

Board of Director's complete proposal for decision on issue of warrants with accompanying right to subscription of new shares.

At a meeting on 11 February 2009, the board proposed that the annual general meeting shall decide that the HL Display AB, notwithstanding the shareholders' preferential right, shall issue a maximum of 650,000 warrants with the subsequent right to subscribe to 650,000 new series B shares according to the conditions that has been announced in the summon to the annual general meeting and in the documents regarding the annual general meeting that has been provided by the company.

The board has at March 31, 2009, at a board meeting, decided to propose adjustment of the terms of the warrants so that the subscription price for the shares that the warrants entitles to subscription of and the acquisition price of the warrants will be decided both in April 2009 (serie 2009/2012 A) and after the year end report regarding the financial year 2009 (*Sw. bokslutskommuniké*) has been announced in February 2010 (serie 2009/2012 B).

Right to subscribe

Notwithstanding the shareholders preferential right, the right to subscribe for the warrants in both serie 2009/2012 A and serie 2009/2012 B is held by the wholly-owned subsidiary HL Financial Services AB, Corp.ID.Number 556435-0832, (The subsidiary). The subsidiary will acquire the warrants at no charge with rights and responsibilities to offer employees in the HL Display group the right to acquire the warrants as follows.

Guidelines for the subsidiary's further assignment

After subscription, the subsidiary shall assign the warrants to employees in the HL Display group at market price.

The management, approximately 7 persons, shall be offered to acquire the warrants from The subsidiary. The Chief Executive Officer will be offered a maximum of 200,000 warrants, of which the subscription price for the shares that the warrants entitles to subscription of and the acquisition price of the warrants for 100,000 warrants will be decided in April 2009 and for the rest of the 100,000 warrants in February 2010. The other participants will be offered a maximum of 75,000 warrants per person, of which the subscription price for the shares that the warrants entitles to subscription of and the acquisition price of the warrants for 37,500 warrants will be decided in April 2009 and for the rest of the 37,500 warrants in February 2010.

The purchases of warrants shall be subsidized by the purchasers being offered compensation that amounts to no more than 40% of the option premium after deducting standard tax wherein the compensation is divided into equal parts over 3 years and assumes that the person concerned is still active in the HL Display group and still has warrants acquired from HL Display or shares acquired with the support of the warrants.

The warrants that are not acquired by employees according to the above are retained by the Subsidiary in order to be offered according to instructions from the board of the company to future employees according to equivalent allocation principles.

Subscription period

The subsidiary's subscription for the warrants in both serie 2009/2012 A and serie 2009/2012 B shall take place no later than 1 May 2009.

The persons that are offered to acquire the warrants shall on or before May 1, 2009, give notice of acquisition of warrants in serie 2009/2012 A to The subsidiary and on or before February 18, 2010 give notice of acquisition of warrants in serie 2009/2012 B.

Right to subscribe to new shares

The holder of a warrant in serie 2009/2012 A has the right during the period from 1 February 2012 up to and including 31 Mars 2012 to subscribe to one (1) new B share in the company for one (1) warrant at an issue price corresponding to 125% of the volume-weighted payment rate for the Company s B share listed on the Nasdaq OMX Stockholm for each trading day during the period 9 - 17 February 2010 but no lower than an issue price corresponding to the B share's quoted value.

The holder of a warrant in serie 2009/2012 B has the right during the period from 1 February 2012 up to and including 31 Mars 2012 to subscribe to one (1) new B share in the company for one (1) warrant at an issue price corresponding to 125% of the volume-weighted payment rate for the Company s B share listed on the Nasdaq OMX Stockholm for each trading day during the period 9 - 17 February 2010 but no lower than an issue price corresponding to the B share's quoted value.

A share issued after subscription gives the right to a dividend the first time on the record day for dividend that occurs nearest after the share has been listed in the share book through registration.

Justification for the proposal

The boards justification for the above proposal is that a long-term ownership arrangement among employees can be expected to stimulate increased interest in activities and profit growth, enhance motivation and sense of involvement with the company.

The board therefore considers that the offer is advantageous to the company and its shareholders.

Complete terms and conditions

The general terms and conditions for warrants with accompanying right to subscription of new shares in HL Display AB (publ) 2009/2012 A and 2009/2012 B are available at the company and at the website of the company.

Increasing the share capital

When using the warrants to their full extent, the share capital will increase by SEK 812,450 through the issue of a maximum of 650,000 B shares at a quoted value of SEK 1.25 but with the reservation that the increase that can result through the recalculation of the option conditions will take place as a consequence of the issues etc. This means that when the proposed warrants are fully used there will be a dilution effect of the new shares

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that will correspond to approximately 2.1 per cent of the outstanding shares by approximately 1.0 per cent of the votes in HL Display AB.

Authority

The board proposes that the annual general meeting approves that whoever the board appoints is given the authority to make the minor adjustments to the above decisions that are seen to be necessary for registration with the Swedish Companies Registration Office.

Majority requirement

Decisions according to this proposal require the support of the shareholders with at least 9/10 of the votes cast represented by the shares at the annual general meeting.

SUPPLEMENTARY INFORMATION

Incentive program

HL Display AB already has 2 outstanding incentive programs including warrants with a total of 139,000 warrants corresponding 556,000 shares, which correspond to 1.8 per cent of the capital and 0.9 per cent of the votes. Together with the program now proposed, will mean a total dilution effect of approximately 3.9 per cent of the capital and approximately 1.9 per cent of the votes.

The value-based incentive program will comprise an integrated part of HL Display Abs remuneration policy. The board therefore intends to propose programs similar to the one proposed on a continuous basis.

Evaluation

The warrants will be acquired by the employees at market value. The evaluation of the warrants will be based on calculations according to the Black-Scholes warrants evaluation model and made by an independent expert.

Costs

The issuing of warrants has incurred certain minor costs for drawing up and administration by HL Display AB as well as costs the subsidizing of the premium described above.

The preparation process

The board's decision to propose that the annual general meeting reaches a decision on the issue of warrants with the subsequent issue of new shares was adopted by the board meeting of 11 February 2009 and 31 March 2009. The proposal was prepared by the board with the support of external financial and legal advisers.