

Interim report for AudioDev AB

January 1 – March 31, 2009

(Figures in brackets relate to January – March 31 2008)

- Net sales totalled SEK 12.6 million (14.7)
- Profit/loss after financial items amounted to SEK -18.2 million (-15.8)
- Net profit/loss for the quarter totalled SEK -18.3 (-12.7)
- Profit/loss per share, after dilution, was -1.09 (-0.76)
- The order backlog totalled SEK 7.1 million (23.2) at the end of the quarter

The Swedish Securities Market Act and/or the Swedish Securities Trading Act requires that AudioDev AB release this information. This information was made public at 3.20 pm on April 23.

AudioDev is a world-leading supplier of complete solutions for quality control of optical media and of inspection systems for quality assurance in the manufacture of thin layers and films. The group's products for quality assurance and production efficiency are marketed under the brands ETA™, CATS™ and GO!™. Customers include manufacturers of optical media, flat panel displays and other industrial applications where thin layers need to be quality assured as regards colour determination, thickness measurements, density and more. AudioDev has a complete offering that includes high precision analyzers, analyzers for production control, extensive customer support, training and TestCenters around the world.

Net sales in 2008 were SEK 116 million, with the largest markets being in the US, Asia and Europe. The head office is in Malmö, Sweden AudioDev has been listed on the NASDAQ OMX Stockholm exchange since September 2000.

AudioDev in brief

AudioDev is active in quality control of optical media, flat panel displays and other industrial applications where thin layers need to be quality assured as regards colour, thickness, density and more. The group's products for quality assurance and production efficiency are marketed under the brands ETA™, CATS™ and GO!™.

AudioDev is a world-leading supplier of signal analyzers for quality control of optical media such as CD, DVD and BD (Blu-ray Disc). The company dominates the market for blue laser-based formats and holds 50% of the global market for red laser-based formats. AudioDev offers a complete range of high precision analyzers, analyzers for production control, extensive customer support and training at TestCenters around the world.

The company's strategy is based on exploiting new sub-areas with good profitability based on its leading global market position within optical media. In addition, AudioDev is striving to broaden the market by utilising its technological base within interesting and expanding areas, such as flat panel displays, solar cells and OLED lighting (Organic Light-Emitting Diode). Continued growth will be achieved through both development of the core business and its technology and acquisition of closely-related activities.

Market development

The global recession has further depressed the demand for manufacturing equipment for the optical media industry during the period which is normally weak during this season. The market for thin film metrology, the TFM market, has also been affected by the global financial situation.

The Optical Media market

In the optical media market, the BD format has taken another step forward since it won the format war between existing blue laser-based technologies a year or so ago. However, most consumers are yet to see the overall benefits of high definition formats. This is mainly due to the low number of high definition television broadcasts, particularly in the European market.

Although the major increase in demand in the consumer sector has not yet materialised for the BD format, it is clear that the conditions for this are starting to fall into place. Virtually all new film titles will be released in BD format, the price of BD players is starting to fall, and electronics chains around the world are reporting steady demand for BD products. Furthermore, there is a good range of both films and players in stores.

Currently, the installed manufacturing capacity for BD is less than 1 % of the installed DVD capacity, which means that there is huge growth potential in the sales volume of manufacturing equipment, including test equipment for BD discs. AudioDev therefore continues to have strong confidence in the BD format showing good growth in the future.

In the North American market the entertainment industry has funded extensive information campaigns and a broader consumer group is becoming increasingly aware of the advantages of high definition quality television broadcasts and films. Further to this, at the beginning of the year a number of trade magazines published reports showing that the BD format has achieved faster market penetration than other formats did at the same stage of the product lifecycle. This provides yet more indication that households are ready to embrace the BD format. Europe is judged by AudioDev to be 12-18 months behind the USA in terms of market development.

The DVD and DVD-R/RW formats have been in a mature phase for a while. AudioDev does not expect to see increased investment needs for them.

The Thin Film Metrology market

The market for thin film metrology, TFM, includes widely different areas of application, with thin films being used within several different industries, such as the packaging industry, the manufacturing of solar cells, manufacturing of flat panel displays and OLED lighting.

The market for flat panel displays has seen good growth during the last few years, and by the end of 2007, leading analysis companies predicted total sales during 2009 would reach USD 123.7 million. However, as a result of a normal price reduction of flat panel displays related to increased production capacity and the changed purchasing habits of consumers as a result of the financial crisis, the market forecast has been revised. Despite this, sales of units are expected to increase by around 5 % a year until 2015.

The market for solar energy (the PV market) grew globally during 2008 by 127 % compared with the previous year. Spain and Germany are the two largest

markets, followed by the USA, which is expected to catch up with them during 2009. Strong global growth is predicted in 2009, despite the financial crisis, which has particularly reduced the number of investments in large-scale installations. The rapid growth predicted is, however, directly dependent on the right political decisions being made. The USA and China are examples of countries that, at the end of the first quarter of the year, took political decisions that made it easier for companies wanting to invest in renewable energy, including solar energy, to get financing for their projects.

OLED (Organic Light-Emitting Diode) is currently mainly used in screen applications for TV and other hand units, such as mobile phones. The use of OLED for lighting is expected, despite its benefits compared with ordinary lighting, to take a few years to pick up. The benefits often mentioned in this context are lower energy consumption, prolonged lifetime, the ability to make the panel very thin and the flexibility that allows light-source applications in restricted environments. The EU is currently financing a number of OLED lighting projects, while a number of companies in Japan have formed a joint venture to study the opportunities for light bulbs based on OLED technology. Reports indicate that the market for OLED lighting will be worth more than USD 1 billion by 2011.

AudioDev's development

A cautious optical media market

The manufacturers of BD discs are in the starting blocks for investing in manufacturing equipment, including test equipment. The current financial situation means, however, that they are careful and are waiting to see what volumes the film studios intend to contract. We estimate that this year's volumes will largely be determined by the contracts the studios place during the second quarter. Recordable BD is starting to garner more interest, above all in Japan, but we do not anticipate any major volumes during this year.

AudioDev is well equipped to meet increased demand. The stamper-tester for BD introduced during the fourth quarter of 2008 has been well received during the road-show organised by AudioDev during the first quarter, and together with our products for electric signal testing, we currently have a very strong offer.

Increased focus within thin film metrology and several strategic orders

AudioDev GmbH is increasingly focusing on measurement of thin layers in areas such as flat display screens, solar cells and OLED lighting. However, AudioDev will continue to supply its established TFM solutions to the market for optical media and precision optics, although our investments in these business areas will be minimal.

During the period, AudioDev GmbH has landed further strategically important orders from customers who are the leading players within their respective fields. Furthermore, an equipment manufacturer in Germany has decided to use a metrology solution from AudioDev in the production equipment they manufacture. This is a typical example of the deals sought by the company. Although we only expect to deliver a small number of systems in the current year, there is interesting potential for the future. AudioDev GmbH has a number of projects of a similar nature in development together with leading players within their respective fields, and we hope to be able to conclude similar agreements with them. As, in most cases, we are talking about hi-tech applications, we are bound by confidentiality agreements and cannot currently offer more information. We have huge hopes for the potential offered by these areas, even if we are currently at early stages of development.

The market for thin film metrology, and its various areas of application, is judged to be very important for future growth at AudioDev. AudioDev, based on the company's current technology, has the capacity to develop and supply metrology solutions for these areas of application and the company's TFM solutions have been well received on the market.

Group – Development during the period

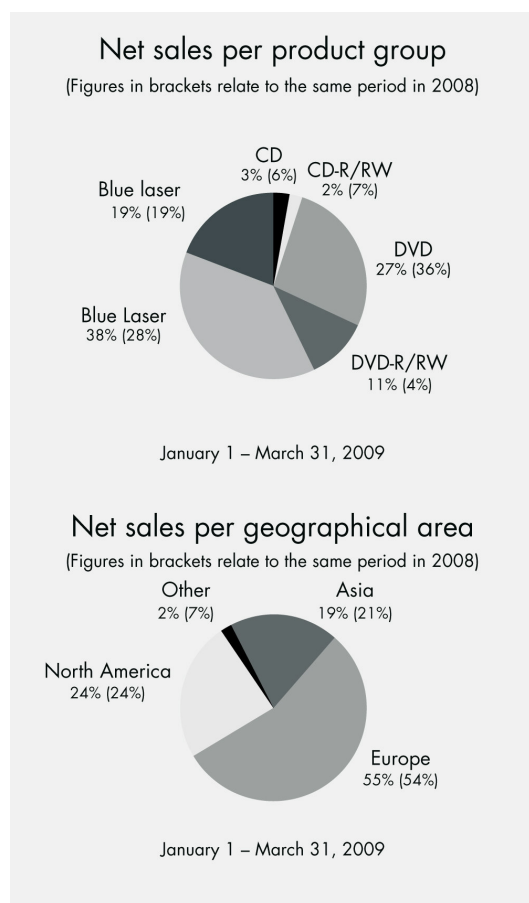
New orders and backlog

New orders for the period totalled SEK 13.1 (24.7) million. The backlog of orders at the end of the period was SEK 7.1 (23.2) million.

Sales

Net sales totalled SEK 12.6 (14.7) million.

About 38 % (28 %) of sales for the period comprised analyzers for BD. Analyzers for DVD and DVD-R/RW comprised 38 % (40 %) of sales, while CD analyzers comprised 5 % (13 %) of sales. Products not included in optical media, TFM, comprised 19 % (19 %) of sales.



Profit/loss and margins

Gross profit for the period was SEK 1.1 (2.8) million, corresponding to a gross margin of 8.6 % (19.2 %). Stock write-downs totalled SEK -1.4 (-1.5) million.

The "Other operating income/expenses" item comprise the effects of business-related currency fluctuations during the period.

Profit/loss after financial items was SEK -18.2 (-15.8) million. Profit shares from the associated company AudioDev Far East are included at SEK -0.4 (0.0) million at this profit level. Market valuations of futures in EUR and USD affect the profit in the amount of SEK 1.7 (0.0) million.

Profit/loss after tax totalled SEK -18.3 (-12.7) million.

Financial position

Liquid assets at March 31 amounted to SEK 14.9 (11.7 at the end of December 2008) million. Group returns on the above were SEK 1.8 (0.2) million for the period, of which market valuations of futures comprised SEK 1.7 million.

The equity/assets ratio at March 31 was 62.1 % (81.4 %). Group shareholders' equity was SEK 85.9 (103.8 at the end of December 2008) million.

During the period, AudioDev AB has used the loan commitment of MSEK 15 issued by Briban Invest AB. The AudioDev board estimates that the company will have to extend the credit at least to the end of the year.

Briban Invest AB has explained their intention that – if required – to work for the loan guarantee to be extended until the end of 2009 or that AudioDev in another way is given the liquidity required to enable the company to advance its business. The Board and management are carefully monitoring the liquidity situation and have a standing contingency plan to take additional measures to secure financing for the business if required.

Cash flow and investments

The group reports a negative cash flow from operating activities of SEK -9.9 (-11.6) million. Of this amount, SEK -16.4 million is attributable to ordinary operations and SEK 6.5 million is attributable to reductions in capital tied up in the form of reduced stocks and increased liabilities. Added to this are investments of SEK -1.9 (-0.1) million and a loan of SEK 15.0 million resulting in cash flow for the year of SEK 3.2 (-11.7) million.

The groups consolidated gross investments in tangible fixed assets during the year totalled SEK 1.9 (0.1) million. These investments mainly concern measuring equipment.

Personnel

The average number of employees for the period was 78 (80). The group had 74 full-time employees at March 31.

The parent company

Net sales for the parent company totalled SEK 5.5 (6.8) million. Profit/loss after financial items was SEK -17.8 (-10.4) million. Of this amount, SEK 5.5 million comprised write-downs of shares in subsidiaries. Investments in tangible fixed assets totalled SEK 0.6 (0.0) million. Available liquid assets totalled SEK 10.3 (9.2 at the end of December 2008) million.

Optical Media – development during the period

New orders and backlog

New orders for the period totalled SEK 12.3 (20.4) million. The backlog of orders at the end of the period was SEK 4.5 (16.7) million.

Sales

Net sales totalled SEK 10.2 (11.9) million

Profit/loss and margins

Gross profit for the period was SEK 1.9 (1.6) million, corresponding to a gross margin of 18.9 % (13.4 %).

Profit/loss for the segment Optical Media was SEK -14.9 (-13.4) million. Profit shares from the associated company AudioDev Far East are included at SEK -0.4 (0.0) million at this profit level.

Optical Media	Jan-Mar 2009	Jan-Mar 2008	Full year 2008
Net sales	10 207	11 928	102 291
Cost of sold goods	-8 275	-10 327	-66 829
Gross profit/loss	1 932	1 601	35 462
Sales costs	-5 129	-4 730	-26 429
R&D costs	-5 826	-6 066	-25 849
Administrations costs	-3 525	-4 097	-18 903
Other operating earnings/ expenses	-1 911	-128	7 098
Results of operating activities	-14 459	-13 420	-28 621
Profit/loss from shares in associated companis	-410	27	942
Profit/loss segment Optical Media	-14 869	-13 393	-27 679

TFM – development during the period

New orders and backlog

New orders for the period totalled SEK 0.8 (4.3) million. The backlog of orders at the end of the period was SEK 2.6 (6.5) million.

Sales

Net sales totalled SEK 2.4 (2.8) million.

Profit/loss and margins

Gross profit for the period was SEK -0.8 (1.2) million, corresponding to a gross margin of -35.0 % (44.0 %).

Profit/loss for the segment TFM was SEK -5.1 (-2.6) million.

TFM	Jan-Mar 2009	Jan-Mar 2008	Full year 2008
Net sales	2 420	2 771	13 740
Cost of sold goods	-3 270	-1 547	-10 791
Gross profit/loss	-850	1 224	2 9549
Sales costs	-1 697	-2 193	-9 360
R&D costs	-1 033	-753	-2 760
Administrations costs	-1 522	-890	-3 197
Other operating earnings/ expenses	0	0	0
Results of operating activities	-5 102	-2 612	-12 368
Profit/loss from shares in associated companis	0	0	0
Profit/loss segment TFM	-5 102	-2 612	-12 368

Risk description

AudioDev's general views of the risks that may affect the business are the same as we stated in the annual report issued for 2008. For a detailed overview of the company's risks we therefore refer you to the risk analysis that was submitted on Page 20 in the annual report.

Accounting principles

This interim report has been prepared on behalf of the group according to IAS 34, Interim Financial Reporting, and for the parent company in accordance with the Annual Accounts Act and Swedish Financial Reporting Board RFR 2.2 Accounting of legal entities. The accounting principles and calculation methods applied are consistent with those that were applied when drawing up the previous year's accounts, with the following exceptions due to new or revised standards and interpretations adopted by the EU and which will be applied from January 2009. Only the changes that affect the group have been listed. The changes that affect the group are the revised IAS 1 Presentation of Financial Statements and IFRS 8 Operating Segments.

IAS 1 Presentation of Financial Statements

The effect of IAS 1 Presentation of Financial Statements is that the standard divides up changes in equity as a result of transactions with owners and other changes. The table of changes in equity will only contain details relating to owner transactions. Changes in equity other than as a result of owner transactions will be presented on a line in the changes in equity table. In addition, the standard introduces the concept of "statement of comprehensive income", which shows all items relating to income and expenses, either in a separate table or in two linked tables. The group has chosen to present the

statement of comprehensive income in one separate table.

IFRS 8 Operating Segments

This standard requires information on the group's operating segments and replaces the requirement to distinguish between primary and secondary segments in the group. The implementation of this standard has not had any effect on the group's financial position or result. On implementation of IFRS 8, the group has identified two operating segments. The group's operating segments are called market areas, based on the management decision to organise the group based on differences in products and market. The operating segments are divided into Thin Film Metrology (TFM) and the market for Optical Media (OM). The segments are consolidated in accordance with the same principles as the group in its entirety. The group has not previously reported any segment in accordance with IAS 14. Information on segments is reported in separate tables, including revised comparative figures.

Future reports

- July 14 – Interim Report January-June
- October 20 – Interim Report January-September
- February 2010 – Year-end Report

This accounting report has not been reviewed by the company's auditors.

Malmö, April 23, 2009
AudioDev AB (publ)

Christer Sjöström
CEO and Group Chief Executive

For further information, please contact:

Christer Sjöström, Chief Executive Officer, Tel: +46 40 690 49 00, Mobile: +46 705 45 64 55
email: christer.sjostrom@audiodev.com

Anna Thelander, Chief Financial Officer, Tel: +46 40 690 49 42, Mobile: +46 709 69 49 20,
email: anna.thelander@audiodev.com

Group – Income statement (SEK thousands)

	Jan-Mar 2009	Jan-Mar 2008	Full year 2008	12 month rolling
Net sales	12 627	14 699	116 031	113 959
Cost of sold goods	-11 454	-11 874	-77 620	-77 291
Gross profit/loss	1 082	2 825	38 411	36 668
Sales costs	-6 826	-6 923	-35 789	-35 692
R&D costs	-6 859	-6 819	-28 609	-28 649
Administration costs	-5 047	-4 987	-22 100	-22 160
Other operating earnings/expenses	-1 911	-128	7 098	5 315
Results of operating activities	-19 561	-16 032	-40 989	-44 518
Profit/loss from participations in associated companies	-410	27	942	505
Net interest	-19	182	-13	-214
Market valuations, futures	1 748	-	-4 362	-2 614
Profit/loss after financial items	-18 242	-15 823	-44 422	-46 841
Estimated tax	-25	3 132	-980	-4 137
Profit/loss for the period	-18 267	-12 691	-45 402	-50 978
Other total profit/losses				
Translation differences	375	-421	-846	
Total profit/loss for the period	-17 892	-13 112	-46 248	
Earnings per share, SEK	-1,09	-0,76	-2,72	-3,05
Earnings per share after full dilution, SEK	-1,09	-0,76	-2,72	-3,05
Shares before dilution, average, thousands	16 716	16 716	16 716	16 716
Shares after dilution, average, thousands	17 116	17 116	17 116	17 116

Group – Balance sheet (SEK thousands)

	2009-03-31	2008-03-31	2008-12-31
Fixed assets	35 232	41 305	35 208
Stock	68 672	86 498	68 052
Account receivable	13 514	13 653	41 647
Other receivables	6 023	7 343	12 849
Liquid assets	14 896	19 280	11 687
Total assets	138 337	168 079	169 443
Equity	85 863	136 891	103 755
Current liabilities	52 474	31 188	65 688
Total equity and liabilities	138 337	168 079	169 443

Group – Cash flow (SEK thousands)

	Jan-Mar 2009	Jan-Mar 2008	Full year 2008	12 month rolling
Cash flow from current operations before changes in operating capital	-16 392	-14 960	-32 883	-34 315
Changes in operating capital	6 524	3 358	16 071	19 237
Cash flow from current operations	-9 868	-11 602	-16 812	-15 078
Cash flow from investment operations	-1 923	-97	-3 431	-5 257
Cash flow from funding operations	15 000	-	951	15 951
Cash flow for the period	3 209	-11 699	-19 293	-4 384
Liquid assets at the beginning of the period	11 687	30 980	30 980	19 280
Liquid assets at the end of the period	14 896	19 280	11 687	14 896

Group – Equity (SEK thousands)

	Share capital	Contributed funds	Other reserves	Accrued funds	Total shareholders' equity
Opening balance at January 1, 2009	8 358	35 310	3 663	56 424	103 755
Profit/loss for the period			375	-18 267	-18 267
Closing balance at March 31, 2009	8 358	35 310	4 038	38 162	85 863

Group – Key ratios

	Jan-Mar 2009	Jan-Mar 2008	Full year 2008
Growth in net sales (%)	-14,1%	-55,7%	4,3%
Gross margin (%)	8,6%	19,2%	33,1%
Operating margin (%)	-154,9%	-109,1%	-35,3%
Margin after financial items (%)*	-144,5%	-107,6%	-38,3%
Profit margin (%)	-144,7%	-86,3%	-39,1%
Depreciation (SEK millions)	-1,2	-1,1	-6,8
Shareholders' equity (SEK millions)	85,9	136,9	103,8
Capital employed (SEK millions)	85,9	136,9	103,8
Balance sheet total (SEK millions)	138,3	168,1	169,4
Rate of return on capital employed (%)	-17,1%	-11,0%	-31,1%
Rate of return on shareholders' equity (%)	-19,3%	-8,8%	-35,8%
Equity/assets ratio (%)	62,1%	81,4%	61,2%
Capital turnover rate (multiple)	0,1	0,1	0,9
No. of employees (average for the period)	78	80	81
Sales per employee (SEK thousands)	162	184	1 432
Operating profit per employee (SEK thousands)	-251	-200	-506

*Profit/loss after financial items in percentage of net sales.

Parent company – Income Statement (SEK thousands)

	Jan-Mar 2009	Jan-Mar 2008	Full year 2008	12 month rolling
Net sales	5 464	6 850	81 148	73 118
Cost of sold goods	-6 360	-6 659	-47 056	-49 426
Gross profit/loss	-896	191	34 092	23 692
Sales costs	-3 183	-2 611	-18 271	-18 033
R&D costs	-5 219	-5 124	-21 233	-22 507
Administration costs	-2 766	-2 878	-13 821	-17 801
Other operating earnings/expenses	- 1 911	-127	7 112	2 912
Results of operating activities	-13 975	-10 549	-12 121	-31 737
Profit/loss from shares in group companies	-5 543	-	-46 139	-22 161
Profit/loss from shares in associated companies	-	-	951	951
Net interest	-15	177	-41	1 150
Market valuations, futures	1 748	-	-4 362	-
Profit/loss after financial items	-17 785	-10 372	-61 712	-51 797
Estimated tax	-5	2 074	3 140	7 726
Profit/loss for the period	-17 790	-8 298	-58 572	-44 071

Parent company – Balance sheet (SEK thousands)

	2009-03-31	2008-03-31	2008-12-31
Fixed assets	36 860	58 858	36 887
Stock	54 388	65 953	52 583
Accounts receivables	9 646	17 229	39 451
Other receivables	19 695	12 425	16 802
Liquid assets	10 273	15 855	9 169
Total assets	130 862	170 320	154 892
Equity	81 962	150 025	99 751
Current liabilities	48 900	20 295	55 141
Total equity and liabilities	130 862	170 320	154 892

Results of operating activities for segment and Group (SEK thousands)

	Jan-Mar 2009	Jan- Mar 2008	Full year 2008
TFM	-5 102	-2 612	-12 368
Optical Media	-14 869	-13 393	-27 679
Total Group	-19 971	-16 005	-40 047