



HL Display

Our Mission:

Creating an attractive and selling in-store environment that strengthens the consumer's shopping experience

Annual General Meeting
April 22, 2010

G rard Dubuy, CEO

Annual General Meeting 2010



Expectations going into 2009

Developments

Achievements

- Financial
- Organisational
- Innovation
- Acquisition
- Share price development

Q1 results

2010 plans and expectations



Expectations going into 2009



Uncertain market conditions

- Difficult to predict – ready to take further action

Organisation development plans

- Major growth in Russia – plans for local production
- Further regionalisation – plans for logistic centre in Eastern Europe
- Strengthen purchasing organisation

Product development

- Promote further innovation

Plans for acquisitions

- Many seeds sown in 2008



Developments 2009



Market development

- The financial crisis rapidly developed into a recession
- Tough market conditions
- Over capacity in production
- Sales decrease 2009
 - 1,360 MSEK (1,536) -11%
 - Forex adjusted -15%
- Major variation between countries/areas, and over the year

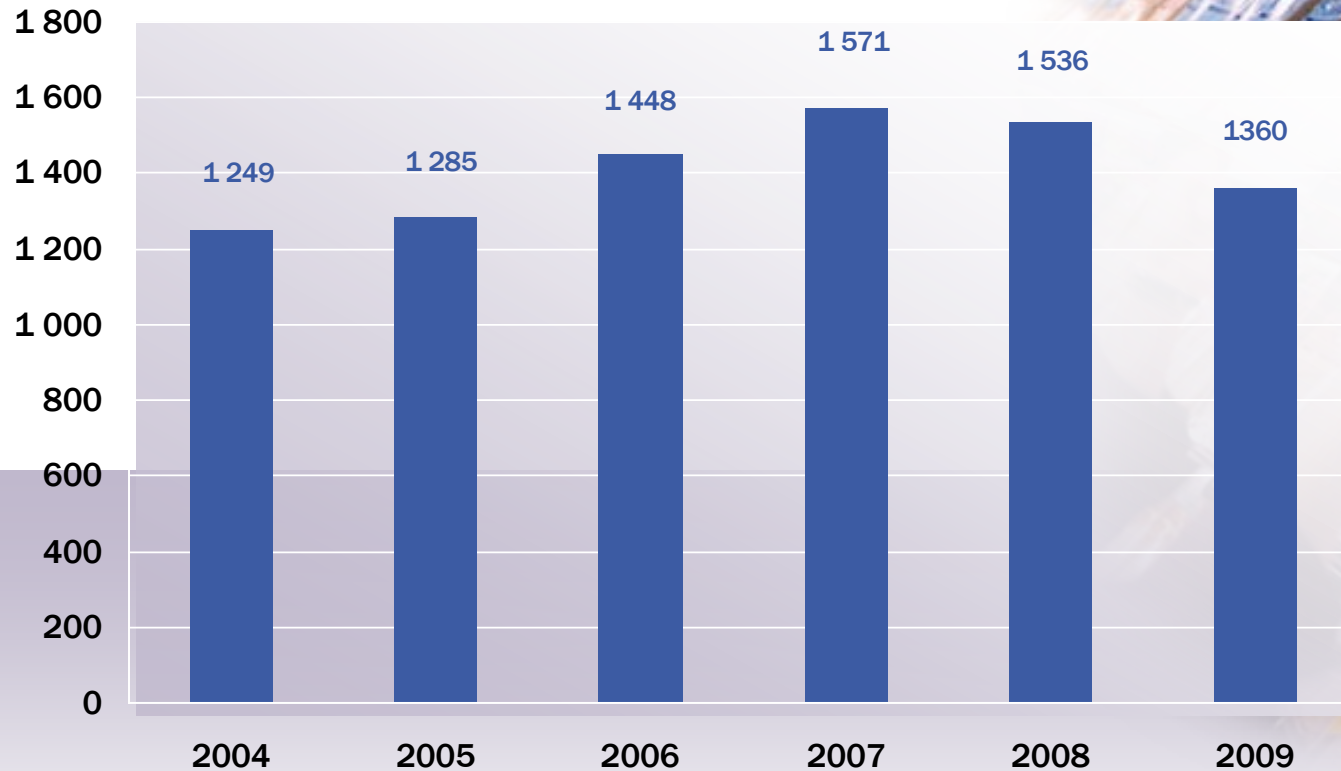
Actions taken

- Global downsizing and cost cutting in production and sales companies
- Run less machines
- Improved purchasing conditions
- Strengthened sales efficiency
- Cash flow focus
- No non-reversible measures

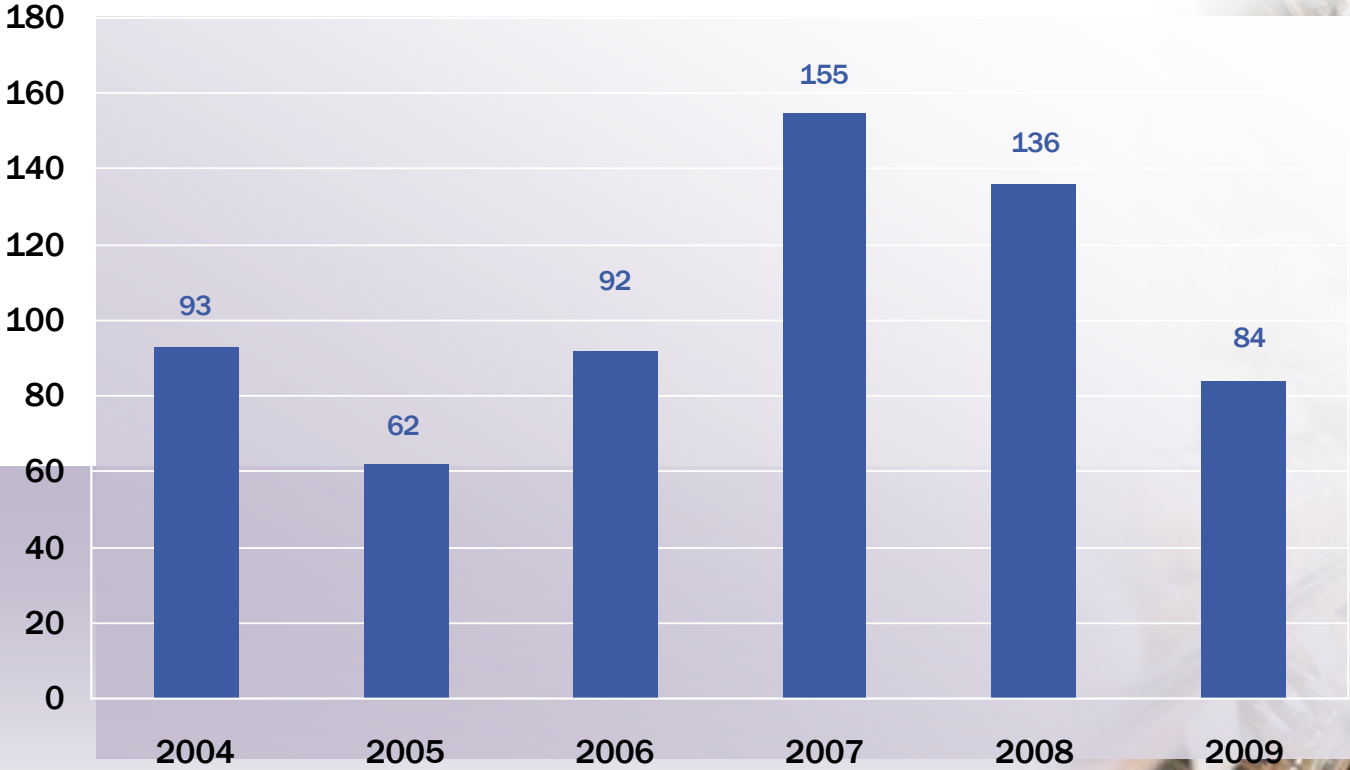


Achievements

Sales development, MSEK



Profit before tax, MSEK





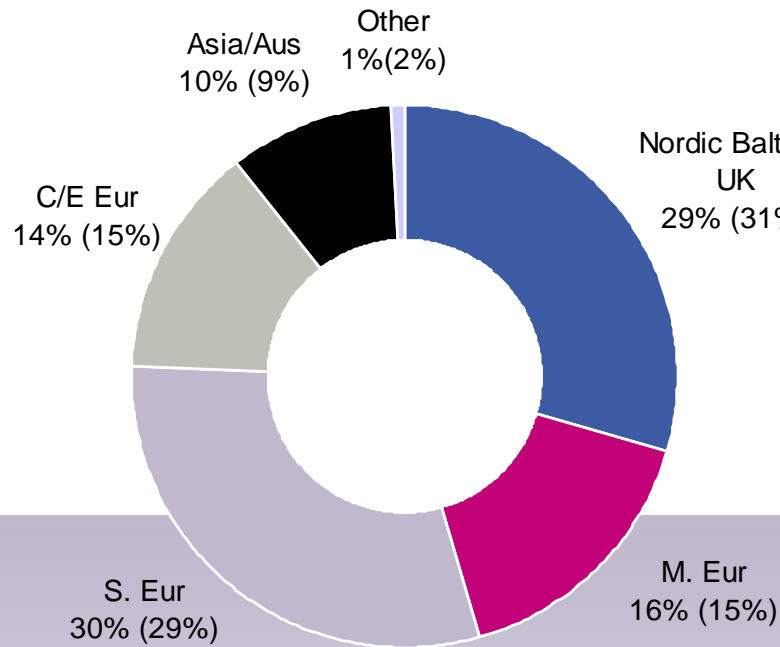
2009 in brief

	2009*	2008	% Change
Net sales MSEK	1,360	1,536	-11%
Gross profit, MSEK	667	759	
Gross profit margin, %	49.0%	49.4%	
Operating profit MSEK (EBITA)	86	130	-34%
EBITA margin, %	6.4	8.5	
Profit before tax (EBT) MSEK	84	136	-38%
Profit margin (EBT), %	6.2	8.9	
Earnings per share SEK	1.88	3.11	-40%
Equity/assets ratio **	44.4	57.3	
Net cash flow **	-4,785	40,784	
No. of employees (end) **	1,114	974	

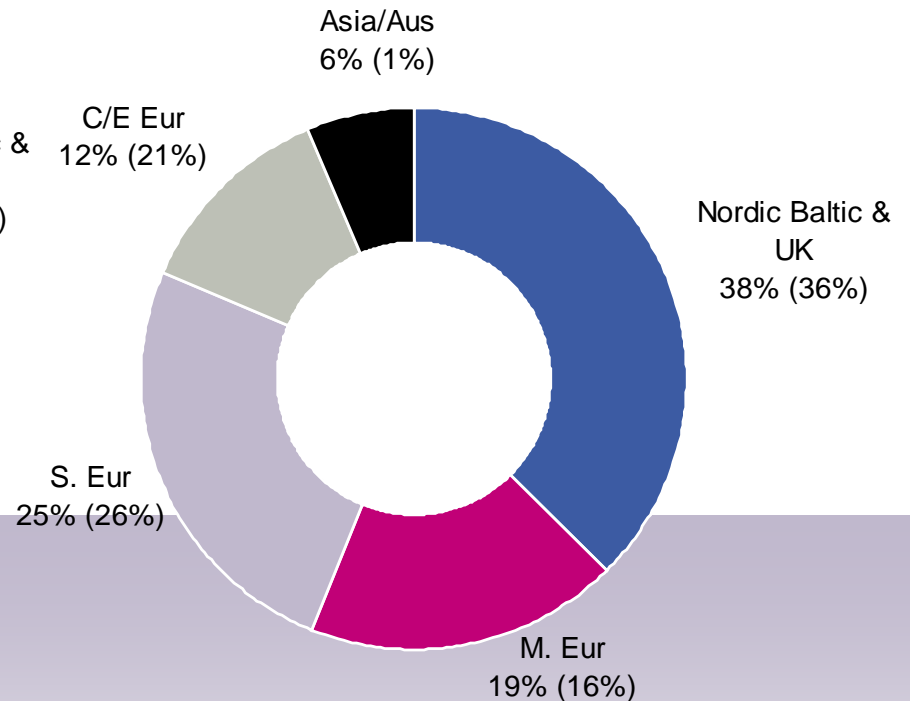
*Result for 2009 include a one-off cost of -4.5 MSEK for ongoing dispute in US

**Taking into account PPE consolidated as of December 31, 2009

Sales and profit per region 2009

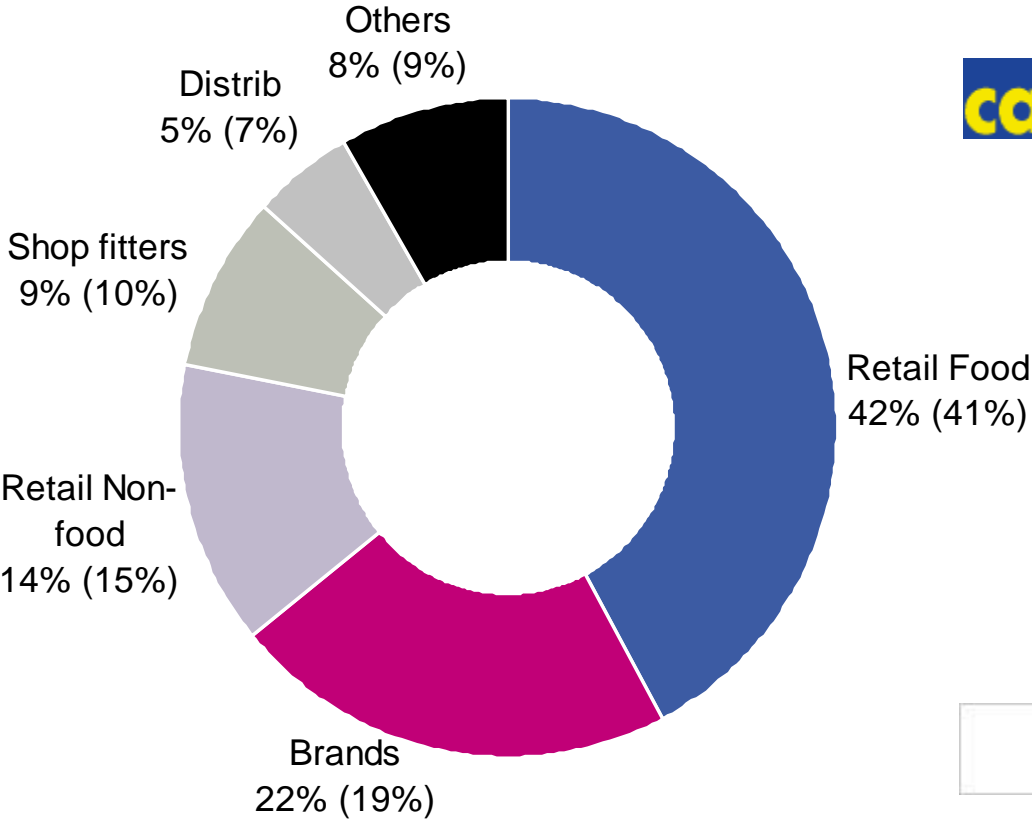


NET SALES (1,360 MSEK)



OPERATING PROFIT (86 MSEK)

Net sales per customer segment 2009



Operational highlights 2009



- **Organisation changes**
 - New “hub” (logistic centre) opened in Hungary. A further four markets incl Austria will be connected in 2010.
 - New sales office in Jebel Ali, Dubai
 - Production in Russia postponed



Reinforced innovation



- **New technology – launches in October**
 - Power track – new power supply system
 - Ad’Light – new lightning system
- **Optimal+ containing 15% recycled PET**





Acquisition

PPE – a perfect match

- Extensive experience in designing and manufacturing customized solutions
- Add multi-material production capacity to the Group
- Makes HL Display one of the strongest players in the UK market
- Net sales MSEK 304, EBITA margin 10% 2009^{*)}.

1) 11 months, UK GAAP adjusted to HL Display principles





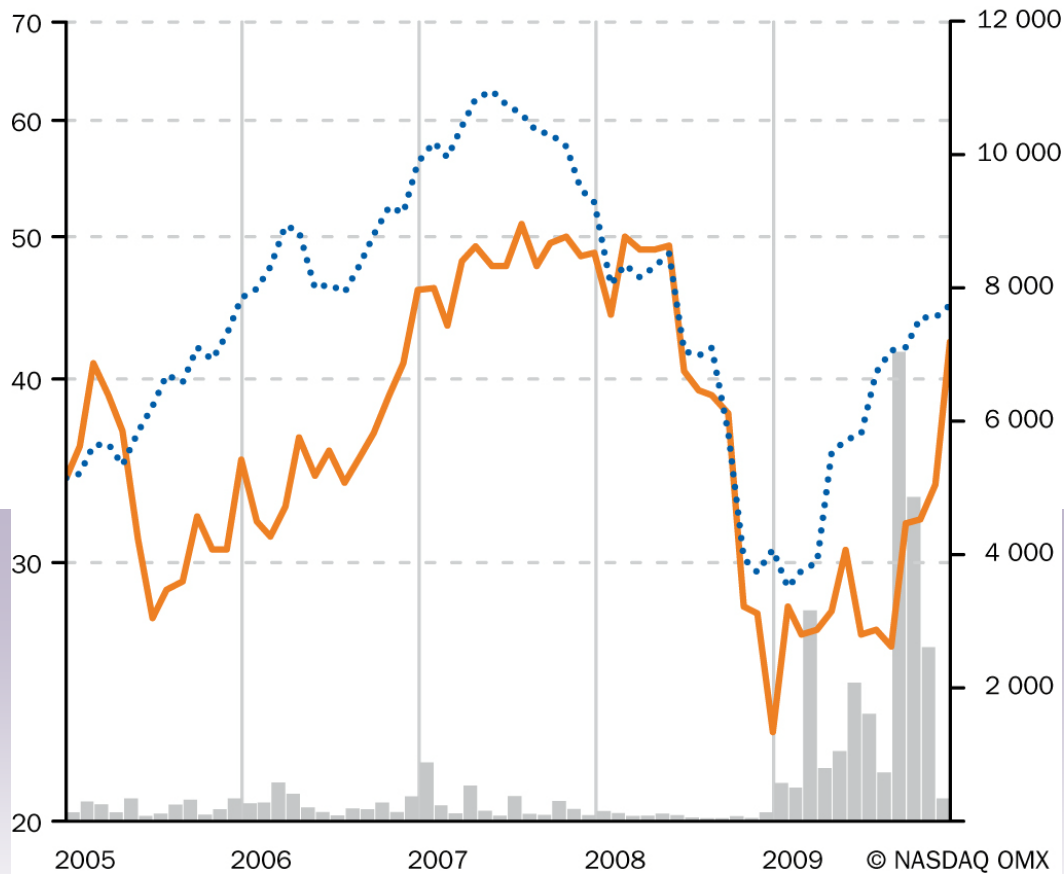
Share price development





Aktiekursutveckling

- B-aktien
- OMXSPI
- Omsatt antal aktier 1 000-tal (inkl, efteranmälningar)



	2009	2008
Share price (April 22, 41.90)	42.40	23.00
Market cap, MSEK	1,157	627
Turnover rate	17.1	4.6
Dividend (2009 as proposed)	1,38	1,38
Direct yield	3,3	6,6



The start of 2010



Q1 Interim report



- **Stabilization of sales but increased activity**
 - Change of mindset among customers
 - Growth in countries early in the crisis, like Russia, Ukraine and the UK
- **The worst is behind us, but 2010 is still to be considered as a year of transition**
- **Improvement of the Operating profit**



Q1 Interim report (cont.)



- PPE integration
 - Integration plan in progress
 - Opens up for orders from other markets
 - Very positive perception from our Brand customers

- Currency effects Q1-10
 - Negative on sales, -13.1 MSEK
 - Positive operating expenses, +5.6

Quarter 1 2010



	Q1 10	Q1 09	% Change	2009	2008	% Change
Net sales MSEK	406	353	+15%	1,360	1,536	-11%
Gross profit, MSEK	188	171		667	759	
Gross profit margin, %	46.4	48.4		49.0%	49.4%	
Operating profit MSEK (EBITA)	28	18	+58%	86	130	-34%
EBITA margin, %	6.9	5.0		6.3	8.5	
Profit before tax (EBT) MSEK	27	18	+52%	84	136	-38%
Profit margin (EBT), %	6.6	5.0		6.2	8.9	
Earnings per share SEK	0.62	0.41	+51%	1.88	3.11	-40%
Equity/assets ratio	45.9	59.4		44.5	57.3	
Net cash flow MSEK	-38	6.5		-4.7	40.8	
No. of employees (end) *	1,125	946		1,113	974	

For comparable units (excl. PPE) 841

2010 plans and expectations



- **Successful integration of PPE**
- **Efforts to strengthen sales**
 - Sales processes
 - Back to growth
- **Strengthened operations**
 - Further restructuring
 - Implement Lean manufacturing
 - Open another logistic centre in Eastern Europe
- **Corporate responsibility**
 - Develop measurements and reporting

- **Finance, Acquisitions**
 - Control of operating expenses, staff levels
 - Integration of PPE acquisition high priority
 - Financial strength for further acquisitions





Restructuring of production

- press release of today

- New production and logistic centre in Poland
- Increases competitiveness
 - Brand manufacturers
 - Central/Eastern European markets
- Karlskoga factory to be closed down
 - Automated production to Sundsvall
 - Labour-intense production to Poland
- Shipley factory to be closed down
 - Production moved to PPE in Harlow



Outlook

- Long term goals
 - 5-10% organic growth
 - 12% EBITA margin
- 2010
 - Higher sales and profit than 2009





Thank you for coming!
Questions?

