

INVISIO COMMUNICATIONS

Interim Report

January – September 2011



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July – September

- Total income amounted to SEK 11.6 m (5.1)
- Sales for the business area Professional products increased with 258.6 percent compared with the corresponding period 2010, and adjusted for currency effects with 256.4 percent
- Gross profit increased to SEK 5.5 m (2.8)
- Gross margin amounted to 47.3 percent (55.4)
- Operating loss decreased to SEK -5.1 m (-7.8)
- Loss after tax decreased to SEK -6.4 m (-8.8)
- Loss per share decreased to SEK -0.25 (-0.38)
- The order book for the business area Professional products was SEK 5.3 m (3.1) at the end of the quarter

January – September

- Total income amounted to SEK 32.0 m (23.5)
- Sales for the business area Professional products increased with 61.9 percent compared with the corresponding period 2010, and adjusted for currency effects, with 74.0 percent
- Gross profit increased to SEK 16.2 m (12.1)
- Gross margin amounted to 50.7 percent (51.6)
- Operating loss decreased to SEK -17.1 m (-31.0)
- Loss after tax decreased to SEK -19.8 m (-32.7)
- Loss per share decreased to SEK -0.77 (-1.46)

Important Events July – September

- INVISIO has signed a new agreement with Motorola, which means that Motorola can continue to manufacture and market products with INVISIO's patented technology until the 31st of May 2012. The agreement also implies that Motorola no longer has exclusivity on INVISIO's technology for the consumer market, which means that INVISIO is free to enter agreements with other manufacturers.
- INVISIO has, through its Australian distribution partner Defcon Technologies, received an order from the Australian Department of Defence. The order is for INVISIO M3 headsets with PTT (Push to Talk). The total order value is approximately SEK 1.8 m and the products will be delivered before the end of 2011.

Important events after the period

- INVISIO has launched a new series of innovative communication solutions with hearing protection for use with two-way radios, the INVISIO S-Series. The communication solutions complement INVISIO's portfolio of products with hearing protection with a small and lightweight and easily operated solution.
- The Board has on October 21 decided to carry out a share issue with shareholder precedence where, after approval at the shareholders' meeting, a maximum of 8 617 150 shares will be issued which would result in an increase of SEK 8 617 150 of



INVISIO®

the Company's share equity. Owners of about 45.3 percent of the Company have committed to subscribe to the share issue. Furthermore, a guarantee consortium constituted by current share owners and external investors have entered a share issue guarantee corresponding to about 45.4 percent of the issue. In total, all the undertaking amounts to 90.7 percent of the share issue (counted on the share issue's size without consideration for the outstanding stock options that if utilized can increase the size of the share issue). The remainder, corresponding to about 9.3 percent of the share issue, is held by institutional share owners that due to internal policies lack the possibility to commit to share subscriptions. The extra general meeting will be held on November 9, 2011. The share issue will provide the Company with approximately SEK 43.1 m before issuance costs. In February 2011 INVISIO signed an agreement with Alecta Pensionsförsäkringar, regarding a SEK 20 m loan. The loan is for two years and will be repaid to Alecta in February 2013. The condition for the loan is that if INVISIO should carry out a share issue with shareholder precedence during the period of the loan, Alecta Pensionsförsäkringar is permitted to require early repayment of the loan. With regards to this, the Board has after consulting some of the Company's largest shareholders decided on a financial solution that implies (i) a share issue with shareholder precedence of about SEK 43.1 m, (ii) taking up of new loan financing of about SEK 10.0 m and (iii) repayment of the loan from Alecta Pensionsförsäkringar if the loan should be required for early repayment.

INVISIO Communications AB is a public company listed on the NASDAQ OMX First North Premier Segment (ticker code: IVSO) an alternative market on NASDAQ OMX Stockholm. INVISIO Communications holds the patents for Bone Conduction Technology, which provides the best possible speech in difficult sound environments, and the Soft Spring, for optimal wearing comfort. Both patents are featured in the company's INVISIO® consumer and military communications headsets. Its professional products are used by police forces, fire fighters, military personnel, security units and Special Forces around the world. Additional information is available on the company's web site at www.invisiocommunications.com. Mangold Fondkommission AB (tel. +46-8-503 015 50) is Certified Adviser for INVISIO Communications AB on First North.



CEO's Comments

During the year's third quarter we saw a continued positive sales development for INVISIO's professional products, which is our area of focus. The sales beat the record again and surpassed the previous quarter that was our best quarter up till then. We have now had four consecutive quarters with increasing sales of our professional products. During the quarter INVISIO signed a new agreement with Motorola, which means that Motorola can continue to manufacture and market products with INVISIO's patented technology until 31st of May 2012. The agreement also implies that Motorola no longer has exclusivity on INVISIO's technology for the consumer market

Business Area Professional Products

Sales of INVISIO's professional products during the third quarter was once again the best ever and amounted to SEK 11.5 m compared to SEK 3.2 m in the corresponding period of 2010. If the numbers are adjusted for currency effects the sales increase amounts to about 256 percent. The increase in sales is primarily due to our single largest order ever, a breakthrough order from the Danish Armed Forces for urgent operational requirements that we received during the second quarter 2011 and that has been delivered during the second and third quarter 2011. The order is not mainly important because of its size, but especially because it acts as proof that INVISIO's products are used operationally and that we can deliver larger volumes in a short period of time, which is important in the sales work towards large and other military customers.

During the quarter we also received an order from the Australian Department of Defence. The order is for INVISIO M3 headsets with PTT (Push to Talk). The total order value is approximately SEK 1.8 m and the products will be delivered before the end of 2011. It is pleasing that we see continued demand of our products and solutions from Australia. It is a proof of our products' high quality and the good recognition that we have created among the very demanding users within the Australian Defence.

During the quarter we also participated at the trade fair DSEi in London, which is a very important trade fair within the military segment. Our participation was successful and we saw a large interest for our communications solutions from relevant interesting parties and also from media that now increasingly notes INVISIO's technology and solutions. For example, the important trade publications G3 Defence, Armada and Military Technology have published articles on INVISIO's products and solutions.

After the end of the quarter, we launched a new series of innovative communication solutions with hearing protection for use with two-way radios on the military trade fair AUSA 2011 in Washington D.C. The demand for communication solutions with hearing protection is increasing and with the new S-series that has market leading hearing protection our portfolio of products is complemented with a small and lightweight and easily operated solution.

Business Area Consumer Products and Cooperation with Motorola

The exclusive licence and collaboration agreement that INVISIO entered into with Motorola in 2008 in the business area Consumer products was conditioned by certain goals and undertakings, which has not been fulfilled. The agreement therefore expired on 31st of March 2011 and after renegotiations during the second quarter, which were in positive character, a new agreement was signed after the end of the quarter, which implies that Motorola can continue to manufacture and market products with INVISIO's technology until the 31st of May 2012. The agreement also implies that Motorola no longer has exclusivity on INVISIO's



technology for the consumer market, which means that INVISIO is free to enter agreements with other manufacturers.

According to the new agreement with Motorola the income in the business area now solely comes from Motorola's manufacturing and sales success of products with INVISIO's patented technology. The consumer market for mobile phones and accessories such as wireless headsets has changed significantly during 2009 and 2010. Partly due to the introduction of new phones and smartphones that has led to new services and consumer behaviour, such as increased use of stereo headsets, and partly due by the global economic crisis that caused a temporary decrease in the global market for Bluetooth-headsets during the period.

During the fourth quarter 2010 Motorola launched Motorola Finiti, the second Bluetooth headset for the consumer market with licensed technology from INVISIO. Sales have not yet reached our expectations, even though the product has been launched through several important sales channels in the US and has received very positive reviews from media. We are however still very positive to the new agreement with Motorola that means a continued focus on global sales of Motorola Finiti.

The need for consumers and professions that use mobile phones during work to be able to communicate in noisy and demanding environments remains. Therefore we estimate that there still is good potential for INVISIO's patented technology on the consumer market.

To sum up, the third quarter was successful for INVISIO in several ways even though we have not reached the goal of turning to profit. The sales of our professional products beat the record again and our costs are under control.

Lars Højgård Hansen
CEO

Total Income and Result July – September 2011

Total income for the third quarter increased with 129.1 percent compared with the corresponding period 2010 and amounted to SEK 11.6 m (5.1).

Gross profit totalled SEK 5.5 m (2.8) and the gross margin was 47.3 percent (55.4).

Operating expenses for the third quarter amounted to SEK 10.5 m (10.6). Included in the expenses are depreciations of SEK 1.8 m (2.6).

Operating loss for the third quarter decreased to SEK -5.1 m (-7.8).

Net financial items for the third quarter amounted to SEK -1.3 m (-1.0). The net financial items for the quarter include currency exchange losses from the operating activities of SEK -0.4 m.

Loss after tax for the third quarter decreased to SEK -6.4 m (-8.8)

Loss per share for the third quarter amounted to SEK -0.25 (-0.38)

Professional Products

Sales during the third quarter in the business area Professional Products increased with 258.6 percent compared to the corresponding period 2010 and amounted to SEK 11.5 m (3.2).

The gross profit margin increased compared to the third quarter 2010 and amounted to 46.9 percent (29.7). It is characteristic of the business area that the gross margin may vary from



quarter to quarter depending on the share of direct sales to end-customers – with higher margins – compared with the share of sales made through distributors.

Consumer Products

In connection to the new agreement with Motorola the Company received a non-recurring compensation that was noted as an income during the first half of 2011. In the adjustment against the non-recurring compensation, Motorola has the right to produce units up to certain volume before INVISIO obtains further compensation. As the Company assesses that Motorola will not exceed this volume during the third quarter and thus being prone to further compensation, no additional revenue has been accounted for during the quarter.

Total Income and Result January – September 2011

Total income for the period January – September increased with 36.1 percent compared to the corresponding period 2010 and amounted to SEK 32.0 m (23.5).

Gross profit totalled SEK 16.2 m (12.1) and the gross margin was 50.7 percent (51.6)

The order book, consisting entirely of professional products, was SEK 5.3 m (3.1) by the end of the period.

Operating expenses for the period January – September decreased to SEK 33.4 m (43.1). (2010: excluding non-recurring costs SEK 36.8 m).

Operating loss for the period January – September thus improved to SEK -17.1 m (-31.0)

Net financial items for the period January – September amounted to SEK -2.6 m (-1.7)

Loss after tax for the period January – September decreased to SEK -19.8 m (-32.7)

Loss per share for the period January – September decreased to SEK -0.77 (-1.46)

Professional Products

Sales for the period January – September in business area Professional Products increased with 61.9 percent compared to the corresponding period 2010 and amounted to SEK 28.7 m (17.7).

The gross profit margin increased compared to the corresponding period 2010 and amounted to 48.5 percent (36.3). It is characteristic of the business area that the gross margin may vary from quarter to quarter depending on the share of direct sales to end-customers – with higher margins – compared with the share of sales made through distributors.

Consumer Products

Sales during the period January – September for the business area Consumer Products decreased with 43.4 percent compared to the corresponding period 2010 and amounted to SEK 3.3 m (5.8).

Gross margin amounted to 70.9 percent (99.0). The result has been burdened with costs associated to the renegotiation of the agreement with Motorola.



Capital Expenditure, Cash flow and Liquidity, Financing and Shareholders' Equity

Capital Expenditure

During the period January – September net capital expenditures amounted to SEK -4.9 m (-5.7), of which SEK -4.3 m (-5.4) consisted of capitalized development costs attributable mainly to the development of future professional products.

Cash Flow and Liquidity

Cash flow from operating activities during the period January – September amounted to SEK -15.5 m (-29.7). Cash flow from investing activities amounted to SEK -4.9 m (-5.7) and cash flow from financing activities amounted to SEK 8.8 m (32.6), of which the new share issue SEK 0 m (21.1) and liabilities to credit institutions of SEK 8.8 m (11.5). Cash flow during the period thus amounted to SEK -11.6 m (-2.7).

At the end of the period January – September cash and cash equivalents of the Group amounted to SEK 1.2 m (2.1). The Company management and Board continue to work actively and continuously with the Company's governance and control, including earnings, liquidity and financial position. The Board is also continuously evaluating that the conditions for further operations are fulfilled. It is not possible to exclude the possibility that the Company might need additional capital until the business reaches break-even. The view held by the Company management and Board is the same as previously, namely that necessary liquidity and financing will be generated and added to operations through continuing income, borrowing, the possible exercise of stock options, and the authorisation granted by the Annual General Meeting to carry out new issues or such.

Financing

On February 18, 2011, INVISIO Communications signed an agreement with Alecta Pensionsförsäkringar, mutual, regarding a SEK 20 m loan. The loan is for two years and will be repaid to Alecta in February 2013. Alecta is however permitted to require early repayment of the loan if INVISIO Communications should carry out a share issue with pre-emption rights. The loan is at 10 percent interest in the first year and 15 percent interest in the second year. The loan is partly to replace an earlier loan of SEK 12 m from Danske Bank that was paid back on February 28, 2011. Alecta controls more than 10 percent of the shares and votes in INVISIO Communications, for which reason the loan is to be considered as a transaction with a related party.

During the period, INVISIO Communications AB received a short-term loan of SEK 3.0 m.

On January 13, 2011, all of the 2 350 132 shares concerning the new issue of shares with preferential rights for the Company's existing shareholders that was carried out during November to December 2010 was registered, which corresponded to about 9.1 percent of the total number of shares in the Company following the issue. The issue was fully subscribed and provided the Company SEK 20.5 m net after issue expenses. The subscription price was SEK 10 per share.



Shareholders' Equity

The Group's reported shareholders' equity at the end of the period January – September amounted to SEK -13.4 m (-6.4), which resulted into a negative equity ratio (negative).

Parent Company

Net income for the Parent Company during the period January – September amounted to SEK 0.045 m (0.075). Operating loss for the period amounted to SEK -4.9 m (-8.3). The difference is mainly attributable to non-recurring costs in connection with the planned listing at NASDAQ OMX Small Cap Stockholm. The period's result was SEK -31.1 m (-39.9), where SEK 25.3 m (30) is attributable to shareholder contribution to the subsidiary company INVISIO Communications A/S.

At the end of the period January – September, cash and cash equivalents held by the Parent Company amounted to SEK 0.2 m (0.02) and shareholders' equity amounted to SEK 57.8 m (70.0), which resulted into an equity ratio of 65.7 (75.4). The Parent Company had 1 employee (1).

On January 13, 2011, all of the 2 350 132 shares concerning the new issue of shares with preferential rights for the Company's existing shareholders that was carried out during November to December 2010 was registered, which corresponded to about 9.1 percent of the total number of shares in the Company following the issue. The issue was fully subscribed and provided the Company SEK 20.5 m net after issue expenses. The subscription price was SEK 10 per share.

Outlook for the Coming Quarters

Professional Products

As a result of INVISIO Communications' conscious development towards becoming a communication company, where INVISIO now offers advanced communications solutions and has a product portfolio that includes headsets, control units and accessories, opportunities for orders that partly are a larger part of the value-chain and partly in new customer segments have opened. Our breakthrough order from the Danish Armed Forces is a further proof and an important reference order towards other military customers. This, as well as the increased marketing, the continuous efforts to increase the number of resellers and strategic cooperations, and the fact that the products deliver what they promise during trials, means that INVISIO expects a considerable long-term increase of sales in the business area. Short-term the next few quarters, sales can be affected in some markets by restrictions in public budgets as a result of the financial crisis. In addition, sales in the business area can as previously communicated vary from quarter to quarter due to long lead times from first contact with customer, to inquiry, to customer testing, to quotation and to firm order.

Consumer Products

With the new agreement, which is valid until May 2012, the income in the business area now solely comes from Motorola's manufacturing and sales success of products with INVISIO's patented technology, such as Motorola Finiti, without guaranteed minimum compensation. Sales have not yet reached our expectations, even though the product has been launched through several important sales channels in the US and has received very positive reviews from media. In addition to Motorola, INVISIO will during the coming quarters investigate and evaluate additional opportunities for cooperations on the consumer market. The need for consumers and professions that use mobile phones during work to be able to communicate in noisy and



demanding environments remains. Therefore we estimate that there is still good potential for INVISIO's patented technology on the consumer market.

Accounting Principles

This interim report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The Parent Company's accounts have been prepared in accordance with RFR 2, Accounting for Legal Entities and the Swedish Annual Accounts Act. The accounting principles that are described in the 2010 Annual Report have been applied.

Significant Risks and Uncertainties

INVISIO's 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 legislation and political decisions, global economic situation, competition, technological risks and market acceptance of new products and dependency of suppliers), operational risks (including the ability to manage growth, customers and cooperation agreements, product liability, immaterial rights, dependence on key persons and employees, as well as risks related to financial reporting) and financial risks (including primarily currency risk, financing risks and liquidity risks).

In the Company's opinion, no additional significant risks or uncertainties have arisen during the year, apart from those reported in this Interim Report and on the pages 43, 46, 47, 48 and in note 2 in INVISIO's Annual Report for 2010 and in the prospectus dated November 25, 2010 with reason of the then forthcoming share issue.

As noted in the section "Cash Flow and Liquidity", the Company management and Board are working actively and continuously with the Company's governance and control, including earnings, liquidity and financial position. The Board continuously tests that the conditions for continued operation exist. It is not possible to exclude the possibility that the Company might need additional capital until the business reaches break-even. The view held by the Company management and Board is the same as previously, namely that necessary liquidity and financing will be generated and added to operations through continuing income, borrowing, the possible exercise of stock options, and the authorisation granted by the Annual General Meeting to carry out new issues or such.

Related Party Transaction

Lage Jonason with related parties is one of the Company's largest individual shareholders. Lage Jonason has personally stood surety for some of the Company's liabilities to credit institutions, for a nominal amount of SEK 12 m, and for undertakings vis-à-vis suppliers. The loan of SEK 12 m was paid back by the Company on February 28, 2011. The Company has not compensated Lage Jonason for his current security responsibility.

The company has agreed with Alecta Pensionsförsäkringar, mutual, on a subordinate loan of SEK 20 m, for further information see the section Financing.



Election Committee

At the Company's Annual General Meeting on April 28, 2011, it was decided to appoint an Election Committee for preparation and submission of proposals for the Shareholders at the Annual General Meeting concerning the number of Board members, election of Board members and, where applicable, auditor and also remuneration to Board and auditors and other queries which may appear at an Election Committee in accordance with Swedish code of corporate governance. The Election Committee, as now appointed, consists of Lage Jonason, representing himself with family and company, Ramsay Brufer, representing Alecta Pensionsförsäkringar, mutual, Björn Franzon, representing Swedbank Robur fonder and Lars Röckert, INVISIO's Chairman of the Board.

Future Reporting Dates

- Year-End Report 2011: February 17, 2012
- Annual meeting of shareholders 2012: May 4, 2012, in Stockholm

Stockholm, October 26, 2011

Lars Röckert

Chairman of the Board

Anders Persson
Director

Jan Samuelson
Director

Mats Warstedt
Director

Lars Højgård Hansen
CEO

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Review Report

We have reviewed this report for the period January 1 to September 30, 2011 for INVISIO Communications AB. The Board of directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

We conducted our review in accordance with the Swedish Standard on Review Engagements SÖG 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing in Sweden, RS, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the interim report, regarding the group is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, October 26, 2011

PricewaterhouseCoopers AB

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Michael Bengtsson

Authorised Public Accountant

Auditor in charge

Tables

Consolidated Income Statement

SEK 000s

Income statement	July - Sept. 2011	July - Sept. 2010	Jan. - Sept. 2011	Jan. - Sept. 2010	Jan. - Dec. 2010
Sales	11 582	5 055	31 980	23 500	32 787
Cost of goods sold	-6 104	-2 255	-15 754	-11 364	-14 955
Gross Profit	5 478	2 800	16 226	12 136	17 832
Operating expenses ^{1/ 2/}	-10 533	-10 629	-33 371	-43 099	-55 698
Operating profit/loss	-5 055	-7 829	-17 145	-30 963	-37 866
Net financial items	-1 349	-956	-2 608	-1 722	-1 948
Profit/loss before tax	-6 404	-8 785	-19 753	-32 685	-39 814
Income tax	0	0	0	0	-
Profit/loss for the period	-6 404	-8 785	-19 753	-32 685	-39 814
Other comprehensive income					
Translation differences during the period from translation of foreign businesses	371	-658	679	-1 872	-3 187
Comprehensive income for the period	-6 033	-9 443	-19 074	-34 557	-43 001

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

1/ Of which, depreciation	-1 789	-2 571	-6 891	-7 682	-12 224
2/ Of which, cost of one-off measure	-	-	-	-8 318	-6 588

Per-share data	July - Sept. 2011	July - Sept. 2010	Jan. - Sept. 2011	Jan. - Sept. 2010	Jan. - Dec. 2010
Earnings per share, SEK	-0.25	-0.38	-0.77	-1.46	-1.75
Earnings per share after dilution, SEK	-0.25	-0.38	-0.77	-1.46	-1.75
Shareholders' equity per share, SEK	neg.	neg.	neg.	neg.	0.24
Shareholders' equity per share after dilution, SEK	neg.	neg.	neg.	neg.	0.24
Equity ratio	neg.	neg.	neg.	neg.	12%
Number of shares outstanding	25 851 452	23 501 320	25 851 452	23 501 320	23 501 320
Average number of shares outstanding	25 851 452	22 877 621	25 747 002	22 463 761	22 723 151
Number of shares outstanding after dilution	25 851 452	23 501 320	25 851 452	23 501 320	23 501 320
Share price, SEK	7.00	14.10	7.00	14.10	10.00

Consolidated Balance Sheet

Condensed balance sheet

SEK 000s

Assets	9/30/2011	9/30/2010	6/30/2011	12/31/2010
Intangible assets	15 735	20 331	15 908	16 948
Property, plant and equipment	768	866	802	834
Financial assets	663	655	653	643
Inventories	4 576	1 891	4 694	2 780
Accounts receivable - trade	11 209	5 147	16 463	10 169
Other receivables, prepaid expenses and accrued income	1 483	1 564	1 260	3 156
Cash and bank balances	1 171	2 091	6 730	12 752
Total assets	35 605	32 545	46 510	47 282
Shareholders' equity and liabilities	9/30/2011	9/30/2010	6/30/2011	12/31/2010
Shareholders' equity	-13 444	-6 427	-7 411	5 630
Liabilities to credit institutions	35 372	22 649	36 114	21 570
Accounts payable - trade	7 164	4 388	8 265	9 301
Other liabilities, accrued expenses and deferred income	6 513	11 935	9 542	10 781
Total shareholders' equity and liabilities	35 605	32 545	46 510	47 282
Changes in shareholders' equity	9/30/2011	9/30/2010	6/30/2011	12/31/2010
Opening balance	5 630	7 030	5 630	7 030
New issues	-	21 100	-	41 601
Comprehensive income for the period	-19 074	-34 557	-13 041	-43 001
Closing balance	-13 444	-6 427	-7 411	5 630

Statement of financial position, Group
SEK 000s

	Share capital	Other capital contributions	Loss carried forward	Total shareholders' equity
Interim period 1/1/2011 – 9/30/2011				
Opening balance, 1/1/2011	23 501	216 676	-234 547	5 630
Issues during registration 31/12/2010	2 350	-2 350	-	-
Comprehensive income for the period	-	-	-19 074	-19 074
Shareholders' equity, 9/30/2011	25 851	214 326	-253 621	-13 444

	Share capital	Other capital contributions	Loss carried forward	Total shareholders' equity
Interim period 1/1/2010 – 9/30/2010				
Opening balance, 1/1/2010	21 565	177 011	-191 546	7 030
Issues during registration 31/12/2009	500	-500	-	-
New Issues	1 436	20 564	-	22 000
Issues expenses	-	-900	-	-900
Comprehensive income for the period	-	-	-34 557	-34 557
Shareholders' equity, 9/30/2010	23 501	196 175	-226 103	-6 427

Statement of cash flows – Group

SEK 000s

Cash flow	July - Sept. 2011	July - Sept. 2010	Jan. - Sept. 2011	Jan. - Sept. 2010	Jan. - Dec. 2010
Operating activities					
Profit/loss before tax	-6 404	-8 785	-19 753	-32 685	-39 814
Adjustments for non-cash items	1 990	1 873	6 873	5 250	9 519
Taxes	-	-	-	-	-
Cash flow from operating activities before changes in working capital	-4 414	-6 912	-12 880	-27 435	-30 295
Cash flow from changes in working capital	1 049	-3 384	-2 580	-2 280	-6 927
Cash flow from operating activities	-3 365	-10 296	-15 460	-29 715	-37 222
Investing activities					
Capitalization of non-current assets	-1 153	-1 735	-4 344	-5 351	-6 472
Acquisition/divestment of property, plant and equipment	-149	-59	-559	-309	-565
Cash flow from investing activities	-1 302	-1 794	-4 903	-5 660	-7 037
Financing activities					
New issues	-	14 100	-	21 100	41 601
Change in financial assets	-850	-750	8 750	11 500	10 550
Acquisition/divestment of financial assets	-	-	-	29	-19
Cash flow from financing activities	-850	13 350	8 750	32 629	52 132
Cash flow for the period	-5 517	1 260	-11 613	-2 746	7 873
Cash and bank balances at start of period	6 730	953	12 752	5 059	5 059
Translation differences in cash and bank balances	-42	-122	32	-222	-180
Cash and bank balances at end of period	1 171	2 091	1 171	2 091	12 752

Parent Company Income Statement

SEK 000s

Income statement	July - Sept. 2011	July - Sept. 2010	Jan. - Sept. 2011	Jan. - Sept. 2010	Jan. - Dec. 2010
Operating income	15	15	45	75	383
Operating expenses ³⁾	-1 544	-1 425	-4 856	-8 402	-9 804
Operating loss	-1 529	-1 410	-4 811	-8 327	-9 421
Net financial items ⁴⁾	-15 764	-15 292	-26 263	-31 578	-32 338
Loss before tax	-17 293	-16 702	-31 074	-39 905	-41 759
Income tax	-	-	-	-	68
Loss for the period	-17 293	-16 702	-31 074	-39 905	-41 691

³⁾ Of which, depreciation

⁴⁾ Of which, SEK 25,3 m in shareholder contribution to subsidiaries as per 9/30/2011 (30 m as per 9/30/2010)



Parent Company Balance Sheet

Condensed balance sheet
SEK 000s

Assets	9/30/2011	9/30/2010	6/30/2011	12/31/2010
Financial assets/shares in subsidiaries	81 819	81 871	81 819	81 819
Receivables from Group companies	5 651	10 409	20 134	16 804
Other receivables, prepaid expenses and accrued income	400	520	177	2 278
Cash and bank balances	164	20	3 045	11 798
Total assets	88 034	92 820	105 175	112 699

Shareholders' equity and liabilities	9/30/2011	9/30/2010	6/30/2011	12/31/2010
Shareholders' equity	57 847	70 017	75 140	88 921
Liabilities to credit institutions	27 050	19 250	27 900	18 300
Accounts payable - trade	1 204	1 544	940	2 736
Liabilities to Group companies	106	58	124	103
Other liabilities, accrued expenses and deferred income	1 827	1 951	1 071	2 639
Total shareholders' equity and liabilities	88 034	92 820	105 175	112 699

Changes in shareholders' equity	9/30/2011	9/30/2010	6/30/2011	12/31/2010
Opening balance	88 921	88 822	88 921	88 822
New issues	-	22 000	-	22 000
Issues expenses	-	-900	-	-900
Issues during registration	-	-	-	23 501
Issues expenses issues during registration	-	-	-	-3 000
Group contribution	-	-	-	257
Tax group contribution	-	-	-	-68
Loss for the period ⁴⁾	-31 074	-39 905	-13 781	-41 691
Closing balance	57 847	70 017	75 140	88 921

4/ Of which, SEK 25,3 m in shareholder contribution to subsidiaries as per 9/30/2011 (30 m as per 9/30/2010)

Consolidated Income Statement - Segmental Breakdown

SEK 000s

Income statement, per segment, July - Sept. 2011	Professional Products	Consumer Products	Other	Total
Sales	11 515	67	-	11 582
Cost of goods sold	-6 112	8	-	-6 104
Gross Profit	5 403	75	-	5 478
Selling and marketing expenses	-3 875	-81	-135	-4 091
Administrative expenses	-1 230	-27	-1 291	-2 548
Research and development costs	-3 677	-172	-45	-3 894
Operating profit/loss ⁵⁾	-3 379	-205	-1 471	-5 055
Net financial items	-616	-	-733	-1 349
Profit/loss before tax	-3 995	-205	-2 204	-6 404
Tax	-	-	-	-
Profit/loss for the period	-3 995	-205	-2 204	-6 404

5/ Includes depreciation of SEK 1 769 thousand for the period July - Sept. 2011

Income statement, per segment, Jan. - Sept. 2011	Professional Products	Consumer Products	Other	Total
Sales	28 723	3 257	-	31 980
Cost of goods sold	-14 806	-948	-	-15 754
Gross Profit	13 917	2 309	-	16 226
Selling and marketing expenses	-11 231	-185	-274	-11 690
Administrative expenses	-4 609	-62	-4 279	-8 950
Research and development costs	-10 812	-1 832	-87	-12 731
Operating profit/loss ⁶⁾	-12 735	230	-4 640	-17 145
Net financial items	-965	-	-1 643	-2 608
Profit/loss before tax	-13 700	230	-6 283	-19 753
Tax	-	-	-	-
Profit/loss for the period	-13 700	230	-6 283	-19 753

6/ Includes depreciation of SEK 6 691 thousand for the period Jan. - Sept 2011



Income statement, per segment, July - Sept. 2010	Professional Products	Consumer Products	Other	Total
Sales	3 211	1 844	-	5 055
Cost of goods sold	-2 256	1	-	-2 255
Gross Profit	955	1 845	-	2 800
Selling and marketing expenses	-3 394	-91	61	-3 424
Administrative expenses	-1 550	-26	-1 778	-3 354
Research and development costs	-2 627	-1 239	15	-3 851
Operating profit/loss⁷⁾	-6 616	489	-1 702	-7 829
Net financial items	-694	-	-262	-956
Profit/loss before tax	-7 310	489	-1 964	-8 785
Tax	-	-	-	-
Profit/loss for the period	-7 310	489	-1 964	-8 785

7/ Includes depreciation of SEK 2 571 thousand for the period July - Sept. 2010

Income statement, per segment, Jan. - Sept. 2010	Professional Products	Consumer Products	Other	Total
Sales	17 745	5 755	-	23 500
Cost of goods sold	-11 308	-56	-	-11 364
Gross Profit	6 437	5 699	-	12 136
Selling and marketing expenses	-13 957	-464	-1 815	-16 236
Administrative expenses	-7 038	-146	-6 137	-13 321
Research and development costs	-9 073	-3 900	-569	-13 542
Operating profit/loss⁸⁾	-23 631	1 189	-8 521	-30 963
Net financial items	-1 007	-	-715	-1 722
Profit/loss before tax	-24 638	1 189	-9 236	-32 685
Tax	-	-	-	-
Profit/loss for the period	-24 638	1 189	-9 236	-32 685

8/ Includes depreciation of SEK 7 662 thousand for the period Jan. - Sept. 2010

Income statement, per segment, Jan. - Dec. 2010	Professional Products	Consumer Products	Other	Total
Sales	24 375	8 412	-	32 787
Other income	-	-	-	-
<i>Total income</i>				
Cost of goods sold	-14 918	-37	-	-14 955
Gross Profit	9 457	8 375	-	17 832
Selling and marketing expenses	-17 489	-482	-1 511	-19 482
Administrative expenses	-8 744	-163	-7 611	-16 518
Research and development costs	-14 163	-5 096	-439	-19 698
Operating profit/loss⁹⁾	-30 939	2 634	-9 561	-37 866
Net financial items	-1 482	-	-466	-1 948
Profit/loss before tax	-32 421	2 634	-10 027	-39 814
Tax	-	-	-	-
Profit/loss for the period	-32 421	2 634	-10 027	-39 814

9/ Includes depreciation of SEK 12 224 thousand for the period Jan. - Dec. 2010