

INVISIO COMMUNICATIONS

Interim Report

January – June 2011



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April – June

- Total income amounted to SEK 10.8 m (8.8)
- Sales for the business area Professional products, adjusted for currency effects, increased with 43.9 percent compared with the corresponding period 2010
- Gross profit increased to SEK 5.2 m (4.6)
- Gross margin decreased to 48.5 percent (52.0)
- Operating loss decreased to SEK -6.1 m (-8.0)
- Loss after tax decreased to SEK -6.7 m (-8.5)
- Loss per share decreased to SEK -0.26 (-0.38)
- The order book for the business area Professional products was SEK 9.3 m (3.3) at the end of the quarter

January – June

- Total income amounted to SEK 20.4 m (18.4)
- Sales for the business area Professional products, adjusted for currency effects, increased with 30.3 percent compared with the corresponding period 2010
- Gross profit increased to SEK 10.7 m (9.3)
- Gross margin increased to 52.7 percent (50.6)
- Operating loss decreased to SEK -12.1 m (-23.1)
- Loss after tax decreased to SEK -13.3 m (-23.9)
- Loss per share decreased to SEK -0.52 (-1.07)

Important Events April – June

- INVISIO has received its single largest order ever, from the Danish Armed Forces for urgent operational requirements. The order is for the headset INVISIO X5 with hearing protection, which will be used with an intelligent INVISIO Control Unit (Push to Talk). The order value is approximately SEK 11.5 m.
- INVISIO has, through partner ESG Elektroniksystem und Logistik GmbH, received an order from Bundeswehr, the German military defence. The order is for the communications system INVISIO X50 with INVISIO X5 and X6 headsets, which will be used in a new combat control system developed by the consulting firm ESG for the German military defence. The order value is not official but is below SEK 1 m.
- INVISIO has received an order from a European defence force. The order is for INVISIO's communications system X50 with headsets. The order value is approximately SEK 1 m.
- INVISIO has developed and launched a new version of the successful headset INVISIO M3. The new version, called M3 EX, has been developed to be absolute secure to use in situations where the tiniest spark could result in a fire or an explosion. The headset has received IECEx and ATEX certification, which means that it has gone through rigorous tests in order to make sure that it meets international directives for secure use in explosive environments.



Important events after the period

- ⇒ After the end of the quarter 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 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

This year's second quarter was successful for INVISIO in many ways even though we did not reach our goal of turning to profit. Sales of our professional products was record high and we received our largest single order ever – a breakthrough order in the military segment. The order book for our professional products was also the highest ever. Meanwhile, our expenses continued to decline.

After the end of the quarter 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 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 second quarter were the best ever, and amounted to SEK 9.2 m compared to SEK 6.8 m in the corresponding period of 2010. If the numbers are adjusted for currency effects the sales increase amounts to 43.9 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. The order is not mainly important because of its size, but especially because it acts as proof that INVISIO's products can be used operationally and that we can deliver larger volumes, which is important in the sales work towards large and other military customers.

During the quarter we also received two additional orders in the military segment, that volume wise was not that large but very important. We have together with a German partner received a strategically important order from the German Bundeswehr that will be used in a new combat control system. The order is important because Germany is a new market for us and therefore is an important first order, but also because it is a special group within the military that is new for us. We also received an order from another European defence force, who as well ordered products for the first time. First time customers are especially important to us because the majority of INVISIO's customers are recurring – when they have used the products for some time they realise the benefits with our solutions.

During the quarter we also launched a new version of the successful headset INVISIO M3. The headset, which is IECEx and ATEX certified, have the suffix EX, and is safe to use in situations where the smallest spark might lead to a fire or explosion. The product strengthens our position as provider of communications solutions for use in extreme environments. At the same time it opens up for business in new customer segments such as the oil and gas industry. The market launch is in progress, for example we participated at the TETRA World Congress where we showed the product, which was well received among the participants.

Last but not least we participated at the trade fair Soldier Tech in London during the quarter, which is an important trade fair within the military segment. This because a number of representatives of the many ongoing military modernisation programs, as we have mentioned in previous reports, were present at the fair. Our marketing efforts in form of PR and advertising in important key media that reaches our target group within the military segment have also gained momentum. This with several ads, and we also see an increased interest from this type of media to write about INVISIO and our communication solutions in editorial space.



Business Area Consumer Products and Cooperation with Motorola

Sales during the quarter for the business area Consumer products decreased with approximately 20 percent. The decrease compared to the corresponding period 2010 is due to currency effects. 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.

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.

Lars Højgård Hansen
CEO

Total Income and Result April – June 2011

Total income for the second quarter increased with 22.7 percent compared with the corresponding period 2010 and amounted to SEK 10.8 m (8.8)

Gross profit totalled SEK 5.2 m (4.6) and the gross margin was 48.5 percent (52.0)

The order book, consisting entirely of professional products, was SEK 9.3 m (3.3) by the end of the quarter.

Operating expenses for the second quarter decreased to SEK 11.3 m (12.6). Included in the expenses are depreciations of SEK 2.2 m (2.5). The decreased expenses are mainly attributable to lower current operating expenses during the second quarter 2011.

Operating loss for the second quarter thus amounted to SEK -6.1 m (-8.0)

Net financial items for the second quarter amounted to SEK -0.6 m (-0.5)

Loss after tax for the second quarter amounted to SEK -6.7 m (-8.5)

Loss per share for the second quarter amounted to SEK -0.26 (-0.38)



Professional Products

Sales during the second quarter in the business area Professional Products increased with 35.2 percent compared to the corresponding period 2010 and amounted to SEK 9.2 m (6.8). Adjusted for currency effects, sales increased with 43.9 percent compared with the corresponding period 2010.

The gross profit margin increased compared to the second quarter 2010 and amounted to 50.1 percent (38.3). 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. The gross profit margin has during the quarter been affected positively by both the product mix, a larger share of direct sales during the quarter and certain price adjustments that have been carried out.

Consumer Products

Sales during the second quarter for the business area Consumer Products decreased with 20.3 percent compared to the corresponding period 2010 and amounted to SEK 1.6 m (2.0). The decrease compared to the corresponding period 2010 is due to currency effects.

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. Sales during the second quarter correspond to the royalty quota under the previous agreements with Motorola. For the coming quarters sales will according to the new agreement only refer to Motorola's sales success without a guaranteed minimum compensation.

Gross margin amounted to 39.5 percent (99). The result has been burdened with costs associated to the renegotiation of the agreement with Motorola.

Total Income and Result January – June 2011

Total income for the first half of the year increased with 10.6 percent compared to the corresponding period 2010 and amounted to SEK 20.4 m (18.4)

Gross profit totalled SEK 10.7 m (9.3) and the gross margin was 52.7 percent (50.6)

The order book, consisting entirely of professional products, was SEK 9.3 m (3.3) by the end of the quarter.

Operating expenses for the first half of the year decreased to SEK 22.8 m (32.5). (2010: excluding non-recurring costs SEK 26.2 m). Included in the expenses are depreciations of SEK 4.9 m (5.1). The decreased expenses are mainly attributable to lower current operating expenses during 2011. During the period the synthetic option program has been terminated with a cost of SEK 0.2 m

Operating loss for the first half of the year thus amounted to SEK -12.1 m (-23.1)

Net financial items for the first half of the year amounted to SEK -1.3 m (-0.8)

Loss after tax for the first half of the year amounted to SEK -13.3 m (-23.9)

Loss per share for the first half of the year amounted to SEK -0.52 (-1.07)



Professional Products

Sales for the first half of the year in business area Professional Products increased with 18.4 percent compared to the corresponding period 2010 and amounted to SEK 17.2 m (14.5). Adjusted for currency effects, sales increased with 30.3 percent compared with the corresponding period 2010.

The gross profit margin increased compared to the first half of 2010 and amounted to 49.5 percent (37.7). 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. The gross profit margin has during the period been affected positively by both the product mix, a larger share direct sales during the quarter and certain price adjustments that have been carried out.

Consumer Products

Sales during the first half of year for the business area Consumer Products decreased with 18.4 percent compared to the corresponding period 2010 and amounted to SEK 3.2 m (3.9). The decrease compared to the corresponding period 2010 is due to currency effects.

The exclusive license 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. Sales during the first half of the year correspond to the royalty quota under the previous agreements with Motorola. For the coming quarters sales will according to the new agreement only refer to Motorola's sales success without a guaranteed minimum compensation.

Gross margin amounted to 70.0 percent (98.5). 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 first half of the year net capital expenditures amounted to SEK -3.6 m (-3.9), of which SEK -3.2 m (-3.6) 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 first half of the year amounted SEK -12.1 m (-19.4). Cash flow from investing activities amounted to SEK -3.6 m (-3.9) and cash flow from financing activities amounted to SEK 9.6 m (19.3), of which the new share issue SEK 0 m (7.0) and liabilities to credit institutions of SEK 9.6 m (12.3). Cash flow during the period thus amounted to SEK -6.1 m (-4.0).

At the end of the first half of the year cash and cash equivalents of the Group amounted to SEK 6.7 m (1.0). 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. 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

INVISIO Communications has 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, which will be repaid by the end of September 2011.

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 first half of the year amounted to SEK -7.4 m (-11.1), which resulted into a negative equity ratio (negative).

Parent Company

Net income for the Parent Company during the first half of the year amounted to SEK 0.030 m (0.060). Operating loss for the period amounted to SEK -3.3 m (-6.9). 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 -13.8 m (-23.2), where SEK 10 m (15) is attributable to shareholder contribution to the subsidiary company INVISIO Communications A/S.

At the end of the first half of the year, cash and cash equivalents held by the Parent Company amounted to SEK 3.0 m (0.1) and shareholders' equity amounted to SEK 75.1 m (72.6), which resulted into an equity ratio of 71.4 (72.8). 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 Third Quarter of 2011

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. A current example of the latter is the new headset M3 EX, where the market launch is in progress. The number of sales leads, queries and full-scale customer trials has continued to increase during 2011, and we have seen more first time customers. 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

The exclusive license and cooperation agreement that INVISIO Communications signed with Motorola in 2008 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. During the fourth quarter of 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 still very positive to the new agreement with Motorola that entails a continued focus on global sales of Motorola Finiti. The revenue from the new agreement will exclusively refer to Motorola's sales success without a guaranteed minimum compensation

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 prospect 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 2010 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.

This Interim Report has not been reviewed by the Company's auditor.

Future Reporting Dates

- Interim Report July – September: November 2, 2011
- Year-End Report 2011: February 17, 2012



Stockholm, July 20, 2011

Lars Röckert
Chairman of the Board

Anders Persson
Director

Jan Samuelson
Director

Mats Warstedt
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Tables

Consolidated Income Statement

SEK 000s

Income statement	April - June 2011	April - June 2010	Jan. - June 2011	Jan. - June 2010	Jan. - Dec. 2010
Sales	10 779	8 786	20 398	18 445	32 787
Cost of goods sold	-5 546	-4 217	-9 650	-9 109	-14 955
Gross Profit	5 233	4 569	10 748	9 336	17 832
Operating expenses ^{1/2/}	-11 312	-12 560	-22 838	-32 470	-55 698
Operating profit/loss	-6 079	-7 991	-12 090	-23 134	-37 866
Net financial items	-576	-516	-1 259	-766	-1 948
Profit/loss before tax	-6 655	-8 507	-13 349	-23 900	-39 814
Income tax	-	-	-	-	-
Profit/loss for the period	-6 655	-8 507	-13 349	-23 900	-39 814
Other comprehensive income					
Translation differences during the period from translation of foreign businesses	448	-377	308	-1 214	-3 187
Comprehensive income for the period	-6 207	-8 884	-13 041	-25 114	-43 001

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

1/ Of which, depreciation	-2 210	-2 538	-4 922	-5 091	-12 224
2/ Of which, cost of one-off measure	-	-1 243	-	-6 318	-5 568

Per-share data

	April - June 2011	April - June 2010	Jan. - June 2011	Jan. - June 2010	Jan. - Dec. 2010
Earnings per share, SEK	-0,26	-0,38	-0,52	-1,07	-1,75
Earnings per share after dilution, SEK	-0,26	-0,38	-0,52	-1,07	-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	22 448 688	25 851 452	22 448 688	23 501 320
Average number of shares outstanding	25 851 452	22 448 688	25 694 777	22 256 831	22 723 151
Number of shares outstanding after dilution	25 851 452	22 448 688	25 851 452	22 448 688	23 501 320
Share price, SEK	9,75	14,20	9,75	14,20	10,00

Consolidated Balance Sheet

Condensed balance sheet

SEK 000s

Assets	6/30/2011	6/30/2010	3/31/2011	12/31/2010
Intangible assets	15 908	21 657	15 602	16 948
Property, plant and equipment	802	1 117	804	834
Financial assets	653	679	638	643
Inventories	4 694	1 703	3 018	2 780
Accounts receivable - trade	16 463	6 920	6 549	10 169
Other receivables, prepaid expenses and accrued income	1 260	1 518	1 399	3 156
Cash and bank balances	6 730	953	11 740	12 752
Total assets	46 510	34 547	39 750	47 282
Shareholders' equity and liabilities	6/30/2011	6/30/2010	3/31/2011	12/31/2010
Shareholders' equity	-7 411	-11 084	-1 204	5 630
Liabilities to credit institutions	36 114	24 441	26 604	21 570
Accounts payable - trade	8 265	8 490	6 208	9 301
Other liabilities, accrued expenses and deferred income	9 542	12 700	8 142	10 781
Total shareholders' equity and liabilities	46 510	34 547	39 750	47 282
Changes in shareholders' equity	6/30/2011	6/30/2010	3/31/2011	12/31/2010
Opening balance	5 630	7 030	5 630	7 030
New issues	-	7 000	-	41 601
Comprehensive income for the period	-13 041	-25 114	-6 834	-43 001
Closing balance	-7 411	-11 084	-1 204	5 630

Statement of financial position, Group

SEK 000s

Interim period 1/1/2011 – 6/30/2011	Share capital	Other capital contributions	Loss carried forward	Total shareholders' equity
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	-	-	-13 041	-13 041
Shareholders' equity, 6/30/2011	25 851	214 326	-247 588	-7 411

Interim period 1/1/2010 – 6/30/2010	Share capital	Other capital contributions	Loss carried forward	Total shareholders' equity
Opening balance, 1/1/2010	21 565	177 011	-191 546	7 030
Issues during registration 31/12/2009	500	-500	-	-
New Issues	383	6 617	-	7 000
Comprehensive income for the period	-	-	-25 114	-25 114
Shareholders' equity, 6/30/2010	22 448	183 128	-216 660	-11 084

Statement of cash flows – Group

SEK 000s

Cash flow	April - June 2011	April - June 2010	Jan. - June 2011	Jan. - June 2010	Jan. - Dec. 2010
Operating activities					
Profit/loss before tax	-6 655	-8 507	-13 349	-23 900	-39 814
Adjustments for non-cash items	2 222	349	4 883	3 377	9 519
Taxes	-	-	-	-	-
Cash flow from operating activities before changes in working capital	-4 433	-8 158	-8 466	-20 523	-30 295
Cash flow from changes in working capital	-819	-3 465	-3 629	1 104	-6 927
Cash flow from operating activities	-5 252	-11 623	-12 095	-19 419	-37 222
Investing activities					
Capitalization of non-current assets	-1 918	-1 934	-3 191	-3 616	-6 472
Acquisition/divestment of property, plant and equipment	-206	-208	-410	-250	-565
Cash flow from investing activities	-2 124	-2 142	-3 601	-3 866	-7 037
Financing activities					
New issues	-	-	-	7 000	41 601
Change in financial assets	2 300	-750	9 600	12 250	10 550
Acquisition/divestment of financial assets	-	1	-	29	-19
Cash flow from financing activities	2 300	-749	9 600	19 279	52 132
Cash flow for the period	-5 076	-14 514	-6 096	-4 006	7 873
Cash and bank balances at start of period	11 740	15 546	12 752	5 059	5 059
Translation differences in cash and bank balances	66	-79	74	-100	-180
Cash and bank balances at end of period	6 730	953	6 730	953	12 752

Parent Company Income Statement

SEK 000s

Income statement	April - June 2011	April - June 2010	Jan. - June 2011	Jan. - June 2010	Jan. - Dec. 2010
Operating income	15	30	30	60	383
Operating expenses ³⁾	-1 563	-2 940	-3 312	-6 977	-9 804
Operating loss	-1 548	-2 910	-3 282	-6 917	-9 421
Net financial items ⁴⁾	-77	-16 123	-10 499	-16 286	-32 338
Loss before tax	-1 625	-19 033	-13 781	-23 203	-41 759
Income tax	-	-	-	-	68
Loss for the period	-1 625	-19 033	-13 781	-23 203	-41 691

³⁾ Of which, depreciation

⁴⁾ Of which, SEK 10 m in shareholder contribution to subsidiaries as per 6/30/2011 (15 m as per 6/30/2010)



Parent Company Balance Sheet

Condensed balance sheet

SEK 000s

Assets	6/30/2011	6/30/2010	3/31/2011	12/31/2010
Financial assets/shares in subsidiaries	81 819	81 871	81 819	81 819
Receivables from Group companies	20 134	17 368	14 752	16 804
Other receivables, prepaid expenses and accrued income	177	356	342	2 278
Cash and bank balances	3 045	101	8 627	11 798
Total assets	105 175	99 696	105 540	112 699

Shareholders' equity and liabilities	6/30/2011	6/30/2010	3/31/2011	12/31/2010
Shareholders' equity	75 140	72 619	76 765	88 921
Liabilities to credit institutions	27 900	20 000	25 600	18 300
Accounts payable - trade	940	3 636	1 682	2 736
Liabilities to Group companies	124	161	103	103
Other liabilities, accrued expenses and deferred income	1 071	3 280	1 390	2 639
Total shareholders' equity and liabilities	105 175	99 696	105 540	112 699

Changes in shareholders' equity	6/30/2011	6/30/2010	3/31/2011	12/31/2010
Opening balance	88 921	88 822	88 921	88 822
New issues	-	7 000	-	22 000
Issues expenses	-	-	-	-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⁾	-13 781	-23 203	-12 156	-41 691
Closing balance	75 140	72 619	76 765	88 921

4/ Of which, SEK 10 m in shareholder contribution to subsidiaries as per 6/30/2011 (15 m as per 6/30/2010)

Consolidated Income Statement - Segmental Breakdown

SEK 000s

Income statement, per segment, April - June 2011	Professional Products	Consumer Products	Other	Total
Sales	9 200	1 579	-	10 779
Cost of goods sold	-4 590	-956	-	-5 546
Gross Profit	4 610	623	-	5 233
Selling and marketing expenses	-3 823	-50	-4	-3 877
Administrative expenses	-1 872	-19	-1 490	-3 381
Research and development costs	-3 557	-500	3	-4 054
Operating profit/loss ⁵⁾	-4 642	54	-1 491	-6 079
Net financial items	-89	-	-487	-576
Profit/loss before tax	-4 731	54	-1 978	-6 655
Tax	-	-	-	-
Profit/loss for the period	-4 731	54	-1 978	-6 655

5/ Includes depreciation of SEK 2 210 thousand for the period April - June 2011

Income statement, per segment, Jan. - June 2011	Professional Products	Consumer Products	Other	Total
Sales	17 208	3 190	-	20 398
Cost of goods sold	-8 694	-956	-	-9 650
Gross Profit	8 514	2 234	-	10 748
Selling and marketing expenses	-7 356	-104	-139	-7 599
Administrative expenses	-3 379	-35	-2 988	-6 402
Research and development costs	-7 135	-1 660	-42	-8 837
Operating profit/loss ⁶⁾	-9 356	435	-3 169	-12 090
Net financial items	-349	-	-910	-1 259
Profit/loss before tax	-9 705	435	-4 079	-13 349
Tax	-	-	-	-
Profit/loss for the period	-9 705	435	-4 079	-13 349

6/ Includes depreciation of SEK 4 922 thousand for the period Jan. - June 2011

Income statement, per segment, April - June 2010	Professional Products	Consumer Products	Other	Total
Sales	6 806	1 980	-	8 786
Cost of goods sold	-4 198	-19	-	-4 217
Gross Profit	2 608	1 961	-	4 569
Selling and marketing expenses	-3 369	-59	-571	-3 999
Administrative expenses	-3 185	-18	-1 142	-4 345
Research and development costs	-2 797	-1 269	-150	-4 216
Operating profit/loss⁷⁾	-6 743	615	-1 863	-7 991
Net financial items	-227	-	-289	-516
Profit/loss before tax	-6 970	615	-2 152	-8 507
Tax	-	-	-	-
Profit/loss for the period	-6 970	615	-2 152	-8 507

7/ Includes depreciation of SEK 2 538 thousand for the period April - June 2010

Income statement, per segment, Jan. - June 2010	Professional Products	Consumer Products	Other	Total
Sales	14 534	3 911	-	18 445
Cost of goods sold	-9 052	-57	-	-9 109
Gross Profit	5 482	3 854	-	9 336
Selling and marketing expenses	-10 563	-373	-1 876	-12 812
Administrative expenses	-5 488	-120	-4 359	-9 967
Research and development costs	-6 446	-2 661	-584	-9 691
Operating profit/loss⁸⁾	-17 015	700	-6 819	-23 134
Net financial items	-313	-	-453	-766
Profit/loss before tax	-17 328	700	-7 272	-23 900
Tax	-	-	-	-
Profit/loss for the period	-17 328	700	-7 272	-23 900

8/ Includes depreciation of SEK 5 091 thousand for the period Jan. - June 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