



PRESS RELEASE

Contacts:

Telephone:

Internet including image archive:

Gérard Dubuy, CEO

Yvonne Cedergren, IR

+46 (0)8-683 73 00

www.hl-display.com/eng/media

2009-12-21

HL Display acquires British PPE Ltd.

HL Display AB (publ) has acquired PPE Limited, a UK based manufacturer of bespoke merchandising solutions. The acquisition strengthens HL Display's offering to the important brand manufacturers segment and strengthens its position on the UK market.

The purchase price (for the equity) amounts to GBP 22.1 million (approx. SEK 260 m) with a further GBP 5.0 million (approx. SEK 60 m) of deferred consideration. The acquisition will be consolidated in HL Display Group accounts from December 31, 2009.

PPE Ltd. is one of Europe's leading designers and manufacturers of bespoke Point of Sale (POS) displays and merchandising solutions as well as standard products, servicing mainly brand manufacturers. The company is especially strong within "secondary placement" – exposure off the store shelf – including floor stands built using a combination of different materials such as metal, plastic and wood, combined with printed effects. PPE Ltd. with approximately 280 employees is located in Harlow (Essex) and its main market is the UK. The company is also represented outside the UK through a subsidiary in the Netherlands. For the fiscal year ending 31 January 2009 the business recorded sales of GBP 27.3 million and operating profit¹ (EBITA) of GBP 3.7 million. Following the acquisition, HL Display's business in the UK grows from less than 50 to approximately 330 employees. HL Displays current sales in the UK amounts to approximately GBP 8 million.

HL Display is financing the acquisition with a combination of cash and debt, where HL Display preserves balance sheet capacity to pursue further acquisition opportunities going forward. The acquisition is expected to contribute positively to HL Display earnings per share for the fiscal year ending 31 December 2010 and onwards.

"PPE Ltd. provides an ideal fit with the HL Display Group. The company has strong skills and extensive experience in designing and manufacturing bespoke merchandising solutions, which we will benefit from in all our markets. Furthermore, they add multi-material production capacity to the Group. In combination with our existing product range, HL Display can now present a strong and broad product offering to the branded consumer goods segment, one of our target areas for future growth. PPE also shows good profitability and meets all other criteria that form part of our acquisition evaluation process", says Gérard Dubuy, CEO of HL Display.

PPE Ltd. has operated since 1971 and was previously owned by the founding family. The previous owners, Mr Neil Parker and Mr Nigel Parker, will continue to manage the company, which will secure continuity in operations and customer relations.

"Together with HL Display, we can expand into new customer segments while improving our service offering to existing customers. We now have an opportunity to create a leading business in our niche on the British market. In addition, this opens up completely new market opportunities outside the UK", says Neil Parker, joint Managing Director of PPE Ltd.

HL Display was advised by Navigo Partners AB in this transaction. Skandinaviska Enskilda Banken AB (publ) has provided HL Display with a bank facility in support of the acquisition as well as HL Display's general funding requirements.

For further information please contact CEO Gérard Dubuy, CFO Per Sundquist or IR Yvonne Cedergren, phone +46 8 683 73 00.

HL Display is a leading international supplier of products and solutions for merchandising and in-store communication. With more than 50 years experience, the company specialises in displaying products in stores in a way that increases sales and makes the store-work more efficient at the same time providing end consumers with all the information required to make a purchasing decision. HL Display has its own sales companies in 33 countries in Europe Asia and Middle East. A further 13 markets are serviced via distributors. Net sales amounted to SEK 1 536 million in 2008. The HL Display share was listed in 1993 and is currently quoted on the Nasdaq OMX Nordic Small Cap list.

¹ Earnings before interest, tax and amortization according to UK GAAP principles.