



PRECOMPSOLUTIONS

Annual report 2009



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Annual report 2009 for Precomp Solutions AB (publ), org No 556074-2800

Net sales amounted to 115,2 MSEK (166,7)
Operating profit amounted to -13,2 MSEK (-18,3)
Income after financial items amounted to +3,7 MSEK (-21,8)
Profit after tax amounted to +4,5 MSEK (-28,5)
Earnings per share amounted to +0,04 SEK

General information about Precomp Solutions AB

Precomp Solutions AB is a leading European company for tool manufacturing and manufacturing of precision components. Precomp Solutions core business is based on fineblanking competence, but we also offer our customers complex automatic punched details. Precomp Solutions offers customers innovative complete solutions from development with engineering services to the mass production and assembly of complex precision components.

Significant events in 2009

During the fall of 2008, the sales figures for Precomp Solutions fell rapidly due to the global financial crisis. In early 2009, work began to establish a viable financial solution for the company, which resulted in a company reconstruction.

The company received company reconstruction on the 6th of February 2009 by Borås District Court and Stefan Thorvaldsson at Ackordscentralen in Borås was appointed administrator. On the 12th of March a composition proposal was presented, which was approved by creditors on the 9th of April 2009 and set in the District Court the 28th of May 2009. On the 18th of June the decision was final and the composition settlement was paid to suppliers during the month of July. The 6th of August the reconstruction was finalized. That the reconstruction was conducted entirely according to plan has been appreciated by both suppliers and customers, confidence in the company rose significantly after the completed reconstruction.

The Company's bank has extended its credit by 4,5 MSEK to meet cash needs during the company reconstruction. In addition, Almi Företagspartner Väst AB has granted the company a loan of 5 MSEK.

As a result of the company's operating loss and write-downs charges in 2008, more than half the company's registered share capital was expended. The General Meeting on the 27th of May 2009 decided about the reduction of the company's registered share capital by SEK 21,9 MSEK to cover losses. A control balance sheet was established at the 31st of March 2009. A new control balance sheet was established at the 30th of June 2009 and it which showed that the company's registered share capital was once again intact. The control balance sheet was set at an extraordinary general meeting on the 20th of August.

During late June and early July Precomp Solutions undertook a rights issue of shares by which the company was added 11,3 MSEK before issue costs. A total of 44,2% of the shares were signed with preferential rights, 0,3% of the shares were signed by virtue of subsidiary rights. In total, 44,5% of the shares were signed for. Remaining shares were subscribed by the guarantor.

Marketing-wise, the company obtained new customers, despite current economic situation and company reconstruction, such as Assa Abloy's entire range of fine blanked products. ABB has the "first" customer bought pure engineering services and we have also received new tooling and component orders from existing customers.

The processing of new clients from our office in Mainz has resulted in the advanced stage of negotiations on the takeover of existing production. In general, interest has been great from customers in Germany for our services. Exchange rates and that we are a new supplier on the German market, but yet established in fine blanking are the main causes of interest.

In general, it is great activity among our clients with new projects. The number of qualified quote requests exceeding 2008 with almost 100%, however, the start of production is between 12-18 months ahead.

The launch of our patent-pending method for reducing the die roll (less material consumption) as well as cooperation with SSAB and Uddeholm with the processing of high strength materials have attracted great interest and meant that the company has become the "first preferred supplier" of several major customer projects. Precomp Solutions has with the patent and a focus on high-strength materials become a strategic technology partner that well respond to customer demands for tomorrow's products such as light components/systems for electric vehicles.

Significant events during the fourth quarter of 2009

The introduction of our innovations have been made in connection with the subcontractor exhibition at Elmia in Jönköping, Sweden, on the 10th-13th of November and at the Fair "OTOMOTIV" in Istanbul on the 12th-15th of November. To participate in these fairs clearly shows that the company is back in full force and we can have a focus on new business, both fun and inspiring for the entire organization.

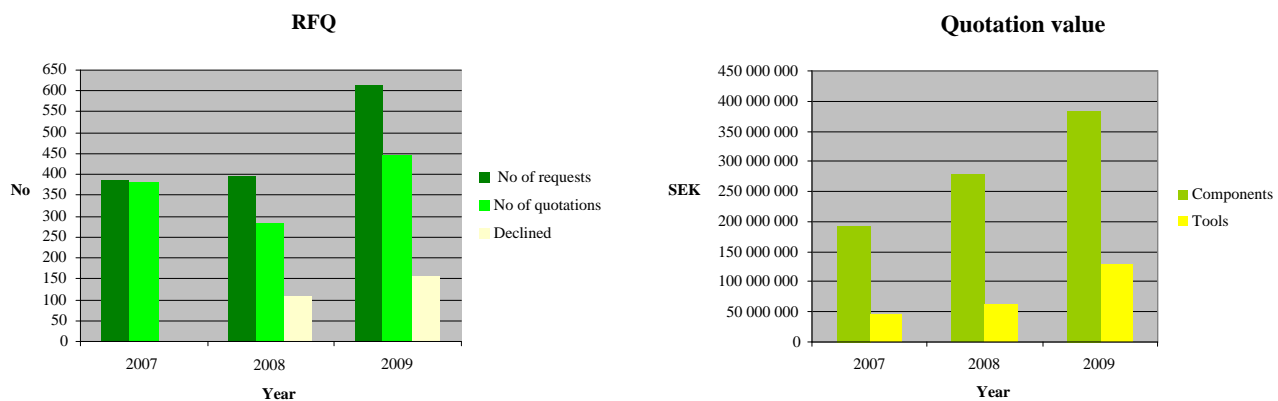
The fourth quarter was the first quarter in 2009 that the company was not in reconstruction, and hopefully the uncertainty surrounding the company has been reduced substantially by both customers and suppliers.

Future development

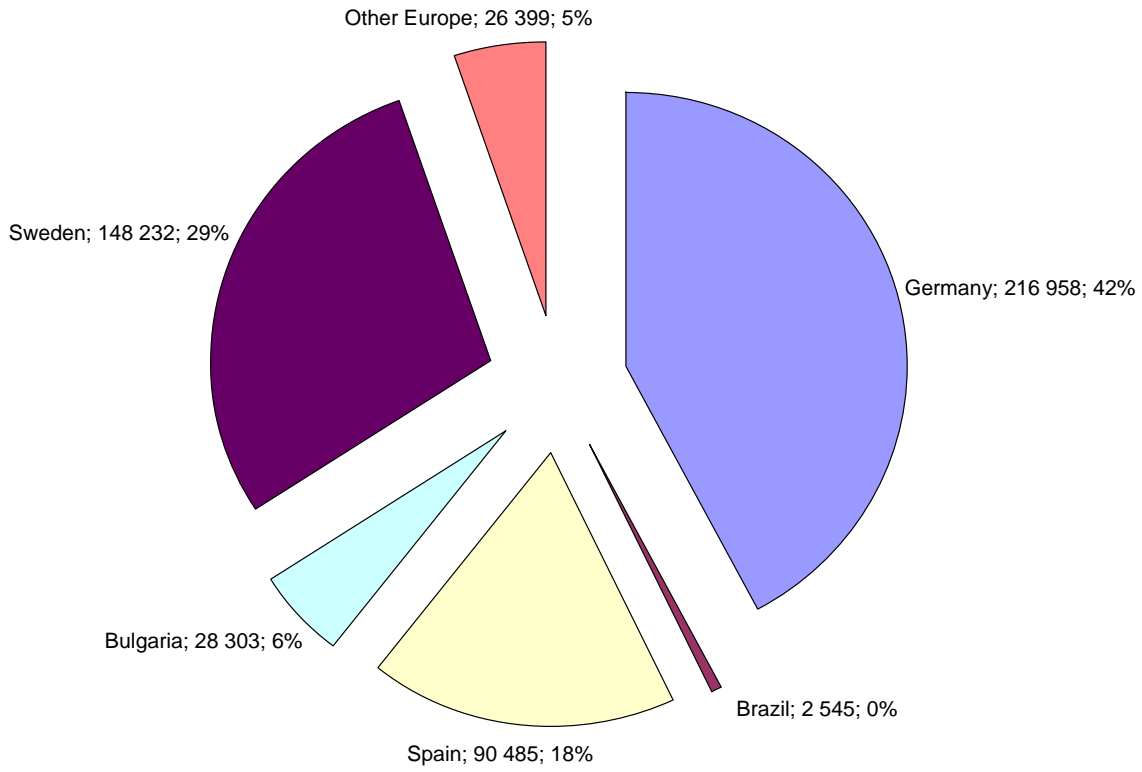
Despite the company reconstruction in 2009, the market activity was very high and the value of our current quotations is over 500 MSEK. The aggressive marketing work began in 2008 but the positive effect has been delayed due to the financial crisis and that the company was under reconstruction.

The quotation volume has in addition to the doubling of the figures for 2007 also qualitatively increased substantially over previous years, both in 2008 as in 2009, the company has declined 25% of all queries as they are not belonged to the company's "core business", as shown in the chart below.

Quotations



The chart below shows the breakdown of our current quotations, 70% of the value is in Europe and 30% in Sweden. The turnover for 2009 showed reversed digits, that is, 30% sales in Europe and 70% in Sweden. One significant difference is that both companies as the scale of the projects are much larger in Europe than in Sweden.



Now that the market is recovering and Precomp Solutions gets back the credibility from the customers, several of the quoted project will be started in 2010 and the company will benefit by this.

Consolidated P&L statements in summary

<u>MSEK</u>	Oct-Dec <u>2009</u>	Oct-Dec <u>2008</u>	Full year <u>2009</u>	Full year <u>2008</u>
Net sales	33,4	35,5	115,2	166,7
Cost of goods sold	-31,1	-46,0	-109,0	-159,0
Gross profit	2,3	-10,5	6,2	7,7
Selling expenses	-2,4	+3,5	-7,8	-7,4
Administrative expenses	-3,7	-3,5	-11,2	-13,4
Other operating income / expenses	-3,6	-0,3	-0,4	-5,2
Operating income	-7,4	-10,8	-13,2	-18,3
Composition profit	1,1	0,0	16,7	0,0
Interest income and similar	3,2	0,0	3,2	2,5
Interest costs and similar	-0,7	-1,6	-3,0	-6,0
Result after financial items	-3,8	-12,4	3,7	-21,8
Minority share of income	0,4	0,1	0,7	0,2
Taxes	0,1	-5,5	0,1	-6,9
Net income	-3,3	-17,8	4,5	-28,5

During Q4 2009 an income of sold shares has been moved from other operating income to interest income and similar.
The positive amount of selling expenses in quarter 4 2008 relates to changes of costs included in cost of goods sold.

Result per share	-0,03	-0,66	+0,04	-1,80
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Change in consolidated equity in summary

	Full year <u>2009</u>	Full year <u>2008</u>
Shareholders' equity at beginning of period	4,6	18,5
New issue	10,1	13,8
Translation differences	-0,2	0,8
Net income	4,5	-22,0
Amount at end of period	19,0	11,1

Consolidated Balance Sheet in summary

<u>MSEK</u>	31 dec <u>2009</u>	31 dec <u>2008</u>
Assets		
Fixed assets		
Tangible assets	33,6	41,9
Intangible assets	1,3	0,1
Financial assets	0,0	0,0
Total fixed assets	34,9	42,0
Current assets		
Inventories	14,8	23,2
Current receivables	28,9	33,9
Cash and bank balances	4,1	0,4
Total current assets	47,8	57,5
Total assets	82,7	99,5
Equity and liabilities		
Share capital		
Restricted reserves	1,0	1,0
Retained earnings incl. net income	2,9	-22,1
Total equity	19,0	4,6
Minority interests	0,1	0,8
Liabilities		
Interest bearing liabilities	21,9	12,6
Non-interest bearing current liabilities	12,5	35,0
Interest-bearing current liabilities	29,2	46,5
Total liabilities	63,7	94,1
 Total equity and liabilities	 82,7	 99,5
Pledged assets		
Real estate mortgages	27,2	20,3
Company mortgages	70,2	70,2
Other	41,9	46,8
 Contingent liabilities	 3,9	 3,3

Consolidated Cash Flow Statement in summary

<u>MSEK</u>	Full year <u>2009</u>	Full year <u>2008</u>
Cash flow from operations before		
changes in working capital and investment	12,3	-7,7
Change in working capital	-12,0	3,6
Cash flow from operating activities	0,3	-4,1
Investments	-4,5	-1,4
Cash flow after investments	-4,2	-5,5
Financing	-2,2	-8,4
Group contribution received	-	-
New issue	10,1	13,8
Change in liquid funds	3,7	-0,1
Cash and cash equivalents at start of period	0,4	0,5
Cash and cash equivalents at end of period	4,1	0,4

Parent Company's P&L statement in summary

<u>MSEK</u>	Oct-Dec <u>2009</u>	Oct-Dec <u>2008</u>	Full year <u>2009</u>	Full year <u>2008</u>
Net sales	33,3	35,4	115,1	166,4
Cost of goods sold	-30,2	-39,3	-108,3	-157,2
Gross profit	3,1	-3,9	6,8	9,2
Selling expenses	-2,4	-1,9	-7,8	-7,4
Administrative expenses	-3,2	-3,3	-10,3	-12,4
Other operating income / expenses	-3,1	-1,9	0,1	-1,1
Operating income	-5,6	-11,0	-11,2	-11,7
Composition profit	1,1	0,0	16,7	0,0
Interest income and similar	3,4	0,5	3,4	0,5
Interest costs and similar	-0,6	-1,5	-3,0	-17,4
Result after financial items	-1,7	-12,0	5,9	-28,6
Taxes	0,0	-1,1	0,0	-2,8
Net income	-1,7	-13,1	5,9	-31,4

During Q4 2009 an income of sold shares has been moved from other operating income to interest income and similar.

Parent Company's Balance Sheet in summary

<u>MSEK</u>	31 dec <u>2009</u>	31 dec <u>2008</u>
Assets		
Receivable subscribed not paid shares		
Fixed assets	31,6	38,5
Tangible assets	1,2	0,0
Intangible assets	4,1	1,1
Financial assets	36,9	39,6
Total fixed assets		
Current assets	13,7	20,9
Inventories	28,8	33,6
Current receivables	1,2	4,3
Cash and bank balances	3,9	0,0
Total current assets	47,6	58,9
Total assets	84,5	98,5
Equity and liabilities		
Share capital	15,1	25,7
Restricted reserves	1,0	1,0
Retained earnings incl. net income	4,6	-22,1
Total equity	20,7	4,6
Minority interests		
Liabilities		
Interest bearing liabilities	21,9	12,5
Non-interest bearing current liabilities	12,7	34,9
Interest-bearing current liabilities	29,2	46,5
Total liabilities	63,8	93,9
Total equity and liabilities	84,5	98,5

Consolidated key figures in summary

<u>MSEK</u>	Full year <u>2009</u>	Full year <u>2008</u>
Operating profit, MSEK	-13,2	-18,3
Operating margin, total%	neg	neg
Income after financial items, MSEK	3,7	-21,9
Profit margin, %	3	neg
Return on operating capital, %	neg	neg
Return on equity, %	23	neg
Equity ratio, %	23	5
Earnings per share, SEK	0,0	neg
Equity per share, SEK	0,2	0,2
Number of employees	108	142
Number of shares at end of	108 022 024	27 005 506
Average number of shares during the period	57 386 700	15 818 568

Definitions

Operating margin

Operating profit in relation to net sales.

Profit margin

Income after financial items in relation to net sales.

Operating capital

Total assets less cash in the form of cash, bank and other financial assets and liabilities, calculated as annual averages.

Return on operating capital

Operating profit in relation to the average operating capital.

Return on equity

Income after financial items minus 26,3 percent tax in relation to average equity.

Equity ratio

Equity relative to total assets.

Equity per share

Equity divided by the number of shares.

Accounting principles Group reporting

Accounting principles and calculation methods are unchanged compared to the Annual Report for 2008.

Additional information regarding the Group is available at Precomp Solutions AB's website www.precomp.com.

Ulricehamn February 24th, 2010

Precomp Solutions AB (publ)

Board of directors

Certified Adviser: Remium AB