



PRESS RELEASE

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## Interim report January – June 2009 HL Display AB (publ)

- Net sales for January - June amounted to MSEK 696 (787). Operating profit was MSEK 38 (75) and profit before tax was MSEK 38 (72). Net profit amounted to MSEK 27 (52).
- Net sales during the second quarter of 2009 decreased by 15 per cent to MSEK 343 (404). Operating profit amounted to MSEK 21 (44) and profit before tax to MSEK 20 (44). Net profit was reported as MSEK 15 (31) and profit per share after dilution was SEK 0.47 (1.01) .
- EBITA-margin for the first six months was 5.5 (9.5) per cent and for the second quarter 6.0 (10.8) per cent
- Earnings per share after dilution amounted to SEK 0.88 (1.67) for the first six months of the year.

### Statement by the CEO

HL Display has been increasingly affected by the global economic downturn in the first half of the year. In the first quarter, a lower demand was noted in most markets. This trend was even more apparent in the second quarter. Total sales fell by 12 percent to MSEK 696 in the first half of the year. Adjusted for currency effects, the decline was 17 percent. However, it is our belief that we have strengthened our competitiveness and market share in a weak market.

#### Results affected by reduced sales

The decline in sales volume has had a negative effect on the profit and has led to underutilization in production. Cost reductions at our production facilities, and a shift in the product mix towards higher margin products, have been offsetting the negative volume effects somewhat. Operating profit for the first half of 2009 amounted to MSEK 38, compared to MSEK 75 in the same period last year. The EBITA margin amounted to 5.5 percent for the first six months of 2009. The decrease in operating profit is somewhat an effect of lower sales volumes, although it has partly been compensated by a reduction in operating expenses, production cost and currency effects.

#### Differing trends among regions

Looking at the different regions in which we operate, it can be observed that the market activity level is generally lower than last year. However, the trends vary from region to region. We can clearly see that sales decreases in markets serviced by external distributors are larger than in markets managed by our own sales companies.

In Asia, HL Display is currently helped by the currency. In the first half of the year, sales increased by 12 percent including currency effects. Sales in local currencies were down six percent.

Sales in Middle Europe (countries such as Switzerland, Germany and Austria) for the first half of 2009 were overall better than for the rest of Europe. This was largely due to the fact that food retailers in the region decided to keep investments in their stores at a higher level than in other European countries.

In Southern Europe, there was clear evidence of a loss of investment appetite among our customers during the

second quarter. This was particularly the case in Spain. Overall, the region's sales were down 15 per cent in the first half of 2009 in local currencies.

The region which was hit hardest by the financial crisis and economic downturn was Eastern Europe, with many of the region's countries experiencing severe negative economic growth. This is particularly true of the important Russian market, where we are experiencing a very tough market climate. However, if we compare the first and second quarters, it can be seen that the situation has not deteriorated further in Eastern Europe. Sales decreased by 26 percent in the region during the first six months compared to the same period last year.

The Nordic markets also experienced negative growth in the first half of the year. Sales were down by 19 percent for the first six months. However, in certain countries, such as Norway, growth and investments in the food retail sector have been at a very high level for some years. Consequently, the decline in sales is to some extent an effect of a natural downward revision of the investment level.

#### Brand manufacturers still investing

Looking at our priority customer groups, the food retail segment is the group which has decided to reduce its investments most. This trend is common to most of our markets. Also in the non-food retail segment, the propensity to invest has declined considerably, particularly in areas affected by the economic downturn, which include home electronics and "Do-it-yourself". In the brand manufacturer customer segment, it is evident that many companies have been adversely affected by the present situation. Nevertheless brand manufacturers continue to invest in their brands, leading to increased sales to this customer group for HL Display.

#### Rationalisation work continues

In the first half of the year, we continued our rationalisation programme with undiminished vigour. Measures include short-term management of the market situation in which we find ourselves and important forward-looking measures designed to make HL Display a stronger and more efficient company when the market turns.

In the first half of the year, we implemented targeted cost reduction measures aimed at adapting capacity to lower



demand and issued redundancy notices at the Group's production facilities and sales companies. We will however not see the full effects of these measures until the third and fourth quarter of 2009. The number of employees has decreased from 970 people in December to 920 people at the end of June. In addition, we have taken measures to improve working capital by actions aimed at reducing capital tied up in inventories and receivables as well as payables improvements.

In a long-term perspective, we are focusing on processes and raw materials in order to strengthen our production and our offer. We are for example actively promoting increased use of recycled materials. One such example is the decision that the new shelf divider system launched in autumn will be partly manufactured from recycled PET plastic. We are also continuing the important work of establishing regional service centres which will provide logistics and stock control, and also encompass supporting and auxiliary services for administration and finance for the regions' countries. This investment is designed to increase cost efficiency and quality in the long term while reducing capital in tied up inventories. The new service center for parts of Central and Eastern Europe will open in Hungary in October of 2009.

#### Continuing focus on innovation and acquisitions

Despite a tough market climate, we have decided to continue investing in product development. This is one of our main competitive tools and differentiates us from our competitors. In 2009, we will be launching a number of new innovative products aimed at the retail trade and brand manufacturers.

HL Display previously communicated the intention to strengthen its market position and offering by means of acquisitive growth. This work has continued during the first half of the year and we regularly evaluate potential acquisitions.

#### Future development

In summary, we have been affected by a weak market in the first half of 2009. The market situation in the future is also very uncertain. At the same time it is important to emphasize that our financial position continues to be strong. The measures that we have implemented have ensured that we, despite sales decreases, are still maintaining a profitable operation.

Although we are expecting more turbulent times ahead, I am convinced that the long-term measures we have initiated will create a healthier and better structured company when the market returns to normal.

Nacka Strand in July 2009  
G rard Dubuy  
CEO

### Interim report

#### Net sales and result for the first half year 2009

The Group's net sales amounted to MSEK 696 (787) for the first six months, this is a decrease of 12 per cent compared to the same period in 2008. The change in the value of the krona vis-a-vis the trading currencies in total has affected net sales positively by 44 MSEK in comparison with last year.

Operating profit for the period was MSEK 38 (75) and profit before tax amounted to MSEK 38 (72). The change in value of the krona compared to last year has had a positive effect

amounting to MSEK 3 on operating profit (see table in page 4). Financial net for the period amounted to MSEK 0 (-3) whereof interest net MSEK 0 (-1) and exchange rate effects to MSEK 0 (-2). Apart from SEK, HL Display's most important trading currencies are Euros, British pounds, Russian rubles, Norwegian kronor and Swiss Francs.

Gross margin has remained unchanged. Operating expenses have decreased with MSEK 10 or 3 per cent in comparison with last year. Adjusted for currency fluctuations operating expenses have decreased by MSEK 17.

#### Net sales and result for the second quarter 2009

Net sales for the Group amounted to MSEK 343 (404) for the second quarter, a decrease of 15 per cent compared to the same quarter 2008. Operating profit for the same period was MSEK 21 (44) and profit before tax amounted to MSEK 20 (44). Financial net for the second quarter amounted to MSEK 0 (0) whereof interest net amounted to MSEK 0 (-1), and exchange rate effects to MSEK 0 (1).

#### Market development

Demand for HL Display's products and solutions is largely affected by the performance of the retail trade, both at global and regional level. When the retail trade is healthy, demand for HL Display's products and solutions tends to rise, and vice versa.

The retail trade was affected by the global economic downturn in the first half of the year. Eurostat, the Statistical Office of the European Communities, reported a 2.3 percent decline in the volume of retail trade in the EU in April 2009 compared to the same month the previous year. The market for HL Display's products and solutions was adversely affected by this situation in the first half of the year, although there were some regional differences. The market in Eastern Europe was hit harder than the Asian market, for example.

The food retail segment showed a marked decline in its investment appetite, despite the fact that many of the companies in the segment are among those least affected by the economic downturn. It is HL Display's opinion that many companies are putting their investments in the stores on hold until there is a clear sign of a market turnaround. The non-food retail sector is also showing a clear reluctance to invest, particularly in the areas which have been particularly affected by the downturn, such as home electronics. However, it is HL Display's opinion that some areas of the non-food retail segment have been less seriously affected by the downturn. These include sport & leisure and textiles & fashion.

Sales of HL Display's products in the brand manufacturers segment has increased. Companies in this segment are continuing their investments in brand-building activities, even in the face of a tougher market climate.

#### Sales by business area

Sales in Asia/Australia increased by 12 percent. In local currencies sales decreased by six percent. Sales in Southern Europe rose in the first quarter only to decline in the second quarter. Total sales for Southern Europe was down three per cent in the first half of 2009 compared to the same period last year. In local currencies sales decreased by 15 percent. Sales in the Nordic region, the Baltics and the United Kingdom fell by 19 percent, while sales in Eastern Europe



fell by 26 percent. The situation in Middle Europe was different from the rest of Europe, which is largely due to a higher investment appetite in the food retail sector in this region than in the rest of Europe. The region's sales for the first half for the year increased by two percent compared to the same period the previous year. In local currencies sales decreased by five percent.

#### Seasonal effects

HL Display is normally adversely affected by seasonal variations during December and January. The reason is that customers, which are primarily retailers, do not plan for changes during the Christmas shopping period. Easter had a positive impact on the second quarter of 2009 compared to 2008.

#### Investments

During the first half year, net investments in non-current assets amounted to MSEK 12 (19). Depreciation according to plan amounted to MSEK 19 (19). 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 half year amounted to MSEK -21 (-16). Dividend decided upon amounting to MSEK 43 (43) has been paid during the second quarter.

Cash flow from operating activities was unchanged with MSEK 39 (40).

Cash flow during the second quarter amounted to MSEK -27 (-6), whereof cash flow from operating activities amounted to MSEK 29 (45).

Operating cash flow (for definition see note 4) for the first six months was MSEK 55 (47). The difference compared to previous year is explained by a reduction in the working capital. The reduction is a result of increased focus and activities relating to improvement on cash flow relating to receivables, payables as well as the inventory. The period's operating cash flow per share was SEK 1.77 (1.50) and for the second quarter 0.99 (1.38).

Liquidity amounted to MSEK 202 (159), as of 30 June 2009, at the beginning of the year MSEK 177. Interest-bearing net receivables amounted to MSEK 101 (36) on the balance sheet date.

The equity ratio on the balance sheet date amounted to 60.6 (53.4) per cent.

#### Employees

The average number of employees during the period was 939 (991). The number of employees on the balance sheet date was 920 (999) 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 six months of 2009 amounted to MSEK -3 (-46).

No significant changes have been noted in the income statement or balance sheet. For the parent company's contingent liabilities, see note 11.

#### Dividends and AGM

The Board's 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 (see note 4). 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

No significant events were recorded after the balance sheet date.

#### 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 targets remain unchanged.



Summary of consolidated income statement <sup>1)</sup>

SEK (000s)	Apr - Jun 2009	Apr - Jun 2008	Apr - Jun 2008 prof.	Jan - Jun 2009	Jan - Jun 2008	Jan - Jun 2008 prof.	Jan - Dec 2008	Jan - Dec 2008 prof.
Net Sales	342,842	403,647	403,647	696,183	786,969	786,969	1,535,639	1,535,639
Cost of goods sold/services sold	-175,588	-204,107	-204,107	-357,726	-403,225	-403,225	-776,269	-776,269
Gross profit/ loss	167,254	199,540	199,540	338,457	383,744	383,744	759,370	759,370
Selling expenses	-109,894	-119,898	-119,898	-221,855	-236,165	-236,165	-463,214	-463,214
Administrative expenses	-28,534	-28,495	-28,495	-63,976	-58,834	-58,834	-134,454	-134,454
Research and development expenses	-7,013	-7,155	-7,155	-13,872	-14,623	-14,623	-28,000	-28,000
Other operating income/expenses	-1,124	-390	-390	-564	726	726	-3,444	-3,444
Operating profit/ loss	20,689	43,602	43,602	38,190	74,848	74,848	130,258	130,258
Financial net <sup>3) 8)</sup>	-410	2	-994	-264	-2,974	1,311	5,899	-6,465
Profit/ loss before taxes	20,279	43,604	42,608	37,926	71,874	76,159	136,157	123,793
Income tax expense	-5,678	-12,209	-12,209	-10,619	-20,124	-20,125	-39,840	-39,840
Profit/ loss for the period	14,601	31,396	30,399	27,307	51,750	56,035	96,317	83,953
Attributable to:								
The parent company's shareholders	14,601	31,303	30,306	27,307	51,601	55,886	96,254	83,890
Minority interest	-	93	93	-	149	149	63	63
Net profit/ loss for the period	14,601	31,396	30,399	27,307	51,750	56,035	96,317	83,953
Earnings per share <sup>4)</sup>								
before dilution, SEK	0.47	1.01	1.01	0.88	1.67	1.67	3.11	2.71
after dilution, SEK	0.47	1.01	1.01	0.88	1.67	1.67	3.11	2.71

Condensed consolidated statement of recognised income and expense for the group <sup>1)</sup>

SEK (000s)	Apr - Jun 2009	Apr - Jun 2008	Apr - Jun 2008 prof.	Jan - Jun 2009	Jan - Jun 2008	Jan - Jun 2008 prof.	Jan - Dec 2008	Jan - Dec 2008 prof.
Profit/loss for the period	14,601	31,396	30,399	27,307	51,750	56,035	96,317	83,953
Recognised income and expense directly in equity								
Exchange differences of the period <sup>9)</sup>	-3,477	2,130	3,127	2,130	-1,646	-5,931	22,385	34,749
Gains on cash flow hedges	2,443	-2,120	-2,120	9,158	766	766	-9,467	-9,467
Net income recognised directly in equity	-1,034	10	1,007	11,288	-880	-5,165	12,918	25,282
Total recognised income and expense for the period	13,567	31,406	31,406	38,595	50,870	50,870	109,235	109,235
Attributable to:								
Equity holders of the parent	13,567	31,313	31,313	38,595	50,721	50,721	108,452	108,452
Minority interest	-	93	93	-	149	149	783	783
Total recognised income and expense for the period	13,567	31,406	31,406	38,595	50,870	50,870	109,235	109,235

Currency's effect on Operating Profit before taxes

(as compared to average exchange rate same period in 2008, MSEK)	2009 Jan-Jun
Net sales	43,8
Cost Goods/Services sold & freight	-25,3
Selling and marketing expenses	-10,1
Inventory expenses	-2,3
Administrative expenses	-3,9
Development expenses	-0,2
Other operating income / expenses	1,1
Total effect on operating profit	3,1

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Summary of consolidated balance sheet

SEK (000s)	30-Jun-2009	30-Jun-2008	31-Dec-2008
Intangible assets <sup>6)</sup>	41,415	38,830	42,781
Property, plant and equipment	132,510	133,424	137,922
Financial assets	20,664	23,248	21,530
Total non-current assets	194,589	195,502	202,233
Inventories	169,716	170,935	187,165
Current receivables	316,431	377,134	336,126
Cash and cash equivalents	201,594	159,089	220,773
Total current assets	687,741	707,159	744,064
Total assets	882,330	902,661	946,297
Equity	535,013	483,424	541,853
Non-current liabilities	90,214	114,454	88,780
Current liabilities	257,103	304,783	315,664
Total equity and liabilities	882,330	902,661	946,297

Summary of consolidated cash flow statement

SEK (000s)	Apr - Jun 2009	Apr - Jun 2008	Jan - Jun 2009	Jan - Jun 2008	Jan - Dec 2008
Operating profit/loss	20,691	43,601	38,191	74,848	130,258
Depreciation	10,347	9,264	19,657	18,633	36,123
Other items not affecting cash flow	-1,171	286	1,993	-419	18,697
Interest received	311	523	1,557	1,166	5,326
Interest paid	-873	-1,577	-2,211	-3,232	-6,639
Income tax paid	-7,066	-3,292	-27,377	-14,937	-37,155
Change in working capital	6,970	-3,728	6,741	-36,067	7,808
Cash flow from operating activities	29,209	45,077	38,551	39,992	154,418
Investing activities	-8,410	-7,471	-17,937	-11,141	-24,128
- whereof aquisition of subsidiary, net	-4,006	-652	-4,006	-652	-652
- whereof sale of real estate	-	-	-	3,465	3,465
Financing activities	-48,292	-43,395	-41,604	-45,095	-89,506
Net Cash flow for the year	-27,493	-5,789	-20,990	-16,244	40,784
Cash and cash equivalents at beginning of the period	229,019	163,694	220,773	177,079	177,079
Foreign exchange difference in cash and bank balances	68	1,184	1,811	-1,746	2,910
Cash and cash equivalents at end of the period	201,594	159,089	201,594	159,089	220,773



The Group's operating segments <sup>9) 10)</sup>

SEK (000s)	Nordic Baltic & UK		Middle Europe		Southern Europe		Central/Eastern Europe		Asia/ Australia		Other sales		Consolidated	
	Jan-Jun 2009	Jan-Jun 2008	Jan-Jun 2009	Jan-Jun 2008	Jan-Jun 2009	Jan-Jun 2008	Jan-Jun 2009	Jan-Jun 2008	Jan-Jun 2009	Jan-Jun 2008	Jan-Jun 2009	Jan-Jun 2008	Jan-Jun 2009	Jan-Jun 2008
External net sales	208,624	256,350	112,128	109,926	227,329	234,005	83,443	112,695	64,039	57,002	620	16,991	696,183	786,969
The segment's operating profit	26,950	32,717	11,866	11,447	23,775	22,873	6,616	19,267	2,129	1,828			71,336	88,132
Adjustments to legal profit													-33,146	-13,284
Net financial items													-264	-2,974
Profit before tax													37,926	71,874

Consolidated statement of changes in equity

SEK (000s)	Parent company's shareholders	Minority interest	Total equity
Balance at Jan 1, 2008	472,024	2,841	474,865
Total recognised income for the period	50,721	149	50,870
Dividends	-42,541	-	-42,541
Equity-settled share-based instruments (IFRS 2)	230	-	230
Balance at June 30, 2008	480,434	2,990	483,424

Consolidated statement of changes in equity

SEK (000s)	Parent company's shareholders	Minority interest	Total equity
Balance at Jan 1, 2009	538,229	3,624	541,853
Total recognised income for the period	38,595	-	38,595
Dividends	-42,696	-	-42,696
Change of minority	-	-3,624	-3,624
Warrant premiums paid <sup>4)</sup>	778	-	778
Equity-settled share-based instruments (IFRS 2)	107	-	107
Balance at June 30, 2009	535,013	-	535,013



Summary of income statement for parent company<sup>1) 5)</sup>

SEK (000s)	Apr - Jun 2009	Apr - Jun 2008	Jan - Jun 2009	Jan - Jun 2008	Jan - Dec 2008
Net Sales	39,354	7,871	42,583	16,602	101,254
Cost of services sold	-38,505	-1,978	-40,654	-3,403	-99,843
Gross profit/loss	849	5,893	1,929	13,199	1,411
Selling expenses	8,271	-7,632	2,981	-15,846	-2,385
Administrative expenses	2,734	-22,217	-12,940	-44,680	-21,774
Research and development expenses	-3,300	-4,069	-6,271	-8,182	-15,875
Other operating income/expenses	57	636	296	1,202	1,553
Operating profit/loss	8,611	-27,389	-14,005	-54,307	-37,070
Financial income/expenses <sup>3)</sup>	10,433	6,738	10,523	8,560	148,707
Profit/loss before taxes	19,044	-20,651	-3,482	-45,747	111,637
Income tax expense	-8,926	2,661	-2,968	9,650	-19,515
Profit/loss for the period	10,118	-17,990	-6,450	-36,097	92,122

Summary of balance sheet parent company

SEK (000s)	30-Jun-2009	30-Jun-2008	31-Dec-2008
Intangible assets	6,259	8,988	7,562
Property, plant and equipment	3,915	218	3,055
Financial assets	95,365	95,946	92,590
Total non-current assets	105,539	105,152	103,207
Current receivables	273,126	235,848	380,378
Cash and cash equivalents	6,476	-3,199	10,048
Total current assets	279,602	232,649	390,426
Total assets	385,141	337,801	493,633
Equity	326,222	249,119	374,484
Non-current liabilities	52,138	39,752	52,138
Current liabilities	6,781	48,930	67,011
Total equity and liabilities	385,141	337,801	493,633



Data per share <sup>2) 7)</sup>

	Apr - Jun 2009	Apr - Jun 2008	Jan - Jun 2009	Jan - Jun 2008	Jan - Dec 2008
No of shares	30,939,088	30,939,088	30,939,088	30,939,088	30,939,088
Weighted-average no. of shares	30,939,088	30,939,088	30,939,088	30,939,088	30,939,088
Weighted-average no. of shares after dilution	30,939,088	30,946,297	30,939,088	30,957,063	30,939,088
Share price at the end of period, SEK	26.80	40.50	26.80	40.50	23.00
Operational cash flow per share, SEK	0.99	1.44	1.77	1.56	4.32
P/E-ratio, Dec 31	-	-	-	-	7.4

Key figures the last five quarters <sup>7)</sup>

	Q 2 2009	Q 1 2009	Q 4 2008	Q 3 2008	Q 2 2008
SEK (000s)					
Net sales	342,842	353,341	381,960	366,710	403,647
Operating profit/loss	20,989	17,500	19,905	35,505	43,602
Profit/loss before taxes	20,279	17,647	26,516	37,767	43,604
EBITA-margin %	6.0	5.0	5.2	9.7	10.8
No. of employees, end of period	920	946	965	989	999

Key figures for the Group <sup>7)</sup>

	6 months Jun 2009	6 months Jun 2008	12 months Jul 2008 - Jun 2009	12 months Jul 2007 - Jun 2008	Full year 2008
SEK (000s)					
Net sales	696,183	786,969	1,444,853	1,578,692	1,535,639
Operating profit/loss	38,190	74,848	93,600	158,813	130,258
Profit/loss before taxes	37,926	71,874	102,209	153,069	136,157
Profit/loss after taxes	27,307	51,750	71,874	109,276	96,317
EBITA, %	5.49	9.5	5.5	10.1	8.5
Profit margin, %	5.45	9.1	7.1	9.7	8.9
Equity/assets ratio, %	60.6	53.4	60.6	53.4	57.3
Net investments, SEK m	11.9	18.6	24.9	35.0	31.6
(excl. re-classification leasing contracts)					
Return on total capital, %	-	-	11.9	18.5	15.6
Return on equity after tax, %	-	-	14.1	24.3	19.1
Return on capital employed, %	-	-	17.1	28.9	23.0
Shareholders' equity per share, SEK <sup>2)</sup>	17.29	15.57	17.30	15.57	17.51
Earnings per share after taxes, SEK <sup>2) 4)</sup>	0.88	1.67	2.32	3.51	3.11
Earnings per share after dilution and taxes, SEK <sup>2) 4)</sup>	0.88	1.67	2.32	3.51	3.11

Notes

- 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 2.2 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.

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- 2) The comparative 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) For the group: Of which interest net 2009-06-30; 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. During the second quarter warrants have been subscribed to by members of the group management and premiums have been paid. If this and earlier programs are fully used, new shares can result in a total dilution effect of approx. 3.9 per cent of the capital and approx. 1.9 per cent of the votes. 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) The association with XLENT Consulting Group was ended during the period.
- 6) Of which goodwill on 30 June 2009; 33.1 (27.9) MSEK, 31 December 2008, MSEK 33.3.
- 7) For definitions of key ratios, please refer to HL Display Annual report 2008, page 33.
- 8) From the second quarter 2009 certain internal loans to subsidiaries are reclassified as net investment in subsidiaries. Unrealized exchange rate differences are directly booked to equity instead of on financial net as previously. The change resulted in that financial net 0906 was reduced by MSEK 4. 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.
- 11) At the balance sheet date the parent company had securities for the benefit of subsidiaries and joint ventures to the amount of MSEK 101, guarantees issued for the benefit of subsidiaries amounting to MSEK 21. HL Display AB has undertakings to SEB, see annual report 2008 page 59.

The contents of this report have not been the subject of examination by the company's auditors.

The Board and the Managing Director confirm that the interim report provides a true overview of the parent company and the Group's operation, position and result and describes significant risks and uncertainty factors facing the parent company and the companies that are part of the Group.

The information was released for publication on 16<sup>th</sup> July 2009 at 8.40 am.

Nacka Strand, July 16th, 2009

Anders Remius  
Chairman of the board

Susanna Campbell  
Member of the board

Stig Karlsson  
Member of the board

Mats-Olof Ljungkvist  
Member of the board

Åke Modig  
Member of the board

Anna Ragén  
Member of the board

Lars-Åke Rydh  
Member of the board

Magnus Jonsson  
Member of the board, Employee repr

Kent Mossberg  
Member of the board, Employee repr

Gérard Dubuy  
Member of the board, Managing Director and CEO

The interim report will not be printed and distributed via regular mail, but is available for download on the company's web site.

#### Financial reporting dates 2009

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

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