



## Aros Quality Group AB (publ)

### Year-End Report 2010

- Order bookings 2 053 MSEK (1 734)
- Net sales 1 901 MSEK (1 756)
- Operating profit 97 MSEK (104)
- Profit after financial items 86 MSEK (101)
- Equity ratio 56 % (62)
- Earnings per share after tax 3,85 SEK (4,35)
- The board proposes a dividend per share of 1.10 SEK (1.10)

INCOME STATEMENTS	2010	2009	BALANCE STATEMENTS	2010	2009
Net sales	1 900,7	1 756,1	Fixed assets	234,9	220,2
Other operating expenses	-1 765,2	-1 614,4	Inventories	388,8	314,2
Depreciation	-38,6	-37,3	Current receivables	458,3	370,3
<b>Operating profit</b>	<b>96,9</b>	<b>104,4</b>	Cash and bank balances	25,4	36,6
Net financial expense	-11,1	-3,8	<b>Total assets</b>	<b>1107,5</b>	<b>941,2</b>
<b>Profit after financial items</b>	<b>85,8</b>	<b>100,6</b>	Equity	624,7	586,5
Tax on profit for the year	-19,7	-22,2	Liabilities	482,8	354,7
<b>Net profit for the year</b>	<b>66,1</b>	<b>78,4</b>	<b>Total equity and liabilities</b>	<b>1107,5</b>	<b>941,2</b>
<b>Key ratio</b> (connected with profit)	<b>2010</b>	<b>2009</b>	<b>Key ratio</b>	<b>2010</b>	<b>2009</b>
Earnings per share	3,85	4,35	Number of shares (thousands)	17 959	17 849
Operating margin	5%	6%	Equity ratio	56%	62%
Return on equity	11%	14%	Liquid ratio	116%	146%

*Key ratios calculated with same principals as previous annual report.*

#### The group

AQ is one of Sweden's leading suppliers for industrial customers with high demands and its shares are quoted on Aktietorget.

The group is active within two business segments: **Components**, which produces transformers, cables, mechanical components, stamped metal and plastic injection moulding, and **Systems**, which produces systems and complete machines in close collaboration with the customers.

AQ has, as of the end of year 2010, over 2 500 employees worldwide. Approximately 800 in Sweden, the others are employed in Bulgaria, China, Poland, Estonia and Italy.

#### Important events

Order bookings have increased by 18% (excluding acquisitions 13%). Net sales increased by 8% (excluding acquisitions 4%).

The profit in 2010 has not met expectations. Exchange losses, when the Swedish crown strengthened against the Euro, has affected the profit negatively by approximately 20 (6) million SEK.

The closure of AQ Lasertool AB has affected the profit negatively by 14 million SEK.

AQ Segerström & Svensson AB, mainly a supplier to the automotive industry, continues to face profitability problems. An improvement plan is ongoing.

In September 2010 AQ acquired TVAB International, which now operates under the name AQ Wiring Systems AB.

AQ's venture in India is proceeding according to plan. In early 2011, a CEO has been appointed and our first local employee has been recruited. The place of establishment is Pune. The activities will primarily be dedicated to global customers with manufacturing facilities in India.

#### Future

The year 2011 has begun with good sales. At the current rate, annual sales will reach approximately 2.1 billion SEK. The profit is expected to exceed the previous year with margin.

The group is striving to continue profitable growth within its business areas. This growth shall occur both organically and via acquisitions.

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*Financial information schedule 2011: Annual report 2010 available in PDF-format on April 6<sup>th</sup> 2011, three-month interim report April 20<sup>th</sup> 2011, six-month interim report July 18<sup>th</sup> 2011, nine-month interim report October 20<sup>th</sup> 2011, all on the company website [www.aqg.se](http://www.aqg.se). Annual meeting for 2010 will be held on April 20<sup>th</sup> 2011 in Västerås.*

*The information in this report are in accordance with IFRS (International Financial Reporting Standards). This report has not been audited by the company auditors.*