



PRESS RELEASE

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Interim report January – March 2009 HL Display AB (publ)

- Net sales during the first quarter of 2009 decreased by 8 per cent to MSEK 353 (383).
- Operating profit amounted to MSEK 18 (31) and profit before tax to MSEK 18 (28).
- Net profit was reported as MSEK 13 (20).
- EBITA-margin for the first quarter was 5.0 (8.2) per cent.
- Profit per share after dilution amounted to SEK 0.41 (0.66).

Statement by the CEO

The start of 2009 has been affected by the recession and the turmoil on the financial markets. The decrease in invoicing as well as order intake that we experienced during the fourth quarter 2008 has been emphasized. The sales decrease has been 8 per cent and adjusted for exchange rate effects the decrease during the first quarter was 14 per cent versus same period 2008.

The countries are not equally affected. In Eastern Europe we are affected the hardest by the financial crisis. Asia is still showing a growth but less than before. A slightly similar pattern emerges in Western Europe with some countries resisting quite well (France) when the Nordic countries are not. We do however not experience any lack of competitiveness or loss of market share. Generally weak levels of market activity, frozen projects or delayed investments in the market are more the reasons for our sales decrease. By experience we know that the Retail market will restart investing in their stores after an economical downturn.

HL Display can benefit from the possibility to redistribute production between Asia and Europe. With the major part of our production in Sweden and with Euro as the prime invoicing currency, we deliver a result that is affected positively by the current exchange ratios. The continuous efficiency improvements that have been carried out during 2008 and in earlier years have also made it possible to maintain a satisfying gross profit margin. The global financial development in the world has however called for further targeted actions aimed at adapting production capacity to lower demand and redundancy notice has been given at several of the Group's production plants.

Operating expenses reduction measures have also been taken in the end of 2008 in anticipation of declining market conditions. As a result, the operating expenses have decreased in Q1 by MSEK 6 vs same period last year (corrected for currency effects) and the number of employees has decreased.

Additional measures are being implemented to adapt some of the local operations to meet the changing market conditions as well.

In spite of the cumbersome business climate, we also look ahead. On the market, HL Display is today even more perceived as the stable partner that leading retail chains and brand manufacturers can lean on regarding their plans for how to meet the recession. Several development projects that prepares for the future are continued, i.e. the establishment of a new logistic centre for Central Europe. Also in the area of product development HL Display has and will go on launching major innovation all along the year 2009.

Gérard Dubuy

Interim report

Net sales and result for the first quarter of 2009

The Group's net sales amounted to MSEK 353 (383) for the first three months, this is a decrease of 8 per cent compared with the same period in 2008. The change in the value of the krona vis-a-vis the export currencies in total has affected net sales positively by 24 MSEK in comparison with last year.

Operating profit for the period was MSEK 18 (31) and profit before tax amounted to MSEK 18 (28). The change in value of the krona compared to last year has had a positive effect amounting to MSEK 2 on operating profit. Financial net for the period amounted to MSEK 0 (-3) whereof interest net MSEK 0 (-1) and exchange rate effects MSEK 0 (-2). HL Display's most important export currencies are Euro, British pounds and Russian roubles.

Gross margin has remained unchanged. Operating expenses has increased with MSEK 2 or 1 per cent in comparison with last year. Adjusted for currency fluctuations operating expenses have decreased by MSEK 6.

Sales growth by business area

From 2009 sales and profit are reported according to HL Display's organizational segmentation of sales companies and external distributors. These business areas are not the same as earlier reported geographical regions. For country division see note 9.

The sales on the markets in which HL Display operates has in total been weaker than expected. The Southern Europe showed a good development and increased sales by 5 per cent while Australia/Asia increased



its sales by 12 per cent. Sales in the Nordic, Baltic and the UK were decreased by 16 per cent and the sales in the Central / Eastern Europe also showed a decline by 27 per cent. Sales in Middle Europe remained more or less unchanged compared to last year.

Seasonal effects

HL Display is normally affected negatively by seasonal variations during December and January. The reason is that customers, who consist mainly of retailing companies, do not plan any changes during the Christmas shopping period. Easter affected quarter one negatively in 2008.

Investments

During the first quarter, net investments in non-current assets amounted to MSEK 7 (9). Depreciation according to plan amounted to MSEK 9 (9). The outstanding minority share of the co-owned sales company in China was acquired for MSEK 4. After this, the Group has no remaining minority interest.

Cash flow and financial position

Cash flow during the first quarter amounted to MSEK 7 (-10), whereof cash flow from operating activities amounted to MSEK 9 (-5),

Operating cash flow was MSEK 24 (4). The difference compared to previous year is explained by less build-up of working capital. Operating cash flow per share is SEK 0.78 (0.13) (for definition see note 4).

Liquidity amounted to MSEK 229 (164), as of 31 March 2009. Interest-bearing net receivables amounted to MSEK 126 (41) on the balance sheet date. Dividend decided upon amounting to MSEK 43 (43) and has been paid during the month of April.

The equity ratio on the balance sheet date amounted to 59.4 (55.9) percent.

Employees

The average number of employees during the period was 941 (977). The number of employees on the balance sheet date was 946 (974) and at the beginning of the year 965.

Information about risks and uncertainty factors

Variations in raw material prices and exchange rate differences constitute uncertainty factors, but not significant risks. For a closer description of the risks and uncertainty factors facing HL Display, please see the risk and sensitivity analysis on page 32 of the annual report for 2008.

Parent company

The parent company's result after financial items for the first three months of 2009 amounted to MSEK -23 (-25). No significant changes have been noted in the income statement or balance sheet.

Dividends, AGM, Stockholders meeting and the Annual Report.

The Boards proposal of dividend for 2008 amounting to 1.38 (1.38) SEK per share was resolved at the AGM held 2nd of April 2009. The AGM also resolved to issue a warrant program to senior executives of the company. Susanna Campbell was elected as a new board member. Jan-Ove Hallgren resigned. For information about further decisions, reference is made to a separate press release available on the company's web site.

Related party transactions

Please see note 5 for related party transactions.

Events after the balance sheet date

During April further actions have been decided in relation to rationalizations.

Prospects for the remainder of 2009

As communicated in a press release on 2 April 2009 the group's net estimated sales for 2009 will be below 2008. The company's long term growth and profitability remains unchanged.



Summary of consolidated income statement ¹⁾

SEK (000s)	Jan - Mars 2009	Jan - Mars 2008	Jan - Mars 2008 prof.	Jan - Dec 2008	Jan - Dec 2008 prof.
Net Sales	353,341	383,322	383,322	1,535,639	1,535,639
Cost of goods sold/ services sold	-182,138	-199,118	-199,118	-776,269	-776,269
Gross profit/ loss	171,203	184,204	184,204	759,370	759,370
Selling expenses	-111,961	-116,267	-116,267	-463,214	-463,214
Administrative expenses	-35,442	-30,339	-30,339	-134,454	-134,454
Research and development expenses	-6,859	-7,468	-7,468	-28,000	-28,000
Other operating income/ expenses	560	1,116	1,116	-3,444	-3,444
Operating profit/ loss	17,500	31,246	31,246	130,258	130,258
Financial net ^{3) 8)}	147	-2,976	2,306	5,899	-6,465
Profit/ loss before taxes	17,647	28,270	33,552	136,157	123,793
Income tax expense	-4,941	-7,916	-7,916	-39,840	-39,840
Profit/ loss for the period	12,705	20,354	25,636	96,317	83,953
Attributable to:					
The parent company's shareholders	12,705	20,298	25,580	96,254	83,890
Minority interest	0	56	56	63	63
Net profit/ loss for the period	12,705	20,354	25,636	96,317	83,953
Earnings per share ⁴⁾					
before dilution, SEK	0.41	0.66	0.83	3.11	2.71
after dilution, SEK	0.41	0.66	0.83	3.11	2.71

Condensed consolidated statement of recognised income and expense for the group ¹⁾

SEK (000s)	Jan - March 2009	Jan - March 2008	Jan - March 2008 prof.	Jan - Dec 2008	Jan - Dec 2008 prof.
Profit/ loss for the period	12,705	20,354	25,636	96,317	83,953
Recognised income and expense directly in equity					
Exchange differences of the period ^{o)}	5,607	-3,776	-9,058	22,385	34,749
Gains on cash flow hedges	6,715	2,886	2,886	-9,467	-9,467
Net income recognised directly in equity	12,322	-890	-6,172	12,918	25,282
Total recognised income and expense for the period	25,027	19,464	19,464	109,235	109,235
Attributable to:					
Equity holders of the parent	25,027	20,528	20,528	108,452	108,452
Minority interest	-	-1,064	-1,064	783	783
Total recognised income and expense for the period	25,027	19,464	19,464	109,235	109,235



Summary of consolidated balance sheet

SEK (000s)	31-Mar-2009	31-Mar-2008	31-Dec-2008
Intangible assets ⁶⁾	42,681	34,401	42,781
Property, plant and equipment	135,603	136,827	137,922
Financial assets	20,930	21,506	21,530
Total non-current assets	199,214	192,734	202,233
Inventories	181,371	154,816	187,165
Current receivables	339,493	368,158	336,126
Cash and cash equivalents	229,019	163,694	220,773
Total current assets	749,883	686,668	744,064
Total assets	949,097	879,402	946,297
Equity	563,400	493,253	541,853
Non-current liabilities	91,540	108,320	88,780
Current liabilities	294,157	277,829	315,664
Total equity and liabilities	949,097	879,402	946,297

Summary of consolidated cash flow statement

SEK (000s)	Jan - March 2009	Jan - March 2008	Jan - Dec 2008
Operating profit/loss	17,500	31,247	130,258
Depreciation	9,310	9,369	36,123
Other items not affecting cash flow	3,164	-705	18,697
Interest received	1,246	643	5,326
Interest paid	-1,338	-1,655	-6,639
Income tax paid	-20,311	-11,645	-37,155
Change in working capital	-229	-32,339	7,808
Cash flow from operating activities	9,342	-5,085	154,418
Investing activities	-9,527	-3,670	-24,128
- whereof aquisition of subsidiary, net	-4,006	-	-652
- whereof sale of real estate	-	3,465	3,465
Financing activities	6,688	-1,700	-89,506
Net Cash flow for the year	6,503	-10,455	40,784
Cash and cash equivalents at beginning of the period	220,773	177,079	177,079
Foreign exchange difference in cash and bank balances	1,743	-2,930	2,910
Cash and cash equivalents at end of the period	229,019	163,694	220,773



The Group's operating segments ^{9) 10)}

SEK (000s)	Nordic Baltic & UK		Middle Europe		Southern Europe		Central/Eastern Europe		Asia/Australia		Other sales		Consolidated	
	Q1 2009	Q1 2008	Q1 2009	Q1 2008	Q1 2009	Q1 2008	Q1 2009	Q1 2008	Q1 2009	Q1 2008	Q1 2009	Q1 2008	Q1 2009	Q1 2008
	External net sales	104,479	123,998	57,085	57,397	121,472	115,982	37,948	52,214	30,603	27,427	1,754	6,304	353,341
The segment's operating profit	11,389	13,089	5,995	6,610	14,282	8,236	1,223	6,950	-645	326			32,244	35,211
Adjustments to legal profit													-14,744	-3,965
Net financial items													147	-2,976
Profit before tax													17,647	28,270

Consolidated statement of changes in equity

SEK (000s)	Share capital	Reserves	Retained earnings	Total	Minority interest	Total equity
Balance at Jan 1, 2008	38,674	580	432,770	472,024	2,841	474,865
Total recognised income for the period			19,464	19,464		19,464
Change of minority equity-settled share-based instruments (IFRS 2)			115	115	-1,191	-1,191
Balance at March 31, 2008	38,674	580	452,349	491,603	1,650	493,253

Consolidated statement of changes in equity

SEK (000s)	Share capital	Reserves	Retained earnings	Total	Minority interest	Total equity
Balance at Jan 1, 2009	38,674	-8,887	508,442	538,229	3,624	541,853
Total recognised income for the period			25,027	25,027		25,027
Change of minority equity-settled share-based instruments (IFRS 2)			144	144	-3,624	-3,624
Balance at March 31, 2009	38,674	-8,887	533,613	563,400	0	563,400

Summary of income statement for parent company^{1) 5)}

SEK (000s)	Jan - March 2009	Jan - March 2008	Jan - Dec 2008
Net Sales	3,229	8,731	101,254
Cost of services sold	-2,149	-1,425	-99,843
Gross profit/ loss	1,080	7,306	1,411
Selling expenses	-5,290	-8,214	-2,385
Administrative expenses	-15,674	-22,463	-21,774
Research and development expenses	-2,971	-4,113	-15,875
Other operating income/expenses	239	566	1,553
Operating profit/ loss	-22,616	-26,918	-37,070
Financial income/expenses ³⁾	90	1,822	148,707
Profit/ loss before taxes	-22,526	-25,096	111,637
Income tax expense	5,958	6,989	-19,515
Profit/ loss for the period	-16,568	-18,107	92,122

Summary of balance sheet parent company

SEK (000s)	Jan - March 2009	Jan - March 2008	Jan - Dec 2008
Intangible assets	6,996	9,482	7,562
Property, plant and equipment	3,518	261	3,055
Financial assets	92,590	94,319	92,591
Total non-current assets	103,104	104,062	103,208
Current receivables	338,515	282,024	379,910
Cash and cash equivalents	3,985	7,550	14,863
Total current assets	342,500	289,574	394,773
Total assets	445,604	393,636	497,981
Equity	358,059	307,921	374,483
Non-current liabilities	52,138	39,752	52,138
Current liabilities	35,407	45,963	71,360
Total equity and liabilities	445,604	393,636	497,981



Data per share ^{2) 7)}

	Jan - Mars 2009	Jan - Mars 2008 prof.	Jan - Dec 2008 prof.
No of shares	30,939,088	30,939,088	30,939,088
Weighted-average no. of shares	30,939,088	30,939,088	30,939,088
Weighted-average no. of shares after dilution	30,939,088	30,979,808	30,939,088
Share price at the end of period, SEK	27.00	49.00	23.00
Operational cash flow per share, SEK	2.23	-	5.44
P/E-ratio, Dec 31	-	-	7.4

Key figures the last five quarters ⁷⁾

SEK (000s)	Q 1 2009	Q 4 2008	Q 3 2008	Q 2 2008	Q 1 2008
Net sales	353,341	381,960	366,709	403,647	383,322
Operating profit/loss	17,500	19,905	35,505	43,602	31,246
Profit/loss before taxes	17,647	26,516	37,767	43,604	28,270
EBITA-margin %	5.0	5.2	9.7	10.8	8.2
No. of employees, end of period	946	965	989	999	974

Key figures for the Group ⁷⁾

SEK (000s)	Q 1 2009	Q 1 2008	12 months Apr 2008 March 2009	12 months Apr 2007 March 2008	Full year 2008
Net sales	353,341	383,322	1,505,657	1,563,673	1,535,639
Operating profit/ loss	17,500	31,246	116,512	154,627	130,258
Profit/ loss before taxes	17,647	28,270	125,534	145,386	136,157
Profit/ loss after taxes	12,705	20,354	88,668	102,836	96,317
EBITA, %	4.98	8.2	7.8	9.9	8.5
Profit margin, %	4.99	7.4	8.3	9.3	8.9
Equity/ assets ratio, %	59.4	55.9	59.4	55.9	57.3
Net investments, SEK m	6.9	8.8	29.7	47.2	31.6
(excl. re-classification leasing contracts)					
Return on total capital, %	-	-	12.6	17.8	14.8
Return on equity after tax, %	-	-	15.7	23.4	19.1
Return on capital employed, %	-	-	17.88	25.85	23.00
Shareholders' equity per share, SEK ²⁾	18.21	15.84	18.21	15.85	17.40
Earnings per share after taxes, SEK ^(2) 4)	0.41	0.66	2.86	3.31	3.11
SEK ^(2) 4)	0.41	0.66	2.86	3.31	3.11



- 1) This interim report for the Group has been drawn up in accordance with IAS 34 Interim reporting and with the Swedish Annual Accounts Act. Unless otherwise is stated, the accounting and valuation principles in the report are the same as in HL Display's annual accounts for 2008, in which principles and definitions are shown. The parent company has drawn up its annual accounts in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 2.1 Accounting for legal entities. IFRS 8 implementation has resulted in a new division of the Group's geographical segments and changes in IFRS 1 has resulted in changes in the presentation of the financial reports.
- 2) The number of shares and key ratios has been adjusted in accordance with the 4:1 share split, which was carried out on 28 April 2008.
- 3) Of which interest net 2009-03-31; 0 (-1) MSEK and exchange rate differences 0 (-2) MSEK - For the parent company tax appropriations is included.
- 4) Profit per share is calculated as profit after tax relating to the parent company's owners divided by the total weighted number of shares before/ after dilution. Operating cash flow per share is calculated as changes in cash and cash equivalents from operating activities after deduction of interests and tax payments, plus investments in intangible and tangible operational fixed assets, divided by the weighted average number of shares.
- 5) There are transactions with associated companies in the form of consultancy services carried out by XLENT Consulting Group, amounting to MSEK 3,5 (4,2). Please also see HL Display's annual accounts for 2008, note 38.
- 6) Of which goodwill on 31 March 2009; 33,4 (23,2) MSEK, 31 December 2008, MSEK 33,8.
- 7) For definitions of key ratios, please refer to HL Display Annual report 2008, page 33.
- 8) From the first quarter 2009 internal loans to subsidiaries are reclassified as long term financing. Unrealized exchange rate differences are directly booked to equity instead of on financial net as previously. The change resulted in that financial net 0903 was reduced by MSEK 3. Effects on previous comparison periods are reported pro forma.
- 9) HL Displays operating segments from 2009: Nordic Baltic and UK (Sweden, Norway, Denmark, Finland, Island, Latvia Estonia, Lithuania, UK and Ireland) Middle Europe (Austria, Switzerland, Germany, Poland, Slovenia and Serbia) Southern Europe (France, Spain, Belgium, Netherlands, Portugal, Italy, Greece and Malta) Central /Eastern Europe (Russia, Ukraine, Hungary, Czech Republic, Slovakia, Romania, Bulgaria, Turkey, Kazakhstan and Israel) Asia /Australia (China, Hong Kong, India, Indonesia, Korea, Malaysia, Singapore, Thailand, Taiwan, Australia and New Zealand.
- 10) The segment's sales refer to group external net sales. The segment's operating profit includes calculated production cost and calculated group functions. The item "Adjustment to legal profit" is referring to the difference between calculated and actual cost. Assets are not being followed distributed on business areas.

The information was released for publication on 20th April 2009 at 8.40 am.

Financial reporting dates 2009

Quarterly report 6 months	July 16, 2009
Quarterly report 9 months	October 21, 2009
Year-end report 12 months	February 5, 2010

Nacka, April 20th, 2009
On behalf of the board

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