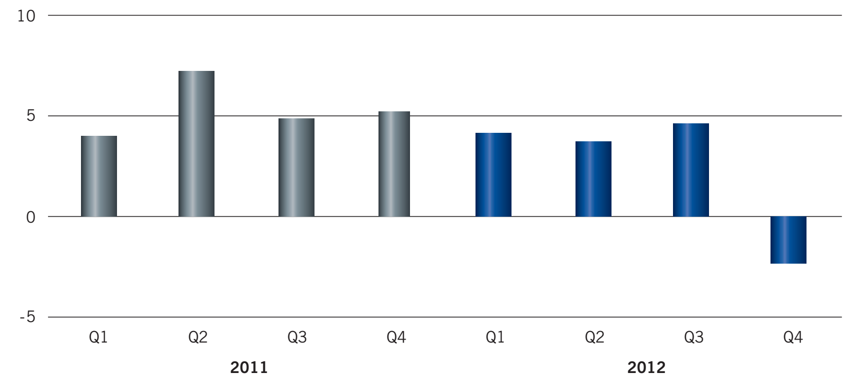
- Sales were SEK 1,029.2 (1,208.8) million.
- Operating profit was SEK 26.0 (64.4) million. Fourth-quarter profit includes a provision for doubtful debt of SEK 12.6 million. Underlying operating profit was SEK 38.6 (64.4) million, corresponding to an operating margin of 3.7 percent (5.3 percent).
- The operating margin was 2.5 (5.3) percent.
- Profit after financial items was SEK 19.1 (56.3) million.
- Profit after tax was SEK 12.6 (39.4) million, corresponding to SEK 0.44 (1.36) per share. Excluding provisioning for bad debt, Earnings per share were SEK 0.86 (1.36) per share.
- Cash flow after investments was SEK 97.0 (56.5) million, corresponding to SEK 3.36 (1.96) per share.
- Dividend – based on the strong cash flow for the year, the Board is proposing a dividend to shareholders of SEK 0.75 (0.30) per share.

Overview of 2012, SEK million	Full year	Q1	Q2	Q3	Q4
Sales	1,029.2	274.7	280.1	234.0	240.4
Operating profit	26.0	10.9	10.0	10.5	–5.4
Cash flow	97.0	36.2	13.0	21.7	26.1

Sales, SEK million

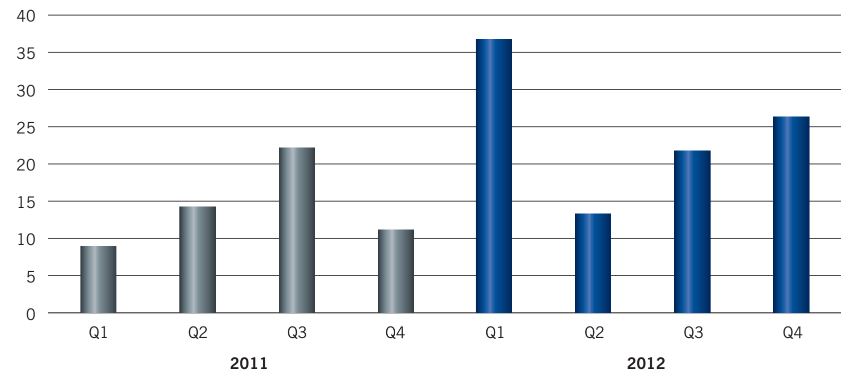


Operating margin, percent



Excluding provisioning for doubtful debt, the underlying operating margin for Q4 2012 was 3.0 percent.

Cash flow, SEK million



CEO's statement

In 2012, we sharpened our focus on growth, work that resulted in us starting up collaborations with over 40 new customers. We also continued to deliver positive earnings, and a very strong cash flow, albeit in a market climate that got progressively tougher as the year passed.

For 2012, we had four overarching areas with a special focus; increasing market shares, continuing work on cost rationalisation, taking measures to further strengthen our customer offering in product quality and delivery precision, and continuing rationalisation of our utilisation of working capital. All these areas are obviously central to our business, but since completing our restructuring program of 2010, sales growth has gradually moved up our list of priorities.

If we look at progress in 2012, we can't be satisfied with growth in any sense. Sales performance was negative in all quarters of the year. Our sales are closely linked to customer assignments in progress, which show that several of our customers had a challenging 2012.

But what is very positive is that despite a continued poor market in the year, we started collaborating with over 40 new customers. Most of them are SMEs, that we have built prototypes and pilot batches for. Going forward, we hope that these products will launch successfully on the market and generate more work in the form of batch production. Additionally, we also secured new projects with established products, which we're confident about for the future. To my mind, this is evidence that we have a competitive business model that will enable profitable growth.

For over a year now, we've been reporting that one of our customers has been in financial difficulty. We've maintained a very close dialogue with this customer on deliveries, payments, risks and opportunities in this time. Unfortunately, this customer's difficulties have compelled us to make a provision for doubtful debt. This provision corresponds to over 50 percent of NOTE's risk exposure. We are continuing to monitor the situation closely. This provision made operating profit negative in the final quarter. Underlying profitability and a positive cash flow sustained, despite a difficult quarter and year.

We have been able to continue creating the prospects for better rationalising our cost base, monitoring and acting to improve product quality and delivery precision, and to further rationalise our utilisation of working capital through our methodical improvement work, and our stronger, more group-wide control model. In these three priority segments, I think we have succeeded well. I am seeing advances in all units, and a satisfaction in our group-wide values being truly symbolised by, and in, our people.

The need for consolidation has been a long-term talking-point in our sector, at global, regional and local levels, without, to my mind, much actually happening. But late in the year, we became part of the topic ourselves, when Lifco AB, a Swedish industrial group with a contract manufacturing business area, made a hostile bid for all the shares of NOTE. The Board advised shareholders against accepting, and after acceptance corresponding to only 14.7 percent of the vote, Lifco chose to withdraw its bid. To me, the bid was evidence that we're continuing to do the right things and our competitors respect us.

Progress in the year

The year featured continued demand weakness on several of our geographical markets. Our sales, which in the short perspective, are closely linked to the volume of customer assignments in progress, decreased by 15 percent to SEK 1,029.2 million. The downturn was mainly in Sweden and Finland, while sales performance in Norway and the UK was more stable.

One positive is the initiative we took last year to increase direct sales from Industrial Plants in Estonia and China, which has gone well. This business is mainly to customers in Europe, and was 16 (7) percent of total sales.

Through continued rationalisation, we cut our costs by 8 percent. This contributed to us being able to report operating profit of SEK 26.0 million despite lower volumes. Adjusted for the fourth quarter provision for bad debt, our operating profit was SEK 38.6 million, corresponding to an operating margin of 3.7 percent.

Our well-established focus on rationalising the utilisation of working capital enabled us to succeed in reducing our inventories by over 20 percent. This destocking, combined with profit performance, helped lift our cash flow (after investments) by SEK 40.5 million to SEK 97.0 million.

Future

Our Nearsourcing business model is strong and tailored for the high mix/low volume market segment. It is based on developing business at our Nearsourcing Centres in Sweden, Norway, Finland and the UK in close collaboration with customers. Labour-intensive volume production is usually conducted at our Industrial Plants in Estonia and China.

We secured a lot of new accounts in 2012. We're proud of what we have achieved so far and are still seeing good

We secured a lot of new accounts in 2012, which I view as a sign of strength.

opportunities to develop our business. But we also view forthcoming market progress and our customers' future plans with great humility.

Our focus in 2013 is to retain and develop the working method and approach we introduced to win new business, continue our rationalisation work and be highly successful in the utilisation of working capital.

Peter Laveson

Vision, business concept, strategy and targets

Vision
NOTE — the customer's obvious manufacturing and logistics partner.

Business concept
NOTE is a local North European manufacturing and logistics partner with an international platform for manufacturing of electronics-based products that require high technology competence and flexibility across large parts of product lifecycles.

Strategy and business targets
NOTE will be the best collaboration partner in the sector with high delivery precision and quality for a competitive total cost.

To make the market's most competitive offering, NOTE should achieve good profitability, actively contribute to safeguarding the customer's value chains and sharpening their competitiveness through flexibility, competence and professional conduct.

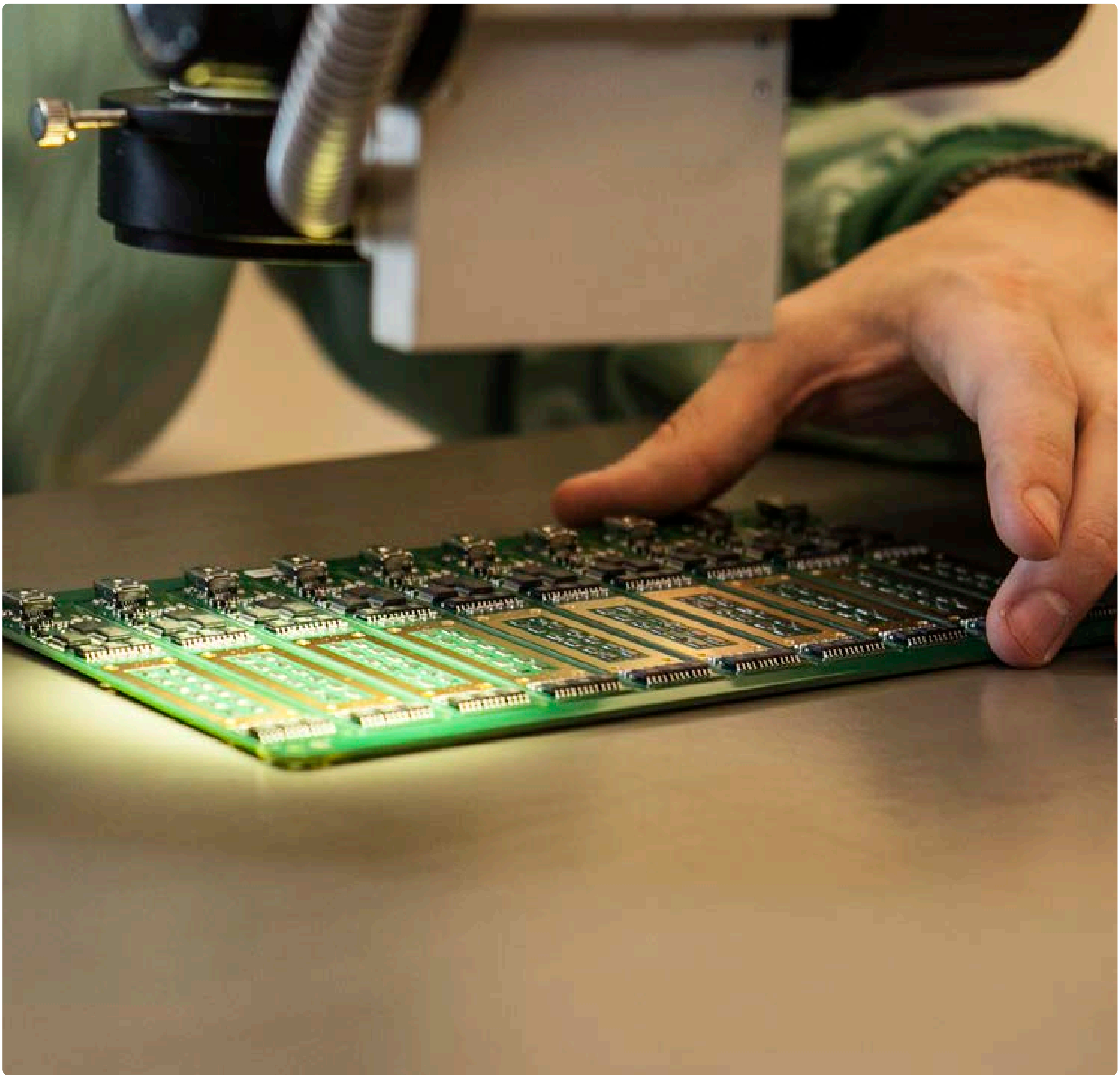
Profitable growth will be achieved by:
- Expanding NOTE's customer base with new accounts with complex products and high standards.
- Strengthening NOTE's services offering to existing customers.
- Sharpening competitiveness through sector-leading quality and delivery precision, further improvements to the sourcing and logistics operation, optimising capacity utilisation and enhancing internal administrative processes.
- Executing carefully selected production take-overs and acquisitions.

Financial targets
Growth target
NOTE will increase its market shares organically and through acquisitions.

Profitability target
NOTE will grow with profitability. Its target is for a minimum return on operating capital of 20 percent. For the long term and over a business cycle, profitability will also exceed the average of other mid-sized international and comparable competitors.

Capital structure target
The minimum equity ratio should be 30 percent.

Dividend target
NOTE's dividend should be adapted to average profit levels over a business cycle, and for the long term, be 30–50 percent of profit after tax. Dividends should also be available for modifying the capital structure.



Business model

NOTE is a specialised manufacturing and logistics partner for producing electronics-based products that require high technology competence and flexibility. NOTE produces PCBAs, sub-assemblies and box build products. Its business offering builds on flexible solutions based on customer needs across product lifecycles, from design to after-sales.

A manufacturing partner with a strong total offering

NOTE's business model starts from a holistic view and consists of two central components: Nearsourcing Centres close to customers and Industrial Plants in Eastern Europe and Asia. Batch production is located where it is most suitable for the customer from a total cost perspective. NOTE's focus is to deliver customers the right product at the right time, for a competitive cost. Cost of materials represents most of the total cost of a finished product. Accordingly, one important mission for NOTE is to offer competitive pricing and efficient logistics solutions for electronics components and other production materials.

NOTE's offering is especially focused on the high mix/low volume segment, which entails high flexibility in production and good product documentation. This focus contributes to somewhat more stable market progress through longer product lifecycles and long-lasting customer relations. NOTE's customers are mainly in the engineering and communication industries, which in the latter, include complex systems for monitoring, amplification and security.

In box build products, NOTE develops electronic and mechanical solutions in close collaboration between the customer, supplier and the affected units of NOTE.

To sharpen competitiveness, NOTE puts a strong focus on continuously monitoring and improving NOTE's business processes and customer interfaces to enhance efficiency, delivery precision and quality.

Nearsourcing™ creates the right conditions from the start

NOTE's Nearsourcing Centres work on creating and enhancing NOTE's customer relations. Advanced production technology engineering services are conducted at Nearsourcing Centres in Sweden, Norway, Finland and the UK. The focus is on providing expertise at the design and development stage. In close collaboration with customers, NOTE contributes valuable expertise to materials selection, producability and developing test methods and equipment, with the consistent aim of creating the best feasible product, optimised for batch production as early as in the design phase. As part of this process, product prototypes and pilot series are also manufactured to determine the product's final design. Nearsourcing Centres offer services end to end in product lifecycles. In addition to industrialisation services, NOTE also provides batch production, state-of-the-art logistics and after-sales solutions, based on customer needs.

The geographical proximity Nearsourcing Centres offer customers is highly significant when projects require ongoing contact and an extensive exchange of know-how between parties. Nearsourcing also shortens time to market, which reduces capital tied-up and offers competitive advantages on the market.

Nearsourcing enables high flexibility in the introduction phase for customers, before the product or the market are ready for batch production. Meanwhile, NOTE's overall understanding of the product and its lifecycle, combined with highly developed sourcing competence, offer good prospects of controlling production and the supply of materials so that overall cost is favourable. In this way, NOTE creates value-added for customers by avoiding many costly mistakes and re-thinks.

Customer needs and total product costs determine the location of batch production, at a Nearsourcing Centre or Industrial Plant. Needs may vary based on the nature of the product, the customer's market conditions and in-house competences, product cost structures, logistics, the location of the product in its lifecycle, volume and geographical final market.

Cost-effective volume production at Industrial Plants

Manufacture at NOTE's Industrial Plants in Estonia and China is mainly high-volume. Products and production processes are industrialised at Industrial Plants in collaboration with Nearsourcing Centres, according to customer needs. These plants are modern, with advanced production equipment, extensive manufacturing capacity and broad-based technological competence.

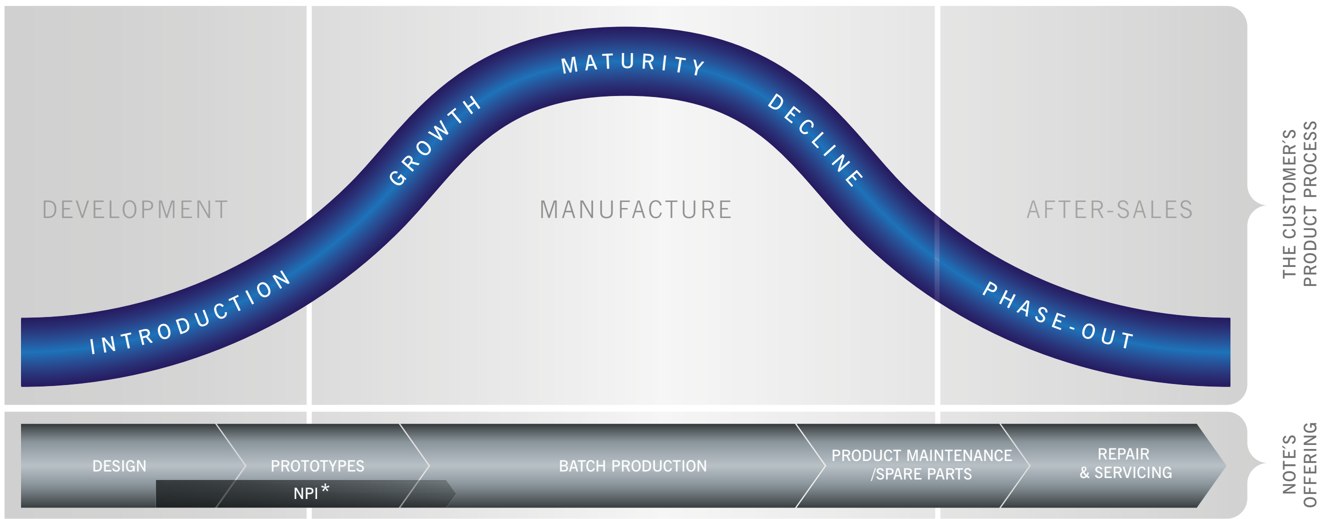
NOTE also has a well-developed methodology for transferring production between Nearsourcing Centres and Industrial Plants. These units work together in dedicated customer teams to monitor materials and information flows, and to offer continuous feedback to customers.

NOTE produces this on-board vehicle computer for Hectronic.

What Stefan Löf, CEO of Hectronic AB, says about NOTE:
When we select suppliers, we take care to find a manufacturer that suits our products, in terms of technology content, batch size and end-customer location. We've been working with NOTE for many years, and in the past two years, they've got even better at quality, internal processes and customer service. They're very willing, and have substantial know-how, in dealing with questions that arise. Integrating all our Swedish production with one supplier facilitates collaboration and simplifies our processing.

Hectronic has chosen to outsource an increasing share of its Swedish production to NOTE – from straight motherboards to complete mechanical and final assemblies. Hectronic's products are installed in trains and ships, as well as mining machinery above and below surface, and accordingly, have to withstand very demanding conditions such as temperature fluctuations, dust and humidity.

PRODUCT LIFECYCLE



VALUE CHAIN

NOTE's offering covers the whole product lifecycle from design to after-sales services.

*New Product Introduction, NOTE adopts a highly developed business process for customers about to launch a new product on the market. NOTE increases customer profitability by actively contributing experience and know-how in selecting materials, sourcing, testing, production, quality and logistics.

Market and competitors

NOTE operates on the market for outsourced electronics production.

Background
Europe is a unique region on the global market for manufacturing services. Compared to the rest of the world, no other continent has so many high-cost countries close to countries with significantly lower cost levels. This has affected the structure and evolution of the European market. The European part of the sector started in developed, Western, high-cost countries like the UK, France, Ireland, Sweden and Germany. Proceeding from these countries, the sector migrated eastwards, starting up operations in low-cost countries like the Czech Republic, Estonia, Lithuania, Poland and Hungary. The aim was more cost-efficient manufacture for Western European final markets. The European market consists of domestic European players and major global corporations. However, the majority of European players are smaller domestic companies with long histories, linked primarily to one or a few customers. Many of the global players starting up in Europe have located their operations in Eastern European countries.

Generally, the value Western European countries bring their customers can be considered as specialist services, while the value from players in Eastern Europe is mainly associated with low-cost manufacture.

The market
The year featured continued poor demand on several of NOTE's geographical markets. The negative progress of demand from the end of 2011 resulting from the European debt crisis meant that several NOTE customers reported lower sales, which affected volumes on NOTE's customer assignments negatively.

The need for consolidation has been a long-term talking-point in the sector, on global, regional and local levels, but without much actually happening. However, late in the year, NOTE became the issue itself when Lifco AB, a Swedish industrial group with a contract manufacturing business segment, made a hostile takeover bid for all its shares. NOTE's Board advised shareholders to reject the bid, and after securing acceptance corresponding to only 14.7 percent of the shares, Lifco decided to withdraw its offer.

Market trends, drivers and prospects
The market for outsourced electronics production has emerged and evolved as a consequence of greater interest in outsourcing, increased electronics components across a range of different products and greater underlying demand for manufactured products. The market experienced a sharp slump in volumes during the global recession of 2008–2009, linked primarily to a substantial demand downturn at the end-customer level. The market recovered to something more closely resembling normalised levels in 2010 and 2011, although uncertainty increased slightly once more in 2012 as a consequence of global financial imbalances.

The market has undergone fundamental change in recent years. The most important drivers being price pressure on components, requirements for greater speed from idea to finished product, a higher share of outsourcing and strong economic progress in growth regions with the emergence of new final markets as a result. One driver gaining ground recently is a greater willingness to find climate-intelligent alternatives in segments including the selection of materials, packaging and transportation. Another consequence is that increasingly, production is close to final markets.

High growth in Asia, and especially China, has favoured domestic consumption. In turn, this has triggered new demand for final products previously produced for export to Europe and the US. These new opportunities have also contributed to a still higher rate of change on the market, because increasing numbers of global corporations are now establishing long-term presences in Asia. This progress is expected to continue through the coming years. Of the major economies, India is expected to make similar progress to China, with more international investment.

Sector commentator Reed Electronics Research has estimated that the European market for outsourced electronics production will grow by some 4 percent annually through the coming years, with the majority derived from central and eastern Europe. However, this forecast was slightly downgraded in 2012 because of poorer economic conditions.

However, the primary drivers will remain the search for cost-efficient production and rationalisation, and continued production transfers from west to east.

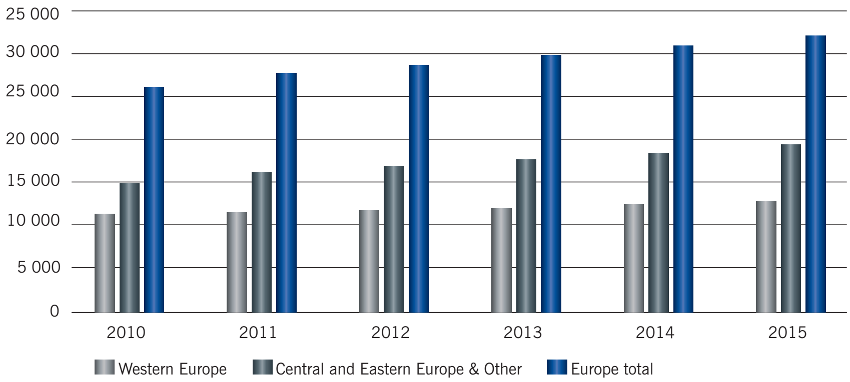
The market can be divided into segments in a range of perspectives, but often, the sector refers to:

→ Low mix/high volume.
These products (such as mobile phones and TV sets) are often consumer products. In this segment, products are most often produced and sold in

very high volumes with minimal changes to product design. Usually, product lifecycles are fairly short.

→ High mix/low volume.
These products (such as control systems, measurement instruments and equipment for communication infrastructure) are often industrial products, i.e. products that customers often embed into original equipment. The demand and level of adaptation varies, setting higher standards for the flexibility of the producing partner. The product lifecycles of industrial products are generally longer than for consumer products.

Sales of outsourced manufacturing in Europe, EUR million



Source: Reed Electronics Research 2011

Outsourcing

NOTE judges that the share of outsourced production will continue to increase over time. Globalisation and progressively accentuating competition means optimising core business and achieving shorter lead-times will become more important. This means that businesses need a strong and competent partner in segments like product development, supply chain, industrialisation, box build products and after-sales services. By turning to NOTE, customers get access to all this valuable competence, simultaneous with economies of scale in manufacturing and sourcing.

Customer structure and regional split

NOTE's customer base consists of global corporations active on the world market and local customers that have their primary sales in northern Europe. NOTE is perceiving continued high interest in production in China. But the market's view of outsourcing to China has become more nuanced, which has resulted in more suitable projects being located there, for example depending on products' geographical final markets, products requiring limited changes or where logistics solutions permit. NOTE's operation in China was started up a few years ago and is very well equipped to manage production transfers from Europe and new production start-ups.

For small and mid-sized customers that are locally based, NOTE has put a big emphasis on creating flexible concepts that suit companies with growth ambitions. This customer category has pressing needs for competence in new product introductions, effective sourcing and opportunities to find cost-efficient production at a reasonable distance from their final market.

Examples of customers that NOTE started up new partnerships with in the year include Caldaro AB, Capita Secure Information Solutions Ltd, Cargotech Sweden AB, MilDef AB, Powernet Oy and Öhlins Racing AB.

Overall, NOTE is well positioned to address the needs of customers that want to grow in Europe and Asia.

Competitors

Some of NOTE's larger competitors active on the Nordic market are Enics, Kitron and PartnerTech. In addition, there is a range of regional or local players, often with a niche orientation, active on individual or several of NOTE's markets.

Quality, environment and ethics

Sustainability issues are integrated into NOTE's business activities and affect all units. Segments covered are quality issues, environmental impact, business ethics and human rights. This work is decentralised and coordinated using collective targets, guidelines and key performance indicators. NOTE is a member of the UN's Global Compact.

The holistic perspective raises standards
Taking an integrated approach to different sustainability issues is crucial to how effective overall results are. These matters involve everything from helping customers to select components with good environmental and quality performance, to locating manufacture close to final markets, so that the adverse environmental impact of transportation is limited. In tandem with improving customers' impact on the environment and society, NOTE actively works to limit the group's negative impact on its surroundings.

Quality policy and working methods
NOTE creates competitiveness for its customers by delivering the right quality at the right time and at the right price. To achieve this, NOTE continuously develops and improves its services in the endeavour of constantly satisfying applicable standards and customer expectations. The production units work towards shared and measurable targets. For example, product quality and delivery precision are continuously measured for both customers and suppliers.

NOTE utilises a portfolio of quality assurance tools and methods whose origins lie in the quality systems of the automotive and pharmaceutical industries.

ISO 9000 is a series of international standards used to direct the focus of corporate quality management systems. All the group's production units have ISO 9001 certification. Using its quality management system, NOTE can trace faults and continuously develop the company's methods and processes. NOTE ensures its work is functioning through regular audits, which monitor standards and procedures, by internal and external resources. An external party verifies and certifies its management system.

Environmental policy and working methods
NOTE strives for long-term and sustainable development by producing with the minimum possible environmental impact. NOTE endeavours to comply with, or exceed, applicable environmental legislation, work on continuous improvement and maintain an updated environmental policy.

Environmental work follows international ISO guidelines, with main series ISO 14000. All the group's production units have ISO 14001 certification and are audited both by internal and external resources.

Although different countries' environmental legislation varies, NOTE's ambition is for all units to follow a common line of environmental work. Production units sort consumables and monitor energy consumption continuously. Other parts of operations also embed environmental considerations, such as in discussions with customers regarding materials sourcing and production arrangements.

Electronic scrap, glass and paper are recycled. Improvement projects reduce waste and limit energy consumption and CO2 emissions. Corrugated board and combustible waste are compacted to minimise the number of waste transportation runs affecting the environment. NOTE also coordinates freight agreements in the transport segment to optimise transport, and thus limit energy consumption and CO2 emissions.

"

We are pleased to be able to conclude that since 2011, NOTE has worked actively to support the UN Global Compact's ten principles on human rights, employment terms, the environment and anti-corruption. We have decided, where we can, to progressively integrate the ten principles into our working methods, future plans, and jointly with our collaboration partners.
Peter Laveson, CEO and President

NOTE's units also collaborate to share experiences, good examples and suggested improvements.

Ethics
NOTE has been affiliated to the Global Compact, started on a UN initiative, since autumn 2011. The Global Compact states ten principles affiliated companies undertake to comply with. These principles govern human rights, labour law, the environment and corruption. In 2013, NOTE will make its first Communication on Progress (CoP) to the UN. This reviews the work being conducted within the group internally and with customers, suppliers and other stakeholders. NOTE will endeavour to strengthen its policy work and execute an employee satisfaction survey in 2013.

NOTE's Code of Conduct is based on the UN Global Compact and is available at www.note.eu.

NOTE units' executed and prospective work on Global Compact principles was mapped in the year. A summary of this mapping process follows on the next page.

UN Global Compact principles	NOTE's approach	Results
HUMAN RIGHTS		
Principle 1 The company is requested to support the protection of international human rights in its sphere of influence; and	NOTE has been using its Code of Conduct since 2006. The company endeavours to develop business with companies that have the corresponding ethical rules.	NOTE works actively on securing compliance with NOTE's Code of Conduct. NOTE encourages customers and suppliers to affiliate to the UN Global Compact by communicating the significance of these issues. 40 agreements were signed with strategic suppliers in the year, who agreed to work towards, and in accordance with, the UN Global Compact's principles. In addition, NOTE supported UNICEF in 2012, which works actively to help children and reinforce their rights.
Principle 2 ensure that their own company is not party to breaches of human rights.	NOTE has been using its Code of Conduct since 2006.	NOTE works actively to ensure compliance with its Code of Conduct.
LABOUR LAW		
Principle 3 Companies are requested to maintain freedom of association and make actual recognition of the right of collective bargaining;	NOTE respects that its employees form and join labour organisations, and negotiation is collective.	NOTE has had employee representatives on the parent company's Board of Directors since 2009. Collective bargaining agreements are in place at most NOTE units.
Principle 4 abolition of all forms of forced labour;	As part of its business principles, NOTE and its customers' and suppliers' employees should enter employment and contracts of their own free will.	NOTE works actively to ensure compliance with its Code of Conduct. NOTE encourages customers and suppliers to affiliate to the UN Global Compact by communicating the significance of these issues. 40 agreements were signed with strategic suppliers in the year, who have agreed to work towards and in accordance with UN Global Compact principles. NOTE's supplier agreements and Code of Conduct state that employment should be accepted of free will.
Principle 5 abolition of child labour; and	NOTE does not employ children and does not collaborate with companies that use children as part of their workforce.	NOTE works actively to ensure compliance with its Code of Conduct. NOTE encourages customers and suppliers to affiliate to the UN Global Compact by communicating the importance of these issues. 40 agreements were signed with strategic suppliers in the year, who have agreed to work towards and in accordance with UN Global Compact principles. NOTE's supplier agreements and Code of Conduct state that child labour is prohibited.
Principle 6 abolition of discrimination in employment and at work.	NOTE believes in a workplace where everyone has equal opportunities to work and progress.	NOTE sees and benefits from all employees' specific competence and developmental opportunities, regardless of sex, ethnicity, sexual orientation, disability, age and social background. NOTE's units work on integrating equal opportunity and diversity in all parts of their operations.
ENVIRONMENT		
Principle 7 Companies are requested to support the principle of prudence in terms of environmental risks;	NOTE's units run improvement projects in the environmental segment, and measure a series of environmental factors such as electronic scrap, energy consumption, CO2 emissions and transport. All units have environmental targets.	After NOTE's Finnish unit was certified in 2012, all the group's manufacturing units hold ISO 14001 environmental certification. Audits to ensure that improvements are achieved are conducted by internal and external resources.
Principle 8 Take the initiative to promote acceptance of far-reaching environmental responsibility; and	NOTE works actively on developing policies and methodologies designed to minimise the company's negative environmental impact. Employees are encouraged to participate in this process.	At the end of 2012, the Estonian Chamber of Commerce and Industry published a book of examples of companies that manage responsible operations. This book is intended to serve as a source of inspiration and highlight examples that other companies can implement in their operations. NOTE's Estonian unit was recognised in two segments—the environment and corporate social responsibility. First and foremost, the book highlighted the development of professional training and teaching, collaboration with a local school, education and offering trainee places. In addition, this unit was recognised for its responsible approach in the corporate social responsibility index arranged by the Responsible Business Forum, a non-profit organisation that promotes companies' social responsibility in Estonian society.
Principle 9 Encourage the development and dissemination of environmentally friendly technology.	NOTE takes a positive view of developing environmental technology and actively supports new manufacturing methods and components that are more environmentally friendly.	NOTE conducts environmental assessments when introducing new equipment, technology and logistics solutions. These experiences are shared between units in the group. An environmental perspective is considered jointly with customers when tailoring product manufacture.
ANTI-CORRUPTION		
Principle 10 Companies should counteract all forms of corruption, including blackmail and extortion.	NOTE encourages employees to resolutely counteract all forms of corruption, blackmail and extortion. Simultaneously, NOTE expects the corresponding attitudes from its customers and suppliers.	NOTE has group-wide local authorisation procedures expedient to its business. NOTE's purchasing policy stipulates that sourcing is conducted in accordance with ethical rules, and that bribery and corruption is forbidden. 40 agreements were signed with strategic suppliers in the year, who have agreed to work towards and in accordance with UN Global Compact principles.

Risk management

Operational risks

Risk	Exposure and management
Customers The risk that a customer leaves NOTE or does not fulfil its commitments.	NOTE has a large number of active accounts, the 15 largest in sales terms represented 57 percent of its sales in 2012. In most cases, NOTE manufactures a range of products for each customer. Usually, customers choose to place all their production of one product with the same supplier, so they can achieve economies of scale and limit material commitments and risks. Accordingly, NOTE's production volumes are closely linked to which products, and where in product lifecycles, the customer's products lie. Accordingly, sales variations can be significant for individual customers. Usually, materials risk is regulated through agreements with customers. NOTE follows up on material risks continuously.
Environmental risks The risk that operations cause damage to the environment and costs for complying with new more stringent environmental directives.	Unlike the heavy engineering industry, NOTE's business has a fairly limited environmental impact. To comply with applicable environmental legislation, NOTE has essentially transferred to lead-free production, like the rest of the electronics industry.
Liability Risks in addition to the above environmental risks where NOTE can be liable for payment due to commitments in its business.	NOTE's role includes it being a collaboration partner to its customers, but not a product owner. Accordingly, NOTE's responsibility includes conducting the selection of material and production in accordance with the customer's specification. Usually, the standards applying to NOTE's documentation of services rendered are extensive and can be considered complex. Quality monitoring of suppliers and NOTE's production is a continuous process. NOTE has insurance cover that is assessed to be reasonable and is adapted to operational risks. Where possible and financially viable, there is insurance cover for issues including specific costs that may arise as a result of production faults.
Economic and seasonal variations	The market for outsourced electronics production is relatively young and usually considered fairly cyclical. NOTE's Near-sourcing business model is intended to promote profitable sales growth in combination with low investment and overhead costs in high-cost countries. NOTE sells to a large number of customers, who essentially, are active in the engineering and communication industries in the Nordics and UK. The 15 largest customers in sales terms represented 57 percent of consolidated sales in 2012. The ambition is to focus on sectors with more stable demand and relatively long product lifecycles and customer assignments.
Production downtime Downtime in production affecting deliveries to customers and causing extra costs.	Because NOTE conducts advanced manufacture of electronics, it is subject to high demands on efficient processes and state-of-the-art production equipment. The risk of production downtime is limited by production being of a similar nature across several of the group's units. Accordingly, NOTE can transfer production from one unit to another, and have its units interact on production, which limits its risks from long-term production downtime. NOTE has extensive insurance cover, including cover to minimise the loss of contributions caused by production downtime where possible and financially viable.
Competence The risk of not possessing sufficient competence in all parts of business.	NOTE's provides sophisticated production services which require high technical competence across several segments. NOTE endeavours for staff to achieve continuous competence development.
IT IT-related disruptions can cause production downtime, loss of invoicing and/or reduced efficiency in administration and sales.	NOTE's operations require IT systems that work well. NOTE has a selection of local applications and operating environments with varying functionality and capacity. To improve availability, cost-efficiency and business support, NOTE conducts initiatives to consolidate and standardise these systems. Measures were also taken to improve security and control in the group's IT systems in the year.
Capacity risk The risk of not having sufficient capacity in plants.	NOTE has satisfactory production capacity. Because production is of a similar nature in several of the group's units, NOTE also has the prospects of transferring production from one unit to another, and for its units to interact in production.
Materials Price and access to materials.	The price and access to electronic components and other production materials vary significantly depending on market conditions. NOTE has a central organisation to deal with group-wide sourcing.
Inventories The risk of components and production materials not being consumed, and thus losing value.	NOTE has inventories corresponding to some 15–20 percent of sales. Sourcing on its customers' behalf is normally formalised through agreements with customers. Considering the complexity of electronics production and variation in demand, there is a close collaboration with customers to limit the risk of obsolescence in inventories. Obsolescence risk is monitored continuously.

Financial risks

Risk	Exposure and management
Currency The risk that a fluctuation in exchange rates affects the group's profit, cash flow or balance sheet negatively.	Against the background of an increasing share of value-added being generated in foreign units and the purchasing of electronic components and other production materials being largely in foreign currencies (EUR/USD), NOTE has relatively extensive currency management. With the aim of limiting currency risks, NOTE trades in currency forwards and similar instruments.
Customer credit The risk that a customer is unable to pay its debt to NOTE.	Generally speaking, NOTE has a diversified customer base with the largest customer representing some 8 percent of sales. In terms of NOTE's deal structures, there are some individual customers who confer relatively high exposure with regard to trade debtors and inventories, including outstanding purchase orders. Were these customers' solvency to deteriorate, this could have an adverse impact on NOTE's profit. Evaluations and creditworthiness checks are run on new and existing customers. Ongoing financial reporting includes close monitoring of accounts receivable—trade and inventories, including outstanding purchase orders.
Financing The risk that refinancing loans is more difficult or costly, and that accordingly, NOTE's solvency is negatively affected.	NOTE has a substantial need for external finance, primarily linked to the working capital of operations. Different sources of finance are continuously evaluated in close collaboration with NOTE's lenders. Considering the cyclicality of its operations, funding costs and NOTE's prospects of re-financing are closely linked to market conditions and NOTE's profitability and cash flow.

Organisation and group management

The group is organised in accordance with the company's strategy with a sharp focus on creating the prospects for group-wide collaboration and continuous improvement.

Organisation

NOTE's parent company and group management are stationed at Danderyd, near Stockholm. NOTE has a decentralised organisational structure and each NOTE unit is responsible for sales and delivery to customers.

Peter Laveson

Chief Executive Officer & President.
Employed by NOTE since 2010.
Born in 1973.

Education: M.Sc. (Econ.)

NOTE holdings: 10,000 shares.

Other significant assignments: None.

Professional experience: Formerly Investment Manager at Investment AB Öresund. Many years' experience of business development and change work in Swedish and international companies, including Regional Manager, Nordics, UK and Spain for AB Custos in portfolio company Johnson Pump AB and as a management consultant with US consulting practice Accenture plc.

Henrik Nygren

Chief Financial Officer.
Employed by NOTE since 2006.
Born in 1956.

Education: M.Sc. (Eng.) industrial engineering and management.

NOTE holdings: 30 000 shares.

Other significant assignments: None.

Professional experience: Many years' experience as CFO and business controller of major listed Swedish and international industrial groups such as SSAB Svenskt Stål AB, Danaher Corporation and Snap-on Incorporated. Previous experience of business development and divestitures at companies including Retriva AB.

Robert Rosenzweig

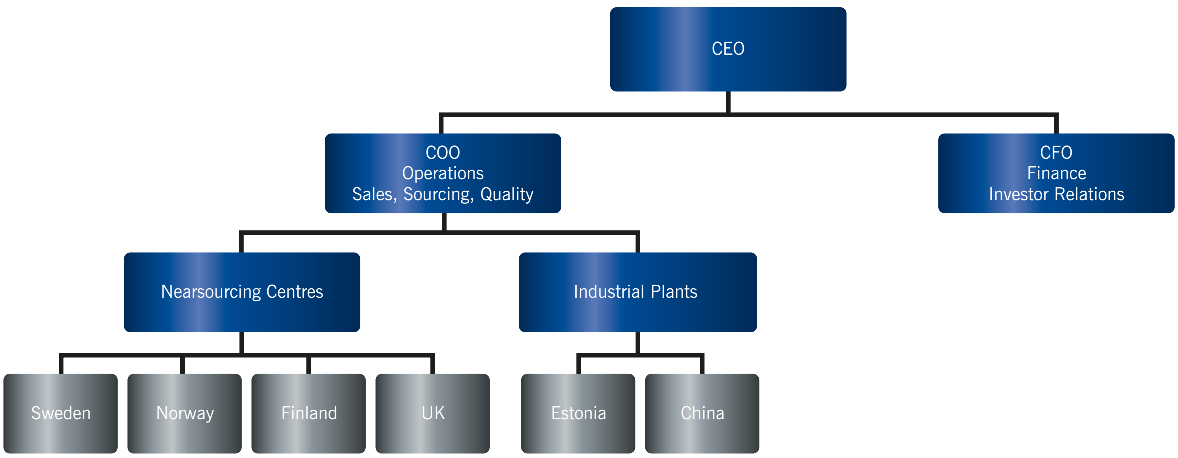
Chief Operating Officer.
Employed by NOTE since 2010.
Born in 1967.

Education: Accountant, studied international economics.

NOTE holdings: 10 000 shares.

Other significant assignments: None.

Professional experience: Business Developer with Nobia AB, COO of Johnson Pump AB and other senior positions in Alfa Laval.



Human resources

NOTE's methodical, continuous improvement work continued in 2012. This work is conducted with the catchphrase "right from the start" and focuses on creating the prospects for greater efficiency and superior delivery precision and quality.

NOTE has a global organisation with operations in Sweden, Norway, Finland, the UK, Estonia and China. To rationalise the collaboration between units, work on harmonising working methods, clear guidelines and measurement tools is ongoing. This work is conducted in several segments—such as quality, delivery precision, cost-efficiency and the utilisation of working capital—and commits many employees across the group. Measurements of operational key performance indicators and ongoing central and local improvement projects are continuous efforts.

As a result of reduced volumes, headcount reductions were conducted at several units through the autumn. The staff reduction mainly affected temporary employees, and reduced working-hours were also utilised.

Staff turnover in the group overall was 15.2 percent, with the European units being 6.9 percent.

Training

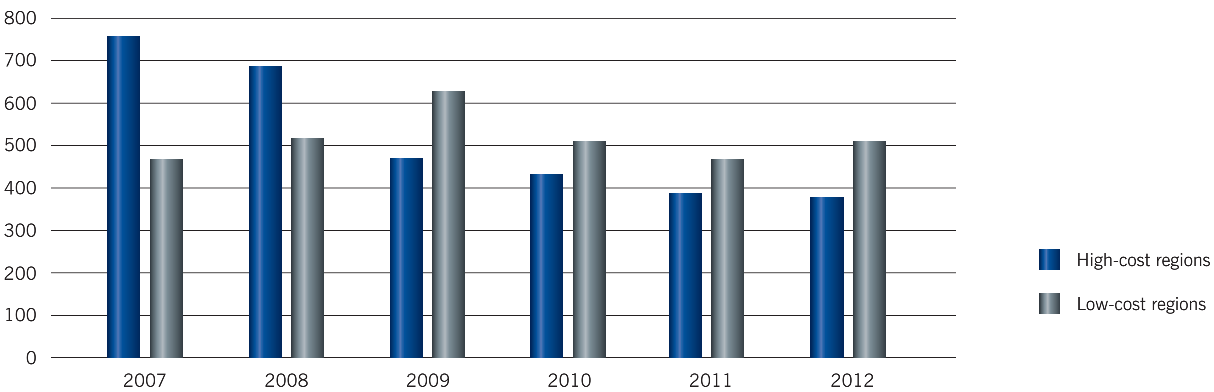
NOTE endeavours to secure close collaborations with training bodies, mainly in electronics. To ensure quality and competence in electronics assembly, several NOTE units in Sweden and foreign countries have long-term collaborations with external partners in soldering and electronics assembly training. These training programs usually include practical work and certification of qualified electronics assemblers.

NOTE's values

- Professional
- Flexible
- Quality focused
- Committed
- Profitable

Employees	2012	2011
Average number of employees	884	939
Number of women	397	484
Number of men	487	455
Work attendance, %	95.0	96.2
Staff turnover, %	15.2	22.7

Employees at year-end



Five-year summary

SEK m **Summary Consolidated Income Statement**	**2012**	**2011**	**2010**	**2009**	**2008**
Net sales	1,029.2	1,208.9	1,210.7	1,200.1	1,709.5
Gross profit	92.6	133.0	60.5	26.4	123.0
Operating profit	25.9	64.4	–48.2	–90.8	–3.8
Profit after financial items	19.1	56.3	–59.4	–97.9	–14.4
Profit after tax	12.6	39.4	–62.0	–81.0	–13.1
Summary Consolidated Balance sheet					
ASSETS					
Non-current assets	134.8	147.8	180.9	234.6	247.1
Current assets	441.2	485.5	512.6	518.5	701.2
TOTAL ASSETS	**576.0**	**633.3**	**693.5**	**753.1**	**948.3**
EQUITY AND LIABILITIES					
Equity	260.5	259.4	217.0	209.9	294.9
Non-current liabilities	7.0	5.5	7.1	30.5	98.4
Current liabilities	308.5	368.4	469.4	512.7	555.0
TOTAL EQUITY AND LIABILITIES	**576.0**	**633.3**	**693.5**	**753.1**	**948.3**
Cash flow, group					
Cash flow from operating activities	98.1	37.5	–25.6	42.6	83.2
Cash flow from investing activities	–1.1	19.0	12.0	–18.7	–58.1
CASH FLOW	**97.0**	**56.5**	**–13.6**	**23.9**	**25.1**
Cash and cash equivalents at beginning of period	29.3	33.7	24.4	35.9	38.5
Cash flow before financing activities	97.0	56.5	–13.6	23.9	25.1
Cash flow from financing activities	–54.9	–61.2	25.4	–34.6	–30.1
Exchange rate difference in cash and cash equivalents	–0.7	0.3	–2.5	–0.8	2.4
CASH AND CASH EQUIVALENTS AT END OF YEAR	**70.7**	**29.3**	**33.7**	**24.4**	**35.9**
Consolidated key figures					
The share					
Earnings per share, SEK	0.44	1.36	–2.55	–5.14	–0.83
Cash flow per share, SEK	3.36	1.96	–0.56	1.52	1.59
Market capitalisation					
Market capitalisation at end of period	218	191	240	205	217
Margins					
Operating margin, %	2.5	5.3	–4.0	–7.6	–0.2
Profit margin, %	1.9	4.7	–4.9	–8.2	–0.8
Returns					
Return on operating capital, %	7.9	17.7	–12.1	–18.8	–0.7
Return on equity, %	4.9	16.5	–29.1	–32.1	–4.2
Capital structure					
Operating capital (average)	328.6	364.5	398.4	483.6	548.7
Interest-bearing net debt	27.4	109.9	142.7	239.9	247.2
Equity to assets ratio, %	45.2	41.0	31.3	27.9	31.1
Net debt/equity ratio, multiple	0.1	0.4	0.7	1.1	0.8
Interest coverage ratio, multiple	2.9	5.3	–3.4	–10.0	–0.1
Capital turnover rate (operating capital), multiple	3.1	3.3	3.0	2.5	3.1
Employees					
Sales per employee	1,164	1,287	1,211	1,228	1,423

Financial definitions

Market capitalisation
Share price multiplied by total number of outstanding shares.

Equity per share
Equity divided by the number of shares at year-end.

Attendance
Attendance as a percentage of regular working-hours.

Average number of employees
Average number of employees calculated on the basis of hours worked.

Rate of capital turnover (operating capital), multiple
Sales divided by operating capital.

Net investments in property, plant and equipment
Investments in property, plant and equipment, excluding acquisitions of assets and liabilities, less sales and retirements for the year.

Net debt/equity ratio, multiple
Interest-bearing net debt divided by equity.

Sales per employee
Sales divided by the average number of full-time employees.

Operating capital
Total assets less cash and cash equivalents, non-interest bearing liabilities and provisions.

Staff turnover
Number of employees whose employment was terminated voluntarily in the year as a percentage of the average number of employees.

Earnings per share
Profit after tax divided by the average number of shares.

Return on equity
Net profit for the year as a percentage of the average equity for the most recent twelve-month period.

Return on operating capital
Operating profit as a percentage of the average operating capital for the most recent twelve-month period.

Interest-bearing net debt
Interest-bearing liabilities and provisions less cash and interest-bearing receivables.

Interest coverage ratio, multiple
Profit after financial items plus financial expenses divided by financial expenses.

Operating margin
Operating profit as a percentage of net sales.

Equity to assets ratio
Equity as a percentage of total assets.

Profit margin
Profit after financial items as a percentage of net sales.

Share data and shareholders

The year 2012 was NOTE's ninth on the stock market. The share rose by 13 percent in the year.

Share price performance

NOTE's share price rose by 13 percent in the year to a closing price of SEK 7.55 (6.60). The high in the year was SEK 9.00, on 16 March. The low of the year of SEK 5.50 was on 27 November. The stock exchange OMXSSCPI index increased by 3 percent in the year.

At the end of the year, NOTE's market capitalisation was SEK 218 (191) million. At the end of the year, NOTE had 2,132 (2,414) shareholders.

Turnover

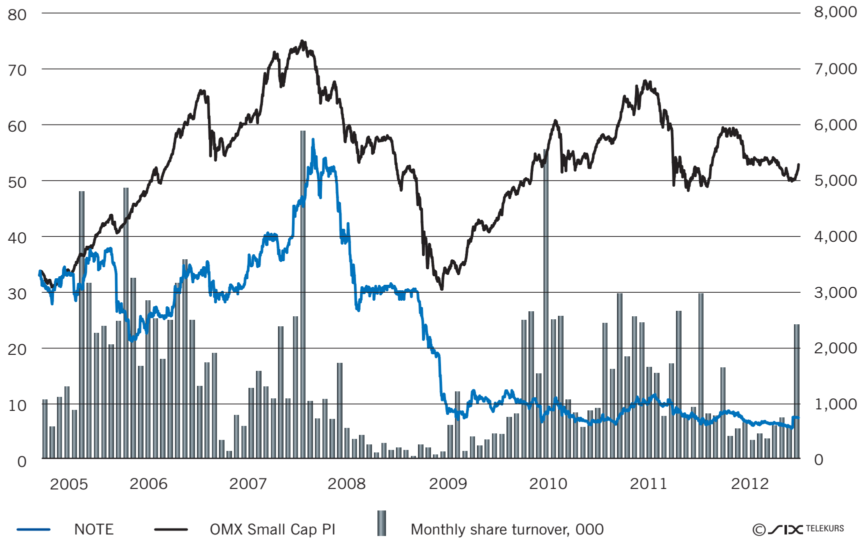
9,336,298 NOTE shares were traded over the Stockholm Stock Exchange in 2012, corresponding to a rate of turnover of 33 percent. An average of 37,345 shares were traded per day.

In addition, 1,041,328 shares, or just over 10% of total turnover, were traded over Burgundy.

Dividend policy

The dividend should be adapted to average profit levels over a business cycle, and for the long term, comprise 30-50 percent of profit after tax. Dividends should also be usable to adapt the capital structure.

Based on the strong cash flow in the year, the Board of Directors is proposing a dividend to shareholders of SEK 0.75 (0.30) per share for the financial year 2012 to the AGM.



Trading

Quotation	NASDAQ OMX Stockholm
Segment	Small Cap
Sector	Industrial Goods & Services
Short name	NOTE
ISIN code	SE0001161654
Number of shares as of 31 December 2012	28,872,600

Share capital history

Year	Transaction	Increase in no. of shares	Increase of share capital (SEK)	Total no. of shares	Total share capital (SEK)	Quotient value (SEK)
1990	Incorporation	3,000	300,000	3,000	300,000	100.00
2000	Bonus issue	27,000	2,700,000	30,000	3,000,000	100.00
2000	Split 10:1	270,000	–	300,000	3,000,000	10.00
2002	New share issue	84,000	840,000	384,000	3,840,000	10.00
2003	New share issue	15,000	150,000	399,000	3,990,000	10.00
2004	Split 20:1	7,581,000	–	7,980,000	3,990,000	0.50
2004	Option exercise	310,200	155,100	8,290,200	4,145,100	0.50
2004	New share issue	1,334,000	667,000	9,624,200	4,812,100	0.50
2010	New share issue	19,248,400	9,624,200	28,872,600	14,436,300	0.50

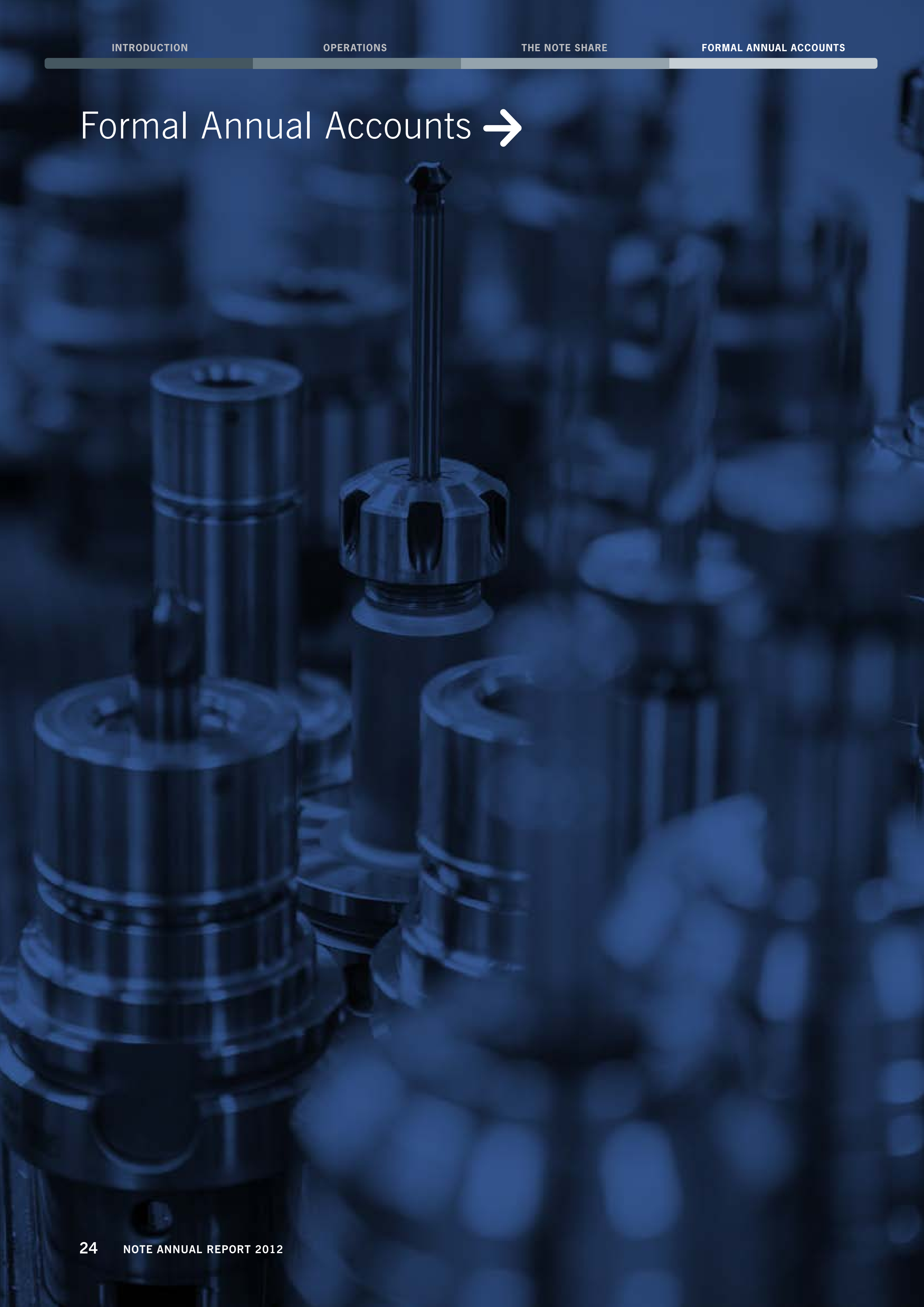
10 largest shareholders as of 31 December 2012, by holding

Name	No. of shares	Proportion of capital/votes, percent
Creades AB	4,697,888	16.3
Banque Carnegie Luxembourg S.A.	3,105,096	10.8
Garden Growth Capital LLC	2,315,000	8.0
Avanza Pension	2,030,950	7.0
Nordnet Pensionsförsäkring AB	2,017,555	7.0
Kjell-Åke Andersson with family	1,394,855	4.8
Hagberg, Johan	950,368	3.3
Friends Provident International	820,000	2.8
Skandinaviska Enskilda Banken S.A.	409,441	1.4
Robur Försäkring	408,323	1.4
Total	**18,149,476**	**62.8**

Division by size, holdings by shareholder as of 31 December 2012

Size of holding	No. of shareholders	No. of shares	Proportion of capital/ votes, %
1-500	875	173,133	0.6
501-2000	618	685,893	2.4
2 001-5 000	282	988,478	3.4
5 001-20 000	247	2,437,506	8.4
20 001-50 000	58	1,767,634	6.1
50 001-500 000	44	5,959,738	20.6
500 001-5 000 000	8	16,860,218	58.5
Total	**2,132**	**28,872,600**	**100.0**

Formal Annual Accounts →



Corporate Governance Report

Introduction
The regulatory structure applied for governing and controlling NOTE is primarily the Swedish Companies Act, applicable regulations for listed companies, the Swedish Code of Corporate Governance (the Code), other laws and ordinances, as well as internal guidelines and policies.

Non-compliance with the code
NOTE complies with the Code with the exception of the composition of its Audit Committee. This instance of non-compliance is reported and reasoned in the Corporate Governance Report in the Audit Committee section.

Articles of Association
The Articles of Association are approved by the Annual General Meeting (AGM) and include a number of mandatory duties of a more fundamental nature in accordance with applicable legislation. The Articles of Association state items including the Board of Directors consisting of a minimum of three and a maximum of ten ordinary members. The Board members are elected annually at the AGM for the period until the end of the following AGM. Resolutions on amending the Articles of Association are taken at Annual or Extraordinary General Meetings. Invitations to shareholders' meetings that are to deal with amendments of the Articles of Association should be issued at the earliest six and the latest four weeks prior to such meeting. The Articles of Association also stipulate items including the company's registered office, operations, the amount of share capital, the number of shares and how the AGM is convened.

Shareholders
At the end of 2012, NOTE had two shareholders representing more than 10 percent of the shares of the company. Creades AB represented 16.3 percent and Banque Carnegie Luxembourg S.A. represented 10.8 percent. For more information on the share and shareholders, see The NOTE share on pages 22–23.

+ Laws and practice

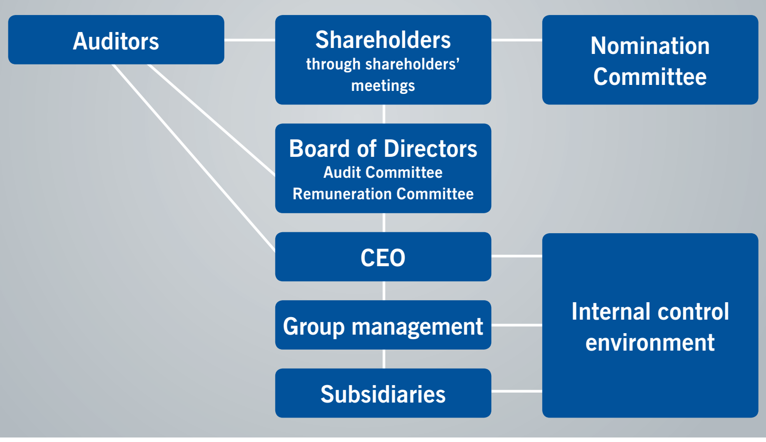
More information on the laws and practice formalising Swedish corporate governance are available at sites including:

→ The Swedish Corporate Governance Board, www.bolagsstyrning.se, where the Swedish Code of Corporate Governance is stated.

→ NASDAQ OMX Stockholm AB, www.nasdaqomx.com, which states the rules for issuers.

→ The Swedish Financial Supervisory Authority, www.fi.se, which states the Authority's statutes and information on insiders.

+ NOTE's overall governance structure



Shareholders' meetings
The Shareholders' Meeting is the company's chief decision-making body, where shareholders exercise their voting rights. All shareholders recorded in the share register on the record date, and that have notified the company of their participation correctly, are entitled to participate in the Meeting and vote for their total holdings of shares, personally or by proxy. Each share corresponds to one vote. Individual shareholders that wish to have a matter considered at the Meeting can request this with NOTE's Board of Directors at the address published on the company's website, in good time before the meeting. Resolutions of the meeting are published after the Meeting in a press release and a report from the Meeting is published on the website www.note.eu. NOTE's AGM will be held in Danderyd or Stockholm, Sweden.

The Annual General Meeting should be held within six months of the end of the financial year. The AGM considers matters relating to items including dividend to shareholders, adopting the Income Statement and Balance Sheet, discharging the Board members and CEO from liability, electing Board members, the Chairman of the Board and Auditors, and approving the guidelines for remunerating senior management and fees for the Board of Directors and Auditors.

Annual General Meeting 2012
NOTE's AGM was held on 25 April 2012 at Spårvagnshallarna in Stockholm, Sweden. Shareholders representing a total of 36.8 percent of the capital and votes attended the Meeting. The Meeting resolved on matters including re-electing and electing Board members and approving fees in accordance with the Nomination Committee's proposal, and to pay dividends of SEK 0.30 per share to shareholders for the financial year 2011. The Meeting also resolved to re-elect auditing firm Öhrlings PricewaterhouseCoopers AB for a period of three years until the AGM 2015 and authorised the Board of Directors to decide on acquisitions and transfers of treasury shares.

Nomination committee members for the AGM 2013

		Share of capital/votes, percent	
Committee member	**Representing**	**120930**	**121231**
Kjell-Åke Andersson	Own holding	4.8	4.8
Bruce Grant	Garden Growth Capital LLC	8.0	8.0
Daniel Nyhrén	Creades AB	16.3	16.3
Peter Zonabend	Museion Förvaltning AB, utsedd av Banque Carnegie Luxembourg S.A.	8.5	8.5

Nomination Committee

The AGM resolves on how the Nomination Committee is appointed. The AGM 2012 resolved that the Nomination Committee for the forthcoming AGM shall be formed by the four largest shareholders that wish to participate, each appointing a representative at least six months before the AGM, with the Chairman of the company's Board of Directors serving as convener. If one or more of the shareholders waives its right when Nomination Committee members are to be appointed, the next largest shareholder is then offered the corresponding opportunity.

The duty of the nomination committee is to consult on, and submit proposals to, the AGM regarding:

- Election of a Chairman of the Meeting.
- Election of the Chairman of the Board and Board members.
- Directors' fees for the Chairman, other Board members and remuneration for committee work.
- Where applicable, election and remuneration of external Auditor.
- Decision on principles of composi tion of the Nomination Committee for the next AGM.

A report on the work of the Nomination Committee will be presented at the AGM 2013. No special remuneration was paid to the members of the Nomination Committee.

Auditors

The AGM appoints the Auditors. The Auditors review the company's annual accounts, consolidated accounts and accounting records, and the administration by the Board of Directors and CEO. The Senior Auditor also presents an Audit Report to the AGM.

The AGM 2012 elected Öhrlings PricewaterhouseCoopers AB as audit firm, with Magnus Brändström as Auditor in Charge until the AGM 2015.

Board of Directors

The duty of the Board of Directors is to manage the company's affairs on behalf of the shareholders. The Board of Directors judges the group's financial situation on an ongoing basis, determine budgets and annual financial statements. The Board of Directors is also responsible for formulating and monitoring the company's strategies through plans and objectives, decisions on acquisitions and divestments of operations, major investments, appointments and remuneration of the CEO and senior management and ongoing monitoring of operations in the year.

Each year, the Board of Directors adopts an approvals list, finance policy, instructions for financial reporting and for the Board of Directors, and rules of procedure, which formalise matters including the division of responsibilities between the Board of Directors and the CEO, alongside the Instructions for the CEO. The Chairman of the Board leads the Board of Directors' work and ensures that it is conducted in accordance with the Swedish Companies Act, applicable regulations for listed companies, including the Code and other laws and ordinances. The Chairman is also responsible for maintaining ongoing contact with the group management, and for ensuring that the Board's decisions are implemented appropriately.

NOTE's Board of Directors has six members elected by the Annual General Meeting. The Board of Directors has a general composition of sector knowledge and competence from Board work and management of listed companies as well as finance, accounting, structural change and sales and strategic development. The AGM 2012 re-elected Kjell-Åke Andersson, Stefan Charette, Bruce Grant, Stefan Johansson and Henry Klotz and elected Bert Nordberg as Board members for the period until the next AGM. Stefan Charette was elected as Chairman of the Board.

One employee representative is a member of the Board.

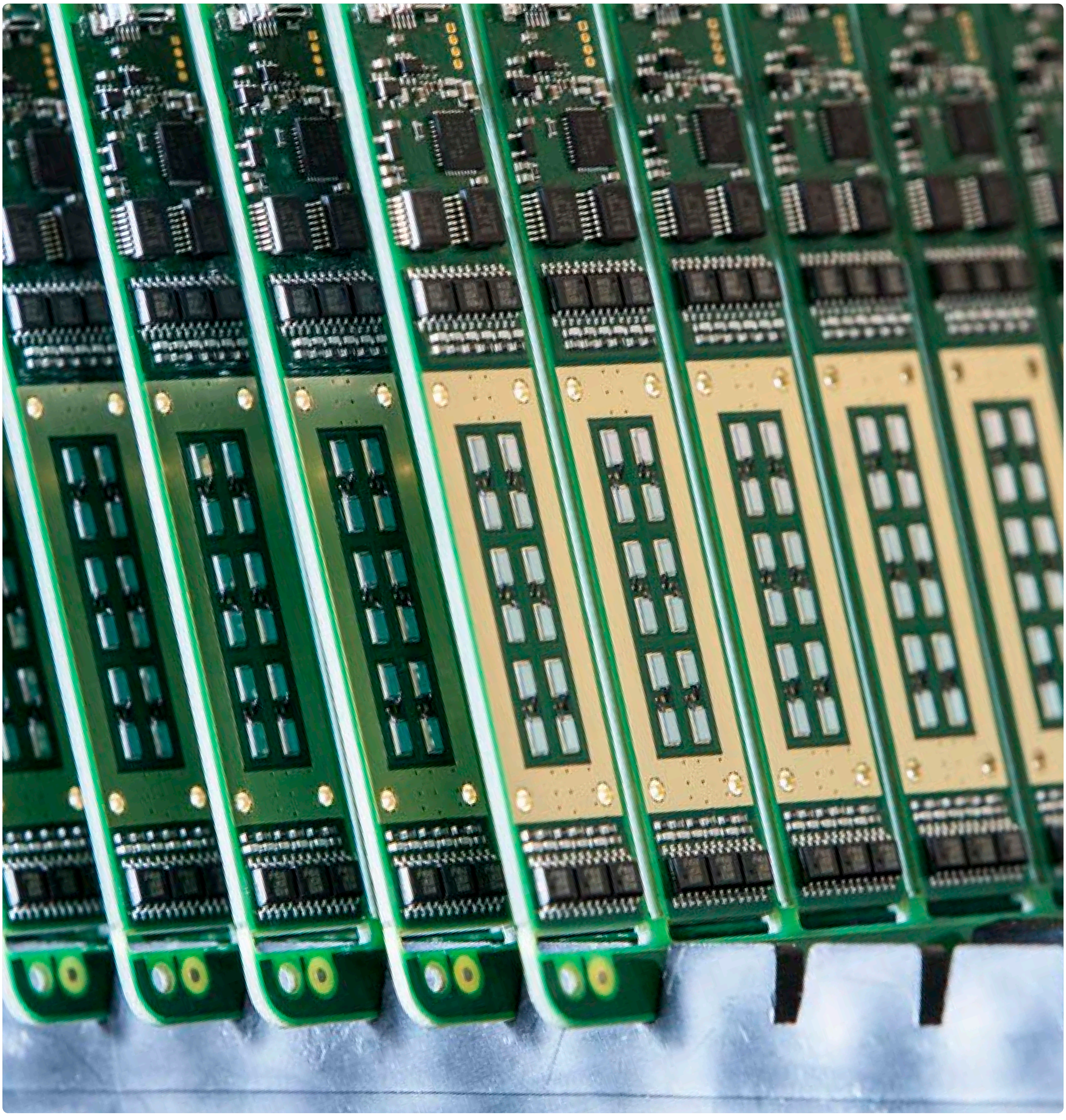
Work of the Board of Directors in 2012

Each scheduled Board meeting conducts a review of operations, results of operations and financial position of the group and outlook for the remainder of the year. In addition, the Board takes a standpoint on overall issues such as the company's strategy, marketing and sales, financing, budget and long-term operational planning.

The Board held eight Board meetings where minutes were taken in the year. Employees of the company participated in Board meetings to submit reports. The company's Auditor attended one Board meeting in the year. The company's CFO served as secretary.

Audit Committee

The members of the Audit Committee are appointed at the Board meeting following election for one year at a time. The main duty of the Audit Committee is to consult on matters for the Board of Directors' decision. The Audit Committee is not



authorised to reach decisions independently. Reporting to the Board on issues considered at Audit Committee meetings is either in writing or orally at the following Board meeting.

In the financial year, the Audit Committee members were Stefan Charette and Stefan Johansson. Accordingly, NOTE departs from the Code in terms of the Board of Directors creating an Audit Committee that should consist of at least three Board members. The Board of Directors judges that two members of the Audit Committee are sufficient considering the size of the company and its Board of Directors.

The duties of the Audit Committee are to:
- → Work on quality-assuring financial reporting.
- → Discuss the audit and the view of the company's risks with the Auditor.
- → Follow up on external Auditors' reviews and appraise their work.
- → Set guidelines for services in addition to auditing that the company may purchase from the Auditor.
- → Support the Nomination Committee in preparing proposals for Auditors and their remuneration.
- → Ensure that the company has systems for internal control.

The Audit Committee has a close and regular collaboration with the group's corporate finance function regarding internal and external reporting of financial information. There is also a collaboration developed on matters of internal control, election and appraisal of auditing principles and models.

For the financial year 2012, the Audit Committee has monitored compliance with the adopted guidelines and held three meetings with the company's Auditors where minutes were taken to discuss audit issues and internal controls. The Auditors' written reports were distributed to the whole Board after review and comments from the company.

The following main issues were considered:
- → Following up on the Auditor's reporting on the financial statement and ongoing reviews.
- → Appraisal of the Auditor's measures ahead of electing the Auditor.
- → Following up on the internal controller function's review in the year. The focus has been on valuations of inventories, accounts receivable—trade and goodwill, and auditing foreign subsidiaries.
- → Following up on the company's financing situation and liquidity and discussions relating to the corporate structure.

Remuneration Committee

The members of the Remuneration Committee are appointed at the Board meeting following election for one year at a time. The Remuneration Committee consists of the whole Board since the Board meeting following election in 2012.

The duties of the Remuneration Committee are to:
- → Consult on matters regarding remuneration principles, remuneration and other employment terms for group management.
- → Monitor and evaluate ongoing programs and programs concluded in the year for performance-related pay for management.
- → Monitor and evaluate application of the guidelines for remuneration to senior management that the AGM has resolved on and applicable remuneration structures and remuneration levels in the company.

In the financial year, the Board of Directors discussed remuneration issues and monitored compliance with adopted guidelines.

The following main issues were considered:
- → Evaluation and approval of remuneration structures for the management and subsidiary Presidents.
- → Discussion and setting of performance-related pay to the CEO in accordance with the program based on NOTE's profit performance, which was resolved in 2011.

After an evaluation, the Remuneration Committee concluded that:
- → NOTE is following the guidelines for remunerating senior management that the AGM 2012 resolved on.
- → Applicable remuneration structures and levels are reasonable against the background of the company's operations.
- → There was no remuneration in the profitability-based, performance-related remuneration program to senior managers, subsidiary Presidents and other key staff, which ran for one year from the midpoint of 2011.

Board of Directors 2012

Board member	Position	Non-affiliated: To company and management	Non-affiliated: To company's major shareholders
Stefan Charette	Chairman	Yes	No*
Kjell-Åke Andersson	Member	Yes	Yes
Bruce Grant	Member	Yes	Yes
Stefan Johansson	Member	Yes	Yes
Henry Klotz	Member	Yes	Yes
Bert Nordberg (appointed 25 April 2012)	Member	Yes	Yes
Christoffer Skogh	Employee representative, member	Yes	Yes
Andreas Ollén	Employee representative, deputy	Yes	Yes

*CEO of Creades AB, which is NOTE's biggest shareholder.

Guidelines for remuneration and other benefits for senior management
For information on these guidelines, refer to the formal Annual Accounts on page 34. For information on remuneration and other benefits, see note 7, Employees, personnel expenses and remuneration to senior management, on page 44.

The group's operational governance
Chief Executive Officer
NOTE's CEO leads ongoing operations. This responsibility covers accounting issues, monitoring the group's strategies and business performance and ensuring that the Board of Directors receives the necessary information to be able to take well-founded decisions. The CEO reports to the Board of Directors, informing them on how operations are progressing based on the decisions they have taken. Written instructions define the division of responsibility between the Board of Directors and the CEO. For more information on NOTE's CEO, see Operations on page 17.

Group management
The group management of NOTE consists of three members who have ongoing responsibility for different parts of operations. This responsibility covers the design and implementation of the group's overall strategies.

During the financial year, the group management held regular meetings to review results of operations, the conditions of operations and strategic and operational issues. For more information on group management, see Operations on page 17.

Governance of subsidiaries
Subsidiaries' operations are monitored monthly on the basis of a series of operational targets, financial targets and key figures.

Internal controls and risk management
Control environment
The division of roles and responsibilities between the Board of Directors and CEO is determined annually at the Board meeting following election via the rules of procedure for the Board of Directors and CEO and instructions for financial reporting.

Ongoing work to maintain effective internal controls has been delegated to, and is managed primarily by, the CEO and the group's corporate finance function. NOTE also works in close collaboration with its auditors.

The fundamental guidelines for internal control are managed via policies, instructions and similar governance documents. The content of these documents is updated and evaluated where necessary. The Board of Directors is responsible for key governance documents, and the group's corporate finance function is responsible for other documents. NOTE has also developed an internal reporting package for financial information, which is monitored monthly within the group.

Risk assessment
Through its operations, the company is exposed to a number of operational and financial risks. NOTE's finance policy states the limits within which financial risks should be managed. The finance policy is updated annually and adopted by the Board of Directors.

NOTE also has a procedure for formalising management of the biggest risks in operations. The risks are evaluated from a matrix of probability and degree of financial effect. Existing control measures for the biggest risks in this matrix have been documented and additional controls introduced where required.

Updating guidelines and limits regarding risk assessments is conducted at least yearly. For more information on risks and risk management, see Operations on page 16 and note 23, Financial risks and finance policy on page 51.

Monitoring control activities
Against the background of an increasing share of production being conducted in NOTE's international units, the methodology for measuring profitability and reporting working capital has been enhanced in recent years.

Each unit within NOTE is monitored in a monthly review by group management. The matters considered at these meetings are financial information and controlling key ratios and monitoring of goal-oriented activities relating to quality, cost, delivery and growth.

The need for an internal audit function is evaluated yearly. Considering the group's limited size and scope, the Board of Directors considers that NOTE does not need a separate internal audit function. The practical management of internal controls is conducted by NOTE's corporate finance function.

Attendance and remuneration to the Board of Directors

		Attendance statistics				
Board member	**Position**	**Board meetings**	**Remuneration Committee**	**Audit Committee**	**Directors' fees, SEK**	**Committee fees, SEK**
Stefan Charette	Chairman	8/8	1/1	3/3	300,000	–
Kjell-Åke Andersson	Member	8/8	1/1	–	100,000	–
Bruce Grant	Member	5/8	1/1	–	100,000	–
Stefan Johansson	Member	8/8	1/1	3/3	100,000	60,000
Henry Klotz	Member	8/8	1/1	–	100,000	–
Bert Nordberg (elected 25 April 2012)	Member	5/8	1/1	–	100,000	–
Christoffer Skogh	Employee representative, member	8/8	1/1	–	–	–
Andreas Ollén	Employee representative, deputy	6/8	1/1	–	–	–

Fees are for the mandate term May 2012 to April 2013, resolved by the AGM 2012.

Board of Directors and Auditors

Stefan Charette

Chairman, elected in 2010.
Born in 1972.

Education: M.Sc. in Finance and B.Sc. (Eng.)

NOTE holdings*: 355,097 shares.

Other significant assignments: CEO of Creades AB. Chairman of the Board of Athanase Capital Partners AB and Concentric AB. Board member of Creades AB, Haldex AB, Lindab International AB and Transcom S.A.

Professional experience: Former CEO of AB Custos, Brokk Group and Investment AB Öresund. Adviser to international groups for Lehman Brothers and Salomon Smith Barney. Chairman of the Board of Global Batterier AB, Johnson Pump AB, Johnson Pump Marine AB and Tigerholm Products AB. Board member of AB Custos, Bilia AB and Brokk AB.

Kjell-Åke Andersson

Board member, elected in 2010.
Born in 1946.

Education: M.Sc. (Eng.)

NOTE holdings*: 1,385,040 shares.

Other significant assignments: Board work and consulting in corporate management. Chairman of the Board of Cervitrol AB, Domitech AB and MedicPen AB. Board member of Mekatronik Konsult i Lund AB and Softhouse Nordic AB.

Professional experience: 40 years in industry, over 30 years in the EMS sector. Various positions including development engineer, production manager and CEO for companies including Electrolux and NOTE.

Bruce Grant

Board member, elected in 2007.
Born in 1959.

Education: Ph.D. and B.Sc. (Econ.)

NOTE holdings*: 2,315,000 shares.

Other significant assignments: Executive Chairman and principal owner of Garden Growth Capital LLC and Applied Value LLC. Chairman of the Board of Human Care HC AB (publ). Board member of Robust AB and the Swedish-American Chamber of Commerce in New York.

Professional experience: Former Board member and adviser on profitability improvements and more efficient capital structures for Investment AB Kinnevik, Korsnäs AB, Metro International S.A., Stille AB, Transcom WorldWide S.A. and Tele2 AB (Chairman).

Stefan Johansson

Board member, elected in 2011.
Born in 1958.

Education: B.Sc. (Econ.)

NOTE holdings: 10,000 shares.

Other significant assignments: CFO of ÅF AB (publ).

Professional experience: Former CFO and COO of Haldex AB. CFO of ABB Stal AB, Duni AB, Linjebuss AB, Sanmina Corporation AB and Segerström & Svensson AB. Broad experience of strategic and operational work in a number of sectors, primarily manufacturing. Many years' experience of corporate development and change work.

Henry Klotz

Board member, elected in 2010.
Born in 1944.

Education: Engineer and Economist.

NOTE holdings: 0 shares.

Other significant assignments: Executive Vice Chairman of CLS Holdings plc. Chairman of Bulgarian Land Development plc and Catena AB. Board member of CLS Holdings plc subsidiaries.

Professional experience: Various executive positions in the CLS group including heading up the Swedish operation and identifying new business opportunities for the group and CEO.

Bert Nordberg

Board member, elected in 2012.
Born in 1956.

Education: Electronic engineer.

NOTE holdings: 50,000 shares.

Other significant assignments: Chairman of Vestas Wind Systems A/S. Board member of Kcell JSC and Svenska Cellulosa-aktiebolaget SCA.

Professional experience: Formerly CEO and President of Sony Ericsson Mobile Communications AB. Various senior positions including deputy CEO and Sales/Marketing Manager in the Ericsson group. Various positions including CEO and Regional Manager in Digital Equipment Corporation.

* Including related parties' holdings.

Employee representatives

Christoffer Skogh

Board member, Employee Representative, Unionen, appointed in 2009.
Born in 1975.

Education: Senior high school graduate, social sciences.

NOTE holdings: 500 shares.

Assignment: Key Account Manager. Previously held positions in supplier development, sourcing and project management. Employee of a company NOTE acquired in 2000 since 1996, active in trade union in 2001–2005 and from 2009 onwards.

Andreas Ollén

Deputy Board member, Employee Representative, Unionen, appointed in 2009.
Born in 1981.

Education: Senior high school graduate, electronics.

NOTE holdings: 0 shares.

Assignment: Production Manager, NOTE employee since 2001, active in trade union since 2005.

Auditors

Öhrlings PricewaterhouseCoopers AB (PwC) was elected Auditor of NOTE AB by the AGM 2012.
The next planned election of Auditors will be at the AGM 2015.

Magnus Brändström

Authorised Public Accountant and Partner of PwC.
Auditor in Charge.
Born in 1962.

Report of the Directors

OPERATIONS—GENERAL

NOTE is one of the leading manufacturing and logistics partners for electronics production in northern Europe. NOTE's offering covers the whole product lifecycle, from design to after-sales.

The group consists of the parent company, plus wholly owned subsidiaries in Sweden, Norway, Finland, the UK, Estonia and China.

OPERATIONS IN 2012

2012 was a dynamic year for NOTE. For year, the company had four overarching areas with a special focus; increasing market shares, continuing work on cost rationalisation, taking measures to further strengthen its customer offering in product quality and delivery precision, and continuing rationalisation of the utilisation of working capital. All these areas are obviously central to NOTE's business, but since completing its restructuring program of 2010, sales growth has gradually moved up NOTE's list of priorities.

Growth in the year was unsatisfactory, with negative sales performance in all quarters of the year. NOTE's sales are closely linked to customer assignments in progress, which show that several customers had a challenging 2012.

In a number of its quarterly reports, NOTE has reported the financial difficulties facing one of its customers. NOTE has maintained a very close dialogue with this customer on deliveries, payments, risks and opportunities over the past year. This customer's difficulties have compelled NOTE to make a provision for doubtful debt. The provision corresponds to over 50 percent of NOTE's risk exposure. NOTE is continuing to monitor the situation closely. The provision made operating profit negative in the final quarter. Underlying profitability and a positive cash flow sustained, despite a difficult quarter and year.

NOTE was able to continue creating the prospects for better rationalising its cost base, monitoring and acting to improve product quality and delivery precision, and to further rationalise the utilisation of working capital through methodical improvement work. In these three priority segments, NOTE has succeeded well. Advances are visible in all units, and NOTE is satisfied in its group-wide values being truly symbolised by, and in, its people.

Significant events in the financial year

The need for consolidation has been a long-term talking-point in the sector, on global, regional and local levels, but without much actually happening. However, late in the year, NOTE became the issue itself when Lifco AB, a Swedish industrial group with a contract manufacturing business segment, made a hostile takeover bid for all its shares. NOTE's Board advised shareholders to reject the bid, and after securing acceptance corresponding to only 14.7 percent of the shares, Lifco decided to withdraw its offer. From NOTE's perspective, this bid was evidence that NOTE continues doing the right things.

SALES AND RESULTS OF OPERATIONS

Group

Sales 2012

Continued poor demand from NOTE's customers was apparent in the year. Consequently, the volumes of ongoing customer assignments contracted. Sales were SEK 1,029.2 (1,208.8) million a 15 percent decrease. Adjusted for one-off deliveries in 2011 and zero-margin materials sales linked to the previously sold joint venture in Krakow, Poland, the decrease was some 13 percent.

NOTE sells to a large customer base, who essentially are active in the engineering and communication industries in the Nordics and UK. NOTE seeks long-term customer relations and the 15 largest customers in sales terms represented 57 (56) percent of consolidated sales.

NOTE conducted an initiative to increase sales direct from Industrial Plants in Estonia and China in autumn 2011. This business, largely to customers in Europe, performed positively and made up 16 percent (7 percent) of total sales in the year.

After a period of troublesome shortages with long-lead times on the global market for electronic components, conditions in 2012 were relatively stable.

Results of operations 2012

The fairly extensive restructuring program completed at year-end 2010 is fundamental to NOTE's positive profit performance over the past two years. Electronics production was then concentrated on fewer units in Sweden and internationally. Unprofitable operations were sold off or closed down and central costs adapted to prevailing market conditions. Parts of electronics production were relocated to other NOTE units. In this way, the group's capacity utilisation was increased simultaneous with costs being reduced.

Mainly as a result of NOTE's continued methodical improvement work, costs were reduced by 8 percent. But decreased production and sales volumes resulted in the gross margin contracting by 2.0 percentage points to 9.0 percent (11.0 percent). The provision for bad debt made in the fourth quarter affected gross margin by -1.2 percentage points.

Sales and administration overheads reduced by 5 percent and were 6.3 percent (5.6 percent) of sales.

Other operating expenses/income, primarily consisting of revaluations of foreign currency assets and liabilities, were SEK -1.7 (-0.2) million. In the second quarter of 2011, other operating expenses/income were positively affected by the sale of NOTE Tauragé, Lithuania.

Operating profit was SEK 26.0 (64.4) million, corresponding to an operating margin of 2.5 (5.3) percent. Adjusted for the provision for doubtful debt, operating profit was SEK 38.6 million and operating margin was 3.7 percent.

Mainly as a result of continued positive cash flow and reduced funding costs, net financial income/expense Increase by SEK 1.2 million to SEK -6.9 (-8.1) million.

Profit after financial items was SEK 19.1 (56.3) million, corresponding to a profit margin of 1.9 (4.7) percent. The profit after tax was SEK 12.6 (39.4) million, or SEK 0.44 (1.36) per share. Adjusted for the provision for bad debt, earnings per share were SEK 0.86.

The tax expense for the year corresponded to 34 percent (30 percent) of profit before tax.

Parent company

Parent company NOTE AB (publ) is primarily focused on the management, coordination and development of the group. In the period, revenue was SEK 36.7 (33.7) million and mainly related to intra-group services. Profit after tax was SEK 18.7 (24.2) million.

As a result of the sale of the CAD operation and the 50 percent holding in NOTEFideltronik in 2010, at year-end, interest-bearing receivables in the parent company were some SEK 3.2 (6.1) million.

FINANCIAL POSITION AND LIQUIDITY

Cash flow

Competing successfully in the high mix/low volume segment sets high standards for a strong supply chain, and effective logistics solutions. Accordingly, NOTE faces a significant challenge in continuously improving business methods and internal processes in these areas. This challenge is especially clear in rapid demand upturns and downturns, and relates primarily to the complexity of the supply of materials and varying lead-times for electronic components.

In the first half of 2011, the global market for electronic components was characterised by a continued shortage with extended lead-times resulting for certain components. This necessitated substantial work efforts alongside customers and suppliers in order to dimension inventory levels and maintain delivery precision at a satisfactory level. However, the situation on the component market was significantly more stable in 2012. Through focused efforts and the introduction of new logistics solutions, stock reduced by over 20 percent on the previous year-end.

Mainly as a result of lower volumes, accounts receivable—trade at year-end were down 18 percent year on year. The number of outstanding days of credit were somewhat higher than the previous year-end as a result of a changed mix in customer assignments.

Cash flow (after investments) increased by SEK 40.5 million to SEK 97.0 (56.5) million, corresponding to SEK 3.36 (1.96) per share.

Equity to assets ratio

At the end of the period, the equity to assets ratio was 45.2 (41.0) percent, implying an increase of 4.2 percentage points compared to the preceding year-end. The increase primarily relates to positive profit performance and more efficient utilisation of working capital in the year. The dividend of SEK 8.7 million decided and disbursed in the second quarter reduced the equity to assets ratio at year-end by approximately 1.5 percentage points.

Liquidity

NOTE has now reported positive cash flows for nine consecutive quarters.

The group's available cash and cash equivalents, including unutilised overdraft facilities, were SEK 128.0 (64.9) million at year-end. NOTE is maintaining a sharp focus on actions to further enhance the group's liquidity and cash flow.

INVESTMENTS
Investments in property, plant and equipment and intangible assets, excluding sales, were SEK 8.1 (6.9) million in the year, or 0.8 (0.6) percent of sales. Depreciation was SEK 16.0 (19.8) million.

RESEARCH AND DEVELOPMENT ACTIVITIES
As a manufactoring partner, NOTE is closely involved in its customers' development processes through its operations, including contributing to the industrialisation phase and guiding and developing manufactoring processes for its customers. This work is continuous and not reported separately in the accounts.

As for previous years, no development processes were capitalised in the Balance Sheet in the year.

THE NOTE SHARE
The total number of shares of the company is 28,872,600. All shares are of the same class and have a quotient value of SEK 0.50 per share.

There are no limitations on transferring shares in the form of pre-emption clauses or similar that the company is aware of. As of the reporting date there were two shareholders with a shareholding of more than 10 percent, Creades AB with 16.3 (15.6) percent of the votes and Banque Carnegie Luxembourg S.A. with 10.8 (10.5) percent of the votes. The company's Board members are elected annually by the AGM, which also approves amendments of the Articles of Association. Otherwise, there are no known circumstances that could affect possibilities to acquire the company through a public takeover bid for the shares of NOTE.

For more information on the share and shareholders, see The NOTE share on pages 22–23.

HUMAN RESOURCES
The average number of full-time employees was 884 (939) in the year, 397 (484) of them being women and 487 (455) men. At year-end, NOTE had 898 (862) employees.

Work attendance in the group was 95.0 (96.2) percent of regular working hours and staff turnover was 15.2 (22.7) percent.

For more information on the employees, see Operations on pages 18–19.

GUIDELINES FOR REMUNERATING SENIOR MANAGERS
Senior management means the President and members of NOTE AB's management. For 2013, the following unchanged guidelines for remunerating management are proposed: basic salary will consider individual responsibilities, experience and performance and will be subject to annual review.

Performance-related pay is dependent on individual satisfaction of quantitative and qualitative targets, subject to a maximum of 100 percent of basic salary. Pensionable age is 65. NOTE offers benefits similar to the ITP scheme (supplementary pensions for salaried employees). The dismissal pay and severance pay of a manager may not exceed an aggregate maximum of remuneration over 24 months. The Board is entitled to depart from these guidelines if there are special circumstances in individual cases.

Remuneration to the management of NOTE in 2012 was decided in accordance with the adopted guidelines formulated by the Board of Directors, which were then approved by the AGM 2012. For more information on remuneration, see note 7, Employees, personnel expenses and remuneration to senior management, on page 44.

ENVIRONMENT
Reporting obligation and certification
The group conducts business in one Swedish subsidiary, which holds permits compliant with the Swedish ordinance on environmentally hazardous activities and health (reference SFS 1998:899). Two facilities are subject to permits and one Swedish facility is partially subject to a permit.

All production facilities in the group have ISO 14001 environmental certification.

EU directives
The WEEE directive regulates the processing of electronic waste. Because NOTE does not have producer liability, no provisioning for processing electronic waste from consumer electronics has been made in accordance with IFRIC 6. This responsibility rests with product owners.

The EU REACH regulation formalises the usage of chemicals. NOTE is classed as a downstream user and/or end-user of chemicals, and is only subject to the obligation to register substances and prepare risk assessments in those cases where the company uses what are known as SVCH materials.

For more information on environmental matters, see Operations on page 14-15.

SIGNIFICANT RISKS OF OPERATIONS
Operational risks
NOTE is one of the leading manufacturing partners for electronics production in northern Europe. It has especially strong market positioning in the high mix/low volume market segment, i.e. for products in small to medium-sized batches that require high technology competence and flexibility. NOTE pro-

duces PCBAs, sub-assemblies and box build products. NOTE's offering covers the whole product lifecycle, from design to after-sales. NOTE's role includes it serving as a collaboration partner to customers, but not a product owner.

NOTE's Nearsourcing business model, which is designed to increase sales growth combined with reduced cost of overheads and investments in high-cost countries, is a way to reduce the risks of operations.

For more information on operational risks, see operations on page 16.

Financial risks

Through its operations, the group is exposed to different forms of financial risk, such as borrowing and interest risk, currency risk, as well as liquidity and credit risks. The group is financed essentially through equity, loans and accounts payable—trade. Depending on economic and market conditions, NOTE's prospects of securing the required funding and liquidity should be considered as a significant risk.

The group's currency risk is mainly due to purchasing of production material, while the majority of the group's invoicing is denominated in SEK. Essentially, expenses denominated in foreign currency are hedged partly through binding agreements, where the customer bears the currency risk, and partly through cash flow hedges. The hedged currencies are USD and EUR. For more information on risks, see operations on page 16 and note 23, Financial risks and finance policy, on page 51.

POST-BALANCE SHEET EVENTS

Since the first quarter of 2012, NOTE has been reporting that one of its customers has been in financial difficulties. This customer took restructuring program and other measures to safeguard its financial position. NOTE has maintained a very close dialogue on deliveries, payments, risks and opportunities. Against the background of the customer's deteriorating financial position, NOTE made a SEK 12.6 million provision before tax, corresponding to over 50 percent of its risk exposure, primarily in accounts receivable—trade. This provision meant profitability for the fourth quarter was negative.

EXPECTATIONS OF FUTURE PROGRESS

NOTE puts a big emphasis on continuously improving quality and delivery precision for customers.

NOTE's Nearsourcing business model is strong, and tailored for the high mix/low volume market segment. It builds on developing business in NOTE's Nearsourcing centres in Sweden, Norway, Finland and the UK in close collaboration with customers. Usually, labour-intensive batch production is located at Industrial Plants in Estonia and China.

NOTE secured a lot of new business in 2012 and sees good prospects of developing its business. Simultaneously, the company takes a very humble approach to forthcoming market progress and customers' future plans.

The focus for the future is to maintain and develop the working methods and attitude NOTE introduced to win new accounts, continue its rationalisation work and to succeed well in the utilisation of working capital.

PROPOSED APPROPRIATION OF PROFITS

The Board of Directors and CEO propose that profit be appropriated as follows (SEK):

Brought forward	88,214,671
Profit after tax	18,692,945
Total	106,907,616
Distributed to shareholders	21,654,450
Carried forward	85,253,166
Total	106,907,616

BOARD OF DIRECTORS' STATEMENT REGARDING PROPOSED DIVIDENDS

Against the background of the strong cash flow for the year, the Board of Directors is proposing a dividend to shareholders of SEK 0.75 (0.30) per share corresponding to SEK 21.7 (8.7) million. The proposed dividend to shareholders amounts to 20 percent of the company's profits as of the reporting date and reduces the group's equity ratio to 41.5 percent, calculated on values at year-end. The opinion of the Board of Directors is that the proposed dividend is consistent with the principle of prudence of the Swedish Companies Act, and accordingly, is justifiable in terms of the requirements set by the company's equity, investment requirement, liquidity and financial position, and the risks associated with the type and scale of operations.

Regarding NOTE's results of operations and financial position otherwise, the reader is referred to the following Income Statements and Balance Sheets with the associated notes. NOTE's financial year is the period 1 January to 31 December inclusive. All amounts are in thousands of Swedish kronor (SEK 000) unless otherwise stated.

Consolidated Income Statement

SEK 000	NOTE	2012	2011
Net revenue	2, 3	1,029,241	1,208,852
Cost of goods sold and services		–936,631	–1,075,805
Gross profit		**92,610**	**133,047**
Selling expenses		–33,653	–36,301
Administrative expenses		–31,309	–32,180
Other operating revenue	4	11,764	21,490
Other operating expenses	5	–13,463	–21,683
Operating profit	3, 6, 7, 8, 25	**25,949**	**64,373**
Financial income		3,290	5,102
Financial expenses		–10,154	–13,202
Net financial income/expense	9	**–6,864**	**–8,100**
Profit before tax		**19,085**	**56,273**
Tax	10	–6,465	–16,881
Profit after tax*		**12,620**	**39,392**
Basic and diluted earnings per share, SEK	16	0.44	1.36

*There are no minority interests for the financial year or comparative year

Consolidated Statement of Comprehensive Income

SEK 000	2012	2011
Profit after tax	**12,620**	**39,392**
Other comprehensive income:		
Exchange rate differences	–3,699	3,438
Cash flow hedges	131	105
Tax on cash flow hedges and exchange rate difference	670	–512
Total other comprehensive income, net after tax	**–2,898**	**3,031**
Total comprehensive income for the year	**9,722**	**42,423**

Consolidated Balance Sheet

SEK 000	NOTE	31 Dec 2012	31 Dec 2011
Assets			
Intangible assets	11	72,109	70,594
Property, plant and equipment	3, 12	45,769	56,934
Long-term receivables	13	1,222	4,488
Deferred tax assets	10	15,736	15,781
Total non-current assets		**134,836**	**147,797**
Inventories	3, 14	159,522	202,326
Accounts receivable—trade	23, 24	186,952	226,853
Tax receivables		4,871	4,614
Other receivables	13, 24	8,626	11,710
Prepaid expenses and accrued income	15	10,502	10,737
Cash and cash equivalents	24, 28	70,723	29,297
Total current assets		**441,196**	**485,537**
TOTAL ASSETS		**576,032**	**633,334**
Equity	17		
Share capital		14,436	14,436
Other paid-up capital		217,862	217,862
Reserves		–4,424	–1,526
Retained profit		32,621	28,663
Equity		**260,495**	**259,435**
Liabilities			
Long-term interest-bearing liabilities	18, 23, 24	3,056	2,148
Pension commitments	19	–	–
Deferred tax liabilities	10	3,945	3,387
Total non-current liabilities		**7,001**	**5,535**
Current interest-bearing liabilities	18, 23, 24	98,285	143,117
Accounts payable—trade	23, 24	144,672	152,978
Tax liabilities		2,786	710
Other liabilities	21, 24	19,630	22,627
Accrued expenses and deferred income	22	43,163	47,575
Other provisions	20	–	1,357
Total current liabilities		**308,536**	**368,364**
TOTAL EQUITY AND LIABILITIES		**576,032**	**633,334**

For information on the group's pledged assets and contingent liabilities see note 26 on page 52.

Consolidated Statement of Changes in Equity

SEK 000	Share capital	Other paid-up capital	Reserves	Retained profit	Total equity
Opening equity, 1 Jan. 2011	14,436	217,862	–4,557	–10,728	**217,013**
Comprehensive income					
Profit after tax	–	–	–	39,392	**39,392**
Other comprehensive income					
Exchange rate differences	–	–	3,438	–	**3,438**
Cash flow hedges	–	–	105	–	**105**
Tax on cash flow hedges and exchange rate difference	–	–	–512	–	**–512**
Total comprehensive income	**–**	**–**	**3,031**	**39,392**	**42,423**
Closing equity, 31 Dec. 2011	**14,436**	**217,862**	**–1,526**	**28,663**	**259,435**

SEK 000	Share capital	Other paid-up capital	Reserves	Retained profit	Total equity
Opening equity, 1 Jan. 2012	14,436	217,862	–1,526	28,663	**259,435**
Comprehensive income					
Profit after tax	–	–	–	12,620	**12,620**
Other comprehensive income					
Exchange rate differences	–	–	–3,699	–	**–3,699**
Cash flow hedges	–	–	131	–	**131**
Tax on cash flow hedges and exchange rate difference	–	–	670	–	**670**
Total comprehensive income	**–**	**–**	**2,898**	**12,620**	**9,722**
Dividend	–	–	–	–8,662	**–8,662**
Closing equity, 31 Dec. 2012	**14,436**	**217,862**	**–4,424**	**32,621**	**260,495**

Consolidated Cash Flow Statement

SEK 000	NOTE	2012	2011
	28		
Operating activities			
Profit before tax		19,085	56,273
Reversed depreciation and amortisation		16,017	19,827
Other non-cash items		19,632	–291
Tax paid		–4,592	–2,095
		50,142	**73,714**
Change in working capital			
Increase (–)/decrease (+) in inventories		35,999	–8,809
Increase (–)/decrease (+) in trade receivables		25,806	14,772
Increase (+)/decrease (–) in trade liabilities		–13,805	–42,221
		48,000	**–36,258**
Cash flow from operating activities		**98,142**	**37,456**
Investing activities			
Purchase of property, plant and equipment		–5,173	–6,947
Sale of property, plant and equipment		1,250	929
Purchase of intangible assets		–75	–
Sale of subsidiaries/operations, net liquidity effect		–	615
Sale of financial assets		2,880	24,407
Cash flow from investing activities		**–1,118**	**19,004**
Financing activities			
Borrowings		–	1,800
Amortisation of loans		–46,224	–62,986
Dividends paid		–8,662	–
Cash flow from financing activities		**–54,886**	**–61,186**
Cash flow for the year		**42,138**	**–4,726**
Cash and cash equivalents			
At beginning of period		29,297	33,682
Cash flow before financing activities		97,024	56,460
Cash flow from financing activities		–54,886	–61,186
Exchange rate difference in cash and cash equivalents		–712	341
Cash and cash equivalents at end of period		**70,723**	**29,297**

Notes on the consolidated financial statements

Note 1 Critical accounting principles

Consistency with standards and law
The consolidated accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as endorsed by the EU and interpretation statements from the International Financial Reporting Interpretations Committee (IFRIC). RFR's (Rådet för finansiell rapportering, the Swedish Financial Reporting Board) recommendation RFR 1, Supplementary Accounting Rules for Groups, has been applied.

Basis of preparation of the consolidated financial statements
The parent company's functional currency is the Swedish krona, which is also the presentation currency for the parent company and group. Unless otherwise stated, all amounts are rounded to the nearest thousand.

Judgements made by management when applying IFRS that have a significant impact on the financial statements and estimates made that may imply significant restatements of following years' financial statements are reviewed in more detail in note 29.

The following accounting principles for the group have been applied consistently for all periods presented in the consolidated financial statements, unless stated otherwise below. The group's accounting principles have been applied consistently on reporting and consolidating the parent company and subsidiaries.

The annual accounts and consolidated accounts were approved by the Board for issuance on 11 March 2013. The Consolidated Income Statement and Balance Sheet will be subject to adoption at the AGM (Annual General Meeting) on 22 April 2013.

GROUP

Amended accounting principles
None of the IFRS or IFRIC interpretation statements that are mandatory for the first time for the financial year that began on 1 January 2012 or later are expected to have any material impact on the group.

New IFRS and interpretation statements that have not yet been adopted
The following new standards, amendments to standards and interpretation statements come into effect from the financial year 2013 onwards and have not been adopted when preparing these financial statements.

IFRS 9, "Financial Instruments" deals with the presentation, measurement and recognition of financial liabilities and assets. IFRS 9 was issued in November 2009 for financial assets, and in October 2010 for financial liabilities, and replaces those parts of IAS 39 that relate to the presentation and measurement of financial instruments. IFRS 9 states that financial assets should be classified in two different categories; measurement at fair value or measurement at amortised cost. This classification is determined on first-time recognition based on the company's business model and characteristic qualities of the contracted cash flows. For financial liabilities, there are no major changes compared to IAS 39. The largest change relates to liabilities, which are recognised at fair value. For these, the change in fair value that relates to their own credit risk should be recognised in other comprehensive income instead of profit or loss, providing this does not cause an accounting mismatch. The group intends to apply the new standard by no later than the financial year that begins on 1 January 2015 and has not yet evaluated its effects. The group will be evaluating the effects of the remaining phases of IFRS 9 when they are concluded by IASB.

IFRS 10 "Consolidated Financial Statements" builds on existing principles because it identifies control as the decisive factor to determine whether a company should be included in the consolidated accounts. The standard offers further guidance on determination of control when this is hard to judge. The group intends to apply IFRS 10 for the financial year that begins on 1 January 2014 and has not yet evaluated the full effect on its financial statements.

IFRS 12 "Disclosures of Interests in Other Entities" covers disclosure requirements for subsidiaries, joint arrangements, associated companies and non-consolidated structured entities. The group intends to apply IFRS 12 for the financial year that begins on 1 January 2014 and has not yet evaluated the full effect on the financial statements.

IFRS 13 "Fair Value Measurement" is intended for fair value measurements to become more consistent and less complex through the standard including an exact definition and common source of IFRS for fair value measurement and the associated disclosures. This standard offers guidance on the fair value measurement for all classes of asset and liability, financial and non-financial. The standard does not extend the application for when fair value should be applied but offers guidance on how it should be applied when other IFRS already require or permit fair value measurement.

No other IFRS or IFRIC interpretation statement that have not come into effect are expected to exert any material impact on the group.

Segment reporting
Operating segments are reported in a manner consistent with internal reporting submitted to the chief operating decision maker. The chief operating decision maker is that function with responsibility for allocating resources and judging the results of an operating segment. In the group, this function has been identified as the CEO, who takes strategic decisions.

Classification, etc.
Essentially, the non-current assets and non-current liabilities of the group exclusively comprise amounts expected to be recovered or paid after more than 12 months from year-end. Essentially, the current assets and current liabilities of the group only comprise amounts expected to be recovered or paid within 12 months of the reporting date.

Consolidation principles
Subsidiaries
Subsidiaries are companies under the controlling influence of NOTE AB. A controlling influence implies the direct or indirect right to formulate a company's financial and operational strategies with the aim of receiving economic rewards. When judging whether a controlling influence exists, potential shares conferring voting rights that can be exercised or converted without delay are considered.

The group comprises the parent company and 13 wholly owned companies. Subsidiaries are reported in accordance with acquisition accounting. Acquisition accounting means that acquisition of a subsidiary is considered as a transaction whereby the group indirectly acquires the subsidiary's assets and takes over its liabilities and contingent liabilities. The consolidated cost is determined using an acquisition analysis relating to the acquisition. This analysis determines partly the cost of participations or operation, and partly the fair value of acquired identifiable assets and liabilities and contingent liabilities taken over on the acquisition date. The cost of subsidiary shares and operations is the total of the fair value of assets paid, liabilities arising or taken over, and for equity instruments issued that are submitted as payment in exchange for the acquired net assets. In business combinations where the acquisition cost exceeds the fair value of acquired assets and liabilities and contingent liabilities taken over that are recognised separately, the difference is recognised as goodwill. When the difference is negative, this is recognised directly in the Income Statement. Subsidiary financial statements are consolidated from the acquisition date until the date the controlling influence ceases. For acquisitions until 2009 inclusive, transaction expenses directly attributable to the acquisition were also included in cost. For acquisitions from 2010 onwards, transaction costs are recognised in the Income Statement.

Transactions to be eliminated on consolidation
Receivables from and liabilities to group companies, revenues or expenses and unrealised gains or losses arising from group transactions, are fully eliminated when preparing the consolidated financial statements.

Foreign currency
Foreign currency transactions and balance sheet items
Foreign currency transactions are translated to the functional currency (SEK) at the rate of exchange ruling on the transaction date. Foreign currency monetary assets and liabilities are translated to the functional currency at the rates of exchange ruling at the reporting date. The exchange rate differences arising on translation are recognised in the Income Statement. The exceptions are when the transactions are hedges that satisfy the requirements of hedge accounting, when the loss/gain is recognised in other comprehensive income.

Exchange rate gains and losses relating to loans and cash and cash equivalents are recognised as financial revenue or expenses in the Income Statement. All other exchange rate gains and losses are recognised as other operating revenue or expenses in the Income Statement.

Financial statements of foreign operations
The assets and liabilities of foreign operations including goodwill and other consolidated surpluses and deficits are translated to Swedish krona at the rates of exchange ruling at the reporting date. The revenues and expenses of foreign operations are translated to Swedish krona at an average rate of exchange, which is an approximation of the rates of exchange ruling at each transaction date. Translation differences arising from the currency translation of foreign operations are recognised in other comprehensive income.

Revenues
Sales of goods and executing services assignments
Revenues from the sale of goods and manufacturing services are recognised in the Income Statement when the significant risks and rewards associated with ownership of the product have been transferred to the buyer and when it is probable that the future economic rewards will flow to the company and these rewards can be measured reliably. If there is significant uncertainty regarding payment, associated expenses or the risk of returns, and if NOTE retains a commitment in the ongoing management usually associated with ownership, no revenues are recognised. Revenues only include the gross inflows of economic rewards the company receives, or may receive, on its own behalf. Revenues are recognised at the actual value of what is received, or will be received, less deductions for discounting. Revenues for consulting services are recognised according to the percentage of completion method provided that the labour hours incurred are clearly identifiable and can be measured reliably.

Central government support
Central government support is recognised in accordance with IAS 20. Central government subsidies are recognised in the Income Statement and Balance Sheet when they are received. Central government subsidies received as remuneration for expenses that have already been charged to profits in previous periods are recognised in the Income Statement in the period when the receivable from central government arises. Central government subsidies for investments are recognised as a reduction of the carrying amount of the asset.

Lease arrangements and financial income and expenses
In the consolidated accounts, leases are classified as finance or operating leases. Finance leases occur when essentially, the financial risks and rewards associated with ownership transfer to the lessee. If this is not the case, the arrangement is an operating lease.

Operating leases
Payments for operating lease arrangements are recognised in the Income Statement on a straight-line basis over the lease term. Rewards received on signing a contract are recognised as a portion of the total lease expense in the Income Statement.

Finance leases
Assets held through finance lease arrangements are recognised as assets in the Consolidated Balance Sheet in accordance with the principles for owned assets. The obligation to pay future lease payments is recognised as long-term and current liabilities.

Minimum lease payments are allocated between interest expenses and amortisation of the outstanding liability. Interest expenses are allocated over the lease term so that each accounting period is charged with an amount corresponding to a fixed interest rate for the liability recognised in each period. Variable expenditure is expensed in the periods it occurs.

Financial income and expenses
Financial income and expenses comprise interest income on bank balances and receivables, interest expenses on loans, exchange rate differences and un-realised and realised gains on financial investments and derivative instruments used in financing activities.

Interest income/ expenses are recognised according to the effective interest method. Effective interest is the interest that discounts estimated future payments received and made during the expected term of a financial instrument, at the financial asset's or liability's recognised net value. The calculation includes all expenditure paid or received from contract counterparties that is a part of effective interest, transaction expenses and all other premiums and discounts.

Financial instruments
Financial instruments recognised in the Balance Sheet include cash and cash equivalents, accounts receivable—trade, derivatives and loans receivable on the assets side. Accounts payable—trade, derivatives and borrowings are recognised under liabilities and equity.

A financial asset or financial liability is recognised in the Balance Sheet when the company becomes party to the instrument's contracted terms. Accounts receivable—trade are recognised in the Balance Sheet when invoices are sent. Liabilities are recognised when the counterparty has delivered and there is a contracted obligation to pay, even if no invoice has been received. Accounts payable—trade are recognised when invoices are received.

A financial asset is de-recognised from the Balance Sheet when the contracted rights are realised, mature or the company relinquishes control over them. The same applies to part of a financial asset. A financial liability is de-recognised from the Balance Sheet when the contracted obligation is satisfied or otherwise extinguished. The same applies to part of a financial liability.

A financial asset and financial liability is offset and recognised at a net amount in the Balance Sheet only when there is a legal right to offset the amount and there is an intention to settle the items at a net amount or to simultaneously realise the asset and settle the liability.

Purchases and sales of financial assets are recognised on the transaction date, which is the date the company undertakes to purchase or sell the asset.

NOTE conducts impairment tests for its financial assets at the end of each reporting period. A financial asset is only impaired if there is objective evidence that it is impaired due to "loss events" that affect future cash flows of the asset and can be measured reliably. The asset's impairment loss is recognised in the Income Statement.

Subsequent recognition then depends on the following classification. IAS 39 classifies financial instruments in categories. This classification depends on the purpose of the acquisition of the financial instrument. Management determines the classification at the original time of acquisition. The categories are as follows:

Loans receivable and accounts receivable—trade
"Loans receivable and accounts receivable—trade" are non-derivative financial assets with fixed payments or payments that can be determined, and are not listed on an active market. The receivables occur when the company supplies funds, goods or services directly to the borrower without the intention of conducting trade in the claim. This category also includes acquired receivables. These assets are initially recognised at fair value including transaction costs, and then at amortised cost by applying the effective interest method, less potential provisioning for impairment. "Loans receivable and accounts receivable—trade" are included in current assets apart from items with maturities of more than 12 months from the end of the reporting period, which are classified as non-current assets.

Other financial liabilities
Loans and other financial liabilities such as accounts payable—trade, are included in this category. Initially, these liabilities are recognised at fair value including transaction costs, and then at amortised cost by applying the effective interest method, less potential provisioning for value impairment.

Factoring
NOTE uses factoring as part of its external funding. A factored trade receivable is recognised as a whole as a pledged asset in consolidated contingent liabilities. The factoring liability is recognised as a current interest-bearing liability in tandem with payment. Upon full payment from the customer, the amount of the accounts receivable—trade and the factoring liability are written down to zero, and NOTE's contingent liability ceases.

Cash flow hedging
Currency exposure regarding future forecast flows is partly hedged through currency forwards. Currency forwards that hedge future flows are recognised in the Balance Sheet at fair value. Changes to fair value are recognised in other comprehensive income and are reclassified from equity to profit or loss in those periods when the hedged item affects profit or loss.

When a forecast transaction is no longer expected to occur, the accumulated gain or loss recognised in other comprehensive income is immediately reclassified from equity to the Income Statement.

Cash and cash equivalents
Cash and cash equivalents consist of cash funds and immediately available balances with banks and corresponding institutions.

Property, plant and equipment
Property, plant and equipment are recognised in the group at cost less deductions for accumulated depreciation and potential impairment losses. The cost includes the purchase price and expenses directly attributable to bringing the asset into the location and condition for use in accordance with the purpose of its acquisition. The accounting principles for impairment losses are reported below.

Property, plant and equipment that comprise components of differing useful lives are treated as separate components of property, plant and equipment.

The carrying amount of property, plant and equipment is de-recognised from the Balance Sheet on disposal or sale, or when no future economic rewards are expected from using or disposing of/selling the asset. Profits or losses arising upon disposal or sale of an asset comprise the difference between the sales price and the asset's carrying amount less direct selling expenses. Profits and losses are recognised as other operating revenue/ expenses.

Additional expenditure
Additional expenditure is added to cost only if it is likely that the future economic rewards associated with the asset will arise for the company, and the cost can be measured reliably. All other additional expenditure is recognised as a cost in the period it occurs. Additional expenditure is added to cost to the extent that the performance of the asset is improved in relation to the level applying when originally acquired. All other additional expenditure is recognised as a cost in the period it occurs. Whether expenditure relates to the exchange of identifiable components, or parts thereof, is decisive to evaluation of when additional expenditure is added to cost, whereupon such expenditure is capitalised. Even in those cases where new components are added, expenditure is added to cost. Potential carrying amounts not expensed on exchanged components, or parts of components, are retired and expensed at exchange. Repairs are expensed on an ongoing basis.

Depreciation principles
Depreciation is on a straight-line basis over the estimated useful lives of assets. Land is not depreciated. The group utilises component depreciation, which means that the components' estimated useful lives are the basis for depreciation.

Estimated useful lives:

→ Land improvements	20 years
→ Buildings, real estate used in business operations	see below
→ Leasehold improvements—permanent equipment, servicing facilities etc. in buildings	5 years
→ Leasehold improvements—permanent installation, buildings	20 years
→ Permanent equipment, servicing facilities etc. in buildings	see below
→ Plant and machinery	5 years
→ Equipment, tools fixtures and fittings	4 or 5 years

Real estate used in business operations comprises a number of components with differing useful lives. The main division is buildings and land. However, buildings comprise several components, whose useful lives vary. The useful lives of these components are assessed to vary between 10 and 100 years.

The following main groups of components have been identified and are the basis for depreciation on buildings:

→ Framework	100 years
→ Additions to framework, interior walls, etc.	20–40 years
→ Fixtures and fittings, heating, electricity, ventilation and sanitation, etc.	20–40 years
→ Exterior surfaces, frontage, external roofing, etc.	20–30 years
→ Interior surfaces, mechanical equipment, etc.	10–15 years

The depreciation methods applied and residual values and useful lives of assets are re-evaluated at each year-end.

Intangible assets
Goodwill
Goodwill is the difference between the cost of a business combination and the fair value of acquired assets, liabilities taken over and contingent liabilities.

Goodwill is recognised at cost less potential accumulated impairment losses. Goodwill from a business combination is allocated to the groups of cash generating units that are expected to benefit from the synergies of the business combination. NOTE allocates goodwill to the Nearsourcing and Industrial Plants business segments. Goodwill is subject to impairment tests at least yearly.

Other intangible assets
Other intangible assets acquired by the group are recognised at cost less accumulated amortisation (see below).

Expenses incurred for internally generated goodwill and internally generated trademarks and brands are recognised in the Income Statement when the expense occurs.

Additional expenditure
Additional expenditure for capitalised intangible assets is recognised as an asset in the Balance Sheet only when it increases the future economic rewards for the specific asset to which it is attributable. All other expenditure is expensed as it occurs.

Amortisation
Amortisation is recognised in the Income Statement on a straight-line basis over the estimated useful lives of intangible assets, providing such useful lives are not indefinite. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are:

→ Trademarks, brands and similar rights	5 years
→ Capitalised expenditure on software	4 years
→ Capitalised expenditure for process development	5 years

Inventories
Inventories are recognised at the lower of cost and net realisable value. Net realisable value is the estimated sales price in operating activities less estimated expenditure for completion and achieving a sale.

Cost is calculated by applying the FIFO (first in first out) method and includes expenditure arising from the acquisition of inventory items and their transportation to their current location and condition. The cost of producing finished goods and work in progress includes a reasonable proportion of indirect expenses based on normal capacity utilisation.

The cost of finished and semi-finished goods produced by the company includes direct production expenses and a reasonable proportion of indirect production expenses.

Valuations consider normal capacity utilisation. Inventories are recognised net of deductions for individually judged risk of obsolescence.

Impairment
With the exception of inventories and deferred tax assets, the carrying amounts of the group's assets are subject to impairment tests at each reporting date. If there is such indication, the asset's recoverable value is calculated. Assets exempted by the above are subject to impairment tests in accordance with the relevant standards.

An impairment loss is recognised when an asset or cash-generating unit's carrying amount exceeds its recoverable value. An impairment loss is charged to the Income Statement. Impairment losses on assets attributable to cash-generating units (group of units) are primarily assigned to goodwill. A proportional impairment loss of the unit's other constituent assets (group of units) is effected subsequently.

Measuring recoverable values
Recoverable values on accounts receivable—trade are calculated as the original receivable less the amounts not expected to be received. The recoverable value of other assets is measured as the greater of fair value less selling expenses and value in use.

Reversal of impairment losses
Impairment losses of accounts receivable—trade are reversed if a subsequent increase in recoverable value can be objectively attributed to an event that has occurred after the impairment loss was effected. Goodwill impairment losses are not reversed. Impairment losses on other assets are reversed if changes to the assumptions forming the basis for calculating the recoverable value have occurred. An impairment loss is only reversed to the extend the asset's carrying amount after reversal does not exceed the carrying amount the asset would have had if no impairment loss had been effected, considering the depreciation or amortisation that would then have been effected.

Share capital
Dividends
Dividends are recognised as a liability after the AGM has approved the dividends.

Employee benefits
Defined-contribution pension plans
Obligations regarding expenditure on defined-contribution plans are recognised as an expense in the Income Statement when they occur.

A defined contribution pension plan is a pension plan by which NOTE pays fixed charges to a separate legal entity. NOTE does not have any legal or informal obligation to pay further contributions if this legal entity does not have sufficient assets to pay all benefits to employees associated with employees' service during current or previous periods.

Defined-benefit pension plans
The group had one traditional assurance defined-benefit plan until 2009 inclusive, which was discontinued during 2010, and there were no defined benefit pension plans as of the reporting date.

Remuneration on notice of termination
A cost for remuneration coincident with the notices of termination to staff is recognised only if the company has demonstrably committed to terminate employment before the normal time, without the realistic possibility of withdrawing its decision, by a formal detailed plan. When remuneration is disbursed as an offering to encourage voluntary redundancies, a cost is recognised if it is probable that the offer will be accepted and that the number of employees who will accept the offer can be reliably estimated.

Provisions
Provisions are recognised in the Balance Sheet when the group has an obligation, and it is likely that an outflow of economic resources will be necessary to fulfil the obligation and the amount can be reliably measured. Provisions are measured at the present value of the amounts expected to be required to fulfil the obligation.

Restructuring program and other non-recurring expenses
A restructuring program provision is recognised when the group has determined an executable and formal restructuring program plan, and the restructuring program has either begun or been publicly disclosed.

Non-recurring expenses mean expenses of significant amounts, and simultaneously, of such a nature that they can be considered as non-operating and not recurrent each year. For example, non-recurring expenses are impairment of assets in disputes and expenses relating to changing CEOs.

Tax
Income tax comprises current tax and deferred tax. Income tax is recognised in the Income Statement apart from when the underlying transaction is recognised directly in other comprehensive income or directly against equity, whereupon the associated tax effect is recognised in other comprehensive income or directly in equity.

Current tax is tax to be paid or received for the current year, applying the tax rates enacted or substantively enacted as of the reporting date, which also includes adjustments to current tax attributable to previous periods.

Deferred tax is calculated according to the balance sheet method, proceeding from temporary differences between carrying amounts and taxable values of assets and liabilities. The following temporary differences are not considered; for temporary differences arising in the first-time recognition of goodwill, the first-time recognition of assets and liabilities that are not business combinations, and that at the time of the transaction neither influence reported nor taxable profits. Nor are temporary differences attributable to participations in subsidiaries not expected to be reversed within the foreseeable future considered The measurement of deferred tax is based on how the carrying amounts of assets or liabilities are expected to be realised or settled. Deferred tax is calculated by applying the tax rates and tax regulations that are enacted or substantively enacted as of the reporting date.

Deferred tax assets on taxable temporary differences and loss carry-forwards are only recognised to the extent it is likely that they will be utilised. The value of deferred tax assets is reduced when it is no longer considered likely that they can be utilised.

Earnings per share
The measurement of earnings per share is based on the consolidated profit for the year and on the weighted average number of shares outstanding in the year. When measuring earnings per share after dilution, the average number of shares is adjusted to take into account effects of any diluting ordinary shares, which, in the relevant reporting period, derive from options issued to senior management.

Contingent liabilities
A contingent liability is recognised when there is a possible commitment resulting from events that have occurred and whose incidence is only confirmed by one or more uncertain future events, or when there is a commitment that is not recognised as a liability or provision because it is not likely that an outflow of resources will be necessary or the size of the commitment can be reliably measured.

Note 2 **Allocation of revenue**

All group sales are derived from EMS operations, i.e. contract manufacture services for electronics products.

Note 3 **Segment reporting**

Significant key figures for NOTE's operating segments are in the following table, in accordance with the application of IFRS 8. Essentially, these consist of Nearsourcing Centres and Industrial Plants. Nearsourcing Centres are the selling units in Sweden, Norway, Finland and the UK, where development-oriented work is conducted close to customers. Industrial Plants are largely manufacturing units in Estonia and China. Other units consist of business-support, group-wide operations. Essentially, the provision for bad debt made in the fourth quarter affected the profitability of Industrial Plants.

	NEARSOURCING CENTRES		Industrial Plants		OTHER UNITS AND ELIMINATIONS		TOTAL	
	2012	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
REVENUES								
External sales	859,814	1,120,091	169,427	88,761	–	–	1,029,241	1,208,852
Internal sales	4,467	21,789	227,667	290,535	–232,134	–312,324	–	–
Revenues	**864,281**	**1,141,880**	**397,094**	**379,296**	**–232,134**	**–312,324**	**1,029,241**	**1,208,852**
OPERATING PROFIT								
Operating profit	35,833	75,019	–9,061	–1,904	–823	–8,742	25,949	64,373
Operating profit	**35,833**	**75,019**	**–9 ,061**	**–1,904**	**–823**	**–8,742**	**25,949**	**64,373**
Financial income and expenses—net							–6,864	–8,100
Profit before tax							**19,085**	**56,273**
SIGNIFICANT ASSETS BY SEGMENT								
Property, plant and equipment	25,072	31,051	20,697	25,851	–	32	45,769	56,934
Inventories	83,730	110,933	75,792	91,392	–	–	159,522	202,325
Total assets	420,889	474,568	187,665	199,641	–32,522	–40,875	576,032	633,334
OTHER INFORMATION								
Investments in property, plant and equipment	3,429	5,821	3,046	1,126	–	–	6,475	6,947
Depreciation and amortisation	–8,919	–11,130	–7,084	–8,606	–14	–91	–16,017	–19,827
Other non-cash items (excl. depreciation and amortisation)	–2,906	4,121	20,845	–7,771	1,693	3,359	19,632	–291
Average number of employees	385	440	484	483	15	16	884	939

NOTE's registered office is in Sweden. Revenues from external customers in Sweden were SEK 486.2 (664.1) million, and from other countries SEK 543.0 (544.8) million. Non-current assets in Sweden (excluding eliminations) were SEK 365.3 (382.8) million, in Estonia SEK 15.6 (16.5) million, the UK SEK 10.1 (11.9) million, Norway SEK 10.0 (10.8) million and in other countries SEK 8.3 (9.2) million as of the reporting date. Deferred tax assets in Sweden were SEK 1.6 (2.1) million, in Norway SEK 6.5 (6.7) million, the UK SEK 5.8 (6.1) million and other countries SEK 1.8 (0.9) million as of the reporting date.

Note 4 **Other operating revenue**

	2012	**2011**
Exchange gains on trade receivables/liabilities	10,661	17,549
Other	1,103	3,941
	11,764	**21,490**

Note 5 **Other operating expenses by class**

	2012	**2011**
Exchange losses on trade receivables/liabilities	–13,392	–21,642
Other	–71	–41
	–13,463	**–21,683**

Note 6 **Operating expenses by type**

	2012	**2011**
Cost of goods and materials	–638,227	–758,302
Personnel expenses	–235,295	–250,972
Depreciation and amortisation	–16,017	–19,827
Other	–113,753	–136,868
	–1,003,292	**–1,165,969**

Note 7 Employees, personnel expenses and remuneration to senior management

Expenses for employee benefits

	2012	2011
Salaries and benefits	–177,548	–189,609
Pension expenses, defined-benefit plans*	–	–
Pension expenses, defined-contribution plans	–13,034	–13,546
Social security contributions	–44,713	–47,817
	– 235,295	**–250,972**

*See note 19.

Division between sexes in group management

	2012 Share of women	2011 Share of women
Board members, Presidents	18%	6%
Other senior management, 2 (2) people*	0%	0%

*The total number of senior managers in the year.

Average number of employees

	2012	Of which men	2011	Of which men
Sweden	294	69%	337	70%
Norway	39	47%	41	47%
UK	31	51%	37	48%
Finland	36	36%	41	37%
Estonia	207	29%	229	26%
China	277	64%	253	42%
Lithuania	–	–%	1	71%
Group total	**884**	**55%**	**939**	**48%**

Senior management's remuneration

Remuneration and other benefits, 2012		Basic salary, Directors' fees	Performance-related pay	Other benefits	Pension expenses	Total
Chairman of the Board:	Stefan Charette	267	–	–	–	267
Board members:	Kjell Åke Andersson*	100	–	–	–	100
	Bruce Grant*	100	–	–	–	100
	Stefan Johansson	160	–	–	–	160
	Henry Klotz	100	–	–	–	100
	Bert Nordberg, elected 25 April 2012	67	–	–	–	67
CEO:	Peter Laveson	1,821	150	43	397	2,411
Other senior management (2 people)		2,880	100	175	837	3,992
		5,495	**250**	**218**	**1,234**	**7,197**

Comments on the table

Salary, benefits and Directors' fees are remuneration charged to consolidated profit for 2012. There was a profitability-based, performance-related remuneration program for senior managers, subsidiary Presidents and other key staff, which ran from the midpoint of 2011 for one year. This program had 15 participants. In 2011, an estimated outcome of SEK 1.5 million was charged to the group's profit, of which SEK 0.5 million related to senior managers. However, there was no remuneration paid in the compensation program, and the whole amount was dissolved in 2012. The Report of the Directors states the details of the remuneration guidelines and senior managers.

*Board members invoiced Directors' fees, cost neutral for NOTE compared to drawing remuneration as earned income. In 2012, total Directors' fees of 242 including social security contributions of 42, were invoiced to NOTE.

Senior management's remuneration

Remuneration and other benefits 2011		Basic salary, Directors' fees	Performance-related pay	Other benefits	Pension expenses	Total
Chairman of the Board:	Stefan Charette	200	–	–	–	200
Board members:	Kjell Åke Andersson	520	–	–	–	520
	Bruce Grant	100	–	–	–	100
	Göran Jansson, left 28 April 2011	33	–	–	–	33
	Stefan Johansson, elected 28 April 2011	107	–	–	–	107
	Henry Klotz	100	–	–	–	100
CEO:	Peter Laveson, left the Board 28 April 2011	1,827	450	–	379	2,656
Other senior management (2 people)		2,528	130	82	810	3,550
		5,415	**580**	**82**	**1,189**	**7,266**

Comments on the table:

Salary, benefits and Directors' fees are remuneration charged to consolidated profit for 2011. Un-paid remuneration to the resigning CEO was SEK 0.2 (4.3) million at the end of the year, of which SEK - (0.4) million was benefits and pensions. The Board members line includes invoiced fees from their own companies of SEK 0.4 (0.2) million. There was a profitability-based, performance-related remuneration program for senior managers, subsidiary Presidents and other key staff, which ran from the midpoint of 2011 for one year. This program had 15 participants. In 2011, an estimated outcome of SEK 1.5 million was charged to the group's profit, of which SEK 0.5 million related to senior managers, which is not stated in the above table. The Report of the Directors states the details of guidelines for remunerating senior managers.

Note 8 Auditors' fees and reimbursement

	2012	2011
PwC		
Auditing assignment	–930	–1,100
Auditing in addition to audit assignment	–130	–100
Tax consultancy	–136	–279
Other services	–45	–140
Other Auditors		
Auditing assignment	–256	–278
Auditing in addition to audit assignment	–67	–29
Tax consultancy	–	–62
Other services	–553	–531

Auditing of the consolidated accounts was conducted through the whole year. No separate fees were payable for reviewing interim reports.

Note 9 Net financial income/expense

	2012	2011
Interest income on bank balances	296	71
Exchange rate gains	2,994	4,936
Other	–	95
Financial income	**3,290**	**5,102**
Interest costs on financial liabilities measured at amortised cost	–4,192	–6,658
Bank charges	–2,198	–3,595
Exchange rate losses	–3,491	–2,575
Other	–273	–374
Financial expenses	**–10,154**	**–13,202**
Net financial income/expense	**–6,864**	**–8,100**

Note 10 Tax

Reported in Income Statement	2012	2011
Current tax expense (–)/tax revenue (+)		
Tax expense for the period	–6,017	–3,374
Adjustment of tax attributable to previous year	–6	–5
Deferred tax expense (–)/tax revenue (+)		
Deferred tax relating to temporary differences/appropriations	–442	–4,600
Deferred tax revenue/expense in capitalised/utilised tax value in loss carry-forward	–	–8,848
Adjustment of tax attributable to previous year	–	–54
Total reported tax in group	**–6,465**	**–16,881**

Reconciliation of effective tax	%	2012	%	2011
Profit before tax		19,085		56,273
Tax at applicable rate for parent company	–26.3	–5,019	–26.3	–14,800
Effect of other tax rates for foreign subsidiaries	2.2	425	0.7	408
Effect of change in Swedish tax rate	1.1	198	–	–
Non-deductible expenses	–11.7	–2,242	–3.2	–1,784
Non-taxable revenue	11.3	2,149	3.4	1,915
Un-reported tax revenue on loss for the year	–12.0	–2,285	–4.5	–2,560
Tax attributable to utilised portion of loss carry-forwards	1.7	315	–	–
Tax attributable to previous year	0.0	–5	–0.1	–60
	–33.9	**–6,465**	**–30.0**	**–16,881**

	Deferred tax asset		Deferred tax liability		Net	
Recognised in Balance Sheet	**31 Dec 2012**	**31 Dec 2011**	**31 Dec 2012**	**31 Dec 2011**	**31 Dec 2012**	**31 Dec 2011**
Property, plant and equipment	627	430	1,814	2,350	–1,187	–1,920
Derivatives measured at fair value	–	–	–	8	–	–8
Loss carry-forwards	12,202	12,313	–	–	12,202	12,313
Provisions	2,843	3,038	–	–	2,843	3,038
Untaxed reserves	64	–	2,131	1,029	–2 ,067	–1,029
Tax receivables/liabilities	**15,736**	**15,781**	**3,945**	**3,387**	**11,791**	**12,394**

Deferred tax assets on loss carry-forwards
Deferred tax assets are recognised in deductible loss carry-forwards to the extent it is likely that they can be utilised against future taxable profits. None of the loss carry-forwards are subject to time limitation, SEK 1.5 million is expected to be utilised in 2013. Deductible temporary differences and tax loss carry-forwards for which deferred tax assets have not been reported in the Income Statement and Balance Sheet amounted to SEK – (–19.6) million.

Provisions for deferred tax	31 Dec 2012	31 Dec 2011
Carrying amount at beginning of period	3,387	2,410
Amount provisioned in period	1,214	1,239
Amounts utilised in period	–656	–262
	3,945	**3,387**

Change in deferred tax in temporary differences and loss carry-forwards

	Balance as of 1 Jan 2011	Reported in Income Statement	Reported against comprehensive income	Reported directly in equity	Balance as of 31 Dec 2011
Property, plant and equipment	**–780**	–1,279	139	–	**–1,920**
Derivatives measured at fair value	**146**	–126	–	–28	**–8**
Loss carry-forward	**21,247**	–8,902	–32	–	**12,313**
Provisions	**5,959**	–2,811	–110	–	**3,038**
Untaxed reserves	**–**	–1,029	–	–	**–1,029**
Other	**–**	645	–645	–	**–**
	26,572	**–13,502**	**–648**	**–28**	**12,394**

	Balance as of 1 Jan 2012	Reported in Income Statement	Reported against comprehensive income	Reported directly in equity	Balance as of 31 Dec 2012
Property, plant and equipment	**–1,920**	658	75	–	**–1,187**
Derivatives measured at fair value	**–8**	38	–	–30	**–**
Loss carry-forward	**12,313**	–	–111	–	**12,202**
Provisions	**3,038**	405	–600	–	**2,843**
Untaxed reserves	**–1,029**	–1,150	112	–	**–2,067**
Other	**–**	–2	2	–	**–**
	12,394	**–51**	**–522**	**–30**	**11,791**

Note 11 **Intangible assets**

The useful life of goodwill is indefinite while the useful lives of other intangible assets is definite and conforms to what is stated in note 1, Accounting principles. Intangible assets with definite useful lives are amortised on a straight-line basis over their useful lives.

	Goodwill, purchased	Capitalised expenditure for software, purchased	Trademarks and brands etc., purchased	Total
Cumulative cost				
Opening balance, 1 Jan 2011	**72,681**	**8,757**	**1,390**	**82,828**
Investments	–	–	–	**–**
Reclassification and exchange rate effects	26	–223	–1	**–198**
Sales and retirements	–144	–6,714	–	**–6,858**
Closing balance, 31 Dec 2011	**72,563**	**1,820**	**1,389**	**75,772**
Opening balance, 1 Jan 2012	**72,563**	**1,820**	**1,389**	**75,772**
Investments	–	1,558	75	**1,633**
Reclassification and exchange rate effects	1	–	–3	**–2**
Sales and retirements	–	–	–	**–**
Closing balance, 31 Dec 2012	**72,564**	**3,378**	**1,461**	**77,403**
Accumulated amortisation and impairment				
Opening balance, 1 Jan 2011	**–2,179**	**–8,682**	**–1,253**	**–12,114**
Reclassification and exchange rate effects	–	225	–4	**221**
Amortisation for the year	–	–71	–72	**–143**
Sales and retirements	144	6,714	–	**6,858**
Closing balance, 31 Dec 2011	**–2,035**	**–1,814**	**–1,329**	**–5,178**
Opening balance, 1 Jan 2012	**–2,035**	**–1,814**	**–1,329**	**–5,178**
Reclassification and exchange rate effects	**1**	–	–	**1**
Amortisation for the year	–	–58	–59	**–117**
Sales and retirements	–	–	–	–
Closing balance, 31 Dec 2012	**–2,034**	**–1,872**	**–1,388**	**–5,294**
Carrying amounts				
As of 1 Jan 2011	70,502	75	137	**70,714**
As of 31 Dec 2011	70,528	6	60	**70,594**
As of 1 Jan 2012	70,528	6	60	**70,594**
As of 31 Dec 2012	70,530	1,506	73	**72,109**

Amortisation and impairment

Amortisation and impairment are included in the following Income Statement lines	2012	2011
Cost of goods sold and services	–111	–143
Administrative expenses	–6	–
	–117	**–143**

Impairment testing of goodwill

NOTE allocates and tests goodwill in the Nearsourcing Centres and Industrial Plants operating segments. The following table states goodwill values by operating segment.

	31 Dec 2012	31 Dec 2011
Nearsourcing Centres	58,356	54,703
Industrial Plants	12,174	15,825
	70,530	**70,528**

Impairment tests are based on measurement of value in use, a value based on cash flow forecasts totalling 3 (3) years. Cash flow for the first year is based on budget set by the Board of Directors. The following two years are based on the company's best judgement. Cash flow beyond the forecast period is extrapolated using the assessed growth rate as follows.

Impairment tests are based on the calculated present values of cash flows from each legal entity that is included in each operating segment. The present value of these aggregated cash flows are then compared with the goodwill and capital employed allocated to the operating segment.

The present value of forecast cash flows has been calculated with a discount rate after tax based on risk-free interest and the risk judged to be associated with operations. NOTE mainly has a joint funding facility. Accordingly, the same discount rate after tax of 10.0 (11.2) percent, has been used for both business segments. The discount rate before tax is 11.8 (14.2) percent.

The recoverable values for both Nearsourcing centres and Industrial Plants exceeds carrying amount.

Important variables	Method for defining values
Growth in the forecast period	Market growth has been estimated at 5 (5) percent during the forecast period for all units. Market growth is based on historical experience, estimates in sector research and other externally available information.
Growth after the forecast period	Growth after the forecast period is estimated at 2.0 (1.5) percent.
Cost of materials	The cost of electronic components is expected to reduce during the forecast period, partly because of continued rationalisation of the production process and partly through increased purchasing volumes and improved co-ordination or purchasing processes.
Personnel costs	Payroll expenses have been estimated using collective agreements and considering historical pay increases. In addition, a growing share of production being conducted in the group's plants in low-cost countries has also been considered.

Sensitivity analysis, goodwill impairment testing

With the above calculation assumptions and considering the growth and profitability potential estimated by NOTE in its business model, there is no impairment of goodwill values at the reporting date.

If there is no market growth during or after the forecast period, this would not cause any impairment. An increase of the discount rate after tax by one percentage point, from 10.0 to 11.0 percentage points, would not imply any impairment. Value in use reduces but still significantly exceeds the carrying amount of both Nearsourcing Centres and Industrial Plants.

Note 12 **Property, plant and equipment**

	Buildings and land (real estate used in business operations)	Costs incurred on other party's property	Machinery and other plant	Equipment, tools, fixtures and fittings	Total
Cost					
Opening balance, 1 Jan 2011	**53,892**	**7,025**	**127,516**	**46,916**	**235,349**
Investments	–	495	6,066	386	**6,947**
Sales	–8,503	–243	–6,427	–735	**–15,908**
Reclassification and exchange rate effects	–191	167	732	207	**915**
Closing balance, 31 Dec 2011	**45,198**	**7,445**	**127,886**	**46,774**	**227,303**
Opening balance, 1 Jan 2012	**45,198**	**7,445**	**127,886**	**46,774**	**227,303**
Investments	–	108	5,549	818	**6,475**
Sales	–	–	–3,557	–1,849	**–5,406**
Reclassification and exchange rate effects	–719	–145	–1,055	–24	**–1,943**
Closing balance, 31 Dec 2012	**44,479**	**7,407**	**128,823**	**45,719**	**226,429**
Depreciation and impairment					
Opening balance, 1 Jan 2011	**–24,791**	**–3,231**	**–93,367**	**–41,204**	**–162,593**
Depreciation for the year	–1,615	–1,209	–14,499	–2,362	**–19,684**
Sales	8,723	46	3,220	589	**12,578**
Reclassification and exchange rate effects	84	–91	–526	–137	**–670**
Closing balance, 31 Dec 2011	**–17,599**	**–4,485**	**–105,172**	**–43,114**	**–170,369**
Opening balance, 1 Jan 2012	**–17,599**	**–4,485**	**–105,172**	**–43,114**	**–170,369**
Depreciation for the year	–1,726	–1,092	–10,920	–2,163	**–15,900**
Sales	–	–	2,646	1,849	**4,495**
Reclassification and exchange rate effects	302	95	714	3	**1,114**
Closing balance, 31 Dec 2012	**–19,023**	**–5,482**	**–112,731**	**–43,424**	**–180,660**
Carrying amounts					
As of 1 Jan 2011	29,101	3,794	34,150	5,712	**72,757**
As of 31 Dec 2011	27,599	2,960	22,715	3,660	**56,934**
As of 1 Jan 2012	27,599	2,960	22,715	3,660	**56,934**
As of 31 Dec 2012	25,456	1,925	16,092	2,295	**45,769**

Information on central government support in the group
The aggregate cost of the assets the support is intended to cover amounts to 1,704 in the period. The cost reduced by 157 for enacted government support. Total utilised, but not received, investment subsidies amount to 157 on the reporting date. Pledged assets for subsidies received in 2012 and the previous year amounted to 8,050, with repayment obligation for investment support in the event of the specified terms not being satisfied.

Depreciation and impairment

Depreciation is included in the following Income Statement lines	**2012**	**2011**
Cost of goods sold and services	–13,289	–18,517
Administrative expenses	–396	–1,080
Selling expenses	–2,215	–87
	–15,900	**–19,684**

Finance leases (leased production equipment)
NOTE leases production equipment through several different finance lease arrangements. As of 31 December 2012, the value of leased assets was 3,017 (4,936).

Collateral
As of 31 December 2012, property with a carrying amount of 25,456 (27,599) was pledged as collateral for bank borrowings.

Note 13 Long-term receivables and other receivables

	31 Dec 2012	31 Dec 2011
Long-term receivables		
Interest-bearing loans	750	4,000
Other long-term receivables	472	488
	1,222	**4,488**
Other receivables that are current assets		
Interest-bearing loans	2, 451	2,081
VAT	4, 519	5,626
Other	1, 656	4,003
	8,626	**11,710**

Note 14 Inventories

	31 Dec 2012	31 Dec 2011
Raw materials and consumables	136,972	170,431
Products in process	20,729	27,807
Finished goods and goods for re-sale	19,772	19,248
Obsolescence provision	–17,951	–15,161
	159,522	**202,325**

The expensed inventories for the year are stated in note 6 ‘Operating expenses by type.’

Note 15 Prepaid expenses and accrued income

	31 Dec 2012	31 Dec 2011
Accrued income	2,352	2, 461
Prepaid services	3,883	2, 671
Prepaid rent	2, 770	3,267
Prepaid licenses	436	811
Prepaid insurance	325	871
Prepaid lease payments	128	232
Other prepaid expenses	608	423
	10,502	**10,736**

Note 16 Earnings per share

Earnings per share	**Before dilution**		**After dilution**	
	2012	**2011**	**2012**	**2011**
Earnings per share, SEK	0.44	1.36	0.44	1.36

The calculation of earnings per share for 2012 has been based on profit for the period of SEK 12,620 (39,392) and on a weighted average number of outstanding shares in 2012 of 28,872,600 (28,872,600).

Earnings per share after dilution
There is no dilution effect because NOTE has not issued any instruments that could cause dilution.

Note 17 Equity

Group	**Share class A**	
No. of shares (thousands)	**31 Dec 2012**	**31 Dec 2011**
Issued as of 1 January	28,873	28,873
Issued as of 31 December—paid up	**28,873**	**28,873**

As of 31 December 2012, registered share capital comprised 28,872,600 shares with a quotient value of SEK 0.50 each. There were no outstanding warrants or other instruments that could result in dilution effects as of 31 December 2012. Shareholders are entitled to dividends, and shareholdings confer the voting rights of one vote per share at the AGM.

Other paid-up capital
Equity that is contributed by the owners. This includes a portion of share premium reserves transferred to the statutory reserve as a 31 December 2005 and a premium of SEK 4 per share in the rights issue of 2010, less issue expenses.

Reserves

Translation reserve	**31 Dec 2012**	**31 Dec 2011**
Opening translation reserve	–1,444	–4,398
Translation differences for the year	–2,980	2,954
Closing translation reserve	**–4,424**	**–1,444**

The translation reserve includes all exchange rate differences arising from translating financial statements from foreign operations that prepared their financial statements in currencies other than the currency the consolidated financial statements are presented in. The parent company and group present their financial statements in Swedish kronor. The translation reserve also includes the effect of exchange rate differences on long-term internal loans that are equivalent to equity in subsidiaries.

Hedging reserve	**31 Dec 2012**	**31 Dec 2011**
Opening hedging reserve	–82	–159
Forecast cash flow hedges for the year	82	77
Closing hedging reserve	**–**	**–82**

The hedging reserve includes the cash flow hedges whose effectiveness is partly tested in accordance with IAS 39 and partly relates to the forecast flows that have not yet affected the Consolidated Income Statement and Consolidated Balance Sheet.

Retained profit including profit for the period
Retained profits including profit for the period include accrued profits of the parent company and its subsidiaries. Previous provisions to statutory reserves, excluding transfers to share premium reserve are included in retained profit including profit for the year.

Capital management
The Board of Directors and management of NOTE have set the following financial targets:

Growth target
NOTE will increase its market share organically and through acquisitions.

Profitability target
NOTE will grow with profitability. Its target is for a minimum return on operating capital of 20 percent. For the long term and over a business cycle, profitability will also exceed the average of other mid-sized international and comparable competitors. For the financial year 2012 the return on operating capital was 7.9 (17.7) percent.

Capital structure target
The minimum equity ratio should be 30 percent. At year-end, the equity to assets ratio was 45.2 (41.0) percent.

Dividend target
The dividend should be adapted to the average profit level over a business cycle and should constitute 30-50 percent of profit after tax for the long term. The dividend should also be available to adapt the capital structure.

Note 18 Interest-bearing liabilities

	31 Dec 2012	31 Dec 2011
Non-current liabilities		
Bank loans	–	–
Finance lease liabilities, fixed assets	3,056	2,148
	3,056	**2,148**
Current liabilities		
Overdraft facility	–	22,068
Factoring	95,578	116,004
Short-term portion of bank loans	–	1,681
Short-term portion of finance lease liabilities	2,707	3,364
Other loans	–	–
	98,285	**143,117**

Pledged assets
24,115 (24,595) of collateral for bank loans, finance lease liabilities and overdraft facilities is pledged in the company's land and buildings (see also note 12) and 220,029 (220,207) in operations. Collateral for factoring is issued at an amount of 144,223 (181,027) in pledge accounts receivable—trade.

Fair value of non-current liabilities	**Carrying amount**		**Fair value**	
	2012	**2011**	**2012**	**2011**
Finance lease liabilities, fixed assets	3,056	2,148	2,943	2,070

The fair value of current liabilities corresponds to their carrying amount, because the discounting effect is not significant. Fair value is based on discounted cash flow with interest based on average loan interest of 8.3 (8.2) percent.

Finance lease liabilities
Finance lease liabilities are due for payment as follows:

	Minimum lease payments 2012	Interest 2012	Principal 2012	Minimum lease payments 2011	Interest 2011	Principal 2011
Within one year	2,707	217	2,490	3,364	303	3,061
Between one and five years	3,056	244	2,812	2,148	193	1,955
	5,763	**461**	**5,302**	**5,512**	**496**	**5,016**

For more information, see note 23 Financial risks and finance policy on page 51.

Note 19 Pension commitments

Changes to the commitments for defined-benefit plans reported in the Balance Sheet	**2012**	**2011**
Commitments for defined-benefit plans as of 1 January	–	–
Cost of employment in the current period and interest expense (see below)	–	–
Pension payments	–	–
Pension plan taken over by Alecta	–	–
Commitments for defined-benefit plans as of 31 December	**–**	**–**

Expense reported in Income Statement	**2012**	**2011**
Cost related to employment in the current period	–	–
Interest expense on commitments	–	–
Actuarial losses(+)/gains(–)	–	–
Total net expense in Income Statement	**–**	**–**
The measured expense for 2012 amounts to – (–)		

Expense reported in the following Income Statement lines	**2012**	**2011**
Cost of sold goods and services	–	–
Selling expenses	–	–
Administrative expenses	–	–
Total net expense in Income Statement	**–**	**–**

Historical information	**2012**	**2011**	**2010**	**2009**	**2008**
Present value of traditional assurance commitments	–	–	–	15,658	14,768
Experience-based adjustment loss –/gain +	–	–	–	–2,910	–2,398

Alecta
The commitments for retirement and survivors' pensions for salaried employees in Sweden are largely insured through a policy with Alecta. Statement URA 42 from RR's Emerging Issues Taskforce defines this as a defined-benefit multi-employer plan. For the financial year 2012, the company did not have access to sufficient information enabling the plan to be reported as a defined-benefit plan. Thus, ITP (Supplementary Pensions for Salaried Employees) plans insured through Alecta are reported as defined-contribution plans. The expenditure for pension policies with Alecta in the year were SEK 2.7 (3.3) million. Alecta's surplus can be divided between policy-holders and/or beneficiaries. At year-end 2012, Alecta's surplus, expressed as a collective consolidation ratio was 129 (113) percent. The collective consolidation ratio comprises the market value of Alecta's assets as a percentage of insurance commitments calculated in accordance with Alecta's actuarial calculation assumptions, which are not consistent with IAS 19.

Defined-contribution pension plans
The group has defined-contribution pension plans in Sweden for white-collar and blue-collar staff, which the companies fund fully. There are defined-contribution plans in foreign countries, which are partly paid by subsidiaries and partly covered through employees' contributions. Payments to these plans is on an ongoing basis subject to the regulations of each plan.

	2012	**2011**
Expenses for defined-contribution plans[1]	13,034	13,546

[1] Includes 2,656 (3,269) for an ITP plan insured with Alecta, see above.

Note 20 **Provisions**

Short-term portion of provisions	31 Dec 2012	31 Dec 2011
Expenses for restructuring program measures	–	1,131
Expenses for resigning CEO	–	188
Other	–	37
	–	**1,356**

Expenses for restructuring program measures:
At the beginning of 2010, NOTE decided to intensify its structural transformation. The objective was to execute savings and rationalisation measures to have a minimum annualised positive profit effect of SEK 50 million. As part of this program, the group's electronics manufacturing units were concentrated, in Sweden and internationally. Operations that did not fit were closed down or sold off. Central resources were adapted to prevailing market conditions. The rationalisation package resulted in non-recurring costs totalling some SEK –47 million in 2010, which essentially, was completed as planned in the financial year 2011.

The provision for restructuring program measures as of 31 December 2011 consisted of costs decided for terminated staff, which was paid until October 2012 inclusive.

2011	Restructuring program	Pensions	Expenses for resigning CEO/other	Total
Carrying amount at beginning of period	12,628	–	4,287	**16,915**
Provisions in the period	–	–	7	**7**
Amounts utilised in the period	–9,146	–	–4,069	**–13,215**
Un-utilised amounts reversed in the period	–2, 351	–	–	**–2,351**
Carrying amount at end of period	**1,131**	**–**	**225**	**1,356**

2012	Restructuring program	Pensions	Expenses for resigning CEO/other	Total
Carrying amount at beginning of period	1,131	–	225	**1,356**
Provisions in the period	–	–	–	**–**
Amounts utilised in the period	–1,131	–	–225	**–1,356**
Un-utilised amounts reversed in the period	–	–	–	**–**
Carrying amount at end of period	**–**	**–**	**–**	**–**

Note 21 **Other current liabilities**

	31 Dec 2012	31 Dec 2011
Staff withholding tax	3,831	4,190
Social security contributions	3,529	3,544
VAT	12,177	11,973
Other	93	2,920
	19,630	**22,627**

Note 22 **Accrued expenses and deferred income**

	31 Dec 2012	31 Dec 2011
Accrued salaries and benefits	5,967	9,444
Accrued social security contributions	4,651	5,452
Payment for vacation taken in cash	18,033	18,377
Other	14,512	14,302
	43,163	**47,575**

Note 23 **Financial risks and finance policy**

Through its operations, the group is exposed to various types of financial risk such as currency risks, funding and interest risks and liquidity and credit risks. The group's finance policy stipulates that financial risks are to be kept at the lowest possible level.

The group's finance policy for managing financial risk has been formulated by the Board and constitutes a framework for risk management. The policy's overall goal is to ensure the company's long and short-term access to capital, to adapt the financial strategy to the company's operations to enable the attainment and retention of a stable long-term capital structure, and to achieve the best possible financial income/expenses within stated risk limits. The group's guidelines for loan financing state that there should be one main lender. The policy stipulates the consistent allocation of maturities over the years.

The parent company is primarily focused on the management, coordination and development of the group, as well as group reporting and communication with shareholders. The group's operations are conducted in legal subsidiaries, and accordingly, the actual risks occur there.

Agreement terms

Financial assets mainly consist of cash and cash equivalents and accounts receivable—trade. The risk associated with accounts receivable—trade increases with the number of outstanding days of credit. There is a market tendency to require longer credit terms.

NOTE's funding consists of a combination of factoring and traditional overdraft facilities. Pledged accounts receivable—trade were SEK 144 (181) million at year-end.

The interest terms on the factoring and overdraft facilities are based on a variable base rate plus fixed percentage interest rates, average interest of 3.9 (4.0) percent was charged to consolidated profit.

NOTE has agreed on a number of covenants to its lender as security for the liabilities. These are based on profit, interest coverage ratio, equity to assets ratio and working capital. All covenants were satisfied at year-end.

Liquidity risks

Liquidity risk means the risk of being unable to fulfil payment obligations resulting from insufficient liquidity or difficulties in raising external borrowings. Operations are funded through means such as SEK 260.5 (259.4) million of equity and interest-bearing liabilities of SEK 101.3 (145.3) million, utilised overdrafts of SEK - (22.1) million are included. The un-utilised overdraft facility was SEK 57.3 (35.6) million at year-end. Financial liabilities comprise loans and the utilised portion of the overdraft and factoring facilities.

Age analysis, financial liabilities

2012, SEK million	Total	Within 1 mth.	1–3 mth.	3 mth. –1 yr.	1–5 yr.	5 yr. and longer
Bank credit facilities including overdraft & factoring	95.5	–	–	95.5	–	–
Finance lease liabilities	5.8	0.3	0.5	2.0	3.0	–
Derivatives	–	–	–	–	–	–
Accounts payable—trade	144.7	90.0	34.5	20.2	–	–
Total	**246.0**	**90.3**	**35.0**	**117.7**	**3.0**	**–**

2011, SEK million	Total	Within 1 mth.	1–3 mth.	3 mth. –1 yr.	1–5 yr.	5 yr. and longer
Bank credit facilities including overdraft & factoring	139.7	0.1	0.3	139.3	–	–
Finance lease liabilities	5.5	0.5	1.0	1.8	2.2	–
Derivatives	–	–	–	–	–	–
Accounts payable—trade	153.0	97.7	47.2	8.1	–	–
Total	**298.2**	**98.3**	**48.5**	**149.2**	**2.2**	**–**

Interest risks

Interest risk is the risk that the value of a financial instrument varies due to changes in market interest rates. Interest risks can partly comprise changes in fair value, price risk, and partly changes in cash flow, cash flow risk. Interest fixing periods are a significant factor influencing interest risk. Long interest fixing periods mainly affect cash flow risk, while shorter interest fixing periods affect price risk.

The management of the group's interest exposure is centralised, implying that the central finance function is responsible for identifying and managing this exposure.

The group's exposure to market risk for changes in interest levels is mainly attributable to the group's financial net debt which amounted to SEK 27.4 (109.9) million at year end. There were no interest derivatives as of the reporting date, and accordingly, all interest was variable.

Translation exposure

The group's foreign net assets are divided between the following currencies, amounts in SEK 000 and percentage share of NOTE's total equity:

	31 Dec 2012		31 Dec 2011	
Currency	Amount	percent	Amount	percent
CNY	19,041	7.3	15,465	6.0
EUR	11,812	4.5	14,658	5.7
GBP	1,275	0.5	2,207	0.9
NOK	9,635	3.7	7,986	3.1
PLN	–	–	5,215	2.0
	41,763	**16.0**	**45,531**	**17.6**

Credit risks

Credit risks in financing activities

Credit risk consists of a party of a transaction being unable to fulfil its financial commitments.

Credit risks in accounts receivable—trade

The risk that the group's customers do not fulfil their commitments, i.e. that payments for accounts receivable—trade are not received, is a credit risk. The group's customers are subject to credit checks, implying the collection of information on customers' financial positions from various credit agencies. The group has prepared rules stating the level of decisions for credit limits, and how valuations of credits and doubtful debts should be managed. Bank guarantees or other collateral are required for customers with low creditworthiness or insufficient credit histories.

The ten biggest customers provide approximately 46 (49) percent of sales. The group has a relatively good diversification of customers across a range of industrial sectors.

Age analysis, accounts receivable—trade	2012	2011
Not overdue accounts receivable—trade	149,641	184,384
Overdue accounts receivable—trade 0–30 days	31,765	35,098
Overdue accounts receivable—trade > 30 days–60 days	5,570	6,546
Overdue accounts receivable—trade > 60 days	18,428	3,795
Impaired accounts receivable—trade	–18,452	–2,970
Total	**186,952**	**226,853**

Currency risks

The group is exposed to various types of currency risk. The primary exposure is for purchases and sales in foreign currency, where risks can partly comprise fluctuations in the currency of the financial instrument, customer or supplier's invoice, partly the currency risk in expected or contracted payment flows, termed transaction exposure.

Currency risk fluctuations also exist in the conversion of foreign subsidiaries' assets and liabilities to the functional currency of the parent company, termed translation exposure.

Foreign currency expenses and purchases are largely hedged through binding contracts, where the customer assumes the full currency risk. Invoicing is largely in local currency and the majority is denominated in Swedish kronor. NOTE adopts a centralised view of managing currency hedges. NOTE's corporate finance function hedges net flows in foreign currency on rolling six-month forecasts, based on the limits stipulated in NOTE's finance policy.

	Net exposure from sales and purchasing in foreign currencies		Total hedging		Percentage		Average exchange rate	
	2012	2011	2012	2011	2012	2011	2012	2011
EUR	2,390	4,775	885	3,075	37%	64%	8.60	9.09
USD	4,285	9,438	936	4,000	22%	42%	6.48	6.88
Total	**6,675**	14,213	**1,821**	7,075	**27%**	50%	**N/A**	N/A

The group classifies its forward contracts used for hedging forecast transactions as cash flow hedging. At year-end, the fair value of NOTE's cash flow hedges was SEK 0.0 (0.0) million.

Assets and liabilities measured at fair value

NOTE's derivative instruments held for hedge accounting are based on valuation tier 2 of IFRS 7, i.e. fair value is based on observable data from an independent source.

Materials risks

Because a high proportion of the group's sales values comprise materials, both the price and access to materials are decisive to profitability. NOTE's strategic sourcing company NOTE Components AB manages a substantial portion of materials sourcing agreements.

Sensitivity analysis

To manage market risks, the group's intention is to minimise the impact of short-term fluctuations in consolidated profit.

	Effect on comprehensive income	
Market risk, SEK million	+/– 2 percent	+/– 5 percent
Change in sales price to customers	15.2	37.9
Change in sales volume	3.9	9.7
Change in materials price*	9.4	23.5
Change in payroll overheads	3.5	8.8
Change in interest rates	0.4	1.0
Change in EUR/USD exchange rate on customer and supplier liabilities as of 31 Dec 2012	0.7	1.6
Currency change on net assets in foreign subsidiaries	0.8	2.1

* Disregarding price adjustment clauses to customers.

Note 24 Financial instruments by category

31 Dec 2012	Loans and accounts receivable	Derivatives used for hedging purposes	Other financial liabilities	Total
Assets in the Balance Sheet				
Derivative instruments	–	–		**–**
Accounts receivable—trade and other financial receivables	190,154	–		**190,154**
Cash and cash equivalents	70,723	–		**70,723**
Total assets	**260,877**	**–**		**260,877**
Liabilities in the Balance Sheet				
Interest-bearing liabilities		–	101,341	**101,341**
Derivative instruments		–	–	**–**
Accounts payable—trade and other financial liabilities		–	144,671	**144,671**
Total liabilities		**–**	**246,012**	**246,012**

31 Dec 2011	Loans and accounts receivable	Derivatives used for hedging purposes	Other financial liabilities	Total
Assets in the Balance Sheet				
Derivative instruments	–	31		**31**
Accounts receivable—trade and other financial receivables	232,934	–		**232,934**
Cash and cash equivalents	29,297	–		**29,297**
Total assets	**262,231**	**31**		**262,262**
Liabilities in the Balance Sheet				
Interest-bearing liabilities		–	145,265	**145,265**
Derivative instruments		–	–	**–**
Accounts payable—trade and other financial liabilities		–	152,978	**152,978**
Total liabilities		**–**	**298,243**	**298,243**

Note 25 Operating leases

	31 Dec 2012	31 Dec 2011
Lease arrangements payable within one year	3,224	3,065
Lease arrangements payable between one and five years	6,563	5,903
	9,787	**8,968**

The group's expense for operating leases was 3,547 (3,566).

Note 26 Pledged assets and contingent liabilities

	31 Dec 2012	31 Dec 2011
Pledged assets		
In the form of pledged assets for own liabilities and provisions		
Property mortgage	24,115	24,595
Floating charge	220,029	220,207
Factored accounts receivable—trade	144,223	181,027
	388,367	**425,829**
Contingent liabilities		
County administrative board, conditional loan	954	1,434
	954	**1,434**

Note 27 **Close relations**

Close relation	Yr.	Sale of goods and services to related parties	Trade purchases from related parties	Liability to related party as of 31 December	Receivable from related party as of 31 December
Company owned by Board member of parent company/subsidiary	2012	–	–	–	–
Company owned by Board member of parent company/subsidiary	2011	–	1,081	–	–

Transactions with key staff in executive positions
For the Board of Directors', the CEO's and other senior managers' salaries and other benefits, expenses and commitments relating to pensions and similar benefits, as well as agreements on severance pay, see note 7, Employees, personnel expenses and remuneration to senior management on page 44.

Note 28 **Cash Flow Statement**

Interest paid	**2012**	**2011**
Interest received	258	93
Interest paid	–3,926	–5,941
Other non-cash items		
Impairment losses	18,273	–3,697
Unrealised exchange rate differences	939	–1,398
Capital gain/loss on sale of property, plant and equipment	–339	2,401
Capital gain/loss on sale of operation/subsidiary	–	3,844
Provisions	–	–2,354
Other items not affecting liquidity	759	913
	19,632	**–291**
Cash and cash equivalents	**31 Dec 2012**	**31 Dec 2011**
Cash and bank balances	70,723	29,297
Un-utilised overdraft facilities	57,285	35,595
	128,008	**64,892**
Sale of operation, subsidiary and joint ventures		
Sold assets and liabilities		
Property, plant and equipment	–	4,551
Inventories	–	5
Trade receivables	–	8
Cash and cash equivalents	–	434
	–	**4,998**
Current trade liabilities	–	105
	–	**105**
Sales price	–	1,049
Cash and cash equivalents in sold operation	–	–434
Effect on cash and cash equivalents	**–**	**615**

Note 29 **Critical estimates and judgements**

Critical judgements when applying the group's accounting principles
Some critical accounting estimates made when applying the group's accounting principles are reviewed below.

Accounts receivable—trade and inventories
Accounts receivable—trade and inventories are the largest asset items in value terms on the reporting date. Both these items are reported as net values after deducting for impairment losses, based on individual judgement. The obsolescence reserve on the reporting date 31 December 2012 was SEK -17.9 (-15.2) million and the reserve for doubtful debt was SEK -18.4 (-3.0) million. Note 23 provides more information on the judgements made and information on the risks associated with these asset items.

Goodwill
The group's goodwill relates to the Swedish and foreign subsidiaries. Goodwill is subject to impairment tests in accordance with IAS 36 Impairment of Assets. On 31 December 2012, goodwill on consolidation was SEK 70.5 (70.5) million. Note 11 states more information on the measurement of goodwill items.

Deferred tax assets
The group's deferred tax assets mainly consist of provisions and capitalised loss carry-forwards in foreign subsidiaries. On the reporting date 31 December 2012, the consolidated deferred tax asset was SEK 15.7 (15.8) million. Note 10 states more information on the group's deferred tax assets.

Note 30 **Post-balance sheet events**

Since the first quarter of 2012, NOTE has been reporting that one of its customers has been in financial difficulties. This customer took restructuring program and other measures to safeguard its financial position. NOTE has maintained a very close dialogue on deliveries, payments, risks and opportunities. Against the background of this customer's financial position having deteriorated, NOTE has made a SEK 12.6 million provision before tax for bad debt, corresponding to just over 50 percent of the risk exposure, mainly comprising accounts receivable—trade. This provision meant profitability for the fourth quarter was negative.

Parent Company Income Statement

SEK 000	**NOTE**	**2012**	**2011**
Net revenue		36,681	33,756
Cost of sold services		–24,110	–27,331
Gross profit		**12,571**	**6,425**
Selling expenses		–4,104	–5,022
Administrative expenses		–10,200	–10,656
Other operating revenue	2	38	34
Other operating expenses	3	–38	–13
Operating profit	4, 5, 16, 18	**–1,733**	**–9,232**
Profit from financial items	6		
Profit from participations in group companies		27,828	43,289
Interest income, etc.		5,672	7,946
Interest costs, etc.		–4,384	–8,098
Profit after financial items		**27,383**	**33,905**
Appropriations	7	–4,463	–1,051
Profit before tax		**22,920**	**32,854**
Tax	8	–4,227	–8,698
Profit after tax		**18,693**	**24,156**

Parent Company Statement of Comprehensive Income

SEK 000	**2012**	**2011**
Profit after tax	**18,693**	**24,156**
Other comprehensive income		
Fair value reserve	–2,660	–
Tax on fair value reserve	700	–
Total comprehensive income for the year	**16,733**	**24,156**

Parent Company Balance Sheet

SEK 000	NOTE	31 Dec 2012	31 Dec 2011
ASSETS			
Non-current assets			
Property, plant and equipment	9	–	32
Financial assets			
Participations in group companies	19	245,233	250,233
Other receivables	10	750	4,000
Receivables from group companies	10	83,946	88,523
Total financial assets		329,929	342,756
Total non-current assets		**329,929**	**342,788**
Current assets			
Short-term receivables			
Accounts receivable—trade		24	70
Receivables from group companies	11	51,116	61,580
Other receivables	12	2,710	2,896
Prepaid expenses and accrued income		2,949	2,736
Total short-term receivables		56,799	67,282
Cash and bank balances	20	36,480	13,278
Total current assets		**93,279**	**80,560**
TOTAL ASSETS		**423,208**	**423,348**
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital (28,872,600/28,872,600 class A shares)		14,436	14,436
Statutory reserve		148,161	148,161
Non-restricted equity			
Profit brought forward		88,215	74,681
Profit after tax		18,693	24,156
Total equity		**269,505**	**261,434**
Un-taxed reserves		**5,515**	**1,051**
Provisions	14	–	**188**
Current liabilities			
Liabilities to credit institutions	13	–	16,636
Accounts payable—trade		2,376	2,176
Liabilities to group companies		134,122	131,639
Other liabilities		3,528	1,070
Accrued expenses and deferred income	15	8,162	9,154
Total current liabilities		**148,188**	**160,675**
TOTAL EQUITY AND LIABILITIES		**423,208**	**423,348**
Pledged assets and contingent liabilities for parent company			
Pledged assets	17	–	–
Contingent liabilities	17	19,783	25,382

Summary Statement of Changes in Parent Company's Equity

	Restricted equity		Non-restricted equity		
SEK 000	Share capital	Statutory reserve	Profit brought forward	Profit for the year	**Total equity**
Opening equity, 1 Jan 2011	14,436	148,161*	173,903*	–99,222	**237,278**
Appropriation of profit			–99,222	99,222	–
Comprehensive income					
Profit after tax	–	–	–	24,156	**24,156**
Other comprehensive income	**–**	**–**	**–**	**–**	**–**
Total comprehensive income	**–**	**–**	**–**	**24,156**	**24,156**
Transactions with shareholders	**–**	**–**	**–**	**–**	**–**
Closing equity, 31 Dec 2011	**14,436**	**148,161**	**74,681**	**24,156**	**261,434**

*Reclassification between statutory reserve and profit brought forward relating to a share issue at a premium.

	Restricted equity		Non-restricted equity		
SEK 000	Share capital	Statutory reserve	Profit brought forward	Profit for the year	**Total equity**
Opening equity, 1 Jan 2012	14,436	148,161	74,681	24,156	**261,434**
Appropriation of profit			24,156	–24,156	–
Comprehensive income					
Profit after tax	–	–	–	18,693	**18,693**
Other comprehensive income					
Fair value reserve			–2,660		**–2,660**
Tax on fair value reserve			700		**700**
Total comprehensive income	**–**	**–**	**–1,960**	**18,693**	**16,733**
Transactions with shareholders					
Dividend	–	–	–8,662	–	–8,662
Closing equity, 31 Dec 2012	**14,436**	**148,161**	**88,215**	**18,693**	**269,505**

Parent Company Cash Flow Statement

SEK 000	NOTE	2012	2011
Operating activities	20		
Profit after financial items		27,383	33,905
Reversed depreciation		8	20
Other non-cash items		2,676	7,711
Tax paid		–1,833	–308
		28,234	**41,328**
Cash flow from change in working capital			
Increase (–)/decrease (+) in trade receivables		30,981	38,438
Increase (+)/decrease (–) in trade liabilities		1,567	–68,921
		32,548	**–30,483**
Cash flow from operating activities		**60,782**	**10,845**
Investing activities			
Investments in subsidiaries		–	–27,178
Sale of subsidiary/joint venture		–	1,049
Sale of property, plant and equipment		29	–
Purchase of other financial assets		–12,671	–3,357
Sale of financial assets		360	24,407
Cash flow from investing activities		**–12,282**	**–5,079**
Financing activities			
Amortisation of loans		–16,636	–4,266
Dividends paid		–8,662	–
Cash flow from financing activities		**–25,298**	**–4,266**
Cash flow for the year		**23,202**	**1,500**
Cash and cash equivalents			
At beginning of period		13,278	11,778
Cash flow before financing activities		48,500	5,766
Cash flow from financing activities		–25,298	–4,266
Cash and cash equivalents at end of period		**36,480**	**13,278**

Notes on the Parent Company's Financial Statements

Note 1 Critical accounting principles

Parent company accounting principles
The parent company has prepared its annual accounts in accordance with the Swedish Annual Accounts Act and RFR's (Rådet för finansiell rapportering, the Swedish Financial Reporting Board) recommendation RFR 2, Accounting for Legal Entities. RFR's statements for listed companies have also been adopted. RFR 2 stipulates that in its annual accounts as a legal entity, the parent company should adopt all IFRS and statements endorsed by the EU, providing this is possible within the framework of the Swedish Annual Accounts Act, The Swedish Pension Obligations Vesting Act (Tryggandelagen) and with consideration to the relationship between accounting and taxation. This recommendation states the exemptions and supplements to be made from and to IFRS.

Accordingly, the parent company adopts those principles presented in note 1 of the consolidated accounts, subject to the exemptions stated below. These principles have been applied consistently for all years presented, unless otherwise stated.

Subsidiaries and joint ventures
Participations in subsidiaries and joint ventures are reported in the parent company in accordance with the cost method. Dividends received are only recognised as revenues if they are sourced from earnings accrued after the acquisition. Dividends exceeding these accrued earnings are considered as a re-payment of the investment and reduce the value of the participations.

Loans to subsidiaries
The parent company lends funds to subsidiaries in foreign currency. A portion of these loans is considered as a portion of net investments in subsidiaries, and accordingly, revaluation at closing day rates from these loans is recognised in equity in the fair value reserve. Other loans receivable in foreign currency are revalued at closing day rates and the revaluation is recognised in the Income Statement.

Financial guarantees
The parent company has granted sureties in favour of subsidiaries. In accordance with IFRS, these obligations are classified as financial guarantee agreements. For such agreements, the parent company applies the relaxation of RFR 2 point 72, and accordingly reports the surety as a contingent liability. When the company judges that it is likely that payment will be required to settle the obligation, a provision is made.

Borrowing costs
The company expenses all borrowing costs immediately.

Revenues
Sales of goods and conducting services assignments
The revenue of services assignments in the parent company is recognised in accordance with Chap. 2 §4 of the Swedish Annual Accounts Act when the services are complete. All parent company sales are to other group companies.

Property, plant and equipment
Property, plant and equipment in the parent company are recognised at cost less deductions for accumulated depreciation and potential impairment losses in the same manner as for the group, but with a supplement for potential revaluations.

Leases
All lease arrangements in the parent company are reported in accordance with the rules for operating leases.

Tax
In the parent company, untaxed reserves are reported including deferred tax liabilities.

Group contributions and shareholders' contributions for legal entities
The company reports group contributions and shareholders' contributions in accordance with statements from the RR Emerging Issues Task Force. Shareholders' contributions are recognised directly to the recipient's equity and capitalised in shares and participations of the issuer, to the extent no impairment losses are necessary.

Because of the termination of UFR 2, from 2011 onwards, the parent company is reporting group contributions in net financial income/expense instead of as previously, directly against equity.

Note 2 Other operating revenue

	2012	2011
Gains on sale of non-current assets	7	–
Exchange gains on trade receivables/liabilities	31	34
	38	**34**

Note 3 Other operating expenses

	2012	2011
Loss on sale/retirement of non-current assets	–	–
Exchange losses on trade receivables/liabilities	–38	–13
	–38	**–13**

Note 4 Auditors' fees and reimbursement

	2012	2011
PwC		
Auditing assignment	–340	–400
Auditing in addition to audit assignment	–130	–100
Tax consultancy	–136	–279
Other services	–45	–140
	–651	**–919**

Note 5 Employees, personnel expenses and remuneration to senior management

Expenses for employee benefits

	2012	2011
Salaries and benefits	–10,846	–13,262
Pension expenses, defined-contribution plans	–3,033	–3,151
Social security contributions	–4,764	–4,955
	–18,643	**–21,368**

Average number of employees	2012	Of which men	2011	Of which men
Sweden	11	63%	11	73%
	11	**63%**	**11**	**73%**

Division between sexes in management	2012 Share of women	2011 Share of women
Board of Directors	0%	0%
Other senior management 3 (3) people	0%	0%

Salaries, other benefits and social security contributions

	2012		2011	
	Salaries & benefits (of which bonus)	Social security contributions (of which pension expense)	Salaries & benefits (of which bonus)	Social security contributions (of which pension expense)
Management	–5,963 (–250)	–3,407 (–1,234)	–5,657 (–580)	–3,255 (–1,189)
Other employees	–4,883 (–60)	–4,390 (–1,799)	–7,605 (–)	–4,851 (–1,962)

Comments on the table:
The company's management means the Board of Directors and CEO and the parent company's management.

Note 6 Net financial income/expense

	2012	2011
Profit from participations in group companies		
Impairment of shares in subsidiaries	–	–5,323
Capital gains from the sale of shares in group companies	360	–390
Dividend from group companies	7,065	5,589
Group contributions, received	26,757	50,970
Group contributions, paid	–6,354	–7,557
	27,828	**43,289**
Interest income, etc.		
Interest income, group companies	2,557	1,834
Exchange rate differences	2,954	6,060
Interest income, other	161	52
	5,672	**7,946**
Interest costs, etc.		
Interest costs, group companies	–338	–734
Interest costs, other	–672	–1,202
Exchange rate differences	–3,036	–2,575
Other	–338	–3,587
	–4,384	**–8,098**

Note 7 Appropriations

	2012	2011
Tax allocation reserve, provision/dissolved for the year	–4,463	–1,051
	–4,463	**–1,051**

Note 8 Tax

Reported in Income Statement	**2012**	**2011**
Current tax expense (–)/tax revenue (+)		
Tax expense/tax revenue for the period	–4,227	–830
Deferred tax expense (–)/tax revenue (+)		
Deferred tax revenue/expense in capitalised/utilised tax values of loss carry-forwards	–	–7,868
Total reported tax	**–4,227**	**–8,698**

Reconciliation of effective tax	**%**	**2012**	**%**	**2011**
Profit before tax		22,920		32,854
Tax at applicable rate for parent company	26.3	–6,028	26.3	–8,641
Non-deductible expenses	0.6	–151	0.2	–57
Non-taxable revenue	–8.5	1,952	–	–
	18.4	**4,227**	**26.5**	**–8,698**

Note 9 Property, plant and equipment

	Equipment, tools, fixtures and fittings
Cost	
Opening balance, 1 Jan 2011	396
Sales and retirements	–180
Closing balance, 31 Dec 2011	**216**
Opening balance, 1 Jan 2012	**216**
Sales and retirements	–33
Closing balance, 31 Dec 2012	**183**
Depreciation	
Opening balance, 1 Jan 2011	–345
Depreciation for the year	–20
Sales and retirements	180
Closing balance, 31 Dec 2011	**–184**
Opening balance, 1 Jan 2012	**–184**
Depreciation for the year	–8
Sales and retirements	9
Closing balance, 31 Dec 2012	**–183**
Carrying amounts	
1 Jan 2011	51
31 Dec 2011	32
1 Jan 2012	32
31 Dec 2012	0

Depreciation and impairment

Depreciation is included in the following Income Statement lines	**2012**	**2011**
Cost of goods sold and services	–	–13
Administrative expenses	–8	–7
	–8	**–20**

Note 10 Long-term receivables

	31 Dec 2012	**31 Dec 2011**
Long-term receivables		
Receivables from group companies	83,946	88,523
Interest-bearing receivables	750	4,000
Other long-term receivables	–	–
	84,696	**92,523**
Cumulative cost		
Long-term receivables		
At beginning of year	92,523	93,166
Reclassification to current receivables	–3,250	–
Purchase	–2,864	30,056
Re-payment	–1,712	–30,699
	84,696	**92,523**

Note 11 Short-term receivables from group companies

	31 Dec 2012	**31 Dec 2011**
Cumulative cost		
At beginning of year	61,580	100,220
Loans	–	3,740
Overdraft facility	12,328	4,774
Accounts receivable—trade, short-term receivables	38,788	53,066
Re-paid liabilities	–61,580	–100,220
	51,116	**61,580**

Note 12 Other receivables

	31 Dec 2012	**31 Dec 2011**
Interest-bearing receivable	2,451	2,081
VAT receivable	259	815
Other short-term receivables	–	–
	2,710	**2,896**

Note 13 Interest-bearing liabilities

	31 Dec 2012	**31 Dec 2011**
Current liabilities		
Overdraft facility	–	16,636
	–	**16,636**

Note 14 Provisions

	31 Dec 2012	**31 Dec 2011**
Carrying amount at beginning of period	188	4,256
Amounts utilised in the period	–188	–4,068
Carrying amount at end of period	**–**	**188**
Of which total long-term portion of provisions	–	–
Of which total short-term portion of provisions	–	188

The parent company's provisions are for salary and severance pay for the previous CEO.

Note 15 Accrued expenses and deferred income

	31 Dec 2012	31 Dec 2011
Accrued consulting fees	2,119	2,200
Accrued salaries and benefits	1,392	3,108
Accrued social security contributions	2,312	1,355
Payment for vacation taken in cash	1,575	1,430
Other	764	1,061
	8,162	**9,154**

Note 16 Operating leases

	31 Dec 2012	31 Dec 2011
Lease arrangements payable within one year	318	178
Lease arrangements payable between one and five years	407	134
	725	**312**

Parent company expenses for operating leases were 383 (297).

Note 17 Pledged assets and contingent liabilities

	31 Dec 2012	31 Dec 2011
Contingent liabilities		
Sureties in favour of subsidiaries	19,783	25,382
	19,783	**25,382**

Note 18 Close relations

Close relation	Yr.	Sale of goods and services to related parties	Purchases from related parties	Liability to related party as of 31 December	Receivable from related party as of 31 December
Company owned by Board member	2012	–	–	–	–
Company owned by Board member	2011	–	420	–	–

Transactions with key staff in executive positions
For the Board of Directors', the CEO's and other senior managers' salaries and other benefits, expenses and commitments relating to pensions and similar benefits, as well as agreements on severance pay, see note 7 for the group.

Note 19 Group companies

Specification of the parent company's direct holdings of shares in subsidiaries

Subsidiary Sweden/Corporate identity no./Registered office	No. of shares	31 Dec 2012 Carrying amount	31 Dec 2011 Carrying amount
NOTE Components AB, 556602-2116, Danderyd, Sverige	1,000	100	100
NOTE International AB, 556655-6782, Danderyd, Sverige	1,000	100	100
NOTE Järfälla AB, 556749-2409, Järfälla, Sverige	1,000	1,500	1,500
NOTE Lund AB, 556317-0355, Lund, Sverige	10,661	43,091	43,091
NOTE Norrtelje AB, 556235-3853, Norrtälje, Sverige	1,000	60,719	60,719
NOTE Nyköping-Skänninge AB, 556161-4339, Skänninge, Sverige	9,000	8,190	8,190
NOTE Skellefteå AB, 556430-0183, Skellefteå, Sverige	5,000	16,078	16,078
NOTE Torsby AB, 556597-6114, Torsby, Sverige	30,000	3,000	3,000
Subsidiary other/Corporate identity no./Registered office			
IONOTE Electronics (Dongguan) Ltd, 441900400100981, Dongguan, Kina	1	47,630	47,630
NOTE Components Gdansk Sp. z o.o, 583-26-15-588, Gdansk, Polen	333	–	5,000
NOTE Hyvinkää Oy, 1931805-1, Hyvinkää, Finland	80	1,347	1,347
NOTE Norge AS, 982 609 380, Oslo, Norge	1,000	22,354	22,354
NOTE Pärnu OÜ, 10358547, Pärnu, Estland	1	26,887	26,887
NOTE UK Ltd, 5257074, Telford, England	1,850,000	14,237	14,237
		245,233	**250,233**

The participating interest is 100 (100) percent in all companies. NOTE Björbo AB was merged with parent company NOTE Torsby AB in 2011.

Cumulative cost	31 Dec 2012	31 Dec 2011
At beginning of year	308,472	300,770
Sales	–53,694	–18,037
Investments/purchases	–	25,739
	254,778	**308,472**

Cumulative impairment	31 Dec 2012	31 Dec 2011
At beginning of year	–58,239	–70,953
Sales	48,694	18,037
Impairment for the year	–	–5,323
	–9,545	**–58,239**
Net carrying amount	**245,233**	**250,233**

Note 20 Cash Flow Statement

Interest paid and dividend received	2012	2011
Interest received	2,718	1,886
Interest paid	–1,010	–1,936
Dividend received	7,064	5,589

Other non-cash items	2012	2011
Capital gain on sold non-current assets	–5	2,000
Capital gain on sale of operation/subsidiary	–360	390
Liquidation/impairment of shares and subsidiaries	5,000	5,323
Other items not affecting liquidity	–1,959	–2
	2,676	**7,711**

Cash and cash equivalents	31 Dec 2012	31 Dec 2011
Cash and bank balances	36,480	13,278

Un-utilised credit facilities	31 Dec 2012	31 Dec 2011
Un-utilised credit facilities	45,000	28,364

Note 21 Information on the parent company

NOTE AB (publ) is a Swedish-registered limited company with its registered office in Danderyd, Sweden. The parent company's shares are listed on NASDAQ OMX Stockholm.

The address of the head office is NOTE AB (publ), Box 711, 182 17 Danderyd, Sweden. The corporate identity number is 556408-8770. The consolidated accounts for 2012 comprise the parent company and its subsidiaries, collectively termed the group.

The Board of Directors and CEO hereby certify that the consolidated accounts have been prepared in accordance with IFRS as endorsed by the EU and give a true and fair view of the group's financial position and results of operations. The annual accounts have been prepared in accordance with generally accepted accounting principles and give a true and fair view of the parent company's financial position and results of operations. The Reports of the Directors of the group and parent company give a true and fair view of the group's and parent company's operations, financial position and results of operations and review the significant risks and uncertainty factors facing the parent company and group companies.

Danderyd, Sweden, 11 March 2013

Stefan Charette
Chairman

Kjell-Åke Andersson
Board member

Bruce Grant
Board member

Stefan Johansson
Board member

Henry Klotz
Board member

Bert Nordberg
Board member

Christoffer Skogh
Board member/Employee representative

Peter Laveson
CEO

As stated above, the annual accounts and consolidated accounts were approved for issuance by the Board of Directors on 11 March 2013. The Consolidated Income Statement and Consolidated Balance Sheet and the Parent Company Income Statement and Parent Company Balance Sheet will be subject to adoption at the Annual General Meeting on 22 April 2013.

Our Audit Report was presented on 12 March 2013

Öhrlings PricewaterhouseCoopers AB

Magnus Brändström
Auditor in Charge
Authorised Public Accountant

Audit Report

To the Annual General Meeting of the shareholders of NOTE AB
Corporate identity number 556408-8770

Report on the Annual Accounts and Consolidated Accounts
We have audited the annual accounts and consolidated accounts of NOTE AB (publ) for the year 2012. The annual accounts and consolidated accounts of the Company are included in the printed version of this document on pages 25-62.

Responsibilities of the Board of Directors and the CEO for the Annual Accounts and Consolidated Accounts
The Board of Directors and the CEO are responsible for the preparation and fair presentation of these annual accounts and consolidated accounts in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act, and for such internal control as the Board of Directors and the CEO determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the annual accounts and consolidated accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by the Board of Directors and the CEO, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions
In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2012 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Group as of 31 December 2012 and of their financial performance and cash flows for the year in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. A corporate governance report has been prepared. The statutory administration report and corporate governance report are consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the parent company and the Group.

Report on Other Legal and Regulatory Requirements
In addition to our audit of the annual accounts and consolidated accounts, We have examined the proposed appropriations of the Company's profit or loss and the administration of the Board of Directors and the CEO of NOTE AB (publ) for the year 2012.

Responsibilities of the Board of Directors and the CEO
The Board of Directors is responsible for the proposal for appropriations of the Company's profit or loss, and the Board of Directors and the CEO are responsible for administration under the Companies Act.

Auditor's Responsibility
Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the Company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriations of the Company's profit or loss, we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the Company in order to be able to determine the liability, if any, to the Company of any board member or the CEO. We also examined whether any board member or the CEO has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinions
We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the CEO be discharged from liability for the financial year.

Stockholm, Sweden, 12 March 2013
Öhrlings PricewaterhouseCoopers AB

Magnus Brändström
Auditor in Charge
Authorised Public Accountant

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Swedish and English-language versions of this Report have been produced. In the event of any discrepancy between the two, the Swedish version shall apply.

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Corporate identity number 556408-8770

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