



Report on operations Q1 2005

Summary Q1 2005

Comments

Announced acquisitions:	0 MSEK	
Announced divestitures:	0 MSEK	
Recorded growth:	+ 27 %	
Organic growth:	+ 11 %	
E.P.S :	+ 66 %	"more than 15 %"
EBIT margin %	8 %	" >10 % "
ROCE IAS:	14 %	"15 % over a cycle"
Return on Equity IAS:	20 %	



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Market growth 05 vs. 04

2005/2004	2004	Q1	Q2	Q3	Q4	2005
Sweden	7 %	10 %				
Europe	14 %	27 %				
NAFTA	49 %	85 %				
Asia	25 %	28 %				
Other	2 %	- 28 %				
TOTAL	16 %	27 %				

Adjusted development 05 vs. 04

2005/2004	2004	Q1	Q2	Q3	Q4	2005
Sweden	18 %	10%				
Europe	7 %	14%				
NAFTA	13 %	18%				
Asia	40 %	35%				
Other	2 %	-28%				
TOTAL	11 %	11%				

Q1 - Summary



"Precision in Everything"

<u>Msek</u>	<u>Q1 -05</u>	<u>Q1 -04</u>	<u>Change / Adj</u>
Order Intake	2 382	1 950	+22 % / + 7 %
Net Sales	2 241	1 760	+27 % / + 11 %
OP	180	119	+51 % / + 18 %
%	8,0 %	6,8 %	
EBIT	180	110	+64 % / + 27 %
%	8,0 %	6,3 %	
Fin.net	-28	-16	
PBT	152	94	+62 % / + 30 %
%	6,8 %	5,3 %	
EPS	5,83	3.52	+ 66 % / + 33 %
ROCE %	13,3 %	10,7 %	
Return on Eq, %	16,9 %	11,2 %	
Investments	82	55	+49 %
Solvency ratio %	34 %	34 %	



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Cash Flow Q1 2005

	<u>Q1 -05</u>	<u>Q1 -04</u>	<u>2004</u>
Cash flow from operations	194	152	723
Change in working capital			
-Inventories	-131	-76	-145
-Accounts Receivables	-217	-122	-362
-Accounts Payables	79	101	319
- <u>Others</u> (Acq/Div/transl.diff)	<u>27</u>	<u>17</u>	<u>107</u>
-TOTAL	- 242	-80	-81
Cash flow from oper. a. WC Changes	-48	72	642
Net Investments	-82	-55	-299
Cash Flow	-130	17	343



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The Share

- Proposed dividend 6.00 SEK (+30%)
- Proposed Split 1 to 3.
- 732 805 New shares issued.



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Update per business area



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Development per business area Q1 -05



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<u>MSEK</u>	<u>Inv.sales</u>	<u>Adj. sales growth %</u>	<u>Profit</u>	<u>Margin %</u>
Automation	589	+ 9 %	27	5 (4)
Engineering	436	+ 21 %	22	5 (6)
Metrology	693	+ 9 %	68	10 (8)
Polymers	530	+ 9 %	70	13 (12)
Ass.companies			-	
Group costs	- 7		-7	
EBIT	2 241	+ 11 %	180	8 (7)
Fin.net			-28	
PAF	2 241	+ 11 %	152	7 (5)
Non comp. items				
PBT	2 241	+ 11 %	152	7 (5)



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- Excellent demand in Sweden and Finland
- Increased activity in Norway (Off shore)
- Danish market is ramping up its demand
- Wind power – continued strength
- 2005 outlook: Automation is late in the business cycle
 - Q1 anticipates an earnings improvement in 2005



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- Significant growth in the quarter: 21 %
- Strong results from the core business
- Two entities are generating app. 5 MSEK in losses
- Inauguration of new press line at EBP on 12th May
- 2005 outlook: Improved profit and margins



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- Strong development in all segments and regions but for EU
- 9 % organic growth (Service and S/W +14%)
- Hand tools picking up – good sign!
- Launch of new products at trade show in Germany
 - Sensors contact and non-contact
 - Vision products
 - Soft Ware
 - New Articulated arms
- 2005 outlook: Continued growth in margins and profits



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- Organic growth in Q1 9 %
- Raw material price increases continues
- So far we have managed to increase prices and rationalise operations in order to meet raw materials cost increases
- Expansion investment programme in Sri Lanka: Q3
- 2005 outlook: Improved profit and volumes with constant margins



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Whats next?-

Priorities 05-08

- “Project 1.5” – prepare for the cyclical down turn in -06:
- Slim EU and US based manufacturing
- Expand Asian operations
- Expand service and soft ware concepts
- Budgeted cost : 25 MSEK – might be exceeded
- Expand and divest according to 4–year business plan
 - Plan 2008:
 - Sales: > 15 Bn.SEK
 - EBIT %: > 10%
 - No# strat.businesses: 2



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Outlook for 2005

" We will reach our strategic target of an E.P.S. growth of at least 15 % per annum.



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Thank you for your time

- *Questions ?*



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