

Interim report January–March 2011

January–March 2011 (reporting period)

Net sales	SEK 228 M (184)
Order intake	SEK 292 M (209)
EBITDA	SEK 8.7 M (5.0)
Operating profit	SEK 3.8 M (0.3)
Profit before tax	SEK 0.4 M (3.2)
Earnings per share	SEK 0.01 (0.08)
Cash flow from operating activities	SEK 15.0 M (-12.4)

- Net sales rose by 24 per cent. Adjusted for acquisitions, the increase was 22 per cent.
- Order intake increased by 40 per cent to SEK 292 M, which is the highest level for an individual quarter in the Group's history.
- Foreign exchange effects had a negative impact on profit for the period of SEK -5.9 M.

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The information in this report is subject to the disclosure requirements of ElektronikGruppen under the Act on Stock Exchange and Clearing Operations, the Act on Trading in Financial Instruments and the requirements in the listing agreement with NASDAQ OMX Stockholm. The information was submitted for publication on 9 May 2011, 15.00 CET.

ElektronikGruppen is one of the Nordic region's leading suppliers of high-tech electronic components, systems and production equipment for the electronics industry. The Group consists of some 15 companies that are organised in three business areas. Together, the companies are active in 11 countries in Northern Europe and Asia. The Group recorded net sales of SEK 922 M in 2010. The share is quoted on NASDAQ OMX Nordic in Stockholm.

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Group, January–March 2011

Consolidated net sales for the first quarter of 2011 reached SEK 228 M (184), an increase of 24 per cent compared to the same period of last year. Adjusted for acquisitions/divestitures, sales grew by 22 per cent. Order intake rose by 40 per cent to SEK 292 M (209). The order backlog at 31 March 2011 was SEK 221 M (122).

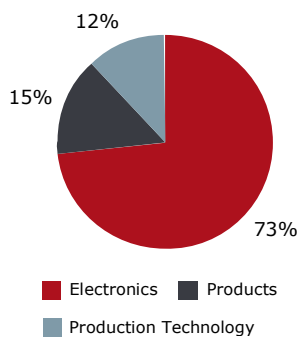
Operating profit for the quarter was SEK 3.8 M (0.3) and profit before tax was SEK 0.4 M (3.2). Foreign exchange effects attributable to translation differences had a negative impact on operating profit of SEK -3.7 M that is recognised in other operating expenses. Net financial items include additional negative foreign exchange differences of SEK -2.2 M, resulting in a total foreign exchange effect on profit before tax of SEK -5.9 M, including the effects of hedges.

Depreciation/amortisation and impairment of tangible and intangible assets for the quarter totalled SEK 4.9 M (4.7), of which the entire amount consists of planned depreciation/amortisation. The period's earnings per share were SEK 0.01 (0.08).

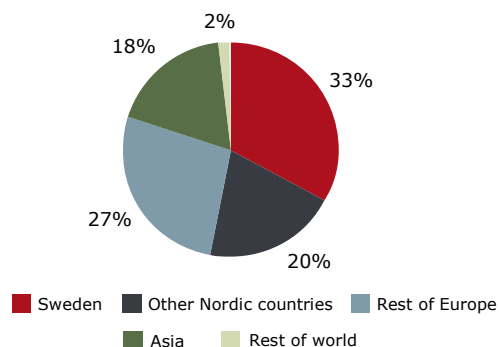
Cash flow from operating activities amounted to SEK 15.0 M (-12.4).

Breakdown of net sales

**Net sales by business area
January-March 2011**



**Net sales by geographical market
January-March 2011**



Market development

The electronics market as a whole is showing growth and a continued positive demand trend. This is visible not least in order intake, which reached the highest level ever for an individual quarter in the Group's history. The strongest development in the Group was seen in Europe while sales in Asia were somewhat lower, partly as an effect of the Chinese New Year when business activity is very low for a period of two weeks.

For the Group and its customers, no effects on access to components that can be related to the tsunami catastrophe in Japan have yet been noted. Although a few of the Group's Japanese suppliers have indicated potential delivery problems in the coming quarter, these suppliers account for a very small share of the Group's total sales. On the other hand, there is some uncertainty about how ElektronikGruppen's customers will be affected by delivery problems from other suppliers in Japan and the consequences this could have regarding demand for the Group's products.

Ongoing strengthening of the Swedish krona, particularly against the US dollar, had a substantial negative impact on the Group's margins and earnings during the period.

Business area development in summary

The *Electronics business area* showed continued positive development and increased sales above all in the commercial vehicle and information systems segments. At the same time, the increasingly strong Swedish krona had an adverse effect on margins and earnings.

For the *Products business area*, the quarter started on a weak note, partly as an effect of the Chinese New Year, but ended with significantly higher sales levels.

In the *Production Technology business area*, sales were low throughout the quarter although the business area received two major orders for production equipment to be delivered later in the year. Greater preparedness for investments is also being noted among the customers in other respects.

Acquisitions

No acquisitions were carried out during the quarter.

Cash flow and capital expenditure

The Group's cash flow from operating activities for the quarter was SEK 15.0 M (-12.4). The total cash flow was SEK 4.7 M (-12.9).

Net expenditure on tangible assets amounted to SEK -0.3 M (0.7) and depreciation of tangible assets totalled SEK -2.5 M (-2.7).

Financial position

The equity/assets ratio at 31 March was 36.5 per cent, compared to 33.8 per cent at the beginning of the year. Cash and cash equivalents rose during the quarter by SEK 4.2 M to SEK 14.9 M. The net interest-bearing liability fell by SEK 14.9 M to SEK 83.3 M. The Group's credit facilities were increased by approximately SEK 10 M during the period.

Employees

The number of employees in the Group at 31 March was 557 (592), of whom 300 work in the Asian operations, the majority at the production unit in Sri Lanka.

At the beginning of the year the Group had 570 employees.

Business area development, January-March 2011

EG Electronics

The business area sells electronic components and systems that demand in-depth technical expertise, commercial knowhow and reliable and efficient logistics. The customer base is wide, with the largest customers in the telecom, commercial vehicle, industrial automation and information systems industries. The main markets are the Nordic region and China.

EG Electronics	January-March		Full year
	2011	2010	2010
Net sales, SEK M	168	135	648
Order intake, SEK M	188	156	694
Operating profit, SEK M	7.1	4.7	30.9
Operating margin, %	4.2	3.5	4.8

Net sales for the quarter were up by 24 per cent to SEK 168 M (135). Order intake improved by 21 per cent to SEK 188 M (156). Operating profit rose to SEK 7.1 M (4.7).

The electronics market as a whole is undergoing sustained growth. Telecom-related sales were stable overall, but with a weaker period in connection with the Chinese New Year. The commercial vehicle segment saw a continuation of the positive trend with gradually rising

sales. The information systems and industrial automation segments showed strong development during the quarter.

Earnings were negatively affected by foreign exchange effects, primarily due to the strengthening of the Swedish krona against the US dollar.

EG Products

The business area develops, manufactures and sells inductive components to companies that are globally active in the telecom, power technology and defence industries. Production takes place at the business area's own facilities in Estonia and Sri Lanka and through contract manufacturers in China.

EG Products	January-March		Full year
	2011	2010	2010
Net sales, SEK M	33	29	140
Order intake, SEK M	42	35	143
Operating profit, SEK M	0.6	0.5	8.9
Operating margin, %	1.8	1.7	6.4

Net sales increased by 14 per cent to SEK 33 M (29). Order intake rose by 20 per cent to SEK 42 M (35). Operating profit was SEK 0.6 M (0.5).

After a weak start in terms of sales, partly due to the Chinese New Year, both demand and sales rose sharply towards the end of the quarter. Parallel to this, ongoing steps were taken to optimise internal functions and processes primarily in purchasing and support.

EG Production Technology

The business area sells production equipment, consumable materials, service and process training to the electronics industry in the Nordic region, the Baltic countries and Poland.

EG Production Technology	January-March		Full year
	2011	2010	2010
Net sales, SEK M	27	21	135
Order intake, SEK M	62	18	131
Operating profit/loss, SEK M	-0.5	-1.2	-4.1
Operating margin, %	-1.9	-5.7	-3.0

Net sales were up by 30 per cent to SEK 27 M (21). The acquired Cyncrona operations, which are included in the business area as of 1 June 2010, contributed net sales of approximately SEK 3 M during the quarter, which boosted acquisition-adjusted sales by 15 per cent compared to the same period of last year. Order intake improved by 244 per cent to SEK 62 M (18). Operating profit was SEK -0.5 M (-1.2).

Because the business area's equipment sales normally take place in the form of major projects, variations between quarters can be substantial. Although equipment sales were weak during the quarter, the business area received two large orders with planned delivery in the second and third quarters. Even excluding these orders, the business area is noting a slight increase in interest and preparedness for equipment investments among the customers, mostly visibly in Finland, Norway and Poland. Demand for stencils and other consumables was stable in the majority of geographical markets.

Annual General Meeting

The Annual General Meeting of ElektronikGruppen BK AB will be held at 5:00 p.m. today, Monday, 9 May 2011, at the company's office on Grimstagatan 160 in Vällingby, Sweden. A communiqué from the Annual General Meeting will be published tomorrow, Tuesday, 10 May.

Financial calendar 2011

The interim report for the period January-June will be published on 15 July 2011.
The interim report for the period January-September will be published on 25 October 2011.

Vällingby, 9 May 2011

Fredrik Celsing
President & CEO
ElektronikGruppen BK AB (publ)

Financial reports and notes – Group

For definitions, see page 12.

Summary consolidated income statement, SEK M	Jan-Mar		Full year
	2011	2010	2010
Net sales	227.7	184.1	921.7
Other operating income	0.3	0.1	5.3
Cost of goods sold	-164.7	-127.5	-657.8
Other external expenses	-16.7	-18.5	-85.6
Personnel costs	-34.0	-32.8	-139.2
Depreciation/amortisation and impairment	-4.9	-4.7	-20.2
Other operating expenses	-3.9	-0.4	-3.5
Operating profit	3.8	0.3	20.7
Net financial items	-3.4	2.9	2.6
Profit before tax	0.4	3.2	23.3
Income tax expense	-0.3	-2.8	-6.1
Profit/loss for the period	0.1	0.4	17.2
<i>Attributable to:</i>			
Owners of the Parent Company	0.1	0.5	17.4
Non-controlling interests	0.0	-0.1	-0.2
Basic earnings per share, SEK	0.01	0.08	3.07
Diluted earnings per share, SEK	0.01	0.08	3.07

The number of shares in the company at the end of the reporting period was 5,597,200 (5,597,200).

Summary consolidated statement of comprehensive income, SEK M	Jan-Mar		Full year
	2011	2010	2010
Profit/loss for the period	0.1	0.4	17.2
Translation gains/losses from foreign operations	-0.1	-5.3	-9.9
Translation gains/losses realised and reclassified to the income statement	-	-	-1.3
Other comprehensive income for the period, net after tax	-0.1	-5.3	-11.2
Comprehensive income for the period	0.0	-4.9	6.0
<i>Attributable to:</i>			
Owners of the Parent Company	0.0	-4.8	6.2
Non-controlling interests	0.0	-0.1	-0.2

Summary consolidated balance sheet, SEK M	31 Mar	31 Mar	31 Dec
	2011	2010	2010
Assets			
Intangible assets	69.6	71.6	72.1
Tangible assets	27.5	35.4	29.7
Financial assets	0.7	0.9	0.8
Deferred tax assets	4.6	16.1	4.8
Total non-current assets	102.4	124.0	107.4
Inventories	67.9	60.7	67.7
Trade receivables	181.7	148.5	212.7
Other current receivables	14.6	19.7	13.6
Cash and cash equivalents	14.9	17.3	10.7
Total current assets	279.1	246.2	304.7
Total assets	381.5	370.2	412.1
Equity and liabilities			
<i>Equity attributable to:</i>			
Owners of the Parent Company	139.3	128.3	139.3
Non-controlling interests	-0.1	0.0	-0.1
Total equity	139.2	128.3	139.2
Interest-bearing liabilities	22.6	29.7	24.3
Provisions and other non-current liabilities	6.5	1.9	6.5
Deferred tax liabilities	3.6	13.6	3.7
Total non-current liabilities	32.7	45.2	34.5
Interest-bearing liabilities	80.6	69.8	89.6
Trade payables	77.8	69.5	93.1
Provisions and other current liabilities	51.2	57.4	55.7
Total current liabilities	209.6	196.7	238.4
Total liabilities	242.3	241.9	272.9
Total equity and liabilities	381.5	370.2	412.1

Summary consolidated statement of changes in equity, SEK M	Equity attributable to:		Total equity
	Owners of the Parent Company	Non-controlling interests	
January-March 2011			
Opening balance at 1 January 2011	139.3	-0.1	139.2
Comprehensive income for the period	0.0	0.0	0.0
Closing balance at 31 March 2011	139.3	-0.1	139.2
January-March 2010			
Opening balance at 1 January 2010	133.1	0.1	133.2
Comprehensive income for the period	-4.8	-0.1	-4.9
Closing balance at 31 March 2010	128.3	0.0	128.3
January-December 2010			
Opening balance at 1 January 2010	133.1	0.1	133.2
Comprehensive income for the period	6.2	-0.2	6.0
Closing balance at 31 December 2010	139.3	-0.1	139.2

Summary consolidated cash flow statement, SEK M	Jan-Mar		Full year
	2011	2010	2010
Cash flow from operating activities before changes in working capital	3.1	2.4	37.0
Changes in working capital	11.9	-14.8	-67.3
Cash flow from operating activities	15.0	-12.4	-30.3
Cash flow from investing activities	0.3	-0.7	-6.2
Cash flow from financing activities	-10.6	0.2	17.9
Cash flow for the period	4.7	-12.9	-18.6
Cash and cash equivalents at beginning of period	10.7	30.9	30.9
Cash flow for the period	4.7	-12.9	-18.6
Foreign exchange difference in cash and cash equivalents	-0.5	-0.7	-1.6
Cash and cash equivalents at end of period	14.9	17.3	10.7

Accounting policies and auditor examination

ElektronikGruppen's consolidated financial statements are presented in accordance with International Financial Reporting Standards (IFRS) and RFR 1, Supplementary Accounting Rules for Groups, are described in the 2010 annual report. This interim report has been prepared in accordance with IAS 34, Interim Financial Reporting.

This report has not been examined by the company's independent auditor.

New and changed standards

The new and revised IFRSs and IFRIC interpretations that have gone into effect since 1 January 2011 have not had any material impact on the Group's financial statements.

Net sales by segment (business area), SEK M	Jan-Mar		Full year
	2011	2010	2010
EG Electronics	168	135	648
- of which, external	168	135	648
- of which, internal	0	0	0
EG Products	33	29	140
- of which, external	32	28	139
- of which, internal	1	1	1
EG Production Technology	27	21	135
- of which, external	27	21	135
- of which, internal	0	0	0
Group-wide functions	2	1	6
Eliminations	-2	-2	-7
Total	228	184	922

Operating profit by segment (business area), SEK M	Jan-Mar		Full year
	2011	2010	2010
EG Electronics	7.1	4.7	30.9
EG Products	0.6	0.5	8.9
EG Production Technology	-0.5	-1.2	-4.1
Group-wide functions	-3.4	-3.7	-15.0
Operating profit	3.8	0.3	20.7
Net financial items	-3.4	2.9	2.6
Profit before tax	0.4	3.2	23.3

Related party transactions

No significant changes have taken place in the Group's relations or transactions with related parties compared to that described in ElektronikGruppen's annual report for 2010, Note G24.

Significant risks and uncertainties

In its ongoing operations, ElektronikGruppen is exposed to both business risks and financial risks. The business risks that are assessed to have the greatest impact on the Group are the business cycle, the competitive situation, changes in purchasing prices and dependency on suppliers and customers. The single most important customer segment of significance for sales and profit consists of manufacturers of telecom equipment. Other important customer segments are manufacturers of commercial vehicles, information systems and industrial automation.

The most significant financial risk factors include changes in foreign exchange rates and interest rates as well as credit and refinancing risks.

For more information, see the description of risks and uncertainties in ElektronikGruppen's annual report for 2010. Aside from the risks described there, no significant risks are assessed to have arisen or changed.

Financial reports and notes – Parent Company

ElektronikGruppen BK AB, CIN 556072-2547, is the parent company of the Group. The Parent Company's net sales, mainly consisting of intercompany invoicing, amounted to SEK 3.1 M (2.9) for the period from January to March 2011. Operating profit was SEK -3.7 M (-3.6) and profit/loss for the period is reported at SEK -4.6 M (-0.7). The Parent Company's cash and cash equivalents at 31 March 2011 totalled SEK 0.0 M (0.0).

Summary Parent Company income statement, SEK M	Jan-Mar		Full year
	2011	2010	2010
Operating income	3.1	2.9	11.2
Operating expenses	-6.8	-6.5	-26.6
Operating profit/loss	-3.7	-3.6	-15.4
Result from financial investments	-2.5	2.7	15.5
Profit/loss after financial items	-6.2	-0.9	0.1
Appropriations	-	-	-0.1
Profit/loss before tax	-6.2	-0.9	0.0
Income tax expense	1.6	0.2	3.8
Profit/loss for the period	-4.6	-0.7	3.8

Summary Parent Company statement of comprehensive income, SEK M	Jan-Mar		Full year
	2011	2010	2010
Profit/loss for the period	-4.6	-0.7	3.8
Other comprehensive income for the period, net after tax	-	-	24.2
Comprehensive income for the period	-4.6	-0.7	28.0

Summary Parent Company balance sheet, SEK M	31 Mar		31 Dec
	2011	2010	2010
Assets			
Intangible assets	5.8	9.2	6.7
Tangible assets	12.4	12.7	12.5
<i>Financial assets</i>			
- Shares in group companies	119.9	137.7	119.4
- Receivables from group companies	30.8	18.7	36.0
- Deferred tax assets	8.4	11.9	6.8
- Other non-current receivables	0.1	0.1	0.1
Total non-current assets	177.4	190.3	181.5
<i>Current receivables</i>			
- Receivables from group companies	45.3	35.7	47.0
- Other receivables	2.5	1.8	2.0
Cash and cash equivalents	0.0	0.0	0.0
Total current assets	47.8	37.5	49.0
Total assets	225.2	227.8	230.5
Equity and liabilities			
Restricted equity	59.8	59.8	59.8
Non-restricted equity	30.6	6.4	35.2
Total equity	90.4	66.2	95.0
Untaxed reserves	0.2	0.1	0.2
Liabilities to credit institutions	22.6	29.2	24.2
Liabilities to group companies	18.5	19.1	18.8
Other non-current liabilities	4.3	-	4.3
Total non-current liabilities	45.4	48.3	47.3
Liabilities to credit institutions	75.5	56.7	78.9
Liabilities to group companies	6.4	51.4	0.5
Other current liabilities	7.3	5.1	8.6
Total current liabilities	89.2	113.2	88.0
Total equity and liabilities	225.2	227.8	230.5

Accounting policies

ElektronikGruppen BK AB, which is the parent company of the Group, has prepared its financial statements in accordance with the Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2, Accounting for Legal Entities.

Quarterly data and key ratios – Group

Quarterly data for the Group	Net sales, SEK M			Order intake, SEK M			Profit before tax, SEK M			Earnings per share, SEK		
	2011	2010	2009	2011	2010	2009	2011	2010	2009	2011	2010	2009
Jan–March	228	184	197	292	209	206	0,4	3,2	-37,7	0,01	0,08	-6,53
April–June		213	186		266	169		5,5	-8,7		0,68	-1,25
July–Sept		256	157		284	154		-1,9	-13,0		-0,34	-2,01
Oct–Dec		269	178		209	193		16,5	-10,3		2,65	-2,29
Full year		922	718		968	722		23,3	-69,7		3,07	-12,08

Key ratios for the Group	January-March		Full year	
	2011	2010	2010	2009
Gross margin, %	3.8	2.7	4.4	-3.6
Operating margin, %	1.7	0.2	2.2	-9.4
Profit margin, %	0.2	1.7	2.5	-9.7
Return on equity, %	0.0	0.3	12.6	-40.1
Return on capital employed, %	2.2	1.6	13.0	-23.6
Return on total assets, %	1.0	1.0	6.9	-15.3
Equity/assets ratio, %	36.5	34.7	33.8	36.6
Debt/equity ratio, times	0.74	0.78	0.82	0.75
Share of risk-weighted capital, %	37.4	38.3	34.7	39.9
Interest coverage ratio, times	1.3	6.3	7.9	-22.5
Net expenditure on tangible assets as a % of net sales	-0.2	0.4	0.0	0.1
Number of employees at end of period	557	592	570	517
Basic earnings per share, SEK	0.01	0.08	3.07	-12.08
Diluted earnings per share, SEK	0.01	0.08	3.07	-12.08
Equity per share, SEK	24.87	22.93	24.86	23.79
Cash flow per share	2.68	-2.22	-5.41	6.24
Share price at end of period, SEK	33.90	20.70	23.00	18.10

Financial definitions

Capital employed Total assets less non interest-bearing liabilities.

Cash flow per share Operating cash flow divided by the average number of shares.

Debt/equity ratio Interest-bearing liabilities divided by equity.

Earnings per share Profit for the period divided by the average number of shares.

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

Equity per share Equity divided by the number of shares on closing day.

Gross margin Operating profit before depreciation/amortisation as a percentage of net sales.

Interest-bearing net debt The net sum of interest-bearing liabilities minus financial assets including cash and cash equivalents.

Interest coverage ratio Profit before taxes plus financial expenses excluding exchange losses divided by financial expenses excluding exchange losses.

Operating capital Tangible assets plus trade receivables plus inventories less trade payables.

Operating margin Operating profit as a percentage of net sales.

Profit margin Profit before tax as a percentage of net sales.

Return on capital employed Profit before tax plus financial expenses as a percentage of average total assets.

Return on equity Profit for the period as a percentage of average shareholders' equity.

Return on total assets Profit before tax plus financial expenses as a percentage of average total assets.

Share of risk-weighted capital The sum of shareholders' equity and deferred tax liabilities as a percentage of total assets.