

Third Quarter Report

2009

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CFO

Financial summary

(SEK b.)

| | Q305 | Q206 | Q306 | YoY % | Seq % |
|--|-------|-------|---------------------|-------|-------|
| Sales | 36.2 | 44.2 | 40.8 | 12% | -8% |
| Gross margin | 45.2% | 42.0% | 41.8% ¹⁾ | | |
| <i>Gross margin inc. restructuring charges</i> | 45.2% | 42.0% | 37.6% | | |
| Operating income | 7.8 | 8.3 | 8.8 | 12% | 6% |
| Operating margin | 21.6% | 18.7% | 21.5% | | |

¹⁾ Excl. restructuring charges for Marconi and career change program of SEK 1.7 b

Financial summary

(SEK b.)

| | Q305 | Q206 | Q306 | YoY % | Seq % |
|------------------------------|-------|-------|-------|-------|-------|
| Income after financial items | 8.0 | 8.3 | 8.9 | 10% | 7% |
| EBITDA | 25.7% | 22.6% | 25.8% | | |
| Tax rate | 33% | 31% | 29% | | |
| EPS | 0.33 | 0.36 | 0.39 | 18% | 8% |

Tax rate estimated to be 28-30% for full year 2006

Adjustments in Q3 06

(SEK b.)

| | Q3'06 | Marconi restruct. | Career change program | Defense divest. | Q3 reported |
|---|--------------|----------------------|-----------------------------|--------------------|----------------|
| Sales | 40.8 | | | | 40.8 |
| Gross margin | 17.0 | -1.5 | -0.2 | | 15.3 |
| Gross margin % | 41.8% | | | | 37.6% |
| R&D | -6.4 | -0.3 | -0.3 | | -7.1 |
| SG&A | -4.6 | -0.5 | -0.2 | | -5.3 |
| OPEX | -11.2 | -0.7 | -0.5 | | -12.4 |
| Other Operating income | 0.8 | | | +3.0 | 3.8 |
| Share in earnings of JV/Ass co | 2.0 | | | | 2.0 |
| Operating income | 8.7 | -2.2 | -0.7 | +3.0 | 8.8 |
| Operating margin % | 21.4% | | | | 21.5% |
| Operating margin % excl. Marconi intangibles | 22.3% | | | | 22.5% |

SEK 2.0 b. provisioned, SEK 0.1 b. cash out, SEK 0.8 b. write-off

Cash flow summary

(SEK b.)

| | Q305 | Q206 | Q306 |
|---|-------|-------|-------|
| Net income | 5.3 | 5.7 | 6.2 |
| Adj. income to cash | 3.7 | 2.7 | -1.8 |
| Income to cash | 9.0 | 8.4 | 4.4 |
| Working capital | -8.7 | -8.1 | 0.4 |
| Cash flow from operating activities | 0.3 | 0.2 | 4.8 |
| Investing activities | -1.3 | -2.2 | 1.7 |
| Cash flow bef. fin. investing activities | -1.1 | -2.0 | 6.6 |
| <i>Cash flow excl. aquisition and divestiture</i> | | | 3.8 |
| Net cash | 41.3 | 27.9 | 34.1 |
| Equity ratio (%) | 47.5% | 53.9% | 54.1% |

Operating efficiency trends

| | Q305 | Q206 | Q306 | Targets |
|----------------------------------|------|------|------|---------|
| Accounts receivable (SEK b.) | 41.3 | 46.3 | 48.3 | |
| DSO | 102 | 95 | 105 | <90 |
| Inventories, incl. CWIP (SEK b.) | 19.8 | 23.1 | 25.0 | |
| Inventory turnover | 4.1 | 4.4 | 4.2 | >5.5 |
| Accounts payable (SEK b.) | 11.7 | 16.1 | 17.8 | |
| Payable days | 53 | 54 | 59 | >45 |

Operational excellence remains in focus

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