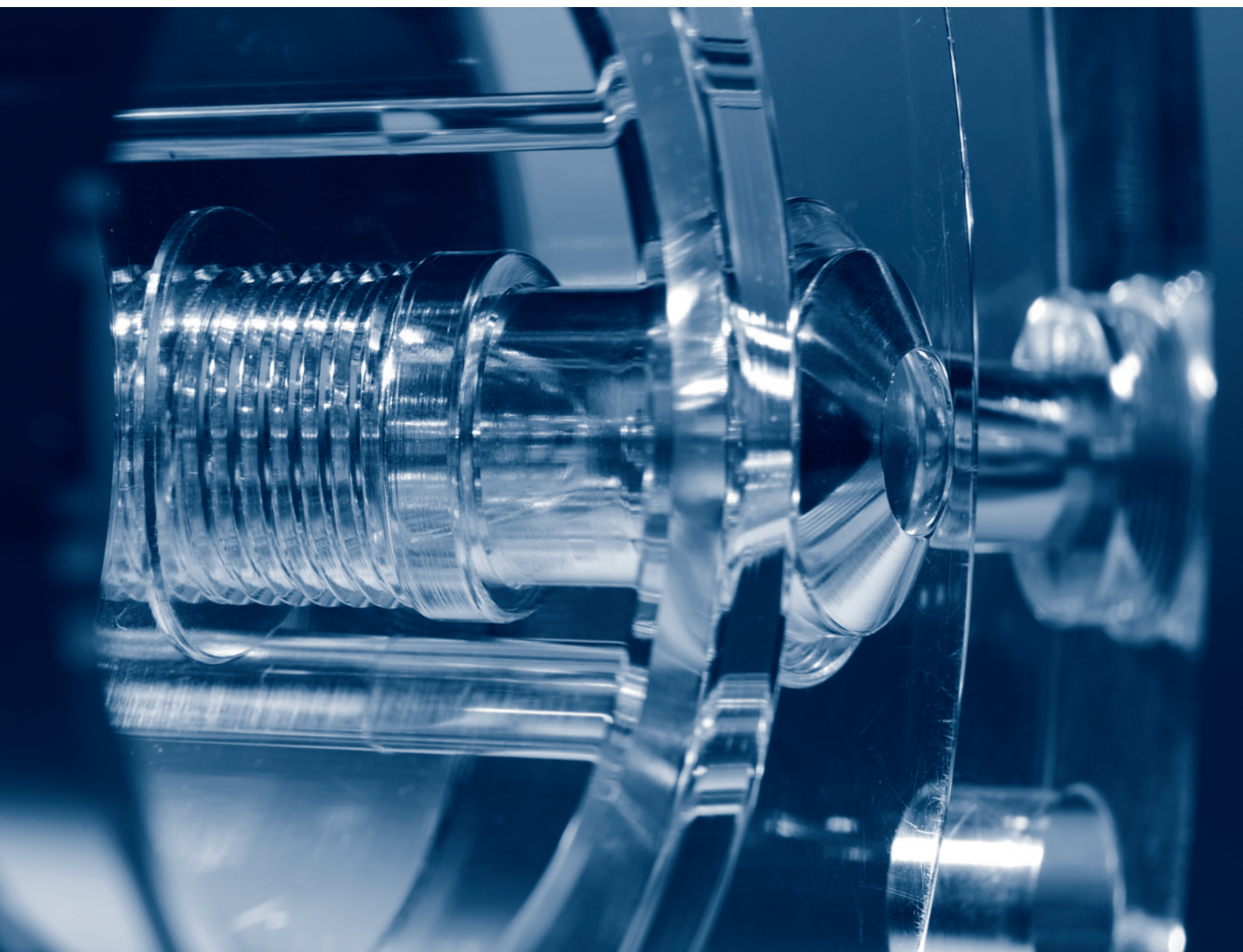




Interim Report

1 January – 30 September 2010



Interim Report 1 January – 30 September 2010

The interim period

- Net sales totalled SEK 934 million (743)
- Profit after tax amounted to SEK 41 million (-15)
- Earnings per share were SEK 6.10 (-2.30)
- At the end of April, the subsidiary NPB won an order from the US worth SEK 75 million

Events after the balance sheet date

- After the balance sheet date, all shares in Bladhs Industri AB and its subsidiaries were sold

The third quarter

- Net sales totalled SEK 280 million (229)
- Profit after tax amounted to SEK 11 million (3)
- Earnings per share were SEK 1.65 (0.30)
- All shares in Inmedic AB and its subsidiaries were sold in August.

All amounts above, even those from the previous year, refer to continuing operations, i.e. excluding profit from operating activities as well as profit from the sale of Inmedic. In the specification on page 8, the profit for both continuing and discontinued operations and the Group as a whole are shown.

CEO's comments on the Group's development during the period

The development remained positive during the third quarter. The Group's business units reported an increase in sales and also exceeded the previous year's profits. The order book was at a good level and numbers increased somewhat, a trend which has continued even after the end of the period. However, customers are not planning very far ahead, while access to raw materials etc. has at times also been very limited. The lead times at the Group's sub-contractors have also increased dramatically. Overall, this has meant difficulties in meeting delivery commitments properly and some of the Group's companies are running with a bit of a production backlog. The conditions are expected to settle down during the fourth quarter, and the prospects for the rest of the year remain good.

The sale of Inmedic in August and subsequently the Bladhs Group is part of XANO's work to refine the Group's operations and build strong business units where economies of scope can be properly utilised. These transactions mean that resources are now available to further develop the three business units that remain following these two sales.

Sales

The interim period

For continuing operations, net sales amounted to SEK 934 million (743), an increase of 26 per cent compared to the previous year. Net sales for discontinued operations were SEK 18 million (29) and for the Group as a whole SEK 952 million (772).

The third quarter

For continuing operations, net sales amounted to SEK 280 million (229) and for discontinued

operations SEK 1 million (8). Net sales for the Group as a whole amounted to SEK 281 million (237).

Profit

The interim period

The operating profit for continuing operations amounted to SEK 68 million (-6), corresponding to an operating margin of 7.3 per cent (-0.8). Profit before tax was SEK 55 million (-18). This result includes non-recurring items totalling SEK 4 million (0) attributable to the disposal of a product range.

Profit before tax for discontinued operations was SEK 1 million (3) with regard to operating activities and SEK 13 million (0) with regard to the sale of shares in subsidiaries.

For the Group as a whole, profit before tax amounted to SEK 69 million (-15), including non-recurring items totalling SEK 17 million (0).

The third quarter

The operating profit for continuing operations amounted to SEK 19 million (6) and profit before tax to SEK 14 million (3). Profit before tax for discontinued operations was SEK 13 million (0). For the Group as a whole, operating profit amounted to SEK 32 million (6) and profit before tax to SEK 27 million (3).

Share data and key figures

The interim period

Earnings per share for continuing operations were SEK 6.10 (-2.30). Earnings per share for the Group as a whole were SEK 8.10 (-1.95) and equity per share SEK 63.00 (56.80). The average number of outstanding shares was 6,788,974 during the period. The equity/assets ratio was 38 per cent (33) at the end of the period. The average number of employees was 887 (846).

Important events during the period

NPB won a large order from the world's leading manufacturer of metal packaging for food at the end of April. The customer, which is based in the USA, has ordered 13 packaging centres for delivery in 2011. The value of the order amounts to the equivalent of SEK 75 million.

All shares in Inmedic AB and its subsidiaries were sold to Hammarplast Medical AB in August. The purchase sum amounted to SEK 21 million and brought a capital gain of SEK 13 million. A conditional additional purchase sum of SEK 1 million may be disbursed in January 2011. The sale will henceforth have a minor impact on XANO's profit and financial position.

Events after the balance sheet date

Since the balance sheet date, Bladhs Industri AB and its subsidiaries Bladhs Plast Bredaryd AB, Bladhs Plast Gislaved AB, Bladhs Eesti AS and Profilspecialisten AB have been sold to Talent Plastics AB. The companies were part of XANO's Plastic Components business unit and have total annual sales of approx. SEK 240 million, with an operating margin of approx. 5 per cent. 210 employees are affected by this deal. Divested assets and liabilities amount to approx. SEK 190 million and SEK 150 million respectively, of which interest-bearing liabilities amount to approx. SEK 105 million. The purchase sum, which was paid in cash on the date of transfer, 1 November, was SEK 46 million and brings about a small capital gain.

Rotational Moulding

Rotational Moulding manufactures plastic products in the form of components and systems through rotational moulding. Deliv-

erables cover both customer-specific and in-house developed products in equal measure.

	2010 Q1-Q3	2009 Q1-Q3	2009 Full year
Sales, SEK m	128	121	151
Operating profit, SEK m	24	6	6
Operating margin, %	18.4	5.4	4.0
The operating profit includes non-recurring items totalling SEK m	4	0	0

The unit continued to achieve good sales figures and reported a very healthy profit during the quarter. Many new projects are underway and the order stock is about 20 per cent above the previous year's level.

Plastic Components

Plastic Components offers development and manufacturing services within injection moulding and extrusion of plastic. Deliverables cover both customer-specific components and systems, as well as in-house developed products.

	2010 Q1-Q3	2009 Q1-Q3	2009 Full year
Sales, SEK m	241	217	292
Operating profit, SEK m	32	1	3
Operating margin, %	13.4	0.6	1.2
The operating profit includes non-recurring items totalling SEK m	13	0	0

For the business unit as a whole, both sales and earnings were good during the quarter. The usual seasonal fluctuations and fewer project orders did, however, affect a couple of the companies negatively to a certain extent.

Precision Technology

Precision Technology covers component and system manufacture through advanced cutting machining of metal and plastic for the production of components with stringent requirements for quality and precision.

	2010 Q1-Q3	2009 Q1-Q3	2009 Full year
Sales, SEK m	239	181	251
Operating profit/loss, SEK m	13	-12	-10
Operating margin, %	5.3	-6.8	-4.3

Despite several of the units being slowed down by a production backlog during the quarter, the results were significantly better than in the previous year. The order stock remains good and the outlook for the market continues to be positive.

Industrial Solutions

Industrial Solutions supplies customer-specific automation solutions for the food and medical technology industries, in addition to packaging machines for beverage and other food packaging. Manufacturing also covers in-house developed conveyor systems for food products and handling equipment for a variety of applications.

	2010 Q1-Q3	2009 Q1-Q3	2009 Full year
Sales, SEK m	348	255	381
Operating profit, SEK m	24	11	23
Operating margin, %	7.0	4.3	6.0

The two Fredriksons units continued to develop well during the quarter. As a consequence of the strong growth, the production premises in China will undergo a threefold expansion in the fourth quarter.

NPB reported a distinct increase in sales after the summer. However, high product development costs and pilot projects with poor profitability reduced profits.

Investments

During the interim period, the Group's net investments in fixed assets amounted to SEK 10 million (22), of which SEK -2 million related to corporate transactions, SEK 1 million to real estate and SEK 11 million to machinery and equipment.

Net investments during the third quarter were SEK 3 million (2), of which SEK -2 million related to corporate transactions, SEK 1 million to real estate and SEK 4 million to machinery and equipment.

Cash flow and liquidity

Cash flow after investments was SEK 95 million (81) during the interim period. It is primarily the profit from an increase in volume that has contributed to the period's cash flow, while the previous year's cash flow was mainly generated by less capital being tied up.

The Group's liquid assets, including lines of credit granted but not utilised, totalled SEK 426 million (301) on the balance sheet date.

Risks and uncertainty factors

The Group's major risk and uncertainty factors include operational risks associated with customers and suppliers and other external factors such as price risks for input goods. In addition, there are financial risks as a result of changes in exchange rates and interest rate levels.

A statement on the Group's main financial and operational risks can be found on pages 55 and 56 of the annual report for 2009. No additional significant risks are deemed to have arisen.

Accounting principles

As with the accounts for 2009, the consolidated financial statements for 2010 were prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU, the Swedish Annual Accounts Act and the recommendations and statements of the Swedish Financial Reporting Board. This interim report has been prepared

in accordance with IAS 34. The Group applies the same accounting principles as described in the annual report for 2009 with the following exceptions as a result of new or revised standards, interpretations and improvements, which are applied as of 1 January 2010. Only those changes that have had or could have an effect on the Group are covered by the report.

IFRS 3R Business Combinations and IAS 27R Consolidated and Separate Financial Statements

The new rules mean, amongst other things, that transaction fees on business combinations must be reported as a cost and also that conditional purchase sums must be set at the fair value at the time of acquisition and that the effects of revaluations of these purchase sums must be reported in the profit for the year. The new rules will have an impact on the reporting of future acquisitions.

IFRIC 16 Hedges of a Net Investment in a Foreign Operation

The interpretation may have an impact on future hedge reporting.

RFR 2.3 Accounting for Legal Entities

This recommendation means, amongst other things, that IAS 1 Presentation of Financial Statements is also to be applied to the Parent Company. This application has not had any effect on the Company's financial position.

The subsidiary Inmedic AB was sold in August. Profit from Inmedic's operating activities and its sale is recognised in accordance with IFRS 5 as discontinued operations. All comparison periods have therefore been changed.

Bladhs Industri AB was sold after the balance sheet date. The completion of the deal was subject to a decision by the board of directors in October and the companies covered by the transaction will be recognised in the consolidated financial statements until 31 October. The effects of the disposal will be reported in the fourth quarter.

Review report

This interim report has been reviewed by the company's auditors. The review report is on page 8.

Next report date

The year-end report for the 2010 financial year will be presented on Thursday 10 February 2011.

Jönköping, 4 November 2010

Sune Lantz
CEO

Consolidated statement of comprehensive income (SEK million)	2010 3 mths Jul-Sep	2009 3 mths Jul-Sep	2010 9 mths Jan-Sep	2009 9 mths Jan-Sep	09/10 12 mths Oct-Sep	2009 12 mths Jan-Dec
Net sales	280	229	934	743	1,225	1,034
Cost of goods sold	-232	-195	-768	-651	-1,012	-895
Gross profit	48	34	166	92	213	139
Other operating income ¹⁾	5	2	13	7	14	8
Selling expenses	-21	-19	-70	-66	-94	-90
Administrative expenses	-11	-10	-36	-35	-49	-48
Other operating expenses	-2	-1	-5	-4	-6	-5
Operating profit/loss	19	6	68	-6	78	4
Financial items	-5	-3	-13	-12	-17	-16
Profit/loss before tax	14	3	55	-18	61	-12
Tax	-3	0	-14	3	-16	1
Profit/loss from continuing operations for the period	11	3	41	-15	45	-11
Profit from discontinued operations ²⁾	13	0	14	2	14	2
Net profit/loss for the period	24	3	55	-13	59	-9
<i>Other comprehensive income</i>						
Change in hedging reserve including tax ³⁾	2	-2	1	0	1	0
Exchange rate differences ⁴⁾	-5	-6	-8	-6	-7	-5
Comprehensive income for the period	21	-5	48	-19	53	-14

For the Group as a whole, depreciation constitutes

16 17 49 54 66 71

Tax totals 20% (12) for the interim period. Tax-exempt capital gain has contributed to the lower tax expense in 2010. Variations in tax rates at non-Swedish subsidiaries contributed to the previous year's reduced tax rate.

¹⁾ Other operating income for the interim period includes non-recurring items amounting to SEK 4 million (0), attributable to the disposal of a product range.

²⁾ Profit from discontinued operations refers to Inmedic AB. This result includes non-recurring items totalling SEK 13 million (0), attributable to capital gain from the sale of shares in subsidiaries. See specification on page 8.

³⁾ Refers to the effective component of the change in value of derivative instruments used for hedge reporting.

⁴⁾ Exchange rate differences refer to the effects of changes in exchange rates when net investments in non-Swedish subsidiaries are translated to SEK. The amount is reported net of hedging contracts.

Share data	2010 3 mths Jul-Sep	2009 3 mths Jul-Sep	2010 9 mths Jan-Sep	2009 9 mths Jan-Sep	2009 12 mths Jan-Dec
Average number of outstanding shares, thousands	6,789	6,789	6,789	6,789	6,789
Average number of outstanding shares after dilution, thousands	7,009	7,009	7,009	7,009	7,009
Average number of shares in own custody, thousands	140	140	140	140	140
Basic earnings per share for continuing operations, SEK ¹⁾	1.65	0.30	6.10	-2.30	-1.65
Diluted earnings per share for continuing operations, SEK ^{1, 2)}	1.60	0.30	6.00	-2.30	-1.65
Basic earnings per share for the Group as a whole, SEK ¹⁾	3.50	0.35	8.10	-1.95	-1.30
Diluted earnings per share for the Group as a whole, SEK ^{1, 2)}	3.40	0.35	7.95	-1.95	-1.30
Cash flow from operating activities per share for the Group as a whole, SEK			13.10	14.00	18.35
Total number of shares on balance sheet date, thousands			6,929	6,929	6,929
Number of shares in own custody on balance sheet date, thousands			140	140	140
Equity per share on balance sheet date, SEK			63.00	56.80	57.50
Share price on balance sheet date, SEK			86.00	64.25	56.00

After deduction for the company's own holding, 140,000 Class B shares, the number of outstanding shares is 6,788,974.

In July 2008, 220,000 convertibles, corresponding to 220,000 Class B shares in the event of full conversion, were issued. The convertibles accrue interest corresponding to STIBOR 12M plus 1.5% and fall due for payment on 30 June 2012.

¹⁾ Based on net profit/loss for the period.

²⁾ No dilution effect is taken into account when diluted earnings per share are higher than basic earnings per share.

Consolidated statement of financial position (SEK million)	2010 30 Sep	2009 30 Sep	2009 31 Dec
ASSETS			
Goodwill	205	209	210
Other intangible fixed assets	7	9	9
Tangible fixed assets	488	546	540
Financial fixed assets	0	0	0
Total fixed assets	700	764	759
Inventories	209	209	206
Current receivables	219	191	182
Cash and bank balances	10	19	11
Total current assets	438	419	399
TOTAL ASSETS	1,138	1,183	1,158
EQUITY AND LIABILITIES			
Equity	428	385	390
Long-term liabilities	298	330	329
Current liabilities	412	468	439
TOTAL EQUITY AND LIABILITIES	1,138	1,183	1,158
Interest-bearing liabilities constitute	440	567	540
Deferred tax liabilities constitute	44	40	45
Divested assets and liabilities relating to Inmedic AB amount to SEK 12 million and SEK 5 million respectively.			

Statement of changes in equity (SEK million)	2010 30 Sep	2009 30 Sep	2009 31 Dec
Opening balance	390	414	414
Comprehensive income for the period	48	-19	-14
Dividend paid	-10	-10	-10
Closing balance	428	385	390

Cash flow statement (SEK million)	2010 9 mths Jan-Sep	2009 9 mths Jan-Sep	09/10 12 mths Oct-Sep	2009 12 mths Jan-Dec
Operating profit/loss	82	-3	92	7
Adjustments for non-cash items etc.	8	41	29	62
Change in working capital	-1	57	-3	55
Cash flow from operating activities	89	95	118	124
Investments	6	-14	2	-18
Cash flow after investments	95	81	120	106
Financing	-96	-80	-129	-113
Change in liquid assets	-1	1	-9	-7

The cash flow statement refers to the Group as a whole, including discontinued operations.

Of the total cash flow, discontinued operations' cash flow from operating activities totalled SEK 1 million (1), cash flow from investing activities SEK 18 million (0) and cash flow from financing activities SEK -19 million (-1).

Key ratios	2010 9 mths Jan-Sep	2009 9 mths Jan-Sep	09/10 12 mths Oct-Sep	2009 12 mths Jan-Dec
Operating margin for continuing operations, %	7.3	-0.8	6.4	0.3
Operating margin for the Group as a whole, %	8.7	-0.4	7.4	0.6
Profit margin for continuing operations, %	5.9	-2.4	5.0	-1.2
Profit margin for the Group as a whole, %	7.2	-1.9	6.0	-0.8
Return on equity p.a., % ¹⁾	18.1	-4.4	14.7	-2.2
Return on capital employed p.a., % ¹⁾	12.2	0.6	10.5	1.7
Return on total capital p.a., % ¹⁾	9.5	0.5	8.2	1.4
Interest coverage ratio, multiple ¹⁾	5.8	0.2	4.6	0.7
Equity, SEK m	428	385	428	390
Equity/assets ratio, %	38	33	38	34
Proportion of risk-bearing capital, %	41	36	41	38
Net investments for continuing operations, SEK m	12	22	19	29
Net investments for the Group as a whole, SEK m	10	22	17	29
Average number of employees for continuing operations	862	808	856	816
Average number of employees for the Group as a whole	887	846	882	851

For definitions, see page 56 of the 2009 annual report.

¹⁾ Refers to the whole Group, including discontinued operations.

Quarterly summary	2010 Q3	2009 Q3	2010 Q2	2009 Q2	2010 Q1	2009 Q1	2009 Q4	2008 Q4
Net sales for continuing operations, SEK m	280	229	364	259	290	255	291	294
Gross profit for continuing operations, SEK m	48	34	69	29	49	29	47	35
Operating profit/loss for continuing operations, SEK m	19	6	32	-7	17	-5	10	-5
Profit/loss before tax for continuing operations, SEK m	14	3	28	-12	13	-9	6	-15
Net profit/loss for the period for continuing operations, SEK m	11	3	20	-10	10	-8	4	-9
Net profit/loss for the period for the Group as a whole, SEK m	24	3	21	-9	10	-7	4	-7
Comprehensive income for the period, SEK m	21	-5	21	-9	6	-5	5	0
Operating margin for continuing operations, %	7.1	2.3	8.6	-2.4	5.8	-2.1	3.3	-1.3
Equity/assets ratio, %	38	33	34	32	33	32	34	33
Earnings per share for continuing operations, SEK	1.65	0.30	3.05	-1.50	1.40	-1.10	0.65	-1.15
Earnings per share for the Group as a whole, SEK	3.50	0.35	3.15	-1.30	1.45	-1.00	0.65	-0.95
Cash flow from operating activities per share, SEK ¹⁾	6.55	2.30	6.10	9.50	0.45	2.20	4.35	4.40

¹⁾ Refers to the whole Group, including discontinued operations.

Net sales and profit/loss by segment

(SEK million)	Q1-Q3 2010				Q1-Q3 2009				Q1-Q4 2009			
	Net sales			Profit/loss before tax ¹⁾	Net sales			Profit/loss before tax ¹⁾	Net sales			Profit/loss before tax ¹⁾
	External	Internal	Total		External	Internal	Total		External	Internal	Total	
Rotational Moulding	128	0	128	19 ²⁾	121	0	121	5	151	0	151	6
Plastic Components	239	2	241	28 ³⁾	215	2	217	-5	289	3	292	-5
Precision Technology	237	2	239	9	181	0	181	-16	250	1	251	-16
Industrial Solutions	348	0	348	22	255	0	255	8	381	0	381	19
Eliminations	–	-4	-4	–	–	-2	-2	–	–	-4	-4	–
Undistributed items ¹⁾	–	–	–	-9	–	–	–	-7	–	–	–	-13
Group total	952	0	952	69	772	0	772	-15	1,071	0	1,071	-9

The segment reporting refers to the whole Group, including discontinued operations. IFRS 8 Operating Segments, which supersedes IAS 14, is applied as of 1 January 2009. This standard requires information to be provided from the management's perspective, which means that the reporting corresponds with the way in which the information is presented internally. The Group reports on the following segments: Rotational Moulding, Plastic Components, Precision Technology and Industrial Solutions. The operations within each segment are described on pages 2 and 3. No changes have been made to the basis for subdivision into segments in relation to the annual report for 2009. The segments are reported in accordance with the same reporting principles as the Group. Market conditions are applied to transactions between the segments.

In 2010, all segments have boosted their total operating assets, such as inventories and trade receivables, as a result of an increase in the order book. A lower investment level and currency fluctuations have contributed to tangible fixed assets being reduced in all segments. The sale of Inmedic has not brought any substantial change in assets.

¹⁾ The profit/loss figure refers to the profit/loss before the distribution of group-wide costs and tax in accordance with internal reporting. Undistributed items are mainly costs for the Parent Company.

²⁾ This figure includes non-recurring items totalling SEK 4 million attributable to the disposal of a product range.

³⁾ Includes profit from Inmedic AB up to and including its sale in August 2010. This figure includes non-recurring items totalling SEK 13 million attributable to the sale of shares in Inmedic AB.

Income statement, Parent Company (SEK million)	2010 9 mths Jan-Sep	2009 9 mths Jan-Sep	2009 12 mths Jan-Dec
Net sales	7.7	8.0	11.0
Selling and administrative expenses	-10.9	-10.9	-14.9
Other operating income/expenses	1.8	1.1	0.9
Operating profit/loss	-1.4	-1.8	-3.0
Financial items	-1.6	2.2	1.3
Profit/loss after financial items	-3.0	0.4	-1.7
Appropriations	–	–	2.9
Tax	0.8	-0.1	-0.7
Net profit/loss for the period	-2.2	0.3	0.5

Income tax totals 26% (26) for the interim period.

Share data, Parent Company	2010 9 mths Jan-Sep	2009 9 mths Jan-Sep	2009 12 mths Jan-Dec
Average number of outstanding shares, thousands	6,789	6,789	6,789
Average number of outstanding shares after dilution, thousands	7,009	7,009	7,009
Average number of shares in own custody, thousands	140	140	140
Basic earnings per share, SEK	-0.32	0.05	0.08
Diluted earnings per share, SEK ¹⁾	-0.32	0.05	0.08

¹⁾ No dilution effect is taken into account when diluted earnings per share are higher than basic earnings per share.

Balance sheet, Parent Company (SEK million)	2010 30 Sep	2009 30 Sep	2009 31 Dec
ASSETS			
Fixed assets	71.4	71.8	71.5
Current assets	256.7	252.6	252.4
EQUITY AND LIABILITIES			
Equity	233.5	245.1	245.9
Untaxed reserves	10.2	13.1	10.2
Long-term liabilities	41.8	43.2	43.5
Current liabilities	42.6	23.0	24.3
BALANCE SHEET TOTAL	328.1	324.4	323.9

The Parent Company's net investments in fixed assets during the period totalled SEK 0 million (0.2).

The Parent Company's liquid assets, including external lines of credit granted but not utilised, totalled SEK 328 million (189) on the balance sheet date, an increase of SEK 115 million during the period.

Dividends totalling SEK 10 million (10) were paid during the period.

Income statements (SEK million)	Continuing operations			Discontinued operations ¹⁾			Profit from disposals ²⁾			Total		
	2010 9 mths Jan-Sep	2009 9 mths Jan-Sep	2009 12 mths Jan-Dec	2010 9 mths Jan-Sep	2009 9 mths Jan-Sep	2009 12 mths Jan-Dec	2010 9 mths Jan-Sep	2009 9 mths Jan-Sep	2009 12 mths Jan-Dec	2010 9 mths Jan-Sep	2009 9 mths Jan-Sep	2009 12 mths Jan-Dec
Net sales	934	743	1,034	18	29	37	–	–	–	952	772	1,071
Cost of goods sold	-768	-651	-895	-14	-22	-28	–	–	–	-782	-673	-923
Gross profit	166	92	139	4	7	9	0	0	0	170	99	148
Other operating income	13	7	8	0	0	0	13	–	–	26	7	8
Selling expenses	-70	-66	-90	-2	-3	-4	–	–	–	-72	-69	-94
Administrative expenses	-36	-35	-48	-1	-1	-2	–	–	–	-37	-36	-50
Other operating expenses	-5	-4	-5	0	0	0	–	–	–	-5	-4	-5
Operating profit/loss	68	-6	4	1	3	3	13	0	0	82	-3	7
Financial items	-13	-12	-16	0	0	0	–	–	–	-13	-12	-16
Profit/loss before tax	55	-18	-12	1	3	3	13	0	0	69	-15	-9
Tax	-14	3	1	0	-1	-1	–	–	–	-14	2	0
Net profit/loss for the period	41	-15	-11	1	2	2	13	0	0	55	-13	-9
Basic earnings per share, SEK ³⁾	6.10	-2.30	-1.65	0.10	0.35	0.35	1.90	–	–	8.10	-1.95	-1.30
Diluted earnings per share, SEK ^{3, 4)}	6.00	-2.30	-1.65	0.10	0.35	0.35	1.85	–	–	7.95	-1.95	-1.30

¹⁾ Discontinued operations refer to Inmedic AB. The business was sold in August 2010 and during the third quarter was reclassified as discontinued operations. All comparison periods have therefore been changed. Profit after tax from operating activities amounts to SEK 863 thousand (2,387).

²⁾ Profit from disposals refers to a capital gain made on selling the shares in Inmedic AB.

³⁾ Based on net profit/loss for the period.

⁴⁾ No dilution effect is taken into account when diluted earnings per share are higher than basic earnings per share.

Auditors' report concerning their review of the interim report

We have reviewed the financial interim report for the period 1 January to 30 September 2010 for XANO Industri AB (publ). The board of directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

We conducted our review in accordance with the Swedish Standard on Review Engagements SÖG 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different emphasis and is substantially smaller in scope than an audit conducted in accordance with Standards on Auditing in Sweden, RS, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

Jönköping, 4 November 2010

Stefan Engdahl
Authorised Public Accountant

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Authorised Public Accountant



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