



BUSINESS REVIEW 2010



**PRODUCTION LOGISTICS:
THE MANAGEMENT OF MATERIAL
AND INFORMATION FLOWS IN
A PRODUCTION PROCESS.**



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Our Vision

First choice for production logistics.

Our Mission

FlexLink production logistics solutions allow manufacturers to achieve full production efficiency.

Our Credo

- We create customer value.
- We thrive on change.
- We build and operate networks.
- We value honesty, openness, teamwork and trust.
- We believe in individual initiative, drive and responsibility.



Important events in 2010

- Sales increased by 19% through a strong growth in the Americas and Asia Pacific.
- Strong profitability was maintained.
- X45, a new product platform with state-of-the-art features was launched in January.
- Complementary acquisitions of the Industrial Automation division of Schüco International, and e³ International.
- FlexLink celebrated its 30th anniversary.



FlexLink started 30 years ago within one of the largest automation projects at its time. The anniversary was celebrated throughout the FlexLink organization in 2010.

Key Figures

MSEK	2010	2009
Order intake	1,324	1,200
Net sales	1,460	1,222
EBITDA, adjusted for exceptional items	187	157
EBITDA margin, adjusted for exceptional items, %	13	13
EBITDA	180	146
EBITDA, %	12	12
Average number of employees	691	683
Net sales per employee	2,1	1,8

“A year of recovery and heading forward”

The strong momentum from late 2009 continued into 2010, as most of our customers regained confidence and increased their investments. Our continued investment in R&D, resulted in the launch of a new innovative conveyor system, and has laid the ground work for further launches in the coming years.

OUR MARKET IN 2010

Last year was a year of recovery for FlexLink and the production logistics market in general. We had expected an even stronger recovery, but the challenges facing several of the European economies dampened growth on our biggest market over the first three quarters. This was partly compensated by significant growth on the markets in Asia Pacific and Americas, compared to the preceding year. Most of our customer segments developed well, with the fast moving consumer goods and automotive segments showing the strongest growth. Our Partner sales channel had a slow start but recovered strongly in the second half of the year. The outlook for 2011 is generally positive across all our customer segments and geographic markets.

PRODUCT LAUNCH AND OTHER INITIATIVES

The launch of our new X45 and X45e platforms in early 2010 was very successful, gaining increasing interest from our target customers throughout the year. These new innovative products, including new levels of compactness, energy-efficient drive solutions and embedded controls, offer new and efficient solutions for automating processes such as assembly, filling and sample analysis. The X45 platform is an example of how we provide increasingly sustainable production logistics solutions to our customers. Sustainability will still receive a lot of attention in 2011 and on.



“THE OUTLOOK FOR 2011 IS GENERALLY POSITIVE ACROSS ALL OUR CUSTOMER SEGMENTS AND GEOGRAPHIC MARKETS.”

We also started a number of training initiatives throughout the year, targeting areas like application engineering, group strategy and international leadership and change. We also further expanded our teams in high growth markets like China, India and Indonesia, as well as in some more mature markets like the USA.

In the fourth quarter, we completed the acquisitions of the Industrial Automation division of Schüco International, as well as the operations of the company e³ International. The Schüco Automation division, renamed MS Plus Automation, will give us a stronger customer base in Germany and complementary conveyor products and structural systems. The acquisition of e³ International will improve our sales network in the electronics industry and also add a new product range for PCB handling to our portfolio.

FINANCIAL PERFORMANCE

FlexLink recorded net sales of MSEK 1,460 for the full year of 2010 and a strong profitability with an adjusted EBITDA of MSEK 187 and an EBITDA margin of 13%. I believe this is a strong achievement, especially considering that several of our markets in Europe had a tough year and that the strengthening of the Swedish krona had a negative impact on our results.

Order intake increased by 10% to MSEK 1,324, despite a slowdown in Europe during the summer holiday period. Orders were strong in the last quarter and I believe this trend will continue in 2011.

OUTLOOK

I expect the recovery and positive trend to continue in 2011. Factory activity is picking up in most of our customer segments and the willingness and ability to invest is increasing. The positive signs in Europe are especially encouraging, as an improvement there will have a significant positive impact on our performance.

I also expect further payback from the investments we made in R&D and growth markets throughout the downturn. It is clear that our customers value a long-term relationship with a stable business partner like FlexLink. In May we will have another significant platform launch, and I expect this to pay off already this year.

Finally I would like to thank our customers and business partners for their trust in FlexLink, and all my co-workers for the enthusiasm and energy you show every day, and your contribution to the success of FlexLink.

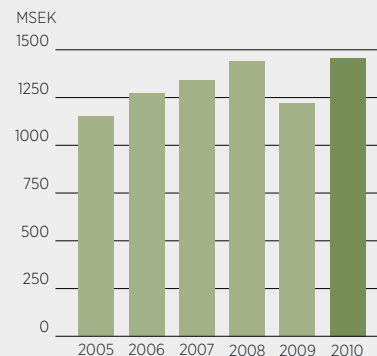
April 2011



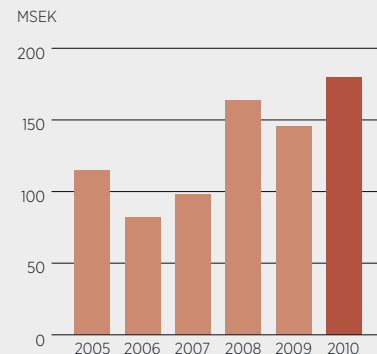
Mattias Perjos, CEO

“IT IS CLEAR THAT OUR CUSTOMERS VALUE A LONG-TERM RELATIONSHIP WITH A STABLE BUSINESS PARTNER LIKE FLEXLINK.”

Net sales



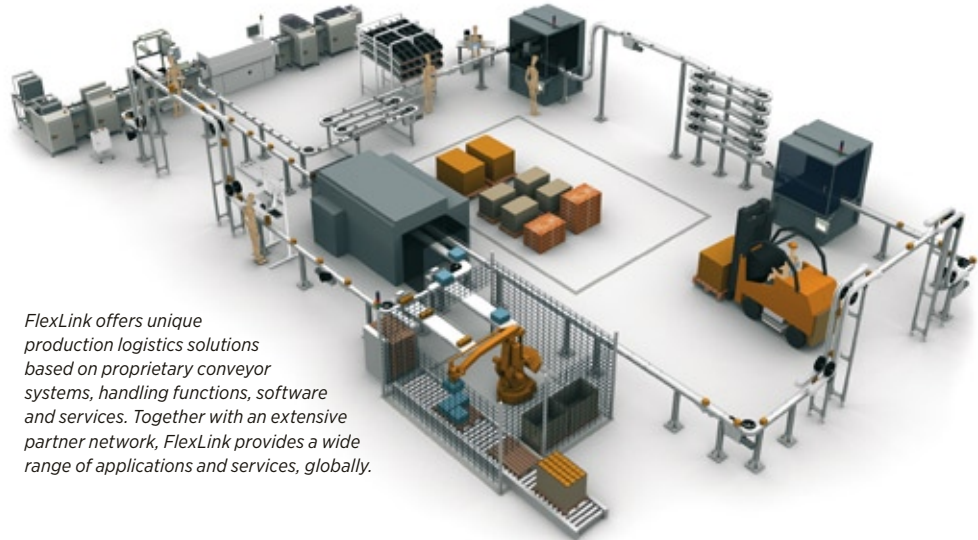
EBITDA



Leveraging production efficiency

Production logistics strongly contribute to the efficiency and quality of industrial production systems. With an increasing global competition, manufacturers around the world continuously need to improve their efficiency and quality standards. With a comprehensive offer and global footprint, FlexLink is geared to reinforce its leading position in the production logistics market and respond to this growing demand for efficiency.

Production logistics improve the efficiency of industrial production systems. Higher sellable throughput and more accurate production contribute to improved line efficiency and higher quality. Furthermore, an effective production logistics solution is flexible over time, allows for continuous improvements and is adaptable to changing demand as well as new products. The overall customer benefits of using a production logistics solution from FlexLink can be summarized in lower cost of ownership and a more sustainable production.



FlexLink offers unique production logistics solutions based on proprietary conveyor systems, handling functions, software and services. Together with an extensive partner network, FlexLink provides a wide range of applications and services, globally.

AUTOMATED MANUFACTURING

FlexLink's field of operation is industrial automation in general and automated manufacturing processes for producing light-weight goods in particular.

Industrial automation is a wide area, including a large number of disciplines and suppliers, from process automation, robotics and machinery to the automated flow of products and information in manufacturing processes.

MARKET DRIVERS - GROWTH AND COMPETITION

The main drivers of industrial automation, including production logistics, are growth, new product launches, quality requirements and rationalization. These are common trends in all industry segments of consumer goods and component manufacturing, where volumes are high and variants relatively few, but also, and increasingly so, within assembled products, where the number of final variants could be very large.

In today's consumer goods market, product owners and manufacturers ex-

perience increasing market dynamics and fast-changing demands, which shorten the product life cycles. Rapid industrialization in emerging markets and the struggle for market shares are other factors driving demand for industrial automation and production logistics.

Differences are also narrowing between industrial and emerging markets in terms of consumers' product quality requirements. This trend is another catalyst for increased levels of automation, as industries globally strive for a high and even quality in combination with lower production costs.

SUSTAINABILITY - INCREASINGLY IMPORTANT

Along with demand for higher efficiency and product quality, sustainability is also an increasingly important focus for manufacturers.

Controlling and standardizing the production process, including the physical product handling and all related information flows, enable shorter throughput time, reduced waste, minimal energy use

and improved operator safety – not only ensuring efficiency and quality but also saving the environment and protecting people.

Furthermore, FlexLink's production logistics solutions are designed to be easy to reuse and adapt to new products. They also require a minimum of space, offering customers additional benefits in terms of improved cost of ownership and sustainability.

A FRAGMENTED MARKET

The market of industrial automation is very fragmented, particularly the conveyor systems segment, where FlexLink is acting on a global level and holds a clear leading position among suppliers of flexible plastic chain conveyor systems. The segment includes a wide range of suppliers, from small local manufacturers to large companies operating globally. The scope of suppliers varies from component manufactures to major machine manufacturers and integrators offering complete production lines and factories.

FLEXLINK – A UNIQUE PLAYER

FlexLink started 30 years ago as part of a large automation project within a world-leading bearing manufacturer. The aim was to allow 24/7 production with increased output, quality and flexibility by developing solutions for automated handling of material and information flows.

This is still the main offer and focus of the business. FlexLink's proven production logistics products and solutions are used by a wide range of customers in different industries around the world. A strong focus on proprietary components, function modules and software have resulted in a cutting-edge range of production logistics solutions and a strong market position for FlexLink.

GROWTH STRATEGY

FlexLink's growth strategy is based on organic growth in established markets, combined with entering selected new market segments as well as geographical expansion.

In emerging markets like India, China and Brazil, growth will depend on market share gains, in combination with increasing industrial investments driven by the rising levels of personal consumption in these regions.



PRODUCTION LOGISTICS HELP SAVING THE ENVIRONMENT

- Less system losses – demand-driven production, minimal re-setting time
- Less waste – gentle handling and short throughput time
- Less energy consumption – intelligent control and drive technology, optimizing energy use
- Reusability – easy re-design of lines and long service life
- Low footprint – compact design requires less space, lower fixed and running costs
- Improved work environment – low noise, improved operator safety, clean and well-designed equipment

MAJOR FACTORS DRIVING INDUSTRIAL AUTOMATION INVESTMENTS:

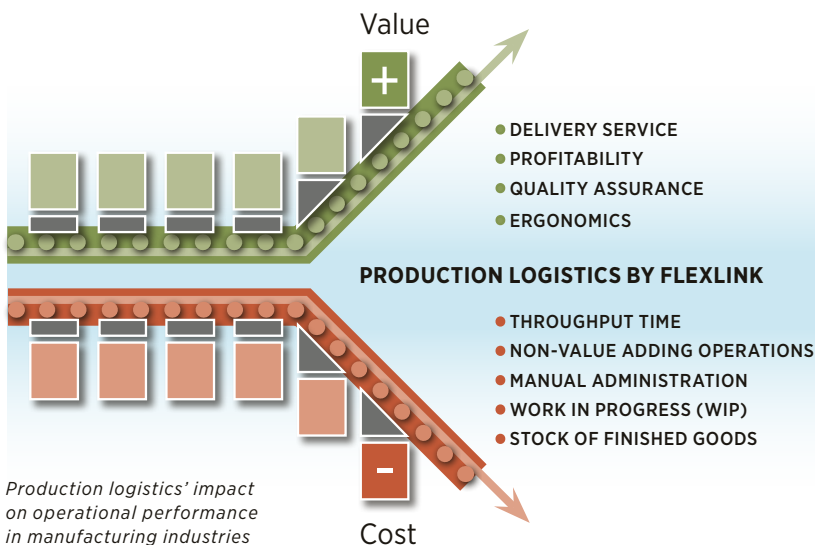
- Increase of production capacity
- New product launches
- Quality
- Rationalization

PRODUCTION LOGISTICS: THE MANAGEMENT OF MATERIAL AND INFORMATION FLOWS IN A PRODUCTION PROCESS.

MANAGEMENT OF MATERIAL FLOW ensures that each machine and workstation is fed with the right material in the right quantity at the right time.

MANAGEMENT OF INFORMATION FLOW streamlines and controls the flow through the value-adding processes. Ensures correct product quality and operator empowerment.

MANAGEMENT OF A PRODUCTION PROCESS provides the means to raise productivity, flexibility and profitability.



Geared for global business

FlexLink is represented in more than 60 countries. Customers are served by wholly-owned sales offices in 25 countries and a network of more than 100 strategic partners.



MAIN SEGMENTS

FlexLink serves a wide customer base ranging from large global corporations to local specialists in various industries, from medical devices like implants, to manufacturers of packaging machinery and consumer products.

Within discrete manufacturing, FlexLink's market is defined as four major industrial segments: automotive, electronics, healthcare and fast moving consumer goods (FMCG). The single largest segment is FMCG, representing approximately 40% of the potential market. Typical sub-segments within FMCG are coffee, confectionery and cosmetics.

SALES CHANNELS

FlexLink addresses the market through its own sales offices, strategic business units and its partner network. Through these channels, all operating on equal conditions, FlexLink serves its customers according to their needs and requirements.

SALES UNITS

FlexLink runs sales offices in 25 countries within three geographically based organizations; Asia Pacific, Americas and EMEA (Europe, Middle East and Africa). Customers are served through local sales forces, ensuring a good understanding of the customers' needs and requirements. By extensive networking within the Group and with partners, including sharing of resources and know-how, every local unit is capable of handling complex installations.

STRATEGIC BUSINESS UNITS

Tissue and medical devices are two industry segments where FlexLink has a particularly strong expertise and product offer. To serve these demanding industries globally, FlexLink has set up two dedicated Strategic Business Units (SBU) – Tissue and Life Sciences – that are globally responsible for serving and exploring the market in their respective segment.

FlexLink has more than 30 years of experience from production logistics installations in the tissue industry, with

systems installed at more than 200 customer sites worldwide. FlexLink supplies unique solutions for the production flow in these industries, meeting the highest efficiency requirements.

The Life Sciences SBU, in turn, is made up by the former subsidiary Compliant Logistics AB, now fully integrated into the FlexLink organization. The Life Sciences SBU provide solutions for the GMP/QSR regulated industry, focusing on medical device manufacturers globally.



Based on production logistics, the solutions are equipped with segment-specific technologies and services, such as the Pharmsuite™ MES software. By deploying these integrated solutions, customers achieve efficient, quality-assured, paperless and traceable manufacturing.

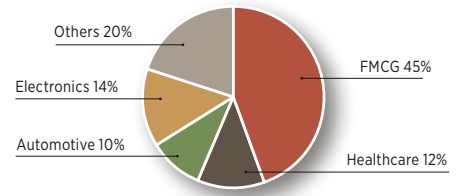
PARTNER CHANNEL

With more than 100 strategic partners and a large number of service partners, FlexLink is geared to offer the best possible value to the end users. To support these partnerships, based on mutual benefits, FlexLink has appointed dedicated support and management capacity in all sales units, as well as a function for central support and coordination of joint activities. The partnerships are based on

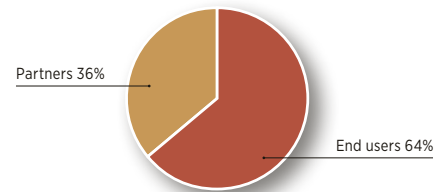
clearly defined roles and expectations for both parties.

This partner channel has been an important strategic element of FlexLink's business model since the start in 1980, enabling the company to provide professional production logistics solutions and services to customers worldwide. Typical strategic partners are system integrators, system builders and machine manufacturers (OEMs). Service partners are normally specializing in servicing installations at customer sites 24/7.

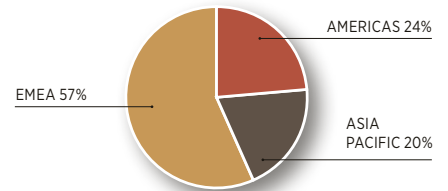
Sales per market segment



Sales per channel



Sales per area



STRATEGIC PARTNER

The FlexLink Strategic Partner logo symbolizes a close co-operation between FlexLink and its partners. The partnership agreement is based on mutual benefits and a long-term co-operation with well defined tasks and mutual trust.

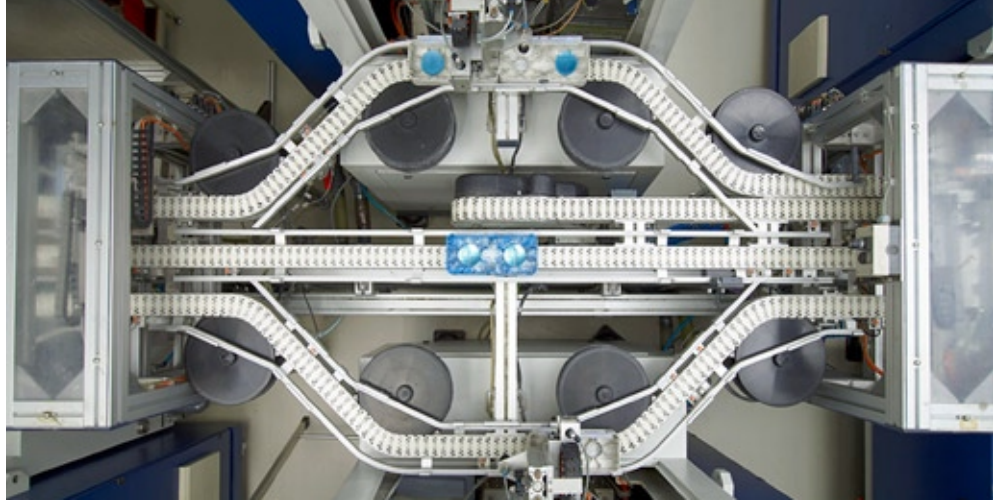
Providing assembly lines for the latest automotive technology

A large international supplier to the automotive industry decided to start production of control units for hybrid cars in Hungary. In the lines delivered, more than 40 control unit variants are produced in mainly manual operations, while critical operations such as testing is automatic. The automated process flow and quality control guarantee full traceability and 100% quality assurance. FlexLink designed and supplied the turnkey lines in 2010.



World class solutions

As the innovator of modern conveyor systems, FlexLink has installed production logistics systems in manufacturing plants all over the world. Based on deep know-how of industrial processes, and of material and information flows in those processes, FlexLink offers solutions to leverage efficiency in industrial production. To safeguard long-term customer satisfaction and competitiveness, considerable investments are made in R&D.



With a flexible supply scope, from components to turnkey installations, together with a range of software and services, including a large amount of proprietary core technology, FlexLink has a truly unique offer. In combination with the skill and solutions within FlexLink's partner network, this guarantees customers the right solution, adapted to their specific needs and requirements. In its own right, the FlexLink offer is world class.

COMPREHENSIVE

FlexLink offers a wide range of solutions to meet the needs of efficient production flows in various industries, from deodorants filling and packaging to assembly lines for railway bearing units. With well-designed products like conveyor components, FlexLink ensures efficient solutions and a trouble-free service life.

In production lines, the products can be handled directly on the conveyor or on product carriers, all based on stand-

ardized components. Pallet systems are frequently used as the backbone for automated single-piece flow solutions in production lines for machining, assembly and testing. Sophisticated production lines are easy to build on any of FlexLink's conveyor platforms with a minimum of engineering and ramp-up time thanks to the modularization and powerful engineering tools.

Logic control is critical for system performance. FlexLink's solutions enable maximum throughput and energy-efficient operations. In addition, line modifications and extensions are easy to make. The embedded controls in the X45e product platform set new standards in simplified control design, line installation and ramp-up.

To meet the requirements of full production control and automatic quality assurance, FlexLink offers its proprietary MES (Manufacturing Execution System) software Youtilize®, allowing manufac-

urers to make the best use of its resources and dramatically increase overall line efficiency.

To ensure performance over time, service and support are integrated parts of FlexLink's offer. With pre-studies, engineering and field service programs, a FlexLink installation is guaranteed a long and reliable service life.



SALES

Qualified sales and application engineers make sure that customers are offered solutions matching their needs and requirements. The analysis of the customers' production and the development of the solutions are based on our know-how of production processes and sophisticated engineering tools. As sales engineers are working closely with the application engineers, the proposals are rapidly presented to customers. And whenever needed, experiences and solutions are shared within the FlexLink Group, allowing multinational companies, for instance, to use the same products and solutions in factories worldwide.

R&D

Research and development is a crucial part of the Group strategy to ensure leading-edge solutions with high, consistent quality and long-term efficiency. By continuously developing and refining products, including the integration of new technologies in core products, FlexLink offers new value-adding solutions, including major product launches every year and important product amendments and upgrades several times a year.

In early 2010, the X45e conveyor and handling functions, with embedded controls and high efficiency motor technology, were launched. This platform offers considerably lower power consumption than comparable systems on the market. Simplified control design and programming interfaces make the system set-up easy and safe. Software and control design make sure the motors run at variable speed, matching the capacity need and minimizing energy use. The X45e platform has already been widely recognized in the fast-developing laboratory automation industry.

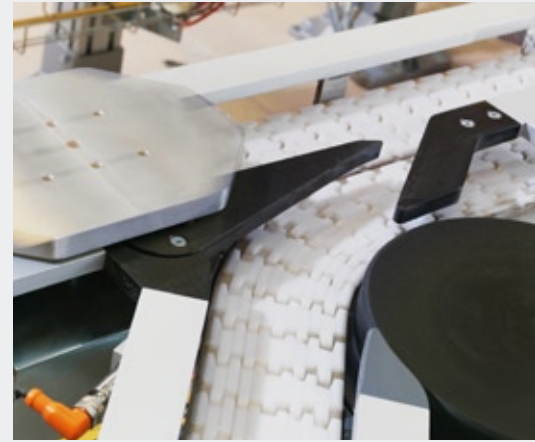
In 2010, FlexLink made considerable R&D efforts in the development of a new generation conveyor systems in stainless steel for application areas with high requirements for cleanliness. This new system range will be launched in May 2011.

Software for monitoring and controlling conveyor systems and production flows is another important R&D focus.

Sustainable, continuous R&D

In 2010, FlexLink launched the new conveyor platform X45e with state-of-the-art drive units for conveyor and handling functions. The technology has a very high efficiency ratio, allowing for low power consumption. In addition, the embedded controls make it easy to set up and fine-tune the performance parameters in order to create high system efficiency.

In 2011, FlexLink's major launch will be a new generation of conveyor systems in stainless steel for application areas with higher requirements on cleanliness. The system developed in 2010 and 2011 has received positive feedback from leading customers and the launch will start at the Interpack exhibition in Düsseldorf, Germany, in May. Additional products will be launched at the same event and further on during the year.



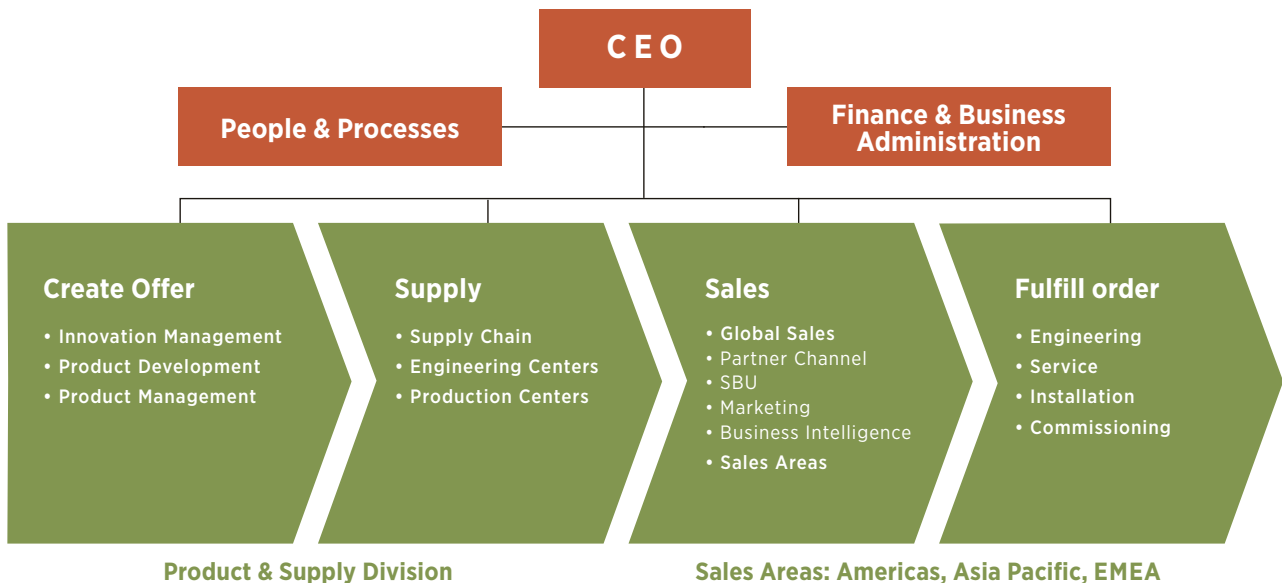
Pallet systems are frequently used within the automotive, electronics and medical device industries.



The new generation conveyors in stainless steel.

Organization and structure

FlexLink's organization is built on proximity to customers, core competence and clear roles within the organization and with partners. The company believes in a strong and local sales organization for close customer relationships, combined with specialized global teams for certain key industries, along with responsiveness in engineering, timely delivery and crisp commissioning.



COMPANY CREDO

The daily work in FlexLink is based on the company Credo, consisting of five clear rules for how the Company and co-workers act and treat customers, partners and colleagues.

- We create customer value
- We thrive on change
- We build and operate networks
- We value honesty, openness, teamwork and trust
- We believe in individual initiative, drive and responsibility

ORGANIZATION

The organization structure was refined in late 2010 for better streamlining of processes. The main processes are:

Create offer, Supply, Perform sales and Fulfill order, with clear responsibilities across the organization.

Create offer – Innovation Management has the role of identifying and driving the research and development process and creating the offer. Product development and product management are closely related to the management and development of the product assortment.

Supply – The sourcing and distribution of components are managed by the Supply chain. To achieve economies of scale, regional engineering and production centers design and assemble functions and sub-assemblies for the sales units.

Perform sales – The Global sales unit manages business intelligence and group marketing, with global responsibility, together with the strategic business units and the partner sales channel. Sales

activities on regional and local markets are managed by the sales units under each Area sales organization.

Fulfill order – These activities are managed by the Area sales organizations covering all 25 sales units within the Americas, Asia Pacific and EMEA.

The central support functions Finance & Business administration and People & Processes support the Group in such areas as communications, finance, HR, IT and legal affairs.

In 2010, the operations of the Industrial Automation division of Schüco International and e³ International were acquired. Firm processes and methods in terms of business cases, legal procedures, due diligence and company culture, contributed to the friction-free fulfillment and integration of the acquired operations.

COMPETENCE

FlexLink actively develops the important competence and tools needed for successful selling and providing of production logistics solutions. Daily networking across the global organization and Group development programs play important roles in this work.

The company Credo gives a strong base for ethical guidelines and all FlexLink people have equal opportunities to develop and advance within the company. To promote personal career planning, any vacant positions are internally posted, and individual career development plans are defined for all employees. Policies on equality, diversity and non-discrimination are in place.

In 2010, an e-learning platform was launched, including an introduction for any

new employees and training in FlexLink's offer and products. The e-learning program will be further developed and implemented in 2011.

Attracting and retaining skilled people is crucial for the company's success and FlexLink therefore runs a competence development program for talented employees within management and specialist roles, called IMPACT. In 2010, 17 persons from 11 units participated in the program, covering areas such as strategy, innovation and change management. The participants also had the role as drivers in the implementation of the updated strategy.

The project management program proceeded over the year, with focus on having senior project managers certified according to the PMI (Project Management Institute) and IPMA (International

Project Management Association) guidelines.

The application engineering management program was rolled out with the purpose to ensure common principles, tools and procedures in the quotation process in all segments in every region.

SUSTAINABILITY

Sustainability and quality are critical priorities and equally important for FlexLink to meet customers' expectations and reach success on the market.

Corporate customer surveys have been conducted in Europe and Australia, with Brazil, Canada and USA to follow in 2011 and Asia Pacific in 2012. The results so far are satisfying and provide valuable feedback for improvement activities.

The Group Operational Management System (OMS) is ensuring high quality of all business activities. FlexLink has a multi-site ISO 9001:2008 certificate, to ensure that the company meets customer and legal demands in a uniform and predictable way. It also facilitates sharing of resources, networking and economies of scale in the organization. In 2011, the preparations for an integrated OMS will be finalized, covering quality (ISO 9001:2008), environment (ISO 14001:2004) and occupational health and safety (OHSAS 18001:2007).



The participants in the Impact program, from all parts of the organization.

30th anniversary and a new head office

In 2010, FlexLink celebrated its 30th anniversary with customer, employee and partner events worldwide. In Gothenburg, where the business started in 1980, the celebration coincided with the relocation of the head office to new premises, making it an extra joyful event. 150 guests, including international partners, customers, suppliers and business acquaintances, celebrated the anniversary together with FlexLink employees and retirees. The anniversary was well recognized within the industry and trade press worldwide.



Summary per sales area



AMERICAS

Brazil, Canada and USA

Following the economic recession in 2009, the Americas saw a rebound of the investment climate, resulting in a strong order growth, especially in the USA.

In Brazil, the economy showed continued growth, however at a slightly lower pace than expected. Investments were on level with the GDP growth and FlexLink's order intake improved strongly. The automotive and FMCG industry segments represent the main growth opportunities in the country. In 2010, the organization was further strengthened with added engineering and project management resources. In 2011, these efforts will be followed by increased sales resources to further benefit from the Brazilian market growth.

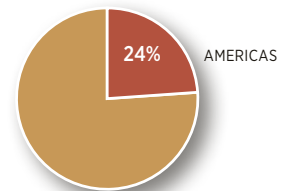
The Canadian unit kept its sales and order intake levels from 2009 and focused on efforts to enhance the sales organization. Significant growth opportunities are

expected in 2011, mainly within the FMCG and healthcare segments.

The US economy saw a strong recovery throughout 2010, with significant market growth in the electronics, FMCG and healthcare segments. The efforts to enhance the regional sales offices were successful, creating stronger relations with customers. The centralized final assembly workshop also performed well, contributing to profitable growth.

For 2011, the forecasts indicate a continued positive development in many industry segments, including the clinical lab automation industry, where FlexLink is quickly gaining a position as a major supplier of logistics solutions.

Share of total sales



ASIA PACIFIC

Australia, China, India, Indonesia, Japan, Malaysia and Thailand

Business in Asia grew considerably in 2010, the best year ever so far in terms of sales and profitability, with extraordinary growth in China and Indonesia. Singapore was another fast growing unit but from a lower level.

The order intake in Asia grew strongly already in the beginning of 2010 and continued to do so throughout the year, with particular growth in the FMCG, electronics and automotive segments, driven by a combination of GDP growth and improved market coverage through strong sales performance.

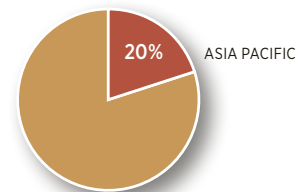
In May, FlexLink China moved into new and bigger facilities, combining the offices with an efficient assembly work-

shop. The new facilities have contributed strongly to the positive development and efficiency of the Chinese operations.

In 2010, there was a strong focus on competence development and training activities in the Asian area, following the significant sales growth and recruitments in China, India, Indonesia and Malaysia.

In Japan, FlexLink and Tsubakimoto Chain Co initiated a strategic partnership to better explore the market in Japan.

Share of total sales



The combined strength of Tsubakimoto's extensive sales network and FlexLink's products and solutions is expected to fuel further growth in the Japanese market.

The business in Australia and Thailand had a slow start, but progressed slowly in the latter part of the year.

EMEA Europe, Middle East and Africa

Belgium, Czech Republic, Finland, France, Germany, Hungary, Italy, the Netherlands, Poland, Russia, Spain, Sweden and UK. Emerging markets including Greece, Slovenia, Turkey, Middle East and Africa.

The business recovered slowly in the beginning of the year but improved significantly in the last quarter, driven by Germany. The order intake was particularly strong within the FMCG industry segment.

The strong sales growth in FMCG was materialized through large orders within the food segments in Italy, France, Germany, the Nordic countries and Poland. In Hungary, the second phase of a large order by a major supplier to the automotive industry was successfully delivered and commissioned. The German unit had significant success within the bakery industry.

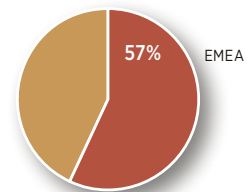
In Spain, sales volumes were sustained despite a tough economic climate with falling investments among major customers. In France, FlexLink

was awarded significant orders from the cheese industry.

In 2010, several organizational changes were implemented. The Czech sales unit was integrated into FlexLink Germany as a sales office, offering improved service to Czech customers and enabling economies of scale within the organization. The Nordic sales unit organization was re-structured.

In EMEA, the after-sales activities were developed and packaged, with immediate positive feedback from customers, soon generating increased sales.

Share of total sales



2010 was also a year of complimentary acquisitions. The operations of Schüco International's Industrial Division was acquired and integrated as an independent division within FlexLink Germany under the name MS Plus Automation. The operations of e³ International were also acquired and integrated, but as a part of FlexLink Italy. Both acquisitions add valuable amendments to FlexLink and have progressed well as parts of FlexLink's business.



Group structure and comments on financial results

GROUP STRUCTURE

The FlexLink Group provides the industrial automation market with production logistics solutions, primarily focusing on production and final assembly processes. The Company is based in Göteborg, Sweden.

The Group's headquarter functions are Finance, Corporate Communication, IT, Quality, Business Development & Intelligence, Marketing, Group Legal and Human Resources.

FlexLink's offer includes complete production lines, assembly systems, material handling systems, modules, conveyors and software. The Group has a large proprietary product range. On delivering

complete production lines, FlexLink also undertakes integration of equipment from other suppliers.

Developing and providing the Group's products is the responsibility of the Product & Supply Division (PSD). PSD's supply, sourcing and developing activities are performed through a number of legal units in the world; in Sweden, Poland, Malaysia and China.

The sales activities are organized into three geographical areas: EMEA (Europe, Middle East & Africa) with wholly owned sales companies in the UK, Germany, Sweden, Finland, Poland, Hungary, the Czech Republic, Russia, Italy, Spain, France, the Netherlands and Belgium;

Americas with sales companies in the USA, Canada and Brazil; and Asia Pacific with sales companies in China, Japan, Malaysia, Singapore, Indonesia, India and Australia.

In addition, there is a representative office in Thailand, as well as agreements with agents and distributors in a large number of countries worldwide. The branch offices in Slovakia and Romania were closed in the end of 2009 and beginning of 2010. In 2008, an Italian company was acquired. Other sales companies are established on their respective markets since several years.

MSEK	2010	2009	2008	2007	2006
Net sales	1,460	1,222	1,446	1,346	1,276
Cost of goods sold	-863	-699	-898	-879	-807
Gross income	597	523	548	467	469
Selling & administrative expenses	-440	-416	-431	-405	-415
Other operating items	-7	7	5	0	-4
Operating income (EBIT)	150	114	122	62	50
Depreciation of tangible assets	15	14	13	10	10
Amortization of intangible assets	15	18	29	26	22
EBITDA	180	146	164	98	82
EBITDA adjusted for exceptional items	187	157	179	135	118
KEY FIGURES					
EBITDA margin	12%	12%	11%	7%	6%
EBITDA margin adjusted for exceptional items	13%	13%	12%	10%	9%
Employees					
Average no. of employees	691	683	706	665	649
Net sales per average no. of employees	2.1	1.8	2.0	2.0	2.0

TURNOVER AND PROFIT

The Group's net sales for the period 1 January to 31 December 2010 increased by MSEK 238 or 19% to MSEK 1,460 (1,222). During the year the Group has adjusted its method of calculating percentage of completion, which means that all projects have been recognized according to percentage of completion method. This has had a one-off positive effect of MSEK 85 on sales. Conversion of the net sales of foreign subsidiaries into SEK had a negative effect of 5% or MSEK 71 on overall net sales in relation to 2009, whereof MSEK 53 is due to sales in EUR and MSEK 17 is due to sales in USD. The residual net increase in net sales of MSEK 309 or 25% is mainly attributable to a very strong growth in Asia and the Americas.

Sales in EMEA increased by 8%, where mainly Hungary, the UK and Poland had strong growth of 200%, 18% and 15% respectively. The Netherlands and France had a healthy growth of 9% and 5%. Belgium, Nordic and Germany had a significant decrease in sales of 21%, 17% and 11% respectively. The acquired businesses had a turnover of MSEK 13. Other countries had a total net decrease of MSEK 12.

Sales in the Americas area increased by MSEK 109 or 40%, where the USA had the largest increase of 46%. Also Brazil had a healthy growth of 10%, while Canada's sales decreased by 8%.

Asia Pacific had the largest growth of in total MSEK 146 or 96% and all countries within the area grew during 2010. Particularly Indonesia, Singapore and China had a strong growth with 265%, 238% and 129% respectively. Other countries had a growth between 29% and 49%.

Compliant Logistics, decreased sales by MSEK 12 or 61%.

The Group's operating income amounts to MSEK 150 (114), including amortization of intangible assets and depreciation of tangible assets of MSEK 30 (32). The operating income includes restructuring costs of MSEK 7 (11). The adjusted model for calculation of percentage of completion has resulted in a one-off positive effect of MSEK 31 on EBITDA.

EBITDA, earnings before interest, taxes, depreciations and amortization of intangible assets amounted to MSEK 180 (146). EBITDA adjusted for restructuring costs and other exceptional items amounted to MSEK 187 (157) or an adjusted EBIDTA margin of 13% (13%).

RESEARCH AND DEVELOPMENT ACTIVITIES

FlexLink continued to make considerable investments in research and development of new products and solutions in 2010. In January, the new conveyor platform X45 was launched, with new, highly efficient drive units and embedded controls. The platform has opened the door to new important segments for FlexLink.

The R&D activities have focused on new product platforms in stainless steel, which are aimed for applications where the requirements on cleanliness are high. The new stainless platforms will be launched in May 2011 and are amending the offer within already established customer segments.

Total research and development expenditure amounted to MSEK 14 (22) in 2010, whereof development expenditure of MSEK 12 (19) was capitalized.

ORDER INTAKE

The order intake in 2010 amounted to MSEK 1,324 (1,200), representing an increase of 10%.

FlexLink's Code of Conduct

FlexLink's Code of Conduct, founded on laws, regulations and the Credo, provides guidance to every employee for how to act and behave as a FlexLink representative. As a global company, with business operations in many different cultures with varied work conditions and attitudes, FlexLink is committed to conduct business and act as a good corporate citizen in all markets. Suppliers, consultants and business partners are also encouraged to respect and follow the Code of Conduct.



Group Management



Andrew Lord
 Born 1966
 Chief Financial Officer
 Employed since 2010
 Shareholding:
 35,248 shares

Eva Degerman
 Born 1965
 Director, HR
 Employed since 2001
 Shareholding:
 43,400 shares

Svante Anderholm
 Born 1963
 Chief Operational Officer
 Employed since 2007
 Shareholding:
 35,248 shares

Paolo Pusceddu
 Born 1966
 Director, Group
 Sales & Marketing
 Employed since 1994
 Shareholding:
 41,766 shares

Guido Ceresole
 Born 1959
 Director, EMEA
 Employed since 1989
 Shareholding:
 43,469 shares

Dave Clark
 Born 1956
 Director, Area Americas
 Employed since 1999
 Shareholding:
 43,697 shares

Mattias Perjos
 Born 1972
 Chief Executive Officer
 Employed since 1997
 Shareholding: 129,958 shares

Board of Directors



Johan Conradsson
Born 1979
Investment Director
AAC Capital Partners (Nordic)



Bo Elisson, Chairman
Born 1950
Chairman since 2006
Senior industrial advisor
SENSA Corporate Advisors
Chairman of the board of
Empower Oy (FI) and
ADB Airfield Solutions (BE)
Shareholding: 43,400 shares



Christer Häll
Born 1958
Employee representative
Board member since 2000



Hakon Lundberg
Born 1959
Employee representative
Board member since 2004



Mattias Perjos
Born 1972
Chief Executive Officer
Employed since 1997
Shareholding: 129,958 shares



Tommy Wikström
Born 1973
Partner
AAC Capital Partners (Nordic)

OWNERS OF FLEXLINK HOLDING AB

AAC Nordic BOF 2005 B.V: 85%
Board of Directors and FlexLink Management: 15%

The AAC Nordic BOF 2005 B.V. investment fund is managed by AAC Capital Partners AB, based in Stockholm, Sweden. AAC is a leading Northern European mid-market buy-out firm within the consumer, industrial and service sectors.

For more information, please visit www.aaccapitalpartners.com

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