



Annual General Meeting 2007

Stockholm, March 14th.

The year in brief



- New Board and new MD in March 2006
- First months to understand the job and to know the team
- How to reach 10% net profit and when?
- Priority to profitability and first decisions taken Q2
- Measures to get rid of the losses and structural weaknesses

Our new targets



- Short term goals
 - Only have profitable subsidiaries
 - Better drive and control subsidiaries
 - Make our Chinese factory become a strategic advantage
 - Continue our range rationalization
- Long term goals
 - Evolution of our production model to become more international
 - Plan for a new logistic and supply chain model
 - Acquisition as a development tool



2006 outcome

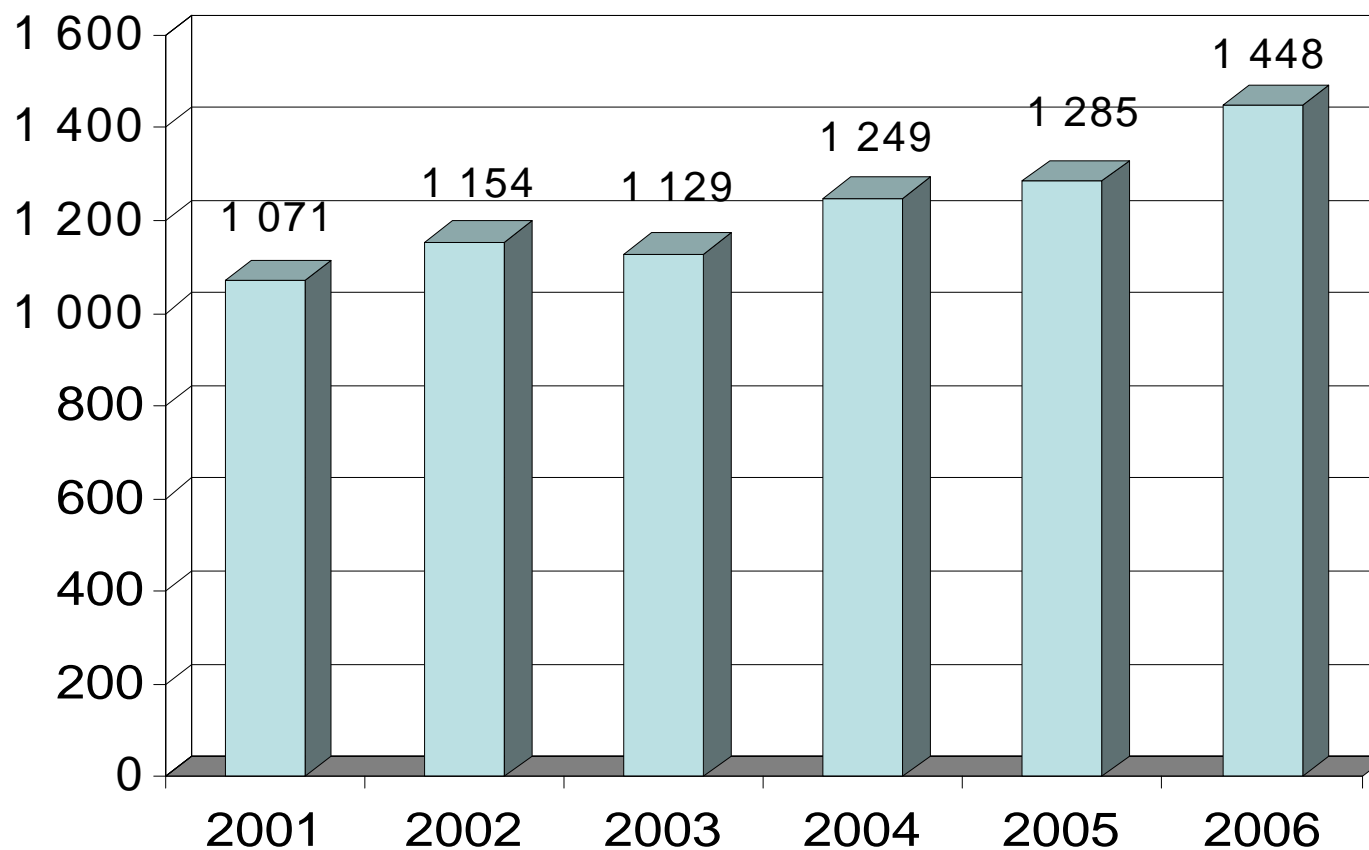
- Sales went up by 13%
- Profit went up by 73%
- Bergen op Zoom warehouse closed
- 4 countries with major actions taken
- Start up of Suzhou factory
- Raw material at all time high prices

Main drivers for improvement

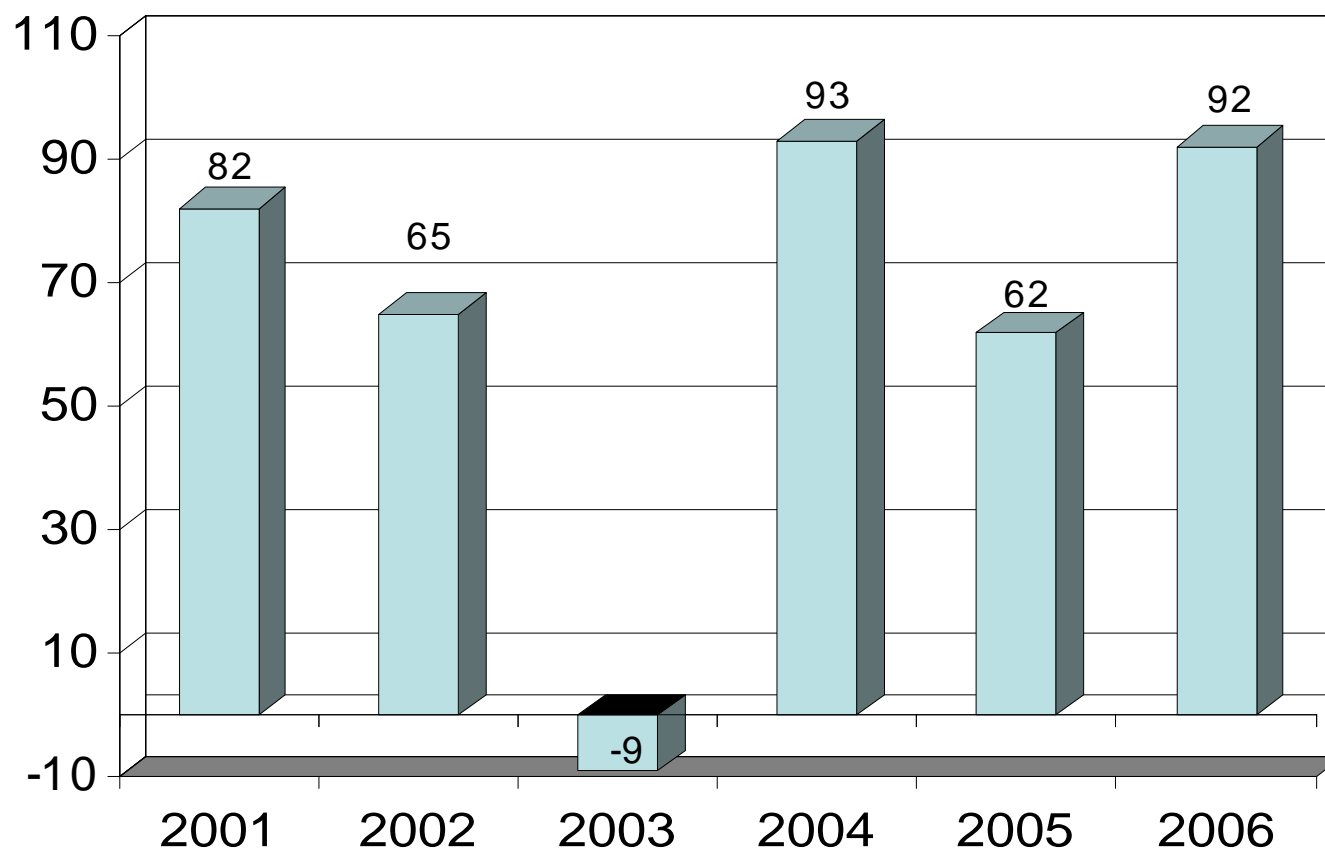


- Sales increase : 13%
 - Asia + 38%
 - Eastern Europe +29%
 - Nordic +19%
- Opex+freight decreased in %: from 41% to 39%
 - Heavy pressure on costs reduction
 - Higher control of sales companies
- More profitable sales companies
 - 5 unprofitable subsidiaries (8)
 - Result improved by 49% or 30 MSEK
- Factory productivity compensated raw material prices

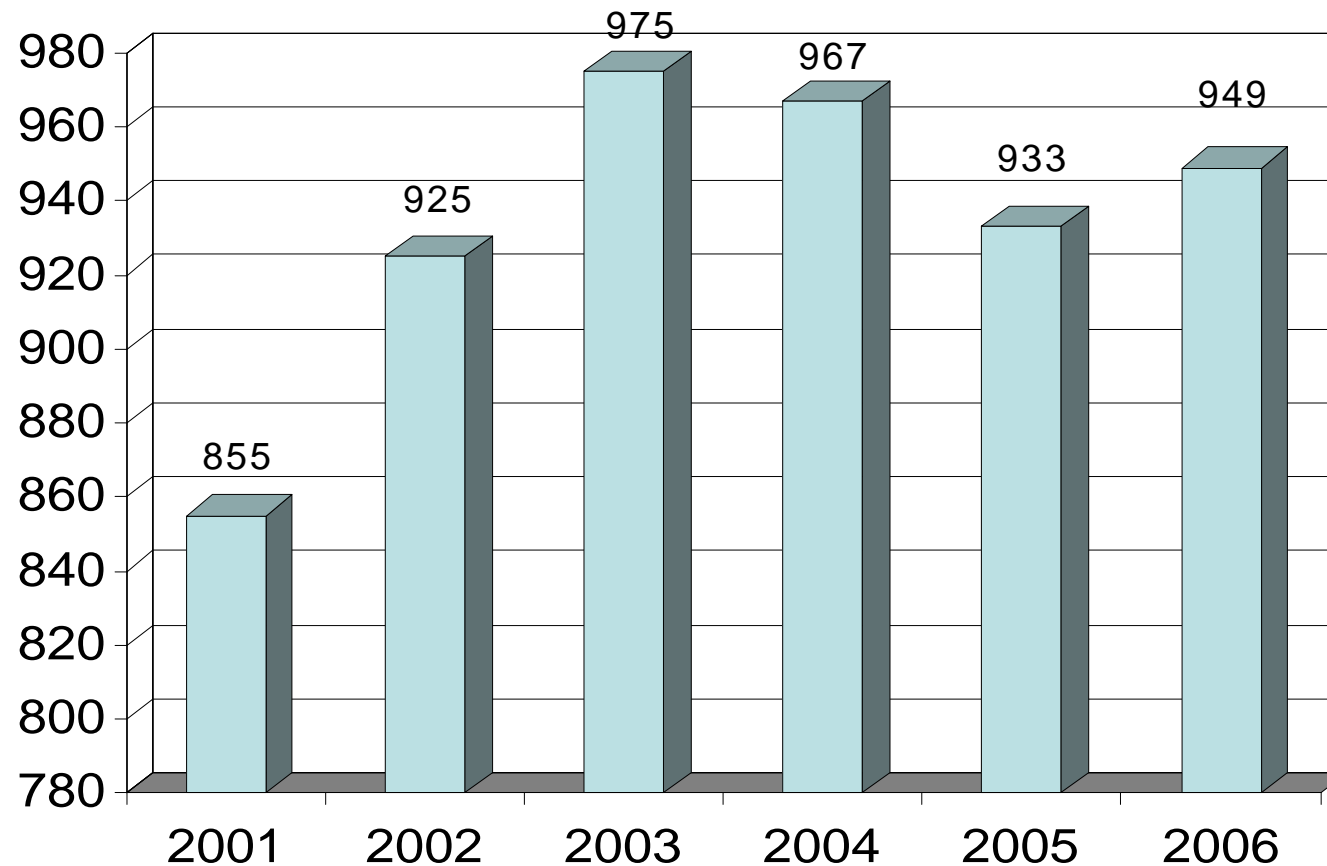
Sales development, MSEK



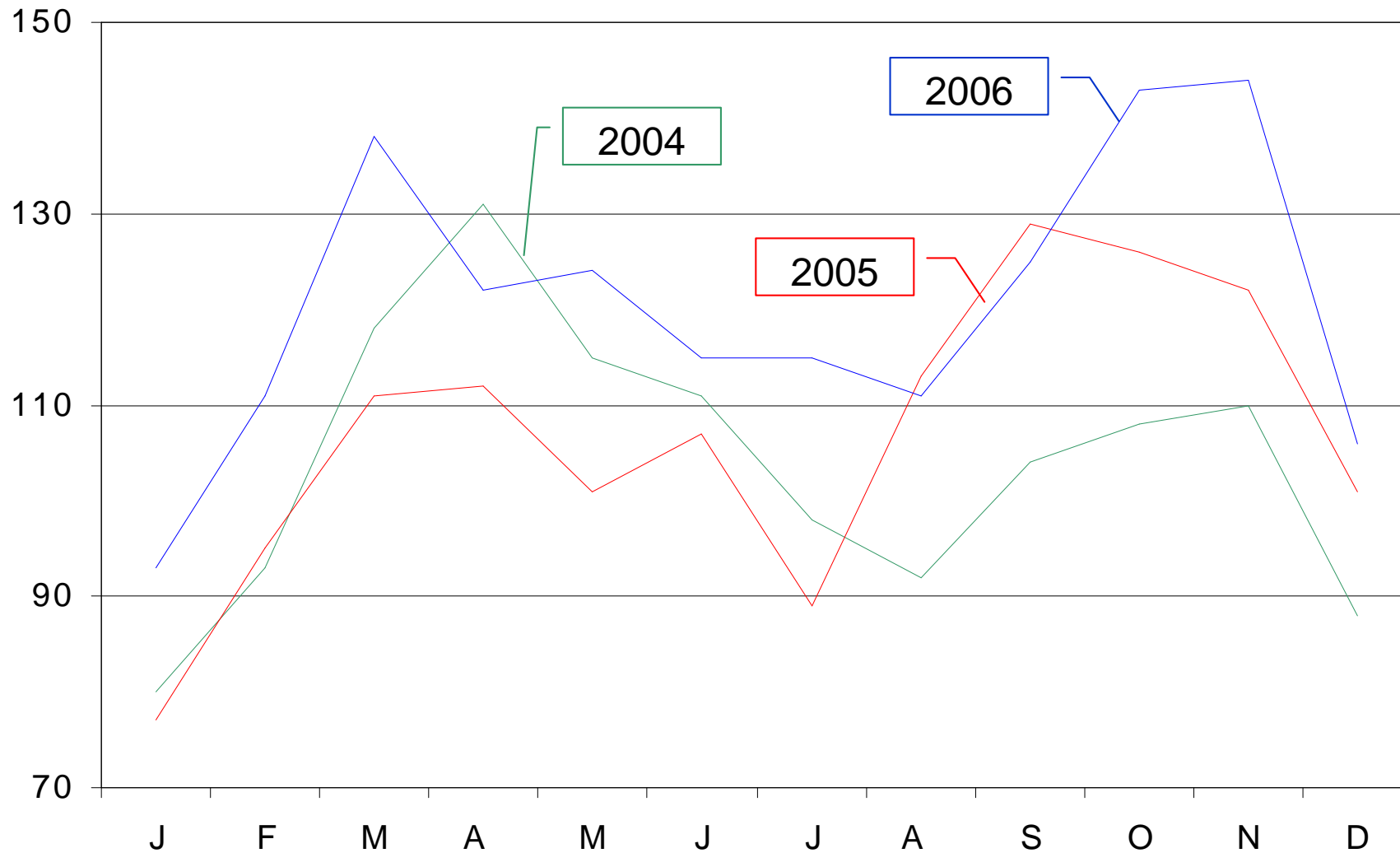
Profit before tax, MSEK



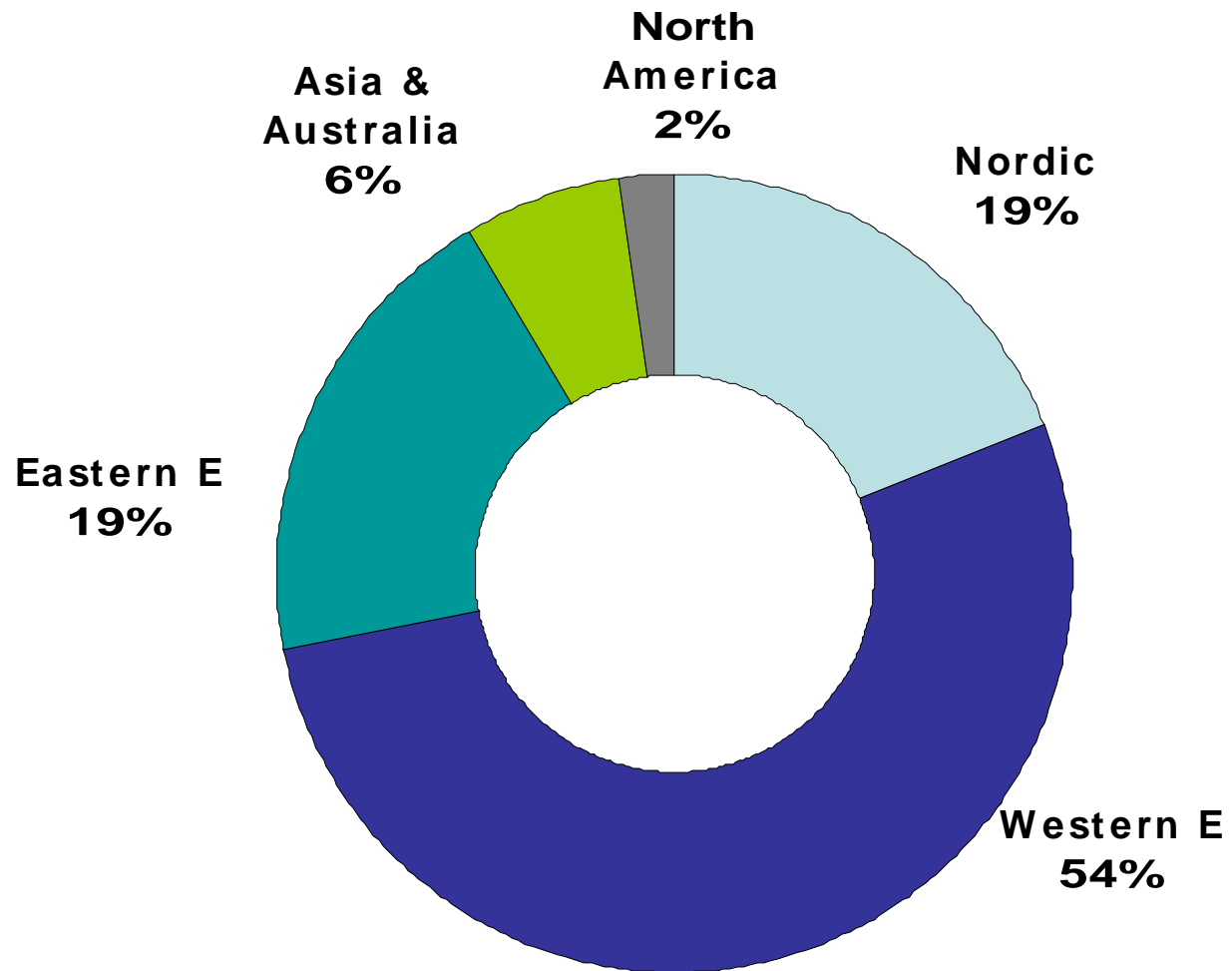
Number of employees



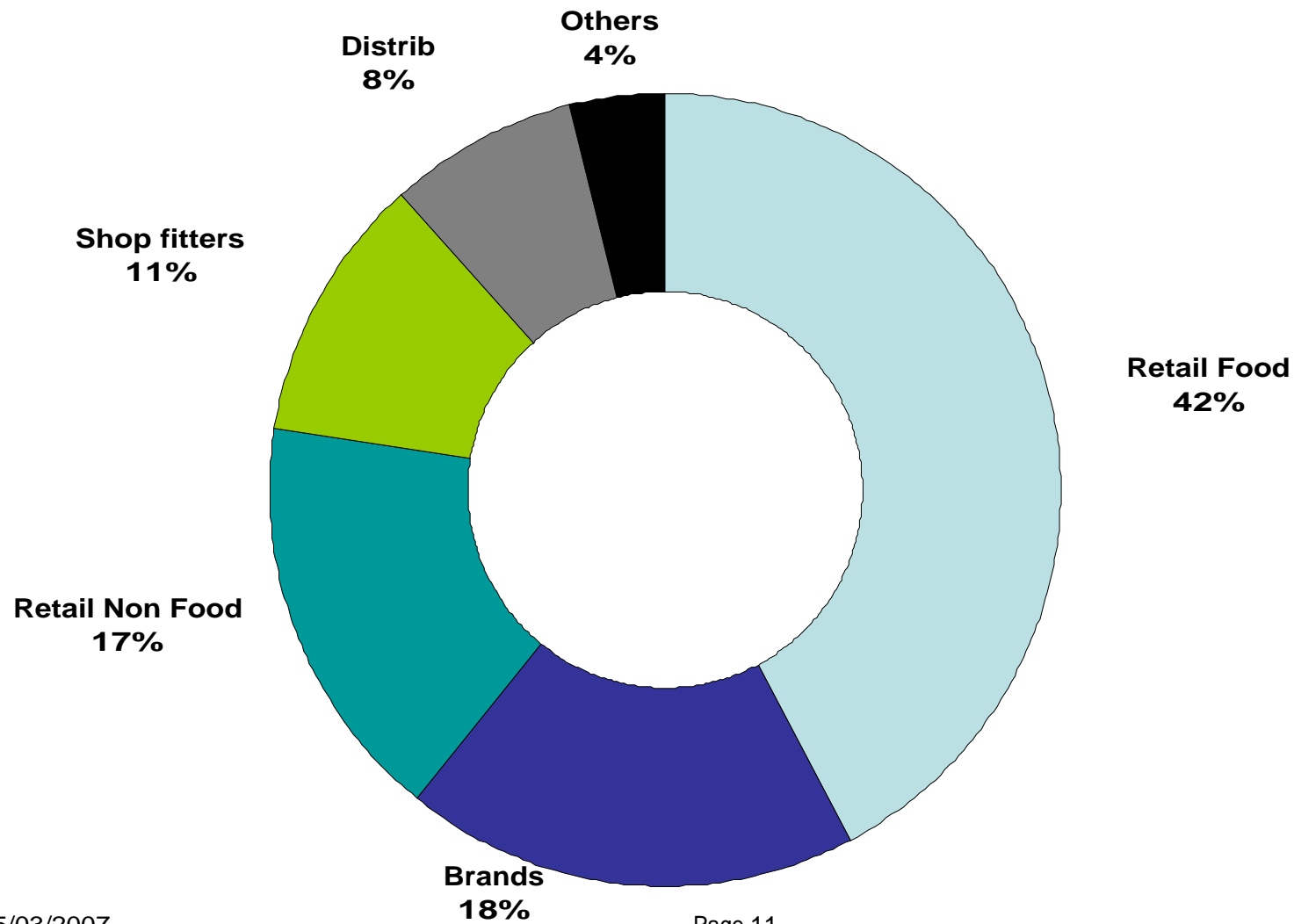
Seasonal effects



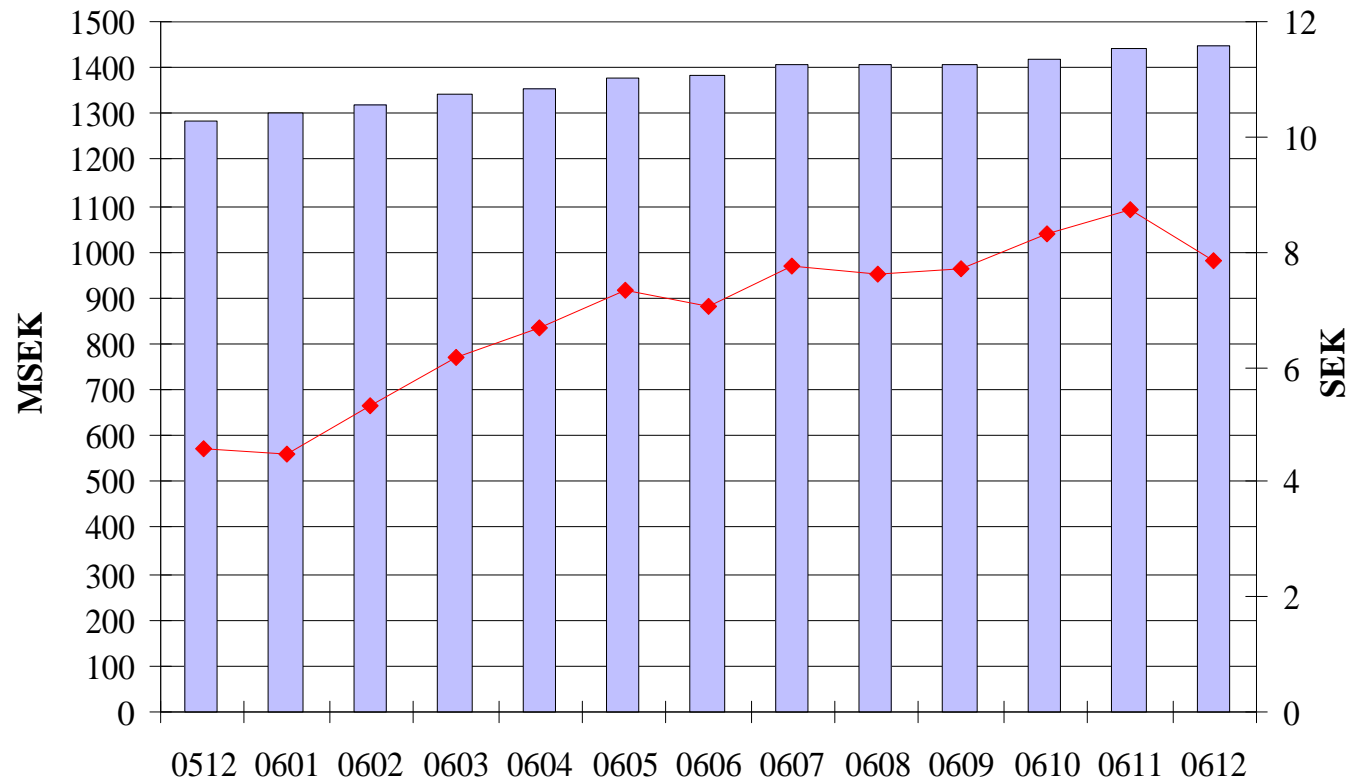
Turnover per region



Turnover per customer segment



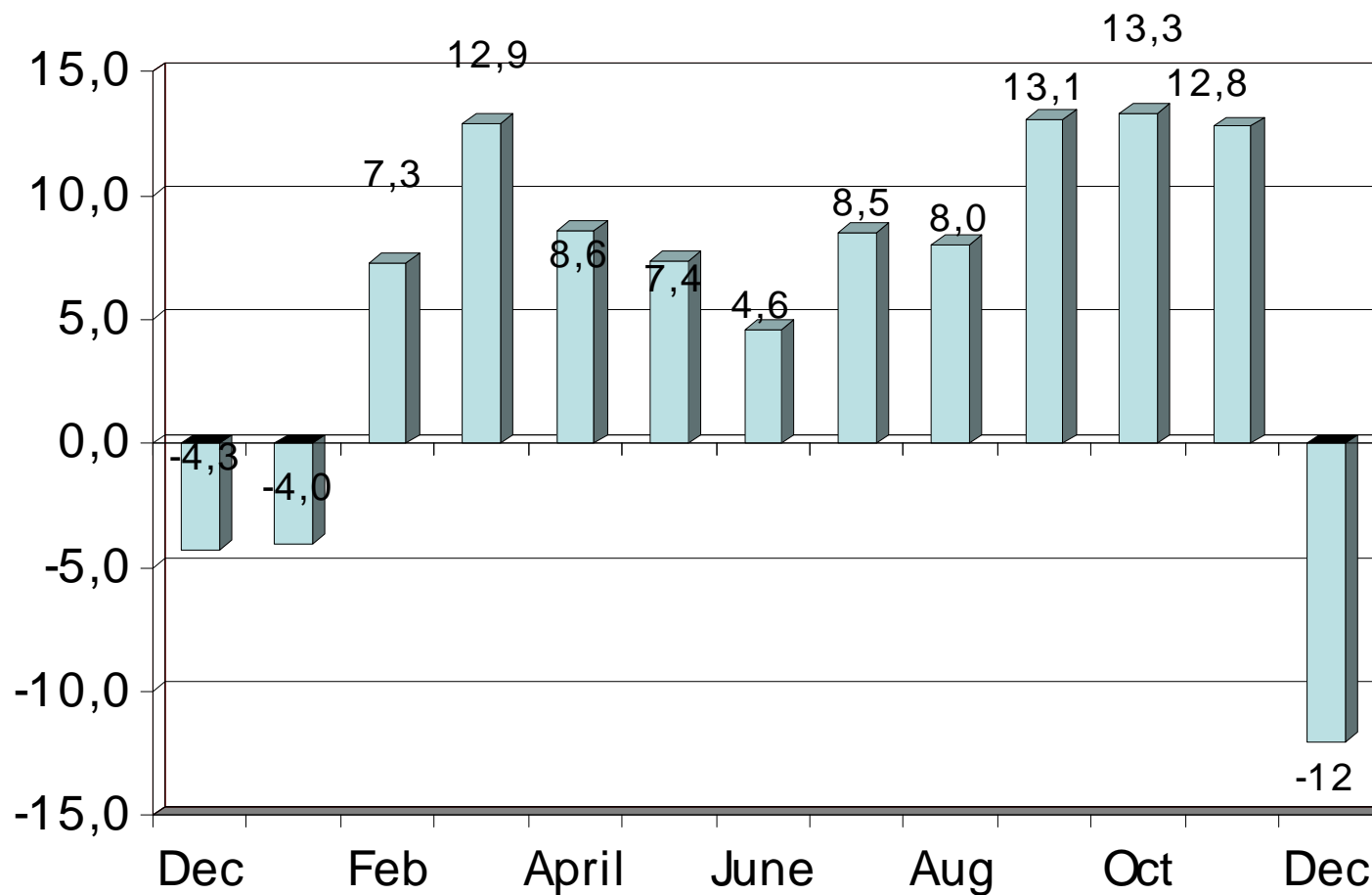
December 2006



■ Omsättning, rullande 12 mån.

◆ Vinst per aktie efter skatt

Operating margin per month





The Market

- Emerging countries: Eastern E/ Asia
 - New store openings
 - Potential of growth
 - HL well positioned with early presence
- Matured Western
 - Re-modelling based activity
 - Competition
 - Lower growth but still more to be done
- Trends
 - Take advantage of our emerging markets
 - But still invest in Western Europe

Our offer



- Slimline making ground
- EasyShelf re-launched
- Trade Fixtures taking off
- Brandman enlarging our Brand offer



Actions for reaching the profit target



- Defensive
 - Germany/UK/Benelux
 - Bergen op Zoom, Holland
 - Production
 - Falun
 - SVL – SZH
 - Pictoria
 - Range rationalisation
- Offensive
 - Group profit focus
 - Area organisation
 - Acquisition Display Team

Germany



- Downsizing of staff – from 18 to 9
- Re-negotiating all unprofitable contracts
- Priority to profitability and not to volume at any price
- Priority to Brands and Non food
- Tangible results already there

Regional Service Centre Holland



- Building over-sized in relation to activity
- Too high overheads
- Activity closed in January 07
- Moved to French warehouse
- Tangible savings in B, H and D

Production



- An international model for the future
 - Still a base in Sweden but reduced
 - Suzhou to be extended in extrusion, injection to be planned
 - Other countries studied
 - Subcontracting in Eastern countries

Range rationalisation



- First test in 2006 with significant benefits and harmless to customers
- Decision to speed up in 2007
- Increase focus on standardisation

Research and development



- 2 main activities
 - 1- Develop innovations
 - HL's image on the market
 - Product with good profitability
 - Escape from price war
 - 2- Value engineering
 - How to produce same product at lower costs
 - Reduction of 10% to 40% of some items
 - A cost efficient way to be more competitive

Area organisation



- 6 Areas with logical split of countries
- New Nordic/ Baltic organisation
- Area Managers role reinforced with more power to drive and control
- + one Brand manager to train and educate countries to the Brand business

Display Team



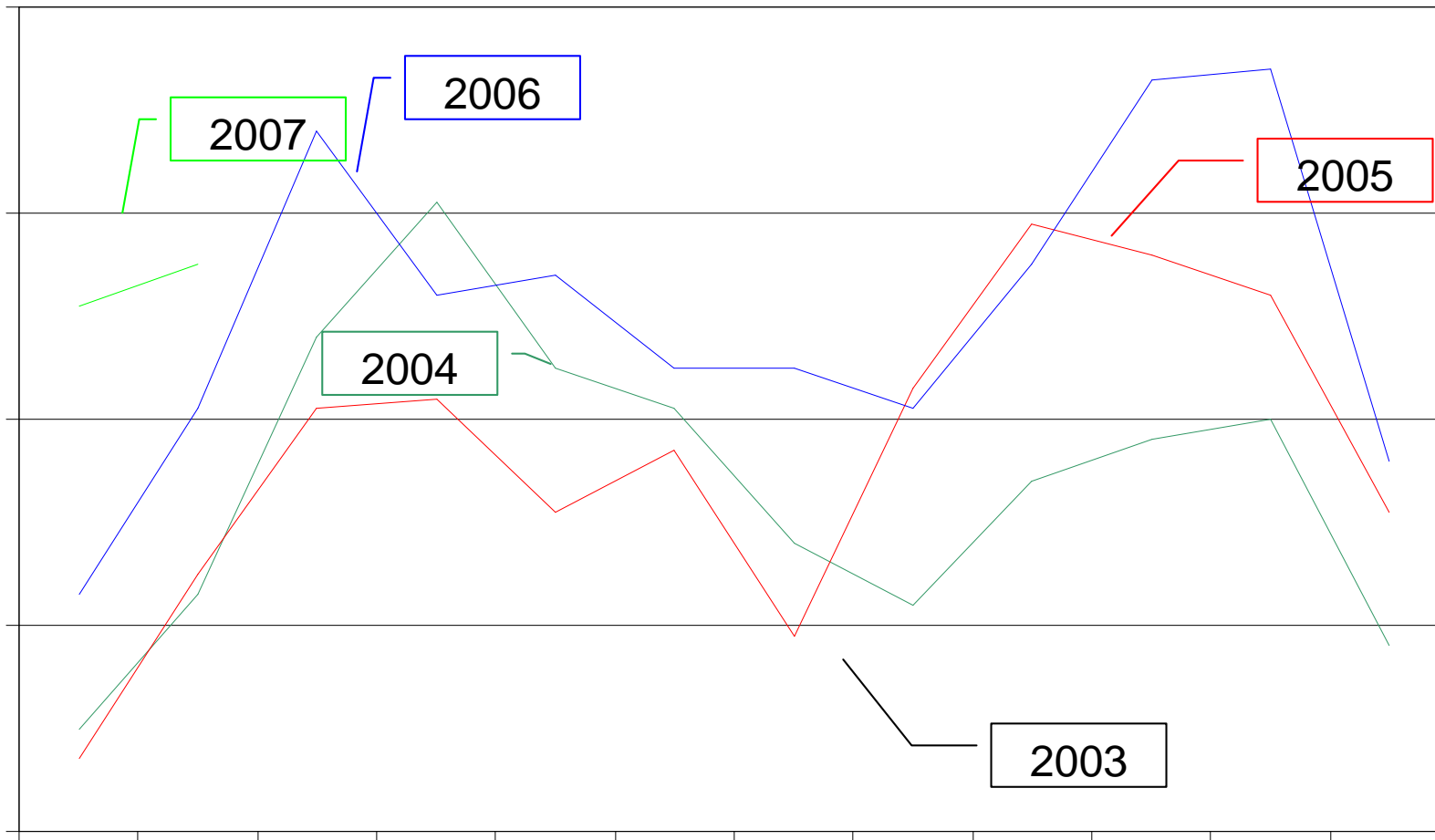
- Acquired to reinforce our Brand development strategy
- Healthy and profitable activity
- Complementary range to ours
- Well perceived by the customers, HL and Display Team staff

February 2007

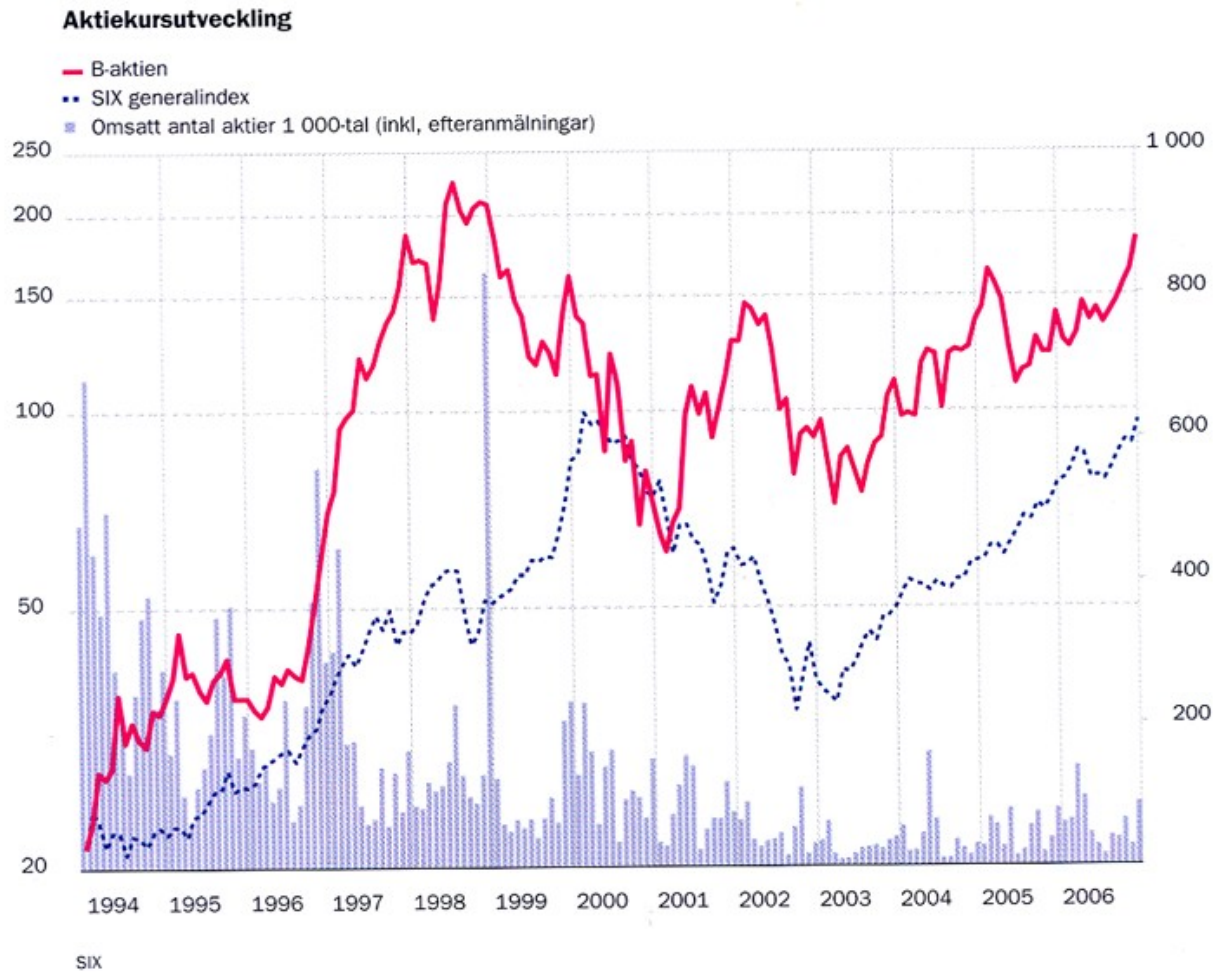


- Good start of the year due to a very good January
- Sales growth: +20% (+17% without Display Team)
- Net profit: 8% (2%)
- Announcement of Pictoria sub-contracting agreement and staff reduction

Seasonal trend, net sales



The share price development



Outlook 2007- Key actions



- 10% Net profit as a goal
- Growth but lower than 2006
- Integrate/ develop Display Team
- Production: from a Swedish to an international model
- Logistics: Elaborate new structure and start implementation in Q4
- Germany/ UK/ Benelux : still maintain focus to ensure succes



Questions?