



## Interim report October-December 2011 And Full Year 2011

Täby, 31 January 2012 - Micronic Mydata AB (publ) is listed on NASDAQ OMX Stockholm, Small Cap, MICR. The information in this report is of the type that Micronic Mydata AB (publ) is required to disclose under the Swedish Securities Markets Act. The information was submitted for publication on 31 January 2012, at 8 am.

### Fourth quarter Oct-Dec, 2011

(Comparative figures refer to Oct-Dec, 2010)

- Net sales were SEK 369 (552) million.
- The operating profit was SEK -14 (124) million.
- The adjusted operating profit was SEK -3 (138) million.
- Earnings per share were SEK -0.19 (1.14)
- The order intake was SEK 277 (306) million.

### Full year, 2011

(Comparative figures refer to Full year, 2010)

- Net sales were SEK 1,198 (1,288) million.
- The operating profit was SEK -66 (73) million.
- The adjusted operating profit was SEK -28 (144) million.
- Earnings per share were SEK -0.91 (0.45).
- The order intake was SEK 1,214 (1,388) million.
- The order backlog on 31 December was SEK 176 (153) million.

### Future outlook

Sales for 2011 were SEK 1,198 million. The Board's assessment is that sales in 2012 will exceed that amount somewhat.

### 2011 a record year for SMT

2011 was a record year for surface mount, with a 31 percent increase in sales and an operating margin of 17 percent. We developed our product offering with several successful product launches thus strengthening our competitive edge and gaining market share. The strategy behind the acquisition of Mydata has been validated. Within two years we have succeeded well in integrating two companies as well as in developing the merged businesses.

We see fantastic growth on the market for mobile consumer electronics such as tablets and smart phones. All of these products require more and more advanced displays. The earthquake in Japan and a decline in TV sales have led to delays in investments in mask writers and it was therefore a worse year for business area PG. But with strong long term demand we have a unique position as the only supplier of mask writers for display applications.

We are ensuring future growth by investing vigorously within new product areas, which allows for growth and stable profitability in the future. In November we market launched the direct writer LDI. Technology shift is on the way and our technology contributes to continued development within the electronics industry

and thus continued development of new electronics products. The development of LDI is continuing and two systems are on site at two of the top players in the industry for evaluation. The tests being conducted at these customer sites are developing according to expectations and are yielding results as milestones are achieved, which will mean a reduction in LDI development costs in 2012.

Aftermarket business continues to grow both in terms of volume and profitability for both business areas, which provides us with a solid foundation for continued growth and profitability. We have succeeded well in responding to customer needs.

With more systems in place it is increasingly important to attend to customer requirements to get the most out of their investments. In 2011, sales increased by five percent, even more in local currencies, and with improved margins.



Peter Uddfors, *President and CEO*

## Group highlights

SEK million	Oct-Dec 11	Oct-Dec 10	Jan-Dec 11	Jan-Dec 10
Net sales	369.3	552.0	1,197.6	1,287.8
Gross profit	149.5	297.7	488.0	633.1
Gross margin	40.5%	53.9%	40.8%	49.2%
EBIT	-14.0	124.0	-65.7	72.5
EBIT margin	-3.8%	22.5%	-5.5%	5.6%
EBIT adjusted	-3.4	137.3	-28.1	143.6
EBIT margin, adjusted	-0.9%	24.9%	-2.3%	11.2%
Earnings per share, SEK	-0.19	1.14	-0.91	0.45
Cash flow	-8.1	49.8	-51.9	308.4
Order intake	277.5	306.1	1,214.0	1,387.6
Order backlog			176.0	152.8

1) Adjusted EBIT is adjusted for capitalized development, amortization on previously capitalized development and excess values in technology.

### First quarter

The Group's order intake and sales of surface mount equipment was strong and one order for a mask writer was received. The earthquake in Japan affected operations within business area pattern generators.

### Second quarter

The Group's surface mount operations demonstrated continued strong order intake and sales. A launch was executed of the machine series MY100e with higher performance. The Group received orders for two mask writers for electronics production. The company obtained ISO 9001:2008 certification.

### Third quarter

Operations within surface mount continued strong within all product areas. Sales of the MY100e series developed well. Development of the direct writer LDI continued according to plan and an additional LDI system was delivered to a second cooperation partner for evaluation.

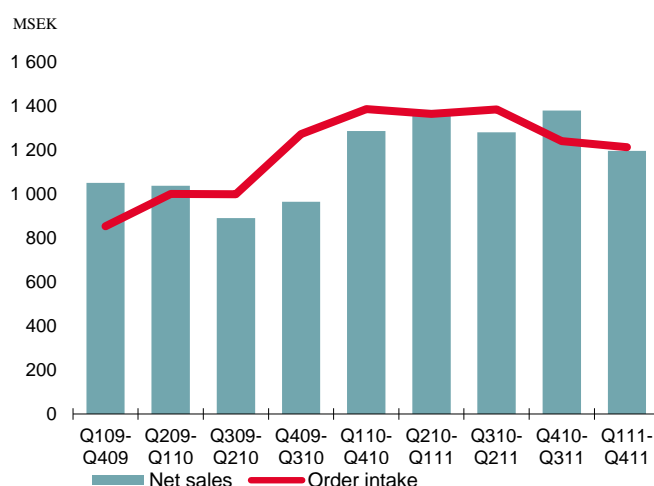
### Fourth quarter

The direct writer LDI was launched during the electronics TPCA exhibition in Taiwan. The industry increased their understanding of the innovative technical solutions opened up by LDI and the benefits the product contributes to the development of future electronics products.

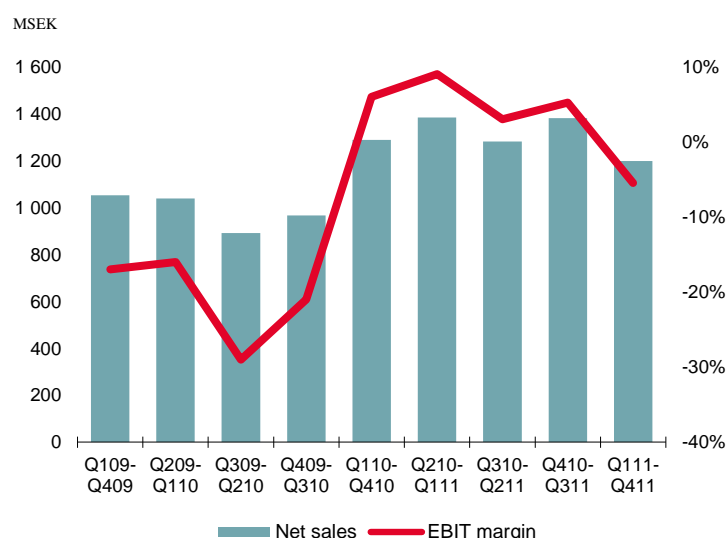
### After year end

Since the end of the financial year, no events have taken place in Micronic Mydata which have had, or is expected to have, a significant impact on the company financially.

12 months rolling



12 months rolling



## Revenue and order intake

### Revenue and order intake by business area

SEK million	Oct-Dec 11	Oct-Dec 10	Jan-Dec 11	Jan-Dec 10
<b>Revenue</b>				
Pattern generators	110.3	327.7	393.8	672.5
SMT equipment	259.0	224.3	803.8	615.3
<b>Total</b>	<b>369.3</b>	<b>552.0</b>	<b>1,197.6</b>	<b>1,287.8</b>
<b>Order intake</b>				
Pattern generators	80.6	74.7	423.1	675.1
SMT equipment	196.9	231.4	790.9	712.5
<b>Total</b>	<b>277.5</b>	<b>306.1</b>	<b>1,214.0</b>	<b>1,387.6</b>
<b>Order backlog</b>				
Pattern generators 1)			56.5	20.4
SMT equipment			119.5	132.4
<b>Total</b>			<b>176.0</b>	<b>152.8</b>

1) The pattern generator order backlog consists of systems and major upgrades.

### Fourth quarter October-December 2011

The decline in sales is primarily due to business area PG delivering one system for semiconductor applications during the fourth quarter compared with three systems for display applications in the corresponding period the previous year. The positive development within business area SMT continued during the fourth quarter 2011. Sales during the fourth quarter were affected by negative exchange rates. When converted to the same exchange rates prevailing during the corresponding period the previous year, sales were SEK 373 million.

The order intake, including aftermarket sales for both business areas, reached SEK 277 (306) million in the fourth quarter. The order intake for business area PG consisted only of aftermarket.

### Full year January-December 2011

The decline in sales for the Group is primarily due to the lower number of system deliveries as well as the mix of systems sold within business area PG compared with the previous year. Sales of pattern generators, in total 2 (5) systems, consisted of 0 (3) systems for display application, 2 (1) systems for semiconductor applications, and 0 (1) system for applications within electronic packaging.

Sales within business area SMT rose thanks to a strong product portfolio, the fast surface mount machine series MY100e and the unique MY500 machine for jetting of solder paste, in combination with a positive development on the global market for surface mount systems.

Consolidated sales in 2011, recalculated to the same exchange rates prevailing in the corresponding period the previous year were SEK 1,279 million.

The order intake, which includes aftermarket sales for both business areas, reached SEK 1,214 (1,388) million. The order intake for business area PG consists of 3 (5) systems, of which 0 (3) mask writers for display applications, 2 (1) mask writers for semiconductor applications, 1 (0) mask writer and 0 (1) direct writer LDI for applications within electronic packaging.

The order backlog was SEK 176 (153) million at the end of the year and comprised pattern generators to a value of SEK 56 (20) million and SMT equipment to a value of SEK 120 (133) million.

## Financial performance

### Gross margin and EBIT by business area

	Oct-Dec 11	Oct-Dec 10	Jan-Dec 11	Jan-Dec 10
<b>Gross profit SEK million/ Gross margin %</b>				
Gross profit, pattern generators	34.3	199.0	146.4	374.6
Gross margin, pattern generators	31%	61%	37%	56%
Gross profit, SMT equipment	115.3	98.8	341.7	258.6
Gross margin, SMT equipment	45%	44%	43%	42%
Gross profit, Group	149.5	297.7	488.0	633.1
Gross margin, Group	40%	54%	41%	49%
<b>EBIT, SEK million</b>				
Pattern generators	-66.0	94.5	-198.3	22.3
SMT equipment	53.7	31.3	139.0	56.8
Amortization excess value in intangible assets	-1.6	-1.6	-6.5	-6.5
<b>Group EBIT</b>	<b>-14.0</b>	<b>124.0</b>	<b>-65.7</b>	<b>72.5</b>
<b>Adjusted EBIT 1)</b>	<b>-3.4</b>	<b>137.3</b>	<b>-28.1</b>	<b>143.6</b>
<i>Whereof items affecting comparability</i>				
Pattern generators	-	-2.6	-	-2.6
SMT equipment	-	-2.5	-	-2.5
	<b>-</b>	<b>-5.1</b>	<b>-</b>	<b>-5.1</b>

1) EBIT adjusted for capitalized development, amortization on previously capitalized development and excess values in technology.

### Fourth quarter October-December 2011

The consolidated operating profit for the fourth quarter was SEK -14 (124) million, which corresponds to an operating margin of -4 (22) percent. The operating margin is affected to a large extent by the number of sold systems within business area PG and by the mix of systems delivered within both business areas. The negative operating profit within business area PG is due to the lower number of system deliveries and a different product mix compared with the corresponding period the previous year and by continued high development costs, mainly the LDI project, which is not yet generating any revenue. The profit improvement within business area SMT is due primarily to increased sales.

Administrative costs for the fourth quarter increased by SEK 10 million. The increase is primarily due to increased investments within IT and business development.

Expenses for research and development burdened the operating profit in the fourth quarter by SEK 71 (80) million, of which SEK 55 (63) million related to pattern generators and SEK 16 (17) million to surface mount. A large proportion of the Group's development resources have remained focused on developing the new LDI system in close cooperation with customers and other cooperation partners. During the fourth quarter, costs for development of LDI were SEK 51 (47) million. The cost of building an evaluation system for LDI, exceeds the cost of building a production machine. During the fourth quarter adjustments were made to the production cost of evaluation systems within LDI in the amount of SEK 11 million, which has burdened development costs. Evaluation of the two LDI systems delivered in the fourth quarter 2010 and third quarter 2011 continues on site at two major players within the electronics industry in the US and Asia.

The operating profit has also been affected by capitalization of development and amortization of previously capitalized development and excess values in technology. The operating profit adjusted for these items was SEK -3 (138) million. During the quarter, capitalization of development in the amount of SEK 1 (1) million took place within business area SMT. Amortization of previously capitalized development in the amount of SEK 11 (13) million took place, of which SEK 7 (7) million related to pattern generators. The operating profit in the fourth quarter was burdened by amortization of excess values in technology, which were identified in connection with the acquisition of Mydata, in the amount of SEK 1 (1) million.

## EBIT comparison, Group

SEK million	2011	2010
Consolidated operating profit	-65.7	72.5
Net capitalization/amortization R&D	33.0	66.5
LDI development costs	163.3	137.0
Adjustment of LDI evaluation systems	10.7	-
Items affecting comparability on EBIT	-	5.1
Amortization on excess values	6.5	6.5
<b>EBIT comparable</b>	<b>147.8</b>	<b>287.6</b>

## Full year January-December 2011

The consolidated operating profit for 2011 was SEK -66 (73) million, which corresponds to an operating margin of -5 (6) percent. The operating margin is affected to a large degree by the number of systems sold within business area PG and by the mix of systems delivered within both business areas.

The negative operating profit within business area PG is due to the lower number of systems sold, the mix of sold systems, as well as continued high development costs, mainly within the LDI project, which is not yet generating revenue. In 2011, two mask writers for semiconductor applications were delivered, one of them with a gross margin lower than the average for this kind of mask writer. The business deal with the customer includes additional sales next year. The product mix of 2011 sales have affected gross margin negatively.

The improvement in profit within business area SMT is primarily due to a significant increase in sales. The Group's aftermarket business also demonstrates continued positive development both in terms of volume and profitability.

Sales costs in 2011 increased from SEK 119 million to SEK 132 million. The strong increase in sales within SMT leads to an increase in sales commissions. At the same time, administrative costs increased from SEK 120 million to SEK 137 million. The increase is primarily due to increased investments within IT and business development.

Expenses for research and development in the amount of SEK 251 (247) million burdened operating profit in 2011, of which SEK 187 (187) million related to PG and SEK 64 (60) million related to SMT. A large proportion of the Group's development resources remain focused on developing the new LDI system in close collaboration with customers and other cooperation partners. Expenses for development of LDI were SEK 174 (137) million in 2011. The cost of building an evaluation system for LDI, exceeds the cost of building a production machine. During the fourth quarter adjustments were made to the production cost of evaluation systems within LDI in the amount of SEK 11 million, which has burdened development costs. Evaluation of two LDI systems delivered in the fourth quarter 2010 and the third quarter of 2011 continues on site at two important players within the electronics industry in the US and Asia. Time is a critical factor in meeting the project's and the evaluator's milestones. The project was in an intensive phase during the last part of the year resulting in the achievement of important milestones, which will mean reduced LDI development costs in 2012.

The operating profit has also been affected by capitalized development and amortization of previously capitalized development and excess values in technology. The adjusted EBIT was SEK -28 (144) million. In 2011 capitalization of development took place in the amount of SEK 9 (3) million within SMT. Amortization of previously capitalized development took place in the amount of SEK 42 (69) million, of which SEK 28 (46) million related to PG. All previously capitalized development within PG has thereby been amortized. The consolidated EBIT in 2011 was burdened by amortization of excess values in technology identified in connection with the acquisition of Mydata, in the amount of SEK 5 (5) million.

## Cash flow and financial position

The Group's liquid assets at the end of 2011 were SEK 536 million compared with SEK 583 million at the end of 2010. The consolidated cash flow for the year was negative SEK 52 (+308) million.





Operations claimed SEK 15 (+121) million. This is due in part to changes in operating capital, SEK 19 million, generated primarily from a build-up of inventory. Investment activities during the year accounted for SEK 31 (36) million, of which investments in development accounted for SEK 9 (3) million. Additional investments of SEK 22 (33) million related primarily to test equipment for product development of the LDI system (SEK 6 million), computer equipment (SEK 2 million) and expansion of the premises in Täby (SEK 9 million). In the fourth quarter, the LDI evaluation system was reclassified from inventory to fixed assets worth SEK 42 million. Financing activities accounted for SEK 6 (+224) million and related to a reduction of operations-related loans in foreign subsidiaries.

## Equity

Group equity at year end was SEK 1,232 million, compared with SEK 1,315 million at the end of 2010. The number of outstanding shares at the end of the period was 97,916,509. Earnings per share before and after dilution based on the average number of shares were SEK -0.91 (0.45). The reported average number of shares has not been affected by the employee stock option program with a maturity of 2007/2012 as the share price is significantly lower than the program's set strike price. The employee stock option program expires on 31 March, 2012.

## The Group's operations

The Group provides cost-effective and innovative production solutions for the electronics industry in two business areas. Business area PG sells products for writing patterns via photomasks or for writing directly on a substrate. The photomasks are written with mask writers and direct writing is done with laser direct imaging (LDI). Pattern generators are used for manufacturing displays and semiconductors as well as in electronic packaging, which in turn are used for manufacturing electronics products. Business Area SMT sells advanced systems for stencil-free jetting of solder paste on circuit boards and for mounting of components on circuit boards, which are used for manufacturing electronics products. The Group targets the market for flexible surface mount systems, known as high mix production of low to medium-sized production volumes.

The Group strives to be a global high-tech growth company with sustainable profitability by utilizing the full potential of current and future products.

## Market overview

More detailed market information and marketing data is presented in the appendix.

### Business area PG

Sales in 2011 consisted of two systems for semiconductor applications and aftermarket. The aftermarket business continues to grow. During 2011 aftermarket sales increased by 7 percent, more in local currencies, and thanks to the broad offering and high productivity, demonstrates good development of margins. This provides Micronic Mydata with a stable and sustainable base and compensates for the more volatile sales of systems. The majority of customers have service contracts for their mask writers. Sale of service contracts is expected to remain high.

### Market outlook – Mask writers for display applications

During the fourth quarter, the fall in prices for large displays slowed thanks to a better balance between supply and demand (DisplaySearch, December 2011). The improved balance was due to lower utilization in existing factories. In China, which has quickly grown to become the single largest market for displays, manufacturing capacity is expanding and additional factories are planned. Due to the uncertainties in demand, this expansion may partly take place through relocation of existing factories from other countries to China. For full year 2012, a substantial reduction in display industry total investments is expected as a result of continuing overcapacity for the manufacturing of large displays and especially TVs (DisplaySearch, December 2011).

During the second part of 2011, several manufacturers cut back on the number of new models under development due to declining demand for large displays, which impacted negatively on photomask volumes.

This was partly offset by the increasing number of photomasks for smaller, mobile displays. In total, the degree of utilization of mask writers declined somewhat during the latter part of the year as those photomasks used for TVs have a significantly larger surface area and therefore take longer to write.

The clear trend towards more complex displays for mobile units and the introduction of new manufacturing technologies is positive for Micronic Mydata and drives demand for the company's advanced mask writers.

#### **Market outlook – Mask writers for semiconductor applications**

The total number of photomasks produced annually for semiconductor applications is relatively constant and in the long term, as structures become smaller, manufacturing will be phased over to electron beam mask writers. Write times for the most advanced photomasks are increasing successively and it can therefore be advantageous to write some patterns on the more productive laser writers. There are still good business opportunities to sell Micronic Mydata's laser-based Omega6000 and Sigma7700 systems.

#### **Market outlook – Pattern generators for applications within electronic packaging**

The market for electronic packaging is driven by the need for greater volumes of – and at the same time more advanced – electronics. The development is primarily driven within two main application areas which are converging, both in terms of products and technology. The one area, Ball Grid Array (BGA), is processors for computers and is dominated by performance requirements, while the second area, Chip Scale Packaging (CSP), is mobile applications with higher demands for form factor and power consumption, i.e., battery life. Both these application areas are dominated today by different actors. The need for exposure equipment for electronic packaging correlates directly to the volume of semiconductor chips being produced.

Micronic Mydata continues its technologically challenging development of LDI and two systems are currently being evaluated at two of the major actors within each respective application area. An important milestone was passed at the end of the fourth quarter when Micronic Mydata demonstrated critical system performance. The next milestone in 2012 will be to demonstrate that the technology is ready for high volume production, after which deliveries can take place. Experience gleaned from the evaluation machines is fed back to the project in order to develop and optimize the product in accordance with customer requirements. A close cooperation with the customer is valuable for both the customer and Micronic Mydata.

During the fourth quarter a market launch was executed at a major exhibition in Taiwan, which increased knowledge within the industry of the benefits that Micronic Mydata's LDI can contribute to the manufacture of substrates and thus to the development of future electronics products. The launch also provided good opportunities for more thorough discussions with additional potential customers. As product development moves forward, the emphasis is shifting toward market challenges for production qualification.

#### **Business area SMT**

Sales in 2011 reached SEK 804 million. Of system sales, 87 percent was for surface mount systems and 13 percent was for the MY500 for jetting of solder paste. Aftermarket business, which consists of service, spare parts, accessories and software, continues to grow and demonstrates good margin development thanks to a broad product range and high productivity. This provides Micronic Mydata with a stable and sustainable foundation for continued growth.

#### **Market outlook – Surface mount equipment**

The market situation continues positive with favorable developments on all markets. Sales of surface mount systems were strong in 2011, increasing by 47 percent compared with the previous year.

Aftermarket sales have been stable with a growth of 3 percent. In local currency, the growth in 2011 was significantly higher compared with 2010, especially in the service business.

Sales development, in combination with a strong order intake for all products and the launch of a new machine series for surface mount in 2011, strengthens the assessment for continued stable development. However, it cannot be ruled out that uncertainty surrounding the semiconductor market's continued growth tact could have a dampening effect on the business area's sales during 2012.

## Future outlook

Weak TV sales, in combination with the uncertain global economic situation, affect panel and photo-mask manufacturers, and it is likely that Micronic Mydata will experience continued postponements for orders of mask writers. Micronic Mydata's assessment is that demand for advanced displays and electronics products will continue in the long term, which will create an increase in demand for Micronic Mydata's pattern generators. With LDI, Micronic Mydata addresses a new market with strong growth rate. Deliveries of LDI are estimated to take place in 2012. The market for surface mount equipment is expected to remain stable during the initial part of 2012. There are signs however that point towards a slowdown.

Sales for 2011 were SEK 1,198 million. The Board's assessment is that sales in 2012 will exceed that amount somewhat.

## Additional information

### Parent Company

Micronic Mydata AB is the Group's parent company. The Group's product development and sales of pattern generators take place in the parent company. The parent company's net sales were SEK 212 (485) million in 2011 including two system deliveries. The operating profit for the full year was SEK -255 (2) million.

All research and development costs are expensed in the parent company as incurred. The parent company does not report capitalized development in the balance sheet and thus does not report the amortization of previously capitalized development either. The parent company's liquid assets at the end of 2011 were SEK 301 million, compared with SEK 433 million at the end of 2010.

### Employees

The average number of employees in the group during the year was 561 (558). The number of employees at year end was 568 persons compared with 551 persons at the end of 2010. At year end, the parent company had 248 employees compared with 221 employees at the end of 2010.

### Accounting policies

This interim report for the Micronic Mydata Group in summary has been prepared in accordance with IAS 34, Interim Financial Reporting and applicable parts of the Annual Accounts Act. The interim report of the parent company has been prepared in accordance with Chapter 9 of the Annual Accounts Act. For the Group and the parent company the same accounting policies as well as accounting estimates and assumptions have been used in this interim report as were used to prepare the most recent annual report.

### Risks and uncertainty factors

Through its operations, the Group, consisting of the parent company and Group subsidiaries, is exposed to risks of both an operating and financial nature, which the group itself can influence to a greater or lesser extent. Through ongoing process reviews, existing risks are identified and the company considers how these should be handled. For a detailed account of risks and uncertainty factors, please refer to the annual report for 2010.

Those risks which are most prominent in the short term are order intake and the results of development measures and launches within new product areas. The order intake and sales can be affected in the short term by the lingering effects from the earthquake in Japan, where many of the Group's customers or subcontractors are active.





## Proposed dividends

The Board proposes that no dividend be paid for 2011.

## Financial information

Financial statements and press releases are published in Swedish and English and are available on our website [www.micronic-mydata.com](http://www.micronic-mydata.com).

## Company and market information

Company information, market and product information are available in Swedish and English on our website [www.micronic-mydata.com](http://www.micronic-mydata.com).

## Financial calendar

Interim report Q 1, 2012	23 April, 2012	Interim report Q 2, 2012	12 July, 2012
Annual General Meeting	23 April, 2012	Interim report Q 3, 2012	25 October, 2012

## Annual report

A printed version of the annual report for 2011 will be distributed to all shareholders and published on our website during the week of 26 -30 March, 2012. The annual report will also be available at Micronic Mydata.

## 2012 Annual General Meeting

The 2012 will Annual General Meeting will be held at 5:00 p.m on Monday 23 April, 2012, at Näsby Slott, Djursholmsvägen 30, in Täby.

## Nomination committee

In accordance with the AGM's decision a nomination committee was appointed at the end of August. The nomination committee's task is to propose Board members and Chairman of the board and remuneration to Board members and auditors at the 2012 AGM.

Nomination committee members:

Patrik Tigerschiöld, Bure Equity  
Annika Andersson, Fjärde AP-fonden  
Jesper Bonnivier, Länsförsäkringar

Peter Edwall, Ponderus Securities  
Rune Glavare, Chairman of the Board

Patrik Tigerschiöld has been appointed chairman of the nomination committee. The nomination committee represented 48 percent of the number of shares and votes as of 31 August, 2011.

Täby, 31 January, 2012  
Micronic Mydata AB (publ)  
The Board

## Contacts at Micronic Mydata:

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Micronic Mydata AB is a Swedish high-tech company engaged in the development, manufacture and marketing of a series of laser based pattern generators for the production of photomasks and advanced surface mount technology (SMT) equipment for flexible production of electronics. The pattern generators are used by the world's leading electronics companies in the manufacture of television and computer displays, semiconductor circuits and for advanced electronics packaging. The SMT equipment, including software applications, is used for surface mounting of electronic components and stencil free jetting of solder paste. The SMT equipment is used by large and small manufacturers of electronics in aerospace, aviation and telecom. Micronic Mydata headquarters is located in Täby, north of Stockholm and the Group has subsidiaries in China, France, Germany Japan, Singapore, South Korea, Taiwan, the Netherlands, United Kingdom and the United States. For more information see our web site at: [www.micronic-mydata.com](http://www.micronic-mydata.com)



## Report on Review of Interim Financial Information

### *Introduction*

We have reviewed the interim report of Micronic Mydata AB (publ), corporate identity number 556351-2374, as of 31 December, 2011 and for the twelve month period then ended. The Board of Directors and the President are responsible for the preparation and fair presentation of this interim financial information in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim annual report based on our review.

### *Scope of Review*

We conducted our review in accordance with the Standard on Review Engagements (SÖG) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the International Standards on Auditing and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Annual Accounts Act for the Group and in accordance with the Annual Accounts Act for the Parent Company.

Stockholm, 31 January, 2012  
KPMG AB

Anders Malmby  
Authorized Public Accountant

**CONSOLIDATED PROFIT AND LOSS ACCOUNTS**

SEK million	Oct-Dec 11	Oct-Dec 10	Jan-Dec 11	Jan-Dec 10
Net sales	369.3	552.0	1,197.6	1,287.8
Cost of goods sold	-219.8	-254.4	-709.6	-654.7
<b>Gross profit</b>	<b>149.5</b>	<b>297.7</b>	<b>488.0</b>	<b>633.1</b>
Research and development expenses	-81.3	-92.8	-289.0	-318.1
Selling expenses	-41.3	-41.0	-131.7	-119.1
Administrative expenses	-45.1	-35.3	-137.2	-119.8
Other income and expenses	4.2	-4.7	4.2	-3.6
<b>EBIT</b>	<b>-14.0</b>	<b>124.0</b>	<b>-65.7</b>	<b>72.5</b>
Financial income and expenses	2.1	1.7	8.7	1.2
<b>Profit/loss before tax</b>	<b>-11.9</b>	<b>125.7</b>	<b>-57.0</b>	<b>73.7</b>
Tax	-6.3	-14.3	-31.8	-36.9
<b>Net profit/loss</b>	<b>-18.2</b>	<b>111.4</b>	<b>-88.8</b>	<b>36.8</b>
Earnings/share, SEK	-0.19	1.14	-0.91	0.45
Average number of shares, thousands	97,917	97,917	97,917	82,536

**STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME**

SEK million	Oct-Dec 11	Oct-Dec 10	Jan-Dec 11	Jan-Dec 10
<b>Net profit/loss</b>	<b>-18.2</b>	<b>111.4</b>	<b>-88.8</b>	<b>36.8</b>
<b>Other comprehensive income</b>				
Translation differences for the period	-2.0	-3.0	4.3	-4.4
Cash flow hedges	1.9	-0.6	-0.5	0.0
Tax relating to other comprehensive income	-1.0	1.6	2.1	0.3
<b>Other comprehensive income for the period</b>	<b>-1.2</b>	<b>-2.0</b>	<b>5.8</b>	<b>-4.1</b>
<b>Total comprehensive income for the period</b>	<b>-19.3</b>	<b>109.4</b>	<b>-83.0</b>	<b>32.7</b>

**Research and development, Group**

SEK million	Oct-Dec 11	Oct-Dec 10	Jan-Dec 11	Jan-Dec 10
<i>R&amp;D expenditure</i>				
Pattern generators	-54.9	-62.8	-187.1	-187.0
SMT equipment	-15.7	-16.7	-64.2	-60.0
	-70.7	-79.5	-251.4	-247.0
<i>Capitalized development</i>				
Pattern generators	-	-	-	-
SMT equipment	1.4	0.5	9.1	2.9
	1.4	0.5	9.1	2.9
<i>Amortization on capitalized development</i>				
Pattern generators	-6.9	-6.8	-27.6	-45.7
SMT equipment	-3.9	-5.7	-14.5	-23.7
	-10.8	-12.6	-42.1	-69.4
<b>R&amp;D costs</b>	<b>-80.1</b>	<b>-91.6</b>	<b>-284.4</b>	<b>-313.5</b>
Amortization on excess value in technology	-1.2	-1.2	-4.6	-4.6
<b>Reported cost, total</b>	<b>-81.3</b>	<b>-92.8</b>	<b>-289.0</b>	<b>-318.1</b>

## CONSOLIDATED CASH FLOW STATEMENTS

SEK million	Oct-Dec 11	Oct-Dec 10	Jan-Dec 11	Jan-Dec 10
Cash flow from operations before change in working capital	30.1	147.8	4.0	157.4
Changes in working capital	-26.1	-94.6	-19.4	-36.5
<b>Cash flow from operations</b>	<b>4.0</b>	<b>53.2</b>	<b>-15.4</b>	<b>120.9</b>
Cash flow from investing in development	-1.4	-0.5	-9.1	-2.9
Cash flow from other investing activities	-9.2	-9.5	-21.7	-33.2
<i>Cash flow from investing activities, total</i>	<i>-10.6</i>	<i>-10.0</i>	<i>-30.8</i>	<i>-36.2</i>
New issue	-	-	-	230.9
Cash flow from other financing activities	-1.5	6.6	-5.7	-7.2
<i>Cash flow from financing activities, total</i>	<i>-1.5</i>	<i>6.6</i>	<i>-5.7</i>	<i>223.7</i>
<b>Increase/decrease in cash and cash equivalents</b>	<b>-8.1</b>	<b>49.8</b>	<b>-51.9</b>	<b>308.4</b>
Opening balance, cash and cash equivalents	545.9	532.6	582.6	276.6
Exchange differences	-1.4	0.2	5.6	-2.4
Closing balance, cash and cash equivalents	536.4	582.6	536.4	582.6

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

SEK million	31 Dec 11	31 Dec 10
<b>ASSETS</b>		
<b>Fixed assets</b>		
Intangible assets	144.2	186.3
Tangible assets	123.4	84.7
Long-term receivables	32.9	35.1
Deferred tax assets	108.8	96.8
<b>Total fixed assets</b>	<b>409.3</b>	<b>402.9</b>
<b>Current assets</b>		
Inventories	357.5	321.2
Trade receivables	223.0	248.6
Other current receivables	60.5	158.5
Cash and cash equivalents	536.4	582.6
<b>Total current assets</b>	<b>1,177.4</b>	<b>1,310.9</b>
<b>Total assets</b>	<b>1,586.7</b>	<b>1,713.8</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>	<b>1,231.7</b>	<b>1,314.7</b>
<b>Liabilities</b>		
Long-term interest-bearing liabilities	2.7	6.5
Other long-term liabilities	12.8	11.2
Deferred tax liabilities	10.5	12.2
<b>Total non-current liabilities</b>	<b>26.0</b>	<b>29.9</b>
Current interest-bearing liabilities	4.2	5.8
Trade payables	109.3	106.8
Other current liabilities	215.5	256.6
<b>Total current liabilities</b>	<b>329.0</b>	<b>369.2</b>
<b>Total liabilities</b>	<b>355.0</b>	<b>399.1</b>
<b>Total equity and liabilities</b>	<b>1,586.7</b>	<b>1,713.8</b>

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

SEK million	Jan-Dec 11	Jan-Dec 10
<b>Opening balance</b>	<b>1,314.7</b>	<b>1,047.2</b>
New issue	-	234.5
Total comprehensive income	-83.0	32.7
Equity-settled share-based payments according to IFRS 2	-	0.4
<b>Closing balance</b>	<b>1,231.7</b>	<b>1,314.7</b>

## Financial key figures

	Jan-Dec 11	Jan-Dec 10
Net sales	1,197.6	1,287.8
Order intake	1,214.0	1,387.6
Gross margin, %	40.8	49.2
EBIT margin, %	-5.5	5.6
Adjusted EBITmargin, % 1)	-2.3	11.2
Return on equity, %	-7.0	3.1
Equity/total assets, %	77.6	76.7
Equity/average number of shares	12.6	15.9
Average number of employees	561	558
<b>Capital expenditure</b>		
Capitalized development costs	9.1	2.9
Other fixed assets	21.7	33.2

1) EBIT margin adjusted for capitalized and amortization of previously capitalized development and excess value in technology.

## Revenue by geographical area

SEK million	Oct-Dec 11	Oct-Dec 10	Jan-Dec 11	Jan-Dec 10
EMEA	147.0	110.5	460.1	317.8
Americas	101.4	108.7	300.2	264.4
Asia	120.8	332.8	437.2	705.6
	<b>369.3</b>	<b>552.0</b>	<b>1,197.6</b>	<b>1,287.8</b>

## Consolidated quarterly results

SEK million	Q 1-11	Q 2-11	Q 3-11	Q 4-11	2011	Q 1-10	Q 2-10	Q 3-10	Q 4-10	2010
Net sales	255.0	243.5	329.8	369.3	1,197.6	158.9	345.6	231.3	552.0	1,287.8
Cost of goods sold	-149.2	-138.6	-202.0	-219.8	-709.6	-104.7	-157.9	-137.7	-254.4	-654.7
<b>Gross profit</b>	<b>105.8</b>	<b>104.9</b>	<b>127.8</b>	<b>149.5</b>	<b>488.0</b>	<b>54.2</b>	<b>187.7</b>	<b>93.6</b>	<b>297.7</b>	<b>633.1</b>
<b>Gross margin</b>	<b>41%</b>	<b>43%</b>	<b>39%</b>	<b>40%</b>	<b>41%</b>	<b>34%</b>	<b>54%</b>	<b>40%</b>	<b>54%</b>	<b>49%</b>
R&D expenses	-67.5	-74.8	-65.4	-81.3	-289.0	-80.0	-77.3	-68.0	-92.8	-318.1
Selling expenses	-25.7	-31.7	-32.9	-41.3	-131.7	-25.4	-28.4	-24.3	-41.0	-119.1
Administrative expenses	-28.0	-33.0	-31.1	-45.1	-137.2	-28.3	-31.2	-25.0	-35.3	-119.8
Other income/expenses	-3.9	-1.0	4.8	4.2	4.2	9.6	-4.1	-4.4	-4.7	-3.6
<b>EBIT</b>	<b>-19.2</b>	<b>-35.7</b>	<b>3.2</b>	<b>-14.0</b>	<b>-65.7</b>	<b>-69.8</b>	<b>46.6</b>	<b>-28.2</b>	<b>124.0</b>	<b>72.5</b>
<b>EBIT margin</b>	<b>-8%</b>	<b>-15%</b>	<b>1%</b>	<b>-4%</b>	<b>-5%</b>	<b>-44%</b>	<b>13%</b>	<b>-12%</b>	<b>22%</b>	<b>6%</b>
Financial items	2.1	1.8	2.7	2.1	8.7	-1.4	-0.6	1.5	1.7	1.2
<b>Profit before tax</b>	<b>-17.1</b>	<b>-34.0</b>	<b>5.9</b>	<b>-11.9</b>	<b>-57.0</b>	<b>-71.2</b>	<b>46.0</b>	<b>-26.7</b>	<b>125.7</b>	<b>73.7</b>
Tax	-8.3	-9.0	-8.1	-6.3	-31.8	-2.9	-8.0	-11.7	-14.3	-36.9
<b>Net profit/loss</b>	<b>-25.4</b>	<b>-43.0</b>	<b>-2.2</b>	<b>-18.2</b>	<b>-88.8</b>	<b>-74.2</b>	<b>38.0</b>	<b>-38.4</b>	<b>111.4</b>	<b>36.8</b>



**INCOME STATEMENTS, PARENT COMPANY**

SEK million	Oct-Dec 11	Oct-Dec 10	Jan-Dec 11	Jan-Dec 10
Net sales	67.1	284.5	212.2	485.3
Cost of goods sold	-54.0	-99.5	-187.6	-193.8
<b>Gross profit</b>	<b>13.0</b>	<b>185.0</b>	<b>24.6</b>	<b>291.5</b>
Research and development expenses	-55.2	-62.5	-188.8	-188.1
Selling expenses	-8.4	-8.0	-29.2	-25.9
Administrative expenses	-24.0	-17.3	-75.5	-71.7
Other income and expenses	15.3	-5.7	13.7	-3.8
<b>Operating profit/loss</b>	<b>-59.4</b>	<b>91.4</b>	<b>-255.3</b>	<b>2.0</b>
Result from financial investments	126.8	1.9	133.5	25.5
<b>Profit/loss before tax</b>	<b>67.5</b>	<b>93.3</b>	<b>-121.8</b>	<b>27.5</b>
Tax	0.0	-5.9	0.1	-9.6
<b>Net profit/loss</b>	<b>67.5</b>	<b>87.4</b>	<b>-121.7</b>	<b>17.9</b>

**STATEMENT OF COMPREHENSIVE INCOME, PARENT COMPANY**

SEK million	Oct-Dec 11	Oct-Dec 10	Jan-Dec 11	Jan-Dec 10
<b>Net profit/loss</b>	<b>67.5</b>	<b>87.4</b>	<b>-121.7</b>	<b>17.9</b>
<b>Other comprehensive income</b>				
Translation differences for the period	0.1	-2.6	0.5	-2.5
Tax relating to other comprehensive income	0.0	0.7	-0.1	0.7
<b>Other comprehensive income for the period</b>	<b>0.1</b>	<b>-1.9</b>	<b>0.4</b>	<b>-1.9</b>
<b>Total comprehensive income for the period</b>	<b>67.6</b>	<b>85.5</b>	<b>-121.3</b>	<b>16.0</b>

**BALANCE SHEETS, PARENT COMPANY**

SEK million		
<b>ASSETS</b>	<b>31 Dec 11</b>	<b>31 Dec 10</b>
<b>Non-current assets</b>		
Intangible and tangible assets	115.9	80.2
<i>Financial assets</i>		
Participations in group companies	351.2	351.2
Receivables from group companies	7.6	9.6
Other non-current receivables	23.3	25.5
Deferred tax receivables	76.3	76.3
<i>Total financial assets</i>	<i>458.4</i>	<i>462.6</i>
<b>Total non-current assets</b>	<b>574.3</b>	<b>542.8</b>
<b>Current assets</b>		
Inventories	35.1	60.4
<i>Current receivables</i>		
Trade receivables	23.0	76.3
Current receivables	304.7	267.4
<i>Total current receivables</i>	<i>327.7</i>	<i>343.7</i>
Cash and cash equivalents	301.5	432.6
<b>Total current assets</b>	<b>664.3</b>	<b>836.7</b>
<b>Total assets</b>	<b>1,238.6</b>	<b>1,379.5</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>	<b>1,116.2</b>	<b>1,237.5</b>
Trade payables	16.4	25.7
Current liabilities	106.0	116.3
<b>Total liabilities</b>	<b>122.4</b>	<b>142.0</b>
<b>Total equity and liabilities</b>	<b>1,238.6</b>	<b>1,379.5</b>
<i>Pledged assets and contingent liabilities</i>		
Pledged assets	89.0	89.0
Contingent liabilities	0.0	4.7

## Appendix, market information with market data

### Business area PG

#### The display market

As consumption, especially in developing countries, is expected to increase in the coming years, the total display surface will likely show steady growth. Turnover is expected to grow more slowly as a result of lower prices. Turnover in 2012 is expected to reach USD 131 billion, a growth of 18 percent compared with 2011. Growth in 2013 is estimated at 8 percent with a turnover of USD 141 billion. Turnover of portable products is expected to increase while TV is expected to decrease its share of the total turnover (DisplaySearch, January 2012). Production gradually shifts towards more modern factories (G6-G8).

As a consequence of weak TV sales in 2011, there was an overcapacity in manufacturing of large displays, which led to lower prices for large display panels during the year causing profitability problems and deferred investments. During the fourth quarter, the prices stopped falling thanks to a better balance between supply and demand (DisplaySearch, December 2011). The improved balance was due to lower utilization in existing factories. In China, which has quickly grown to become the single largest market for displays, manufacturing capacity is expanding and additional factories are planned. Due to the uncertainties in demand, this expansion may take place partly through relocation of existing factories from other countries to China.

The total investments in production equipment for display manufacturing is estimated at USD 4.4 billion in 2012, a decrease of 63 percent compared with 2011. In 2013 investments are expected to increase again to USD 9.5 billion (DisplaySearch, Jan 2012).

The market situation for large displays in the second part of 2011 led to several manufacturers cutting down on investments in new models, which in turn had a negative impact on photomask volumes. This was offset by the increase in the number of complex photomasks intended for smaller, mobile displays. Utilization of mask writers dropped somewhat towards the end of the year as those photomasks used for TV have a significantly larger surface and therefore take more time to write. Utilization is expected to remain at the current level even during the coming quarter. However, the clear trend toward more complex mobile displays and the introduction of new manufacturing techniques is positive for Micronic Mydata as the part of photomasks which must be written on the most advanced mask writers is growing.

#### The semiconductor market

The main factors driving the semiconductor industry are price reductions, more functionality and mobility. By making semiconductors smaller, a larger number fit on a silicon wafer. This reduces costs, but also means that semiconductors consume less power, take up less space and that more functionality fits on a given surface. Altogether, this leads to manufacturers continuing to reduce the width of semiconductors in accordance with Moore's law. For the photomask industry this development means that customers are demanding photomasks with higher resolution and improved image quality.

The semiconductor market slowed slightly in the end of 2011. The estimates for the industry's total growth has been adjusted downwards and is estimated at USD 300 billion for the full year, a marginal growth of 0.5 percent (Prismark, January 2011). For 2012, growth of 6.5 percent is expected (Prismark, October 2011).

The market for equipment, which includes mask writers, follows developments on the total semiconductor market, but the difference between the bottom and the peak of the economic cycle is usually greater. During 2011 total investments remained at a historically high level, preliminarily USD 57 billion, representing a growth of 15 percent (Prismark, January 2012). There are no official estimates for 2012 yet, but some reduction from 2011's high level is likely.

The total number of photomasks produced annually for semiconductor applications is relatively constant. In the long run, as structures become smaller, manufacturing will be phased over to electron beam writers. Write times for the most advanced photomasks are increasing successively and it can therefore be advantageous to write some patterns on the more productive laser writers. There are still good opportunities to sell Micronic Mydata's laser-based systems Omega6000 and Sigma7700.

## The market for electronic packaging

Electronic packaging is a part of the manufacturing chain for electronics products and is used to connect and protect the chip. The technologies used in electronic packaging are more or less advanced. The more advanced packaging technologies make use of a microcircuit board, a substrate. Today the substrate is manufactured using traditional lithography, where the pattern is transferred to the substrate via photomasks. Micronic Mydata is an established supplier of mask writers for production of photomasks for electronic packaging. The most important parameters in the lithography step are ability to write small structures, extremely precise conformity between the various layers, and high-speed copying. Today's lithographic equipment has difficulties meeting these three requirements simultaneously. The market is therefore open for new and innovative solutions such as direct writing, Laser Direct Imaging (LDI). With LDI, the pattern is transferred to the substrate directly from a digital format without the use of photomasks. Development within the industry is driven primarily by the requirements to achieve better performance in electronics products (e.g. tablets, mobile telephones), cheaper electronics products, smaller form factor with longer battery-life, as well as shorter product life cycles.

The total market for substrates reached USD 8.7 billion in 2011. Growth within the substrate market is estimated at 6.5 percent annually between 2011 and 2015. The market for advanced substrates, a part of the total substrate market, reached USD 5.0 billion in 2011 and growth is estimated at 9.2 percent annually between 2011 and 2015. (Prismark, January 2012) Micronic Mydata's assessment is that the addressable market (the market for equipment for manufacturing substrates), with a total of ten major manufacturers at present lies between USD 100 and 150 million annually.

## Business area SMT

### The market for surface mount equipment

The growth in the semiconductor market slowed during the year and growth for 2011 is estimated at 0.5 percent compared with 2010 (Prismark, January 2012). 2010 was a year of very strong growth and recovery after the recession. The market for surface mount equipment normally trails the semiconductor market by some quarters. For the past two years, 2010 and 2011, the global market for surface mount equipment has shown a strong upturn as a result of production volumes within the electronics industry as a whole, increasing from the low levels of 2009.

According to market statistics (PROTEC MDC, October 2011) global sales of surface mount systems in 2011 reached the same levels as 2010. However, the US and Europe experienced a 24 percent growth. The total market for surface mount systems in 2011 reached USD 3,200 million. During the same period, the global market for equipment for solder paste application, where Micronic Mydata offers MY500, experienced a growth of 12 percent, which confirms a stable production pace within the industry.

The market situation during 2011 has continued positive for the business area with favorable development on all markets. Sales of surface mount systems during the fourth quarter saw growth of 22 percent compared with the same period last year, and for full year 2011 saw an increase in sales of 47 percent compared with the previous year. The jet printing technology, with MY500 for stencil free solder paste application, experienced strong demand and represented 13 percent of total system sales. Aftermarket sales were good during the year with a growth of 3 percent compared with 2010. In local currency, growth is significantly higher, especially in the service business.

The total order intake including aftermarket has been strong during the year, increasing by 11 percent compared with 2010. The fourth quarter 2011 showed a continued strong order intake, but despite this decreased by 15 percent compared with the fourth quarter 2010. The fact that 2010 demonstrated an unusually strong order intake should be taken into consideration when comparing the two years.

The global market for surface mount equipment was strong during the first half of 2011 but experienced the beginning of a slowdown during the third and fourth quarter. With this background, and also taking into consideration the weaker development on the semiconductor market during the latter part of 2011, this could indicate the beginning of a slowdown in the demand for surface mount equipment.