

Chief Executive's Review

"2008-2009 – a very strong year for Roxtec"

The global financial turbulence during the last 12-18 months caused ripple effects in most sectors of business and society. In spite of this, Roxtec performed very well, reaching 934 MSEK in sales, equal to a growth of 16% over the last year. Overall sales were positively affected by currency fluctuations tied to the Swedish krona versus the EUR and USD. A key to continued growth is our ability to understand how our business is affected by the macro climate, but to stay with what we know the best: understanding customer needs and meeting or exceeding these. Through staying close to our loyal customers and building new markets and relations, we ensure our strength.

Our brand achievements

During the year, we have conducted a survey of the Roxtec brand in our segment markets and geographical areas. The brand, being the customers' perception of our offer and work, is a receipt to us on how we are doing in fulfilling our mission, "We Seal Your World". The overall feedback is very strong. The survey shows great achievement of brand recognition as well as preference for Roxtec, both with customers and prospects. Our brand is aligned with our Core Values and culture:

- Leading company with a good reputation



- In forefront of development
- High consistent quality
- Flexible solutions
- Simplifies installations
- Good, alert customer support

We know our strengths and need to build from these, maintaining focus on listening to our customers. Roxtec delivers solutions that generate a measurable value to our customers as well as peace of mind in having made the right decision.

Our markets

We have continued our build-up of the global sales and service organization. We are by the end of 2008-2009 more than 450 people working with attending to customer needs as well as finding new mar-

kets to educate on the benefits of the Roxtec technology and solutions. Looking at Roxtec from a geographic perspective, the impact of the Asian markets is more and more apparent, now reaching 31% of global sales. Europe represents 47% of sales, compared to 70% 4-5 years ago. Americas and the Middle East are closing in on 22% of sales.

Looking into the new business year, our segment markets are expected to be distributed as follows: Marine 27%, Oil & Gas 26%, Telecom 20% and Industry (OEM, Power, Construction) 27%.

We have strong growth expectations for naval markets around the

world as well as within onshore oil & gas. We see many opportunities materialize within the OEM, wind power, nuclear and train markets. The industrial segments will be a significantly larger part of the Roxtec business within 4-5 years.

Our new products and offer

The product development has among many things rendered in a major product launch of the Roxtec EzEntry™, a family of seals for cabinets and enclosures serving many segments through the OEM market. During the year, we filed for 17 new patent families and were awarded 35 new or updated certificates by classification societies. Roxtec now holds more than 250 certificates acting as tickets to different segment markets.

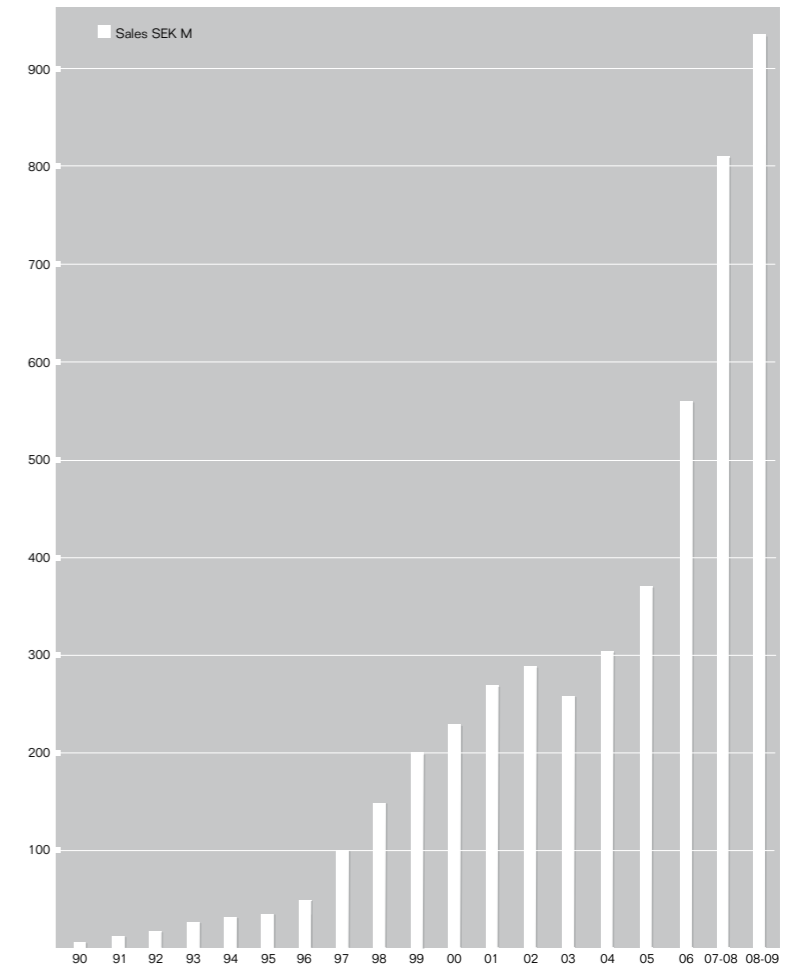
The R&D portfolio contains many new products and also material and technology development within electromagnetic shielding applications. We have invested in our own testing equipment for EMC products to strengthen our abilities to serve the customers with the optimal solutions for their needs.

Our global supply chain

The Roxtec supply chain position is strong. We have state-of-the-art production and distribution facilities with capacity to meet the coming years' growth. The work with globalizing the supply chain has been intensified and now we can leverage from already created local positions and bring the supply closer to the markets to gain efficiency as well as fast service to customers.

Our future perspectives

The external environment is challenging in the wake of the financial crisis. Some experts say we have seen the worst, hence we should see a more leveraged playing field with a possibility for global growth.



The 2009-2010 business year will be challenging for Roxtec, however we are still certain in our capability of creating growth. It is important to understand the global conditions, but to focus on the opportunities. We cannot affect exchange rates or global demand for goods and services, but we can influence the mind of our present and future customers.

The key is for us to stay close to the customers, understand their needs, educate them on our benefits and provide them with the right solutions. Doing this, we will gain our customers' trust and continue our journey in Creating Continuous Profitable Growth through Loyal Customers.

My personal believes

I am convinced that Roxtec is in a strong position to handle the current conditions and I look forward to continuing our challenge of generating trust and building new markets, where we know we make a difference to our customers.

"We Seal Your World"

Fredrik Hansson
CEO & Growth Driver