

# Interim Report

## January–March 2009

**INVISIO**<sup>®</sup>  
NO NOISE. ONLY YOUR VOICE.

### January–March

- Net sales totaled SEK 35.6 m (9.5)
- Gross profit was SEK 32.5 m (3.1)
- The gross margin was 91.0% (32.4%)
- Operating profit was SEK 18.0 m (-14.4)
- Profit after tax was SEK 17.3 m (-15.0)
- Earnings per share were SEK 0.83 (-0.76)
- The order book amounted to SEK 4.8 m (33.1)

### Important events January–March

- The Company's VoIP (Voice over Internet Protocol) patent was sold for approximately SEK 40 m before costs associated with the sale
- Orders totaling SEK 1.2 m for the Company's new INVISIO<sup>®</sup> X5 headset
- The entire product lineup for professional customers was presented at IDEX (the International Defense Exhibition & Conference) 2009 in Abu Dhabi
- First customer delivery of INVISIO<sup>®</sup> M3H completed

### Important events after the end of the first quarter

- Partly new board elected at 2009 Annual General Meeting
- Payment from sale of VoIP patent received

INVISIO Headsets AB is a public company listed on First North (ticker code: IVSO), an alternative marketplace on the OMX Nordic Exchange Stockholm. INVISIO Headsets holds the patents for Bone Conduction Technology, which provides the best possible speech in extreme sound environments, and for Soft Spring, for optimal wearing comfort. Both patents are featured in the company's INVISIO<sup>®</sup> headsets for professional and consumer applications, which are used by military personnel, special forces, police, fire fighters and security companies around the world.

Additional information is available on the Company's website: [www.invisioheadsets.com](http://www.invisioheadsets.com).

Mangold Fondkommission AB (tel. +46-8-503 015 50) is the Certified Advisor for INVISIO Headsets AB on First North.



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## CEO's comments

The first quarter of the year proceeded according to plan, with two exceptions: sales for Professional Products fell short of our internal sales targets, and interest from end customers and distributors for professional products has proved to be stronger than expected. All indications are that our new products are exceeding our customers' expectations. In other respects, most things are working as we had thought: our costs are in check, the cooperation with Motorola is working well, our financial situation has strengthened considerably following the sale of the VoIP patent, and enthusiasm in the organization is great.

Since the decision during the first quarter of 2008 on a changed strategy for INVISIO Headsets, operations have been decisively shifted over to the professional market. Today the Company's focus is on our wired professional headsets and complementary products under the joint INVISIO® PRO trademark and on our cooperation with Motorola.

The first significant step within the framework of this new strategy was the signing in April last year of a license and development agreement with Motorola concerning wireless, Bluetooth®-based headsets for the consumer market. The agreement gives Motorola global, exclusive access to INVISIO Headsets' patented Jawbone Conduction Technology, with the right to manufacture, market and sell jointly developed headsets. The changed business model for the consumer market, with future royalties from Motorola, is enabling us to consolidate our resources in the professional market.

The changed strategy for the Consumer Products business area has had a favorable effect on INVISIO Headsets' operating expenses, which have been kept at a satisfactory level since autumn 2008. We now have approximately 30 employees, compared with more than 40 a year ago. Operating expenses during the first quarter of 2009 were roughly 18% lower than during the first quarter of 2008, mainly due to staff reductions in the Consumer Products business area, owing to the Motorola agreement.

As a result of this agreement, INVISIO Headsets no longer conducts new development of consumer products under its own brand. The marketing and sales activities that are still being conducted within the business area pertain to the clearance of remaining products in our inventory. This work has slowed down in several markets due to a lower turnover rate experienced by retailers for certain consumer durables due to the current recession.

At about the same time that the agreement was reached with Motorola, a second step was taken within the framework of the new strategy – finding a buyer for the Company's VoIP (Voice over Internet Protocol) patent. In the course of charting out our new strategy, we found that commercializing the VoIP patent would be too resource-intensive for a company of our size and instead chose to realize the patent's value. This process came to fruition in March of this year and resulted in a significant strengthening of the Company's liquid assets and financial position after the end of the first quarter.

The sale of the patent generated approximately SEK 40 m before costs associated with the sale, resulting in an extraordinary, positive operating result for the first quarter. Excluding the sale of the patent, the underlying operating result also improved by 7%, or SEK 1.1 m, compared with the operating result for the first quarter of 2008.



### **Professional Products business area**

The market for professional products is growing at an ever-faster pace, mainly due to a growing preference for in-ear headsets, new combinations of headsets and hearing protection, and a shift from analog to digital communication solutions. Our estimate for a significant increase in sales of professional products in 2009 still applies, even though during the first quarter we saw a slight extension in the time required by customers to test and decide prior to making an order as well as logistic problems between the Company and the product manufacturer.

Since order lead times can be long, we expect to see a wide variation in our quarterly sales figures.

Following completed customer tests, several of INVISIO Headsets' new products will be available on the market starting in the second quarter. These include, for example, the INVISIO® X50 – a digital communication system that incorporates the in-ear INVISIO® X5 headset with built-in hearing protection.

INVISIO Headsets' strategic sales and marketing activities are being conducted with favorable results. During the quarter, a large number of new distributors have been contracted in the EU, the U.S., Latin America and Asia. These increase the Company's operative presence among important end customers, mainly in the military, fire/rescue and police focus areas.

### **Consumer Products business area and cooperation with Motorola**

The cooperation with Motorola on Bluetooth®-based headsets for the consumer market is on track and continues to work very well. In terms of performance, the products covered by the Motorola agreement are in the high-end segment, which is mainly preferred by consumers with specific needs. Based on experience, temporary economic downturns do not affect the concerned target group's buying behavior to any considerable extent. We therefore continue to be optimistic ahead of Motorola's planned launch of the new products in 2009. Once these are on the market, INVISIO Headsets will receive a regular stream of royalty revenues from Motorola.

### **Governance and control**

The new structure for financial reporting and accounting that was adopted in 2008 has led to more effective financial governance and control in the form of internal follow-up of targets and plans, as well as in the form of clearer and more transparent external reporting of earnings. Since 2008 our financial governance and control have also been strengthened with respect to clearer income and expense responsibility throughout the organization.

The ambition to list INVISIO Headsets AB (publ) on the Nasdaq OMX Small Cap list during the second half of 2009 remains, provided that the conditions are right in the financial market.

### **Summary of first quarter**

The reshaping of INVISIO Headsets in accordance with the new strategy has created conditions to make a clearer impression in the market for professional products. Measures taken have resulted in lower costs and a considerable strengthening of our financial position. With our new product platform in place, key reference orders, many bids out in the market and a growing base of business revenue within a satisfactory cost framework, the year has started out in accordance with our expectations, apart from lower sales in the Professional Products business area in relation to internal sales targets. The achievements we have made to date make it possible for us during the rest of the year to focus



our resources on sales and deliveries of professional products and our cooperation with Motorola. The fact that we have been spared for the most part from the effects of the financial crisis is no guarantee for the future. We may possibly have the advantage that virtually all sales of professional products are made to buyers in the public sector, regardless of geographic market.

As our performance appears thus far, I feel – despite the current financial crisis – highly confident about continued favorable growth in sales as well as earnings.

Lars Højgård Hansen  
CEO



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## Sales and earnings, January–March

Net sales for the first quarter totaled SEK 35.6 m (9.5). The considerable increase compared with a year ago is mainly an effect of the sale of the VoIP patent in March 2009. Excluding the sale of the VoIP patent, net sales totaled SEK 4.3 m (9.5). The decrease is mainly attributable to the changed business model for the Consumer Products business area as a result of the signing of a license and development agreement with Motorola. Once the jointly developed products are on the market, INVISIO Headsets will receive a regular stream of royalty revenue from Motorola instead of – as previously – revenues from own sales in the consumer market.

Gross profit was SEK 32.5 m (3.1). The gross margin was 91.0% (32.4%). The large increase in the gross margin is attributable to the sale of the VoIP patent.

The order book amounted to SEK 4.8 m (33.1) at the end of the quarter. The lower level is attributable to the changed business model for the Consumer Products business area, and the order book now consists only of Professional Products.

Operating expenses for the first quarter fell by slightly more than 18% compared with the first quarter of 2008, to SEK 14.4 m (17.5). Operating expenses during the quarter were charged with a provision of SEK 0.5 m (0.5) for the employment-based stock option program. No provisions were made for the performance-based option program.

Net financial items for the first quarter amounted to SEK -0.7 m (-0.6).

Profit after tax improved considerably for the first quarter, to SEK 17.3 m (-15.0), corresponding to SEK 0.83 per share (-0.76).

### Professional Products

Net sales for the first quarter totaled SEK 3.9 m (6.9). The change is mainly due to delays in

anticipated orders, among other things pending the announced release of new products on the market at the end of the second quarter and logistic problems between the Company and the product manufacturer. One characteristic of the business area is that sales are often preceded by a long period from initial query to quotation and then to firm order. This is because many customers want to conduct advanced technical trials and user tests in their "home environments", while others have preferences for specific product adaptations. Lead times to order can therefore be long. Thus in the years ahead we expect to see a wide variation in quarterly sales figures. The gross margin for the business area was 45.3% (50.0%). The gross margin for professional products may fluctuate from quarter to quarter depending on the share of sales that are made directly to end customers, with higher margins, compared with the share of sales made through distributors. During the first quarter, a large number of new distributors were contracted, and further expansion of the sales organization is under way. The order book for professional products amounted to SEK 4.8 m (4.3) at the end of the period.

### Consumer Products

Net sales for the first quarter amounted to SEK 0.4 m (2.6). Net sales consisted of the ongoing closeout sales of INVISIO® G5 units and certain revenues from Motorola. The gross margin for the business area was negative (negative).

The negative gross margin is attributable to sales discounts and write-downs pertaining to INVISIO® G5 units.

## Capital expenditures, cash flow and shareholders' equity

### Capital expenditures

Capital expenditures during the quarter amounted to SEK 1.9 m (2.5), of which SEK 1.9 m (1.8) consisted of capitalized development



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costs, entirely attributable to the Professional Products business area.

### Cash flow and liquidity

Cash flow from operating activities was SEK -3.8 m (-11.9) during the first quarter.

Cash and cash equivalents held by the Group at the end of the first quarter amounted to SEK 0.2 m (1.9). Trade accounts receivable amounted to SEK 5.1 m (8.8) at the end of the first quarter. Over time, the focus on the Professional Products business area will lead to an increase in trade receivables due to the long payment cycles in the business.

After the end of the quarter, a net total of SEK 31 m has been received from the sale of the VoIP patent. Liquidity and thus the financial position have improved considerably.

However, management and the Board continue to work actively and continuously with the Company's governance and control, including earnings, liquidity and financial position.

The view held by Company management and the Board is the same as previously, namely, that necessary liquidity will be generated and added to operations through continuing revenues, borrowing, the possible exercise of stock options, and the authorization granted by the 2009 AGM to conduct new issues.

### Shareholders' equity

The Group's reported shareholders' equity as per March 31, 2009, amounts to SEK 22.4 m (8.4), entailing a visible equity ratio of 28.1% (17.4%).

### Parent Company

Net sales for the parent company for the first quarter totaled SEK 30,000 (30,000). The operating loss for the quarter was SEK -1.5 m (-2.0). The loss after tax for the first quarter was SEK -2.3 m (-2.6).

Cash and cash equivalents held by the parent company at the end of the first quarter amounted to SEK 0.2 m (0.2), and the visible equity ratio was 56% (88%). The parent company had 1 employee (1).

During the quarter, a new issue was carried out through the exercise of 83,106 stock options, which was under registration as per March 31, 2009, corresponding to an increase in the share capital by SEK 83,106 and an increase in other shareholders' equity by SEK 1,715,308.

### Important events January–March

#### The Company's VoIP patent sold

Negotiations on the sale of the Company's VoIP patent were entered into with a buyer on February 18, 2009. The purchase price was approximately SEK 40 m.

#### Order for the Company's new INVISIO® X5 headset

An order worth SEK 1.2 m was received for delivery during the first and second quarters of 2009. The product is the Company's new, advanced headset with built-in hearing protection.

#### INVISIO Headsets on display at IDEX 2009 in Abu Dhabi

In February 2009, the Company displayed its product range for professional users with good success at the International Defense Exhibition & Conference (IDEX) in Abu Dhabi. The trade show is one of the biggest in the world for the defense industry.

#### First customer delivery of INVISIO® M3H units completed

In March 2009 the first customer order of INVISIO® M3H headsets was completed. These headsets are based on the Company's new product platform and combine superior sound quality with hearing protection for communication in noisy environments.



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## Important events after the end of the first quarter

### Partly new board elected at 2009 AGM

At the Annual General Meeting of INVISIO Headsets AB (publ) on April 28, 2009, board members Heléne Bergquist, Magnus Ruding and Mats Warstedt were re-elected, and Anders Persson, Vice President of Net Insight AB, was newly elected.

Heléne Bergquist was re-elected to serve as Chairman of the Board.

### Payment received from the sale of the VoIP patent

Payment from the sale of the VoIP patent was received on April 2, 2009.

## Outlook for second quarter of 2009

### Professional Products business area

The number of queries and full-scale customer tests is rising in pace with growing sales activities. During the second quarter, the Company expects to sign additional cooperation agreements with distributors and major business partners.

INVISIO Headsets will continue to participate at important trade shows. The next important appearance will be at the TETRA World Congress in Munich from May 26–29, where the Company will exhibit its product lineup. Additional marketing activities will also be started toward end users in key markets.

Net sales for the Professional Products business area will fluctuate from quarter to quarter due to the long time that passes from initial query to quotation and finally to firm order. Sales growth for professional products will be significant in 2009, despite the fact that during the first quarter we experienced a slight extension in the time required by customers to test and decide before placing an order.

### Consumer Products business area

During the second quarter all energy will continue to be dedicated to the ongoing cooperation with Motorola in the aim of completing and thus bringing about the launch of Motorola's first consumer product employing INVISIO Headsets' technology. Motorola's market launch is expected to take place some time into 2009.

The effects of the financial crisis on the mobile phone accessories market have not yet been felt by the business area, but developments are being monitored closely. The products covered by the Motorola agreement belong to the high-end segment. Experience shows that temporary economic downturns do not usually affect the concerned target group's buying behavior to any considerable extent.

### Operating expenses

Operating expenses for the second quarter of 2009 are expected to be level with the first quarter.

## Accounting principles

### Group

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act.

The consolidated accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU as well as with the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) that are endorsed by the EU Commission.

The accounting principles applied at the time these consolidated accounts were prepared have been applied consistently for all presented periods, unless stated otherwise. A complete description of the accounting principles can be found on pages 55–60 of the 2008 Annual Report.



Amendments to IAS 1 Presentation of Financial Statements entail that changes in shareholders' equity, other items, which were previously reported directly in equity, are now included in the Group's comprehensive income.

The parent company applies the same accounting principles, with the exceptions and additions stipulated by RFR 2.1.

During the second quarter of 2008 a changeover was made to an income statement classified by function. In addition, the Group's segmental reporting of income and expenses has been further developed. Comparison figures have not been changed.

## Significant risks and uncertainties

INVISIO Headsets' business and earnings are affected by a number of external and internal factors. A continuous process is conducted to identify all risks and to assess how each respective risk shall be managed.

The risks that the Company is mainly exposed to are market-related risks (including competition, technological risks and political risks), operational risks (including the ability to manage growth, customers and cooperation agreements, product liability, intangible risks and dependence on key persons and employees), and financial risks (including primarily liquidity and currency risks).

In the Company's opinion, no additional significant risks or uncertainties have arisen during the year, apart from those reported on pages 31, 41, 42 and in Note 2 of the 2008 Annual Report.

As noted in the "Cash flow and liquidity" section, Company management and the Board are working actively and continuously with the Company's governance and control, including earnings, liquidity and financial position. The view is that necessary liquidity will be generated and added to operations through continuing revenues, borrowing, the possible exercise of stock options and the authorization granted by the 2009 AGM to conducted new share issues.

## Related party transactions

Lage Jonason with related parties is the Company's largest individual shareholder. Lage Jonason has personally stood surety for some of the Company's liabilities to credit institutions, for a nominal amount of SEK 15.5 m. After the end of the quarter, this guarantee has decreased in connection with the amortization of certain loans.

## Future reporting dates

- Q2 report April–June: July 27, 2009
- Q3 report July–September: November 5, 2009
- Year-end report 2009: February 17, 2010

Stockholm, May 14, 2009

Heléne Bergquist  
Chairman of the Board

Magnus Ruding  
Director

Anders Persson  
Director

Mats Warstedt  
Director

Lars Højgård Hansen  
President and CEO

INVISIO Headsets AB (publ)

This interim report has not been reviewed by the Company's auditors.

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## Tables

### Consolidated Income Statement

SEK 000s

Income statement	Jan.-March 2009	Jan.-March 2008	Jan.-Dec. 2008
Income	35,654	9,532	40,686
Goods for resale	-3,191	-6,444	-27,845
<b>Gross profit</b>	<b>32,463</b>	<b>3,088</b>	<b>12,841</b>
Operating expenses 1	-14,420	-17,502	-56,055
<b>Operating profit/loss</b>	<b>18,043</b>	<b>-14,414</b>	<b>-43,214</b>
Net financial items	-745	-553	-1,666
<b>Profit/loss before tax</b>	<b>17,298</b>	<b>-14,967</b>	<b>-44,880</b>
Income tax	-	-	-
<b>Profit/loss for the period</b>	<b>17,298</b>	<b>-14,967</b>	<b>-44,880</b>
Other comprehensive income			
Translation differences during the period from translation of foreign businesses	-742	490	1,871
<b>Comprehensive income for the period</b>	<b>16,556</b>	<b>-14,477</b>	<b>-43,009</b>

Profit for the period as well as comprehensive income are entirely attributable to equity holders of the parent.

1/ Of which, depreciation -2,243 -2,160 -7,036

Per-share data	Jan.-March 2009	Jan.-March 2008	Jan.-Dec. 2008
Earnings per share, SEK	0.83	-0.76	-2.24
Earnings per share after full dilution, SEK	0.82	-0.72	-2.23
Earnings per share based on comprehensive income, SEK	0.79	-0.73	-2.14
Earnings per share based on comprehensive income, after full dilut	0.79	-0.70	-2.14
Shareholders' equity per share, SEK	1.07	0.42	0.19
Shareholders' equity per share after full dilution, SEK	1.07	1.39	0.20
Equity ratio	28%	17%	9%
Number of shares outstanding <sup>2/</sup>	21,017,190	19,825,684	20,646,084
Average number of shares outstanding	20,858,217	19,764,875	20,052,807
Number of shares outstanding after full dilution <sup>2/</sup>	21,017,190	20,776,790	20,135,913
Share price, SEK	21.20	22.50	17.70

2/ Of which, 83,106 shares under registration as per March 31, 2009, corresponding to an increase in share capital of SEK 83,106 and an increase in other shareholders' equity of SEK 1,715,308.

**Consolidated Balance Sheet**

**Condensed balanced sheet**

SEK 000s

<b>Assets</b>	<b>03-31-09</b>	<b>03-31-08</b>	<b>12-31-08</b>
Intangible assets	25,467	19,951	25,375
Property, plant and equipment	2,819	5,504	3,238
Financial assets	794	704	759
Inventories	4,711	8,594	6,421
Accounts receivable - trade	5,071	8,882	5,713
Other receivables, prepaid expenses and accrued income <sup>3/</sup>	40,843	2,467	5,059
Cash and bank balances	197	1,864	864
<b>Total assets</b>	<b>79,902</b>	<b>47,966</b>	<b>47,429</b>

3/ Includes receivable of SEK 39.4 m from the sale of the VoIP patent ast per 3/31/2009.

<b>Shareholders' equity and liabilities</b>	<b>03-31-09</b>	<b>03-31-08</b>	<b>12-31-08</b>
Shareholders' equity <sup>2/</sup>	22,422	8,360	4,068
Liabilities to credit institutions	17,846	15,550	17,856
Accounts payable - trade	13,452	10,408	14,231
Other liabilities, accrued expenses and deferred income <sup>4/</sup>	26,182	13,648	11,274
<b>Total shareholders' equity and liabilities</b>	<b>79,902</b>	<b>47,966</b>	<b>47,429</b>

<b>Changes in shareholders' equity</b>	<b>03-31-09</b>	<b>03-31-08</b>	<b>12-31-08</b>
Opening balance	4,068	20,031	20,031
New issues <sup>2/</sup>	1,798	2,806	27,046
Comprehensive income for the period	16,556	-14,477	-43,009
<b>Closing balance</b>	<b>22,422</b>	<b>8,360</b>	<b>4,068</b>

4/ Includes a provision of SEK 8.0 m for costs attributable to the sale of the VoIP patent as per 3/31/2009..

**Statement of financial position, Group**

<b>Interim period 1/1/2009 – 3/31/2009</b>	<b>Share capital</b>	<b>Other capital contributions</b>	<b>Loss carried forward</b>	<b>Total shareholders' equity</b>
Opening balance, 1/1/2009	20,646	157,132	-173,710	4,068
New issues <sup>2/</sup>		1,798		1,798
Comprehensive income for the period				16,556
<b>Shareholders' equity, 3/31/2009</b>	<b>20,646</b>	<b>158,930</b>	<b>-173,710</b>	<b>22,422</b>

<b>Interim period 1/1/2008 – 3/31/2008</b>	<b>Share capital</b>	<b>Other capital contributions</b>	<b>Loss carried forward</b>	<b>Total shareholders' equity</b>
Opening balance, 1/1/2008	19,624	132,283	-131,876	20,031
New issues	158	2,648	-	2,806
Comprehensive income for the period	-	-	-	-14,477
<b>Shareholders' equity, 3/31/2008</b>	<b>19,782</b>	<b>134,931</b>	<b>-131,876</b>	<b>8,360</b>

**Statement of cash flows – Group**

SEK 000s

<b>Cash flow</b>	<b>Jan.-March 2009</b>	<b>Jan.-March 2008</b>	<b>Jan.-Dec. 2008</b>
<b>Operating activities</b>			
Profit/loss before tax	17,298	-14,967	-44,880
Adjustments for non-cash items	-29,822	2,968	6,015
Taxes	-	-	-
<b>Cash flow from operating activities before changes in working capital</b>	<b>-12,524</b>	<b>-11,999</b>	<b>-38,865</b>
Cash flow from changes in working capital	8,741	118	732
<b>Cash flow from operating activities</b>	<b>-3,783</b>	<b>-11,881</b>	<b>-38,133</b>
<b>Investing activities</b>			
Capitalization of non-current assets	-1,868	-2,463	-8,081
Acquisition/divestment of property, plant and equipment	5	-	1,605
Acquisition/divestment of financial assets	-35	4,851	4,955
<b>Cash flow from investing activities</b>	<b>-1,898</b>	<b>2,388</b>	<b>-1,521</b>
<b>Financing activities</b>			
New issues	5,044	2,806	24,401
Loans floated	-35	-3,068	4,329
<b>Cash flow from financing activities</b>	<b>5,009</b>	<b>-262</b>	<b>28,730</b>
<b>Cash flow for the period</b>	<b>-672</b>	<b>-9,755</b>	<b>-10,924</b>
Cash and bank balances at start of period	864	11,633	11,633
Translation differences in cash and bank balances	5	-14	155
Cash and bank balances at end of period	197	1,864	864

**Parent Company Income Statement**

SEK 000s

<b>Income statement</b>	<b>Jan.-March 2009</b>	<b>Jan.-March 2008</b>	<b>Jan.-Dec. 2008</b>
Operating income	30	30	120
Operating expenses	-1,525	-2,082	-7,904
<b>Operating loss</b>	<b>-1,495</b>	<b>-2,052</b>	<b>-7,784</b>
Net financial items	-803	-594	-54,669
<b>Loss before tax</b>	<b>-2,298</b>	<b>-2,646</b>	<b>-62,453</b>
Income tax	-	-	-
<b>Loss for the period</b>	<b>-2,298</b>	<b>-2,646</b>	<b>-62,453</b>

**Parent Company Balance Sheet**

SEK 000s

<b>Assets</b>	<b>03-31-09</b>	<b>03-31-08</b>	<b>12-31-08</b>
Property, plant and equipment	-	13	-
Financial assets/shares in subsidiaries	81,871	81,871	81,871
Receivables from Group companies	69,731	55,356	22,703
Other receivables, prepaid expenses and accrued income <sup>5/</sup>	346	1,138	3,590
Cash and bank balances	199	245	154
<b>Total assets</b>	<b>152,147</b>	<b>138,623</b>	<b>108,318</b>

5/ Of which, receivable of SEK 3,246 thousand in issue proceeds as per 12/31/2008.

<b>Shareholders' equity and liabilities</b>	<b>03-31-09</b>	<b>03-31-08</b>	<b>12-31-08</b>
Shareholders' equity <sup>2/</sup>	84,887	122,588	85,388
Liabilities to credit institutions	15,500	10,002	15,502
Accounts payable - trade	3,947	2,927	3,434
Liabilities to Group companies	40,260	1,618	2,010
Other liabilities, accrued expenses and deferred income	7,553	1,488	1,984
<b>Total shareholders' equity and liabilities</b>	<b>152,147</b>	<b>138,623</b>	<b>108,318</b>

<b>Changes in shareholders' equity</b>	<b>03-31-09</b>	<b>03-31-08</b>	<b>12-31-08</b>
Opening balance	85,387	122,428	122,428
New issues <sup>2/</sup>	1,798	2,806	27,046
Group contribution	-	-	-1,633
Loss for the period <sup>6/</sup>	-2,298	-2,646	-62,453
<b>Closing balance</b>	<b>84,887</b>	<b>122,588</b>	<b>85,388</b>

2/ Of which, 83,106 shares under registration as per March 31, 2009, corresponding to an increase in share capital of SEK 83,106 and an increase in other shareholders' equity of SEK 1,715,308.

6/ Of which, SEK 53 m in shareholder contribution to subsidiaries as per 12/31/2008.

**Consolidated Income Statement - Segmental Breakdown**  
SEK 000s

	Professional Products	Consumer Products	Other	Total
<b>Income statement, per segment, Jan.-March 2009</b>				
Income	3,916	392	31,346	35,654
Goods for resale	-2,144	-1,047	-	-3,191
<b>Gross profit/loss</b>	<b>1,772</b>	<b>-655</b>	<b>31,346</b>	<b>32,463</b>
Selling and marketing expenses	-6,128	-234	-147	-6,509
Administrative expenses	-2,431	-78	-1,236	-3,745
Research and development costs	-2,644	-1,505	-17	-4,166
<b>Operating loss <sup>1/</sup></b>	<b>-9,431</b>	<b>-2,472</b>	<b>29,946</b>	<b>18,043</b>
Net financial items	91	0	-836	-745
<b>Loss before tax</b>	<b>-9,340</b>	<b>-2,472</b>	<b>29,110</b>	<b>17,298</b>
Tax	-	-	-	-
<b>Loss for the period</b>	<b>-9,340</b>	<b>-2,472</b>	<b>29,110</b>	<b>17,298</b>

1/ Includes depreciation of SEK 2,243 thousand for the period January - March.

	Professional Products	Consumer Products	Other	Total
<b>Income statement, per segment, Jan.-March 2008</b>				
Income	6,892	2,640	-	9,532
Goods for resale	-3,445	-2,999	-	-6,444
<b>Gross profit/loss</b>	<b>3,447</b>	<b>-359</b>	<b>-</b>	<b>3,088</b>
Undistributed operating expenses	-	-	-	-15,342
Undistributed depreciation/amortization	-	-	-	-2,160
<b>Operating profit/loss <sup>1/</sup></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-14,414</b>
Undistributed financial items, net	-	-	-	-553
<b>Loss before tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-14,967</b>
Income tax	-	-	-	-
<b>Loss for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-14,967</b>

1/ Includes depreciation of SEK 2,160 thousand for the period January - March.

	Professional Products	Consumer Products	Other	Total
<b>Income statement, per segment, Jan.-Dec.2008</b>				
Income	19,142	21,544	-	40,686
Goods for resale	-9,482	-18,363	-	-27,845
<b>Gross profit/loss</b>	<b>9,660</b>	<b>3,181</b>	<b>-</b>	<b>12,841</b>
Selling and marketing expenses	-16,485	-6,764	-1,506	-24,755
Administrative expenses	-5,733	-3,065	-6,855	-15,653
Research and development costs	-6,514	-8,654	-479	-15,647
<b>Operating loss <sup>1/</sup></b>	<b>-19,072</b>	<b>-15,302</b>	<b>-8,840</b>	<b>-43,214</b>
Net financial items	-214	-177	-1,275	-1,666
<b>Loss before tax</b>	<b>-19,286</b>	<b>-15,479</b>	<b>-10,115</b>	<b>-44,880</b>
Income tax	-	-	-	-
<b>Loss for the period</b>	<b>-19,286</b>	<b>-15,479</b>	<b>-10,115</b>	<b>-44,880</b>

1/ Includes depreciation of SEK 7,036 thousand for the period January - December.