



## Aros Quality Group Aktiebolag (publ)

### Year-end report 2011

- Net sales SEK 2,150 million (1,901)
- Operating profit SEK 122 million (97)
- Profit after financial items SEK 120 million (86)
- Order bookings SEK 2,105 million (2,053)
- Equity ratio 63 % (56 %)
- Earnings per share after tax SEK 5.35 (3.85)
- The Board proposes a dividend of SEK 1.30 (1.10)

#### Significant events during and after the financial year

Net sales, totaled SEK 2,150 million an increase of 7% from the same period the preceding year, operating profit increased by 26% and earnings per share increased by 38%. The Group's financial position is very strong with an equity ratio of 63%, an increase of 7 percentage points from 2010.

The turbulence in international financial markets at the end of the year have affected AQ by downward revisions, and advanced delivery schedules from a number of clients in the automotive industry. Measures to reduce as well as staff costs and other costs have been taken.

The results during Q4 have been impacted by one-time costs such as capacity changes and currency effects. These costs amounted to SEK 12 million during the quarter, adjusted for this the net margin for the quarter is 4.2%.

The action of AQ Segerstrom & Svensson AB in Eskilstuna is proceeding as planned. The company is experiencing a minor negative result, but with a marked improvement from the same period the preceding year. We expect the company will be able to generate profit in 2012.

During the year the production of cabling has been restructured. All production in Europe is now concentrated in Poland. We have also started a similar production in China mainly for the local market.

In October 2011 AQ purchased an additional 42% of the shares in the Bulgarian subsidiary AQ Electric AD to the amount of EUR 1.06 million. The total ownership of the company now amounts to 96%. The reason for the investment is to further expand the operations in Bulgaria who have good technical skills, and low production costs.

The assets and liabilities in AQ Gävle Precisionlego AB, a subsidiary of AQ Parkoprint AB, were sold in June 2011. The company with four employees, have been supplying turned metal components to its parent. The production has not been a core operation for AQ. The transaction has not in a great extent, affected the results or balance sheet.

AQ Holmberg AB acquired, January 1, 2012, through a cash transaction all the shares in Vadstena Industriplast Aktiebolag from Vadstena Polymer AB. The company produces injection molded plastic parts for demanding industrial customers. The business had sales in 2011 over SEK 60 million and has approximately 40 employees. The integration between AQ Holmberg AB and Vadstena Industriplast Aktiebolag has begun.

Otherwise there are no significant events to report. Our focus on the, for AQ very important parameters, increased delivery reliability and quality improvement, we work tirelessly with.

### Information of parent company

The parent company, Aros Quality Group Aktiebolag, focuses primarily on leadership and development of the Group. Company sales are, as in previous years, almost exclusively of sale of management services to subsidiaries. Purchases from the subsidiaries do not exist to any appreciable extent.

### The drawing up of the interim report

The interim report has been prepared in accordance with the Swedish Annual Accounts Act as well as IFRS, applying IAS 34, Interim Financial Reporting, which contains general requirements for the design, structure and minimum information requirements in the interim report. The accounting and valuation principles applied are the same as used in the latest annual report for 2010.

The report has not been audited.

### Significant estimates and evaluations for accounting purposes.

The Board has in preparing the interim report found no record that would be especially exposed from a risk point of view and thus induce significant adjustments to future periods.

### Future prospects

With the uncertainty in the financial market and thus the demand for our products the Board waive providing a forecast for the full year, however, the beginning of 2012 showed a stable volume compared with the fourth quarter of 2011, why the board expects a better start to 2012 than the final quarter of 2011.

The Group strives for continued profitable growth within its business areas. The growth will be achieved both organically and through acquisitions.

### AQ in brief

AQ is a leading supplier to demanding industrial customers and is listed on AktieTorget.

The Group operates in two business segments *Component* which produce transformers, cabling, mechanical parts, stamped sheet metal and plastic injection molding and *Systems* which produces systems, automation and power solutions and assemble complete machines in close cooperation with customers.

### The Group's Income Statement (KSEK)

	Q4 2011	Q4 2010	Acc 2011	Acc 2010
Net sales	472 259	569 905	2 149 541	1 900 674
Other operating income	3 077	2 414	11 392	7 806
Operating expenses	-470 783	-544 269	-2 038 669	-1 811 621
<b>Operating profit/loss</b>	<b>4 553</b>	<b>28 050</b>	<b>122 264</b>	<b>96 859</b>
Result from financial investments	3 167	1 910	-2 275	-11 055
<b>Profit/loss after financial items</b>	<b>7 720</b>	<b>29 960</b>	<b>119 989</b>	<b>85 804</b>
Tax on profit for the year	-1 022	-7 768	-25 876	-19 739
<b>Net profit/loss for the year</b>	<b>6 698</b>	<b>22 192</b>	<b>94 113</b>	<b>66 065</b>
Earnings per share after full tax	0,43	1,43	5,31	3,85
Net margin %	1,6%	5,3%	5,6%	4,5%

## The Parent Company's Income Statement (KSEK)

	Q4 2011	Q4 2010	Acc 2011	Acc 2010
Net sales	15 775	16 074	48 650	33 046
Operating expenses	-574	-6 100	-16 741	-19 262
<b>Operating profit/loss</b>	<b>15 201</b>	<b>9 974</b>	<b>31 909</b>	<b>13 784</b>
Result from financial investments	-6 320	43 617	-638	37 696
<b>Profit/loss after financial items</b>	<b>8 881</b>	<b>53 591</b>	<b>31 271</b>	<b>51 480</b>
Appropriations and tax on profit	6 864	-1 938	747	-1 911
<b>Net profit/loss for the year</b>	<b>15 745</b>	<b>51 653</b>	<b>32 018</b>	<b>49 569</b>

## Balance Sheet (KSEK)

Assets	Group		Parent company	
	Q4 2011	Q4 2010	Q4 2011	Q4 2010
Fixed assets	232 258	234 915	206 816	209 846
Inventories, etc.	401 525	388 843		
Other short-term receivables	413 466	458 308	131 004	116 866
Cash and bank balances	58 078	25 400	27 346	7 458
<b>Total assets</b>	<b>1 105 327</b>	<b>1 107 465</b>	<b>365 166</b>	<b>334 170</b>
<b>Equity and liabilities</b>				
Equity	690 985	624 701	288 786	276 524
Untaxed reserves			12 740	13 490
Interest-bearing liabilities	60 829	94 080	22 193	1 122
Other liabilities	353 513	388 684	41 447	43 035
<b>Total equity and liabilities</b>	<b>1 105 327</b>	<b>1 107 465</b>	<b>365 166</b>	<b>334 170</b>
<b>Equity ratio</b>	<b>63%</b>	<b>56%</b>	<b>82%</b>	<b>86%</b>

## Cash Flow Analysis (KSEK)

	Group		Parent company	
	Acc 2011	Acc 2010	Acc 2011	Acc 2010
Net operating profit/loss	122 264	96 859	31 909	13 784
Non-cash transactions	44 226	41 471	41	-7 173
Net financial income/expense	-3 884	-1 714	-349	-97
Income tax paid	-25 039	-20 910	-2	-3 927
<b>Changes in working capital</b>	<b>137 567</b>	<b>115 706</b>	<b>31 599</b>	<b>2 587</b>
Rörelsekapitalets förändring	-36 829	-28 451	-15 726	37 596
<b>Cash-flow from operating activities</b>	<b>100 738</b>	<b>87 255</b>	<b>15 873</b>	<b>40 183</b>
Result from financial investments	-40 659	-46 418	2 538	-20 438
Cash flow from financing activities	-30 253	-45 508	1 315	-28 165
<b>Increase/reduction of liquid funds</b>	<b>29 826</b>	<b>-4 671</b>	<b>19 726</b>	<b>-8 420</b>
Liquid funds at beginning of year	25 400	36 369	7 458	15 878
Exchange rate difference in liquid funds	2 852	-6 298	162	0
<b>Liquid funds at end of period</b>	<b>58 078</b>	<b>25 400</b>	<b>27 346</b>	<b>7 458</b>

## Equity Capital (KSEK)

Group	Share-capital	Other paid-in capital	Trans-lation reserve	Profit/Loss brought forward	Sub-total	Minority share-holding	Total Equity	
<b>Opening balance 2010-01-01</b>	<b>35 698</b>	<b>25 631</b>	<b>12 260</b>	<b>508 324</b>	<b>581 914</b>	<b>4 582</b>	<b>586 497</b>	
Net profit 2010				68 877	68 877	-2 812	66 066	
Other comprehensive income			-13 053		-13 053	-454	-13 507	
New share issue	220	5 060			5 280		5 280	
Paid dividends				-19 634	-19 634		-19 634	
<b>Equity 2010-12-31</b>	<b>35 918</b>	<b>30 691</b>	<b>-792</b>	<b>557 567</b>	<b>623 385</b>	<b>1 316</b>	<b>624 701</b>	
Net profit 2011				95 345	95 345	-1 233	94 113	
Other comprehensive income			3 128		3 128	1	3 129	
Aquisition of minority shares				-11 202	-11 202		-11 202	
Paid dividends				-19 755	-19 755		-19 755	
<b>Equity 2011-12-31</b>	<b>35 918</b>	<b>30 691</b>	<b>2 336</b>	<b>621 956</b>	<b>690 902</b>	<b>84</b>	<b>690 985</b>	
	Restricted equity			Non - restricted equity				
<b>Parent company</b>	Share-capital	Statutory reserve	Sub-total	Share pr. reserve	Fair value reserve	Oth. Non-restr. Eq.	Sub-total	Total Equity
<b>Opening balance 2010-01-01</b>	<b>35 698</b>	<b>1 156</b>	<b>36 854</b>	<b>25 631</b>	<b>1 259</b>	<b>179 955</b>	<b>206 845</b>	<b>243 699</b>
Net profit 2010						51 426	51 426	51 426
Other comprehensive income					-1 259	-2 990	-4 249	-4 249
New share issue	220		220	5 060			5 060	5 280
Paid dividends						-19 634	-19 634	-19 634
<b>Equity 2010-12-31</b>	<b>35 918</b>	<b>1 156</b>	<b>37 075</b>	<b>30 691</b>		<b>208 757</b>	<b>239 448</b>	<b>276 523</b>
Net profit 2011						59 251	59 251	59 251
Other comprehensive income						-27 232	-27 232	-27 232
Paid dividends						-19 755	-19 755	-19 755
<b>Equity 2011-12-31</b>	<b>35 918</b>	<b>1 156</b>	<b>37 074</b>	<b>30 691</b>		<b>221 020</b>	<b>251 711</b>	<b>288 786</b>

All shares /17 959 058 pc/ are A-shares with equal voting rights.

## Personal

Employees	Bulgaria	China	Estonia	India	Italy	Poland	Sweden	Total
2011-12-31	810	461	178	4	5	389	801	2 648

Annual Report for 2011 will be available on [www.aktietorget.se](http://www.aktietorget.se) from 10 April 2012.

Annual General Meeting held April 24, 2012, at. 18.00 in Västerås.

### Future Reporting Dates

Interim Report Q1	January-March 2012	April 24, 2012
Interim Report Q2	January-June 2012	July 18, 2012
Interim Report Q3	January-September 2012	October 18, 2012
Year-end 2012		February 21, 2013
Annual Report 2012		April 2013

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