



Fouriertransform

Year-End Report 2011

Year-End Report 2011

“Great interest in Fouriertransform’s activity”

Significant events in the fourth quarter

- The net result for the quarter was SEK 27.5 million (-32.0) excluding unrealized gains in investments in securities of SEK 15.0 million
- The result was affected primarily by dividends from managed mutual and fixed income funds in the amount of SEK 25.7 million and a reversal of a write-down of the net asset value of mutual funds in the amount of SEK 15.6 million
- The total cash flow was SEK -3.7 million (15.2) of which investments in portfolio companies accounted for SEK -20.6 million (-10.1) including directly attributable costs
- At the end of the quarter, cash and bank balances and investments in securities amounted to SEK 2,604 million (2,729)
- In December Fouriertransform decided on an investment in EELCEE AB in Stockholm of SEK 50.0 million
- In 2011 Fouriertransform decided to invest SEK 83.5 million in four companies in the Swedish automotive cluster
- Since the start of operations in 2009, Fouriertransform has approved investments of SEK 491 million in fourteen companies in the Swedish automotive cluster
- In January 2012, Fouriertransform approved an investment in a new engineering company in Trollhättan, LeanNova Engineering AB



CEO's comments 2011

2011 started with fairly high expectations in the automotive industry. After good growth in 2010 many were hoping that we were on our way to gaining back what was lost during the crisis years of 2008 and 2009.

During the summer of 2011 the optimism for the future was replaced by pessimism due to the growing state budget crises, particularly in Southern Europe. These problems significantly slowed down the European economy which created uncertainty and led to a cautious attitude among many players. The uncertainty is having a negative impact on suppliers, making their advance planning and production planning more complicated. In Sweden the issue of the ownership and eventual bankruptcy of Saab continued to cause considerable turbulence in the supplier chain. This opened the door for many investment applications and resulted in our investment in a new engineering company in Trollhättan in January 2012. Although companies are in general better equipped now than during the previous crisis and have better sustainability, 2012 could be another difficult year and this was underscored by the decline in industrial production in the final quarter of 2011.

Growing interest in clusters

Many companies have been forced to expand their business into sectors outside the automotive industry and are trying to find new ways to reach automotive manufacturers outside Sweden. This has resulted in an intensified interest in working together in clusters with the help of Fouriertransform. What we have learned from 2008 is that few are strong enough to penetrate new markets on their own because considerable critical mass is needed to handle such a venture.

This reflects a general problem, namely the hourglass-shaped industrial structure in Sweden. Sweden has relatively few companies in the middle segment, where the vital growth, which requires a certain size over a prolonged period, normally takes place. This is why many large Swedish automotive manufacturers are now using foreign suppliers, while the small Swedish

suppliers are not given the same chance. Fouriertransform's smaller companies need to be able to run new projects in order to grow strong and create sustainability. Their chance for growth lies in being able to reach out to the foreign markets where the big growth is taking place.

Investment activity

Since the start in 2009 Fouriertransform has received and carefully reviewed several hundred investment applications, and invested a total of around SEK 463 million in 13 companies around the country. These investments have led to other investors joining in, making the total new investment level SEK 1,400 million when other co-investors are included in the calculation. One of our portfolio companies, NovaCast Technologies, was forced to file for bankruptcy due to large losses that resulted in an acute liquidity crisis. The fact that this happens is regrettable, but it is a natural aspect of the venture capital business.

2011 was an increasingly intense year from a work perspective with many investment applications coming in after the summer. We received close to 100 applications. About 60 were considered of interest and 25 of those were under review with a view to investment as we entered the new year. In reviewing the applications we have focused on our strategic areas looking for companies in growth and mature phases to achieve a better balance in our portfolio, and we have identified several potentially positive future investments. A new venture capital company almost always starts with investments in early phases and with relatively small investment amounts.

Outlook

Going forward, Fouriertransform is mainly focusing on the strategic investment areas of More Efficient Production, Smart Vehicles and Sustainable Vehicles. These are areas where Fouriertransform has determined that Sweden has expertise that holds up well in international competition. In the area of More Efficient Production, which involves things like sheet metal processing and pressing, Fouriertransform believes there is much work to be done in 2012 to build clusters and create critical mass so that these companies will be able to offer niche offerings to other countries in the next phase.

The Smart Vehicles area is focusing on seizing opportunities for cross-fertilization between Swedish IT competence and automotive expertise. Fouriertransform's network includes very capable players who can develop growth opportunities. One example is the portfolio company Pelagicore. With respect to sustainability, the big question is still how to find the right battery technology. Here, Fouriertransform is also looking for peripheral projects and services in the energy storage systems segment. 2012 will be a challenging and difficult year for Swedish suppliers to the automotive industry, but together we can generate strength and confidence in the future.



Per Nordberg

Fouriertransform highlights, SEK m	Q4 2011	Q4 2010	%	Full year 2011	Full year 2010	%
Net result for the period	27.4	-32.0	186	-76.7	4.5	-
Investments in portfolio companies	20.6	10.0	106	115.0	269.7	-57
Cash flow for the period	-3.7	15.2	-	-137.0	-196.3	-
Cash and bank balances and investments in securities	2,603.9	2,728.8	-5	2,603.9	2,728.8	-5
Equity	2,936.1	3,012.9	-3	2,936.1	3,012.9	-3
Equity/assets ratio	98.4%	98.7%	-	98.4%	98.7 %	-

Business environment and markets in 2011 – recovery that went off track

Strong optimism about economic growth in 2011 was quickly replaced by escalating pessimism in the second half of the year. The European automotive industry wrestled with structural problems and growth in other geographical markets was changing the trading flows and the value chain in the automotive industry.

Despite good domestic conditions, Swedish economic growth was not really able to withstand the growing anxiety in the surrounding regions over the past year. The main issue was the debt crisis in a number of euro nations where, at the end of the year, debt rescheduling had only just begun. There is still uncertainty about the future of the euro in its current form.

Although the economies of Sweden and Germany remained strong, the growth rate leveled off significantly. In Sweden this led to both forecasting institutions and governments lowering their expectations considerably for 2012, despite the fact that growth in most industries remained strong in 2011. The Swedish National Institute of Economic Research (NIER) is expecting growth of only 0.6 percent in 2012.

All in all, 2011 was a fairly good year for both Sweden and the automotive industry. Net exports and gross fixed investments accounted for most of the growth towards the end of the year. Sweden's export volumes were up by a total of around 12 percent compared to the previous year. Things went particularly well for the engineering industry and road vehicles, especially commercial and traction vehicles, where exports increased by more than 70 percent up to the end of the third quarter. The fourth quarter did, however, see declining global demand with, for example, Scania announcing a decision to reduce its production rate by around 15 percent from January 2012.

In the Swedish market, vehicle deliveries have withstood the general economic anxiety for a long time. Car orders did not decline until the beginning of December and there were fewer registrations than the same month in 2010. There was, however, an increase for all classes of heavy commercial vehicles during the year and this trend continued in December – an improvement on the previous year.

In December car manufacturer Saab Automobile finally filed for bankruptcy sparking uncertainty about its future as an automotive manufacturer in Sweden.



Europe and the world

Overcapacity continues in the European automotive industry, but there has been growth in other places, e.g. in China and Latin America. Some recovery was seen in the US where the economy has grown, albeit slowly, in every quarter of 2011.

In Europe the commercial vehicles market grew with a 10-percent increase in new registrations. However, new car registrations fell by 1.7 percent compared to 2010, despite increased sales in some markets, particularly in Germany. Overall, the difference between the level of growth in the various European markets was considerable in 2011 and depended on how deeply the various countries were affected by uncertain government finances.

The automotive industry still has persistent overcapacity, short product life cycles and high fixed manufacturing costs. All of these factors have contributed to the structural storm clouds. These are global industrial problems that trickle all the way down to the supplier chain. The consequence is that there is still a need for consolidation in the sector.

Changing markets

The automotive industry finds itself in a multi-dimensional transitional period. The key markets are moving geographically and new markets are contributing to rapidly changing market demands that are presenting opportunities for new players and clusters.

There is also uncertainty about which technologies have the greatest potential. Up to now the picture here is still divergent. It is clear that the trend towards greener and more efficient technology in the automotive sector is continuing and getting stronger from year to year. This is putting pressure on manufacturers to constantly drive innovation and product development. The focus is on more energy efficient technology as well as alternative fuels such as gas, electricity, fuel cells and the hybrid vehicles that use these. But other areas of focus include choosing materials that are more environmentally and climate friendly, as well as more efficient production processes.

In 2011 the European Commission drew attention to the problems in the European automotive industry by bringing back its CARS 21 high level group. The Commission developed a European strategy for clean and energy efficient vehicles. Cars 21 stands for "Competitive Automotive Regulatory System for the 21st Century." Its origins relate to the huge significance of the automotive industry for the European economy; it provides 12 million jobs and contributes around EUR 70 billion to the trade balance. At the same time the growth perspective for the industry in Europe is quite dismal, while high growth in other geographical markets is changing the trading flows and value chains in the automotive industry. The objective is to create a common strategy for legislators and private players to support competitiveness and sustainable growth in Europe's automotive industry.

Swedish opportunities

Sweden has a long and successful tradition in the automotive industry. The sector accounts for 10 percent of goods exports and 13 percent of industry investments. 120,000 people are employed in the automotive industry. Two of the world's leading manufacturers of heavy commercial vehicles are here, as well as one of the world's leading safety suppliers, one car manufacturer at this time, and several suppliers with internationally competitive products and services. This is unique for a country the size of Sweden, and the automotive industry is therefore very important – not only for employment, but also for export revenue and technological development.

Although this places Sweden in a strong starting position, the Swedish players are small in a global perspective. It is therefore important to focus on areas where there is real cutting edge expertise so that promising projects can develop into commercial successes.

Fouriertransform is one of a few players with resources to drive this type of commercialization specifically for the automotive industry. Fouriertransform has identified three main strategic areas: Sustainable Vehicles, Smart Vehicles and More Efficient Production. Sweden, in particular, has great potential in all of these areas and is therefore in a strong position to secure long-term, global competitiveness for the Swedish automotive industry.

Q 4

Fouriertransform's activity

High level of activity with companies seeking financing

The uncertain market development since the summer has led to a high level of activity at Fouriertransform, involving many contacts with companies seeking financing in both early and later phases. In the supplier chain, particularly within mechanical and sheet metal processing, companies are merging to achieve a stronger financial and commercial foundation. Fouriertransform has entered into negotiations with several companies to look into creating new clusters. Fouriertransform's investment in Pelagicore AB, which is in the Smart Vehicles investment area, has increased interest from players in that field. A dialogue has begun with the parties involved on possible future business opportunities.

Continued efforts to expand Fouriertransform's network

Fouriertransform has continued its efforts to expand its Swedish and foreign networks to include highly qualified individuals who can be long-term industrial partners for the portfolio companies. The network consists of people who hold or have held senior positions in areas such as R&D, marketing, production and logistics and who have considerable leadership and business development experience. They understand what the industry's main issues are and their industrial expertise enables them to assess the strength of the investment applications. Fouriertransform believes it is important to change the hourglass-shaped industrial structure in Sweden where relatively few companies are in the middle segment. The company also wants to make it easier for early-stage projects to have the strength to grow.

Seminar for suppliers

Fouriertransform organized a seminar on January 26 with Scandinavian automotive supplier association, Fordonkomponentgruppen, to discuss financing issues. The seminar was aimed at large and small suppliers and covered the various forms of financing that can be used, particularly when companies are internationalizing their business, but also in connection with expansion, product development and market development.

Investment activity

Investment applications

During the quarter Fouriertransform received around 18 investment applications and rejected 9. Fouriertransform's application portfolio now contains around 60 applications, 25 of which are under review with a view to investment. The number of growth and mature companies has increased in our portfolio of potential investments.

New investments



During the quarter Fouriertransform approved an investment of SEK 50.0 million in EELCEE AB through a directed new share issue and a loan commitment. EELCEE is a spin-off from the Swiss university of technology, Ecole Polytechnique Fédérale de Lausanne (EPFL) and intends to develop, manufacture and market large volumes of composite components, primarily for the automotive industry. EELCEE AB, which has a subsidiary adjacent to EPFL, has developed composite applications since 2008 for things such as seats and bumpers for automotive manufacturers and suppliers in the global market.

This investment will make Fouriertransform the largest individual owner alongside the founder of the company, Professor Jan-Anders Månson.

Follow-up investments

During the quarter Fouriertransform made follow-up investments in the following portfolio companies:

- Effpower: Fouriertransform participated in a new share issue investing SEK 1.5 million
- PowerCell: Fouriertransform invested SEK 9.3 million through a shareholder contribution
- Alelion Batteries: Fouriertransform participated in a new share issue investing SEK 4.2 million
- EI-Forest: Fouriertransform participated in a new share issue investing 5.1 million
- Max Truck: Fouriertransform invested SEK 0.7 million through a shareholder contribution

Significant events after the end of the quarter

Fouriertransform, Innovatum and key individuals from Saab Automobile decided to start a jointly-owned engineering company in Trollhättan called LeanNova Engineering AB, which will sell and deliver complete development projects to Swedish and international automotive customers. At the same time, Fouriertransform and Combitech AB signed a letter of intent to enable them to form a jointly-owned engineering company with the capacity to deliver complete engineering projects within the automotive, aerospace and other industries. The joint initiative of Fouriertransform, Innovatum and Combitech will make it possible to keep the engineers from Saab Automobile together.

Financial development in Q4

Profit/loss

The profit for the quarter after tax was SEK 27.5 million. This does not include unrealized gains from fixed income funds of SEK 15.0 million. The company's costs mainly relate to employee benefit expenses and project and consultancy costs.

The net financial income amounted to SEK 42.3 million, and was mainly affected by dividends from managed fixed income and mutual funds of SEK 25.7 million and a reversal of a write-down of the net asset value of mutual funds in the amount of SEK 15.6 million.

Cash flow

The total cash flow for the quarter amounted to SEK -3.7 million, of which investments in portfolio companies accounted for SEK -20.6 million. The company's cash and bank balances and short-term investments in mutual and fixed income funds amounted to SEK 2,604 million at the end of the quarter.

Equity

On December 31 the company's equity amounted to SEK 2,936.2 million, of which the result for the quarter accounted for SEK -27.5 million.

For further information, please refer to the attached income statement, cash flow statement, balance sheet and statement of changes in equity.

Full year 2011

Fouriertransform's investments as of December 31, 2011

As of December 31, 2011 Fouriertransform had approved investments in thirteen companies: PowerCell Sweden AB, Norstel AB, NovaCast Technologies AB, FlexProp AB, EffPower AB, Alelion Batteries AB, El-Forest AB, MaxTruck AB, Applied Nano Surfaces AB, Vicura AB, Jobro Plåtkomponenter AB, Pelagicore AB and LeanNova Engineering. The investment in NovaCast Technologies AB has been written off in its entirety and the portfolio as of December 31 therefore consisted of twelve active portfolio companies in the automotive industry.

Investments totaling SEK 491 million have been approved, of which SEK 463 million, including directly attributable costs, has been paid out. The sums invested vary between SEK 8 million for MaxTruck AB and SEK 149 million for Norstel. The investments are mainly focused on the strategic investment areas of Sustainable Vehicles and More Efficient Production.

Portfolio summary as of December 31, 2011

	Location	Initial investment	Carrying amount (SEK 000s)	% of capital	% of votes
PowerCell Sweden AB	Gothenburg	Oct 2009	47,711	25 %	25 %
Norstel AB	Norrköping	Feb 2010	148,722	80 %	82 %
FlexProp AB	Halmstad	Feb 2010	10,315,	37 %	37 %
Effpower AB	Gothenburg	Feb 2010	13,437	26 %	26 %
Alelion Batteries AB	Nödinge	June 2010	39,150	32 %	33 %
El-Forest AB	Örnsköldsvik	June 2010	25,365	40 %	40 %
Max Truck AB	Östersund	July 2010	8,283	35 %	35 %
Applied Nano Surfaces Sweden AB	Uppsala	Dec 2010	9,173	27 %	27 %
Vicura AB	Trollhättan	Jan 2011	10,174	83 %	83 %
Jobro Plåtkomponenter AB	Ulricehamn	May 2011	12,371	71 %	45 %
Pelagicore AB	Gothenburg	Sept 2011	10,488	30 %	30 %
EELCEE AB	Stockholm	Dec 2011	34,460	45 %	45 %
Total			369,649		

Fouriertransform's twelve active portfolio companies



PowerCell Sweden AB – fuel cell makes electricity from hydrogen

Phase	Early stage	The company develops and distributes advanced fuel cell systems for the transport industry and certain other high-tech markets. The company, which has its origins in the Volvo Group's fuel cell development project, aims to accelerate the launch of fuel cells on the market through development, production and sales. www.powercell.se
Area	Sustainable Vehicles	
Location	Gothenburg	
Initial investment	Oct 2009	
Carrying amount	SEK 47.7 million	
% of capital	25 %	
% of votes	25 %	

NORSTEL⁺

Norstel AB – new technology for hybrid vehicles

Phase	Early stage	The company develops SiC wafers which are an important component for the successful development and production of green hybrid vehicles. The company's results, combined with a modern development and production facility, provide a good basis for launching the products onto the market. <i>www.norstel.com</i>
Area	Sustainable Vehicles Norrköping	
Location	Feb 2010	
Initial investment	SEK 148.7 million	
Carrying amount	80 %	
% of capital	82 %	
% of votes		



FlexProp AB – robust low-weight grippers

Phase	Expansion	The company specializes in developing and selling lightweight, robust fixtures and grippers in composite materials mainly for the automotive and aircraft industries. Thanks to the company's specialist knowledge of composite materials, it is able to reduce the weight of the products, in some cases to less than a tenth of their current weight. <i>www.flexprop.se</i>
Area	More Efficient Production	
Location	Halmstad	
Initial investment	Feb 2010	
Carrying amount	SEK 10.3 million	
% of capital	37 %	
% of votes	37 %	



Effpower AB – efficient battery for hybrids

Phase	Early stage	The company's original business concept was to develop a high power, bipolar lead-acid battery which is recyclable and has a long service life. The company is now looking for a way to become an engineering company within the energy storage systems area. <i>www.effpower.com</i>
Area	Sustainable Vehicles	
Location	Gothenburg	
Initial investment	Feb 2010	
Carrying amount	SEK 13.4 m	
% of capital	26 %	
% of votes	26 %	



Alelion Batteries AB – energy storage systems for the automotive industry

Phase	Early stage	The company develops, manufactures and markets complete energy storage systems primarily for the automotive industry. The systems are largely based on lithium iron phosphate batteries and are currently used in vehicles such as the electric Fiat 500. <i>www.alelion.com</i>
Area	Sustainable Vehicles	
Location	Nödinge	
Initial investment	June 2010	
Carrying amount	SEK 39.1 million	
% of capital	32 %	
% of votes	33 %	

**EI-Forest AB – forestry machinery using series electric hybrid technology**

Phase	Early stage	<p>The company has developed the world's first forestry machine to use series electric hybrid technology – a technology that offers a number of environmental benefits. The machine is what is known as a forwarder which carries felled logs from the stump to a roadside landing. It is operated by a new concept in machinery in which each individual wheel is driven by electric motors fitted to the wheel axles, reducing fuel consumption, CO₂ emissions and also damage to the forest.</p> <p>www.el-forest.se</p>
Area	Sustainable Vehicles	
Location	Örnsköldsvik	
Initial investment	June 2010	
Carrying amount	SEK 25.4 million	
% of capital	40 %	
% of votes	40 %	

**Max Truck AB – electric forklift offering unique maneuverability**

Phase	Early stage	<p>The company is developing an electric forklift that can maneuver in all four directions from a stationary position and rotate around its own axle. The forklift therefore requires significantly less space than a conventional one. The distances it travels are much shorter and warehouse space can be utilized more efficiently.</p> <p>www.maxtruck.se</p>
Area	Sustainable Vehicles	
Location	Östersund	
Initial investment	July 2010	
Carrying amount	SEK 8.3 million	
% of capital	35 %	
% of votes	35 %	



Applied Nano Surfaces

Applied Nano Surfaces Sweden AB – unique technology for reduced friction losses

Phase	Early stage	<p>The company has developed unique technology for creating surface coatings with properties that reduce friction and wear on steel and cast iron surfaces in mechanical systems. Applied Nano Surfaces' technology is making large-scale industrial production of coated components possible at a fraction of the cost of equivalent coatings.</p> <p>www.appliednanosurfaces.com</p>
Area	More Efficient Production	
Location	Uppsala	
Initial investment	Dec 2010	
Carrying amount	SEK 9.2 million	
% of capital	27 %	
% of votes	27 %	



Vicura AB – Saab's transmission developers

Phase	Expansion	Vicura is a spin-off of the transmissions development department built up at Saab while under the ownership of GM. The new standalone company provides consulting services in the area of transmission systems for the international automotive industry. <i>www.vicura.se</i>
Area	Sustainable Vehicles	
Location	Trollhättan	
Initial investment	Jan 2011	
Carrying amount	SEK 10.2 million	
% of capital	83 %	
% of votes	83 %	



Jobro Plåtkomponenter AB – full service supplier of complex sheet metal parts

Phase	Expansion	The company manufactures and sells prototypes and short production runs of complex sheet metal parts for the engineering industry, focusing on the automotive industry. The company is a full service supplier with in-depth knowledge of materials science, tool making and production engineering. <i>www.jobro.se</i>
Area	More efficient production	
Location	Ulricehamn	
Initial investment	May 2011	
Carrying amount	SEK 12.4 million	
% of capital	71 %	
% of votes	45 %	



Pelagicore AB – technology and product development for infotainment systems

Phase	Early stage	Pelagicore is a technology and product development company specializing in open source software for infotainment systems in the automotive industry. The company develops and licenses software that reduces the time and cost involved in developing infotainment systems in vehicles. Its customers are primarily car manufacturers and their suppliers. <i>www.pelagicore.com</i>
Area	Smart Vehicles	
Location	Gothenburg	
Initial investment	Sept 2011	
Carrying amount	SEK 10.5 million	
% of capital	30 %	
% of votes	30 %	

**EELCEE AB –composite components for the automotive industry**

Phase	Early stage	EELCEE is a spin-off from the Swiss university of technology, Ecole Polytechnique Fédérale de Lausanne (EPFL) and intends to develop, manufacture and market large volumes of composite components, primarily for the automotive industry. <i>www.eelcee.com</i>
Area	Sustainable Vehicles	
Location	Stockholm	
Initial investment	Dec 2011	
Carrying amount	SEK 34.5 million	
% of capital	45 %	
% of votes	45 %	

Financial development, full year 2011*Profit/loss*

The loss for the year after tax was SEK -76.7 million. This does not include unrealized gains from fixed income funds of SEK 15.0 million. The result was mainly affected by depreciation of the carrying amount of the portfolio company NovaCast Technologies AB of SEK -44.2 million and a write-down of the carrying amount of the portfolio company Effpower AB of 75 %, SEK -35.8 million. NovaCast filed for bankruptcy in March due to poor profitability and an acute liquidity shortage. Effpower's product development did not achieve its goals and the company is looking for a way to become a consulting firm. The result also includes a reversal of a write-down of the net asset value of managed fixed income funds of SEK 41.4 million and an unrealized remeasurement of the net asset value of mutual funds of SEK -28.8 million.

The company's costs mainly relate to employee benefit expenses and project and consultancy costs. The net financial income was SEK 62.3 million and was mainly affected by the reversal of a write-down of the net asset value of managed fixed income funds of SEK 41.4 million, dividends from fixed income and mutual funds of SEK 40.0 million, and an unrealized remeasurement of the net asset value of mutual funds of SEK -28.8 million.

Cash flow

The total cash flow in 2011 amounted to SEK -137.0 million, of which investments in portfolio companies accounted for SEK -115.0 million. The company's cash and bank balances and short-term investments in mutual and fixed income funds amounted to SEK 2,604 million at the end of the year.

Equity

On December 31 Fouriertransform's equity amounted to SEK 2,936.2 million including a loss for the year of SEK -76.7 million.

For further information, please refer to the attached income statement, cash flow statement, balance sheet and statement of changes in equity.

Proposal to the Annual General Meeting 2012

The Annual General Meeting (AGM) will be held in Stockholm on April 19, 2012. Notice of the AGM will be sent out by March 20. The Board of Directors will propose to the AGM that retained earnings of SEK 12.8 million and the 2011 loss of SEK -76.7 million, totaling SEK -63.9 million, be carried forward. The 2011 Annual Report will be published on March 20, 2012.

Accounting principles

This year-end report was prepared in accordance with the Annual Accounts Act and based on NASDAQ OMX Stockholm's Rule Book for Issuers and the Guidelines for External Reporting by State-Owned Companies.

Investments in portfolio companies have been measured at the lower of the acquisition cost, including directly attributable costs, and an assessed fair value.

Investments in securities exclude any unrealized gains.

Risks and uncertainties

Significant risks and uncertainties pertaining to the company are described in the Directors' Report in the 2011 Annual Report.

Credit facilities

Fouriertransform AB has no utilized credit facilities.

Related party disclosures

No transactions with a significant effect on the company's financial position or earnings have taken place between Fouriertransform AB and related parties.

Fouriertransform in brief

Fouriertransform AB was founded in December 2008 following a parliamentary resolution and has equity of around SEK 3 billion. The company commenced operations in 2009.

Fouriertransform is a state-owned venture capital company tasked with increasing the international competitiveness of the Swedish automotive cluster on a commercial basis. Investments are made in enterprises where the Swedish automotive industry can enhance its position with a strong profile in the areas of safety and the environment.

For further information, please visit Fouriertransform's website www.fouriertransform.se

Declaration

The Board of Directors and CEO hereby provide an assurance that the Year-End Report for 2011 provides a true and fair overview of the company's operations, financial position and results, and describes the significant risks and uncertainties faced by the company.

Stockholm, February 10, 2012

Lars-Olof Gustavsson Chairman	Cecilia Schelin Seidegård Director	Hasse Johansson Director
Karin Kronstam Director	Lars-Göran Moberg Director	Ulla-Britt Fräjdin-Hellqvist Director
	Lars Erik Fredriksson Director	Per Nordberg CEO

Auditor's review report for the year-end report prepared in accordance with Chapter 9 of the Annual Accounts Act (1995:1554)

I have conducted a review of the year-end report for 2011 for Fouriertransform AB. The Board of Directors and CEO are responsible for the preparation and presentation of this year-end report in accordance with the Annual Accounts Act/BFNAR 2007:1. My responsibility is to express an opinion concerning this year-end report based on my review.

I conducted my review in accordance with the Swedish Standard on Review Engagements (SÖG) 2410, Review of Interim Financial Information 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 focus and is substantially less in scope compared with the focus and scope of an audit conducted in accordance with the Standards on Auditing in Sweden (RS) and the generally accepted auditing practices, and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Therefore, the opinion expressed based on a review does not provide the same level of assurance as an opinion expressed on the basis of an audit.

Based on my review, nothing has come to my attention that causes me to believe that the appended year-end report has not been prepared, in all material respects, in accordance with the Swedish Annual Accounts Act/BFNAR 2007:1.

Stockholm, February 10, 2012

Hans Andersson
Authorized Public Accountant
Deloitte AB

Contact persons for further information

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Financial calendar 2012

Q1 interim report	Apr. 19, 2012
Q2 interim report	July 18, 2012
Q3 interim report	Oct. 24, 2012
Q4 interim report and year-end report	Feb. 8, 2013

Appendices

Income statement & cash flow statement
Balance sheet & statement of changes in equity

Income statement

Income statement, SEK 000s	Q4 2011	Q4 2010	%	Full year 2011	Full year 2010	%
Investment activities						
Write-down of portfolio companies	-	-12,820	-	-80,012	-12,820	-
Other operating income	2,592	104	2,392	2,596	134	1,837
Profit/loss from investment activity	2,592	-12,716	120	-77,416	-12,686	-510
Operating expenses						
Other external expenses	-6,053	-9,190	34	-22,434	-24,177	7
Employee benefit expenses	-6,576	-5,032	-31	-26,662	-17,126	-56
Depreciation of property, plant and equipment	-204	-109	-	-740	-285	-
Total operating expenses	-12,833	-14,331	10	-49,836	-41,588	-20
Operating loss	-10,241	-27,047	62	-127,252	-54,274	-134
Profit/loss from financial items						
Interest income and similar profit/loss items	44,055	29,254	45	91,790	112,311	-44
Interest expense and similar profit/loss items	-1,756	-40,751 ¹⁾	-	-29,517 ²⁾	-47,726 ³⁾	-
Total profit/loss from financial items	42,299	-11,497	468	62,273	64,585	-4
Profit/loss after financial items	32,058	-38,544	183	-64,979	10,311	-730
Tax on profit/loss for the period	-4,579 ⁴⁾	6,580 ⁴⁾	-	-11,741 ⁴⁾	-5,785 ⁴⁾	-
Net profit/loss for the period	27,479	-31,964	186	-76,720	4,526	-1,795

¹⁾ Mainly unrealized remeasurement of carrying amount of fixed income funds of SEK -34.4 million

²⁾ Mainly unrealized remeasurement of carrying amount of fixed income funds of SEK -28.8 million

³⁾ Mainly unrealized remeasurement of carrying amount of fixed income funds of SEK -41.4 million

⁴⁾ After adjustment for write-down and reversal of write-down of the carrying amounts of portfolio companies and of the net asset value of fixed income funds and mutual funds

Cash flow statement

Cash flow statement, SEK 000s	Q4 2011	Q4 2010	Full year 2011	Full year 2010
Operating activities				
Operating loss before financial items	-10,241	-14,425	-47,241	-41,454
Depreciation and write-downs	203	109	740	285
Interest received on bank balances	86	2,276	249	41
Interest received and paid on investments in securities	28,417	25,248	50,553	111,145
Corporation tax paid	-	-414	-	-6,170
Interest paid and similar profit/loss items	-3	-	-312	-
Increase/decrease in trade receivables	-2,667	-83	-2,589	-120
Increase/decrease in other current receivables	-560	-9,789	13,769	-14,026
Increase/decrease in accounts payable	1,234	102	-1,191	2,548
Increase/decrease in current operating liabilities	467	28,084	-34,423	29,073
Cash flow from operating activities	16,936	31,108	-20,445	81,322
Investment activities				
Investments in property, plant and equipment	-126	-606	-1,700	-2,428
Investments in portfolio companies	-20,569	-10,081	-115,050	-269,741
Disposal of portfolio companies	26	-	170	-
Interest received from long-term receivables from portfolio companies	-	871	-	871
Exchange rate differences relating to receivables from portfolio companies	-	-6,314	-	-6,314
Cash flow from investment activities	-20,669	-16,130	-116,580	-277,612
Financing activities				
New share issue	-	-	-	-
Cash flow from financing activities				
Cash flow for the period	-3,732	15,178	-137,024	-196,290
Cash and bank balances and investments in securities at beginning of period	2,592,169	2,748,054	2,728,813	2,964,567
Cash flow for the period	-3,732	15,178	-137,024	-196,290
Other increase/decrease in carrying amount	15,419 ¹⁾	-34,419 ¹⁾	12,067 ¹⁾	-39,464 ¹⁾
Cash and bank balances and investments in securities at end of period	2,603,856	2,728,813	2,603,856	2,728,813

¹⁾ Write-down and reversal of write-down of net asset value of fixed income and mutual funds

Balance sheet and statement of changes in equity

Balance sheet, SEK 000s	Dec. 31, 2011	Dec. 31, 2010
Assets		
Non-current assets		
Property, plant and equipment		
Equipment	3,134	2,175
Financial fixed assets		
Investments in portfolio companies	369,649	300,866
Other non-current receivables	367	367
Total non-current assets	373,150,	303,408
Current assets		
Current receivables		
Trade receivables	2,709	120
Other current receivables	8	10,056
Prepaid expenses and accrued income	5,523	9,244
Investments in securities		
Investments in securities	2,591,828	2,695,244
Cash and bank balances	12,029	33,569
Total current assets	2,612,097	2,748,233
Total assets	2,985,247	3,051,641
Equity and liabilities		
Equity		
Restricted equity		
Share capital	3,000,100	3,000,100
Non-restricted equity		
Profit brought forward	12,782	8,256
Net profit for the period	-76,720	4,526
Total equity	2,936,162	3,012,882
Current liabilities		
Accounts payable	2,358	3,549
Current tax liability	6,109	3,578
Other current liabilities	37,307	27,950
Accrued expenses	3,311	3,682
Total current liabilities	49,085	38,759
Total equity and liabilities	2,985,247	3,051,641
Pledged assets	None	None
Contingent liabilities	None	2,500

Statement of changes in equity, SEK 000s	Share capital	Other non-restricted equity	Total equity
Equity Dec. 31, 2010	3,000,100	12,782	3,012,882
Profit/loss for the period	–	-76,720	-76,720
Equity Dec. 31, 2011	3,000,100	-63,938	2,936,162

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