

# ANNUAL REPORT 2009



# CEDERROTH

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## FISCAL YEAR 2009 IN BRIEF

- During the year the name of the company has been changed to Cederroth AB.
- During the year it was decided to change the fiscal year to January 1 – December 31.
- During the period October 1, 2008 – December 31, 2009 net sales for the Group amounted to SEK 2,284 million. Last year's period, October 1, 2007 – September 30, 2008 net sales amounted to SEK 1,683 million.
- Operating Income before financial items and amortizations (EBITDA) reached SEK 140.2 million (131.9). The net operating income before financial items, depreciations and non-recurring items amounted to SEK 181.5 million (SEK 131.9 million). Operating income before taxes amounted to SEK 76.6 million (68.8).
- During the year the company acquired a wound care business in Spain.
- During the year the company has entered into several new distribution contracts.

## BOARD OF DIRECTORS' REPORT

The Board and the president of Cederroth AB, registration number 556052-5478, hereby submit the annual report as well as consolidated financial statements for the fiscal year October 1, 2008 – December 31, 2009.

Cederroth AB is a wholly owned subsidiary to Cederroth Intressenter AB, registration number 556745-7386.

### *The 2009 Fiscal Year*

Cederroth AB is the parent company in the Cederroth AB group. The Group comprises the parent company and operating subsidiaries.

The Group conducts research and development, marketing and sales of products within toiletries, health, wound care, household and first aid. The products are mainly sold by our subsidiaries but also through external distributors on several geographic markets where the company doesn't have representation. The bulk of the company's products are manufactured in its own plants in Sweden, Denmark, Poland and Spain. The Group is also conducting contract manufacturing of pharmaceutical and toiletry products for several customers.

Several of the company's most important brands, like Salve, Allévo, Family Fresh, Bliw, Grumme, Asan, L300 and Pharbio performed strongly during the period. Also the most important distribution brands, Jordan toothbrushes, Nicotinell and TRESemmé, had a successful year.

### *Important Events during and after the Fiscal Year*

During the year it was decided to change the fiscal year to January-December (earlier October-September).

In November 2008 the wound care operations of the Spanish company Distrex was acquired. The acquisition means that Cederroth strengthens its position within wound care on the European market.

The company has during the period entered into new distribution agreements with Alberto-Culver for hair care products and with Novartis, Schering-Plough and UCB for OTC products.

### *Financial Result*

The Group's sales during the period October 1, 2008 – December 31, 2009 amounted to SEK 2,283.8 million. The previous period, October 1, 2007 – September 30, 2008, sales amounted to SEK 1,682.9 million. Of the Group's turnover during the period Sweden accounted for 39%, other EU countries for 52% and other markets for 9%.

Operating income before financial items and depreciation (EBITDA) amounted to SEK 140.2 million (131.9). Operating income before financial items, depreciations and non-recurring items amounted to SEK 181.5 million (131.9). Income before taxes amounted to SEK 76.6 million (68.8) and the net income for the year amounted to SEK 38.7 million (38.4).

### *Cash Resources and Financial Position*

Cash resources at December 31, 2009 amounted to SEK 124.6 million. At the end of the fiscal year credit lines of SEK 54 million were not utilized. The equity ratio was 46% and the total equity amounted to SEK 473.6 million.

The group's net cash flow before investments and dividends amounted to SEK 100.6 million during the period.

The company's long-term debt at the end of the fiscal year amounted to SEK 0 (zero).

### *Investments and Depreciation*

Investments in tangible fixed assets amounted to SEK 35.4 million during the period.

Depreciation of tangible and intangible fixed assets amounted to SEK 67.4 million.

### *Currency Exposure*

Cederroth is exposed to currency exchange rate fluctuations through its international operations and structure. This relates to both foreign currency payments and the translation of income and net assets of foreign subsidiaries into Swedish Kronor.

The company's transaction exposure consists of income generated in one currency, while some purchases of raw material and input goods are paid in foreign currency. The Group's transaction exposure refers mainly to euro.

At present, forward contracts and other derivative instruments are used only by way of exception in order to secure the result of specific larger foreign currency transactions.

The Group's equity is affected by translation differences, directly reported against own equity. Furthermore the group has long-term loans denominated in foreign currency where currency fluctuations are reported in the Group's consolidated income statement.

### *Proposed Appropriation of Earnings*

The board of directors and the president propose that the retained earnings, SEK 634,441,431 be carried forward.

## Consolidated Income Statements

<i>SEK thousands</i>	<i>Note</i>	<i>2009*</i>	<i>2008*</i>
Net sales	1	2,283,817	1,682,899
Cost of goods sold		<u>-1,267,488</u>	<u>-876,667</u>
<b>Gross profit</b>		1,016,329	806,232
Selling expenses		-647,804	-536,778
Administrative expenses		-221,922	-187,618
Research and development costs		-39,811	-29,211
Items affecting comparability	3	-41,254	-
Other operating income	4	30,586	33,993
Other operating expenses	5	<u>-23,315</u>	<u>-13,953</u>
<b>Operating income</b>		72,809	72,664
<b>Financial items</b>			
Interest income and similar	8	11,965	4,768
Interest expense and similar	9	<u>-8,147</u>	<u>-8,639</u>
<b>Income after financial items</b>		76,627	68,793
Income taxes	11	<u>-37,970</u>	<u>-30,357</u>
<b>Net income for the year</b>		38,657	38,436

\* 2009 refers to prolonged fiscal year Oct. 1, 2008 - Dec. 31, 2009. Comparative year Oct.1, 2007 - Sept. 30, 2008

## Consolidated Balance Sheets

<i>SEK thousands</i>	<i>Note</i>	<i>09-12-31</i>	<i>08-09-30</i>
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b><i>Intangible fixed assets</i></b>			
Trademarks	12	53,278	47,268
Goodwill	13	38,434	61,304
Other intangible assets	14	1,295	2,241
		<u>93,007</u>	<u>110,813</u>
<b><i>Tangible fixed assets</i></b>			
Land and buildings	15	76,413	90,028
Leasehold improvements	16	683	366
Machinery and technical equipment	17	83,224	48,742
Other equipment, tools, fixtures and fittings	18	14,021	17,536
Construction in progress and advance payments for tangible assets	19	6,000	8,687
		<u>180,341</u>	<u>165,359</u>
<b><i>Financial fixed assets</i></b>			
Deferred tax receivable	21	4,038	–
Other long term receivables		618	221
		<u>4,656</u>	<u>221</u>
<b>Total fixed assets</b>		<b>278,004</b>	<b>276,393</b>
<b>Current assets</b>			
<b><i>Inventories</i></b>			
Raw materials and consumables		78,938	75,013
Work in progress		25,630	28,841
Finished products and goods for resale		169,610	152,344
		<u>274,178</u>	<u>256,198</u>
<b><i>Current receivables</i></b>			
Trade receivables		311,545	322,508
Tax receivables		3,697	14,482
Other receivables		26,664	11,869
Prepaid expenses and accrued income	22	11,086	14,773
		<u>352,992</u>	<u>363,632</u>
<b>Cash and bank</b>		<b>124,584</b>	<b>77,587</b>
<b>Total current assets</b>		<b>751,754</b>	<b>697,417</b>
<b>TOTAL ASSETS</b>		<b>1,029,758</b>	<b>973,810</b>

## Consolidated Balance Sheets

<i>SEK thousands</i>	<i>Note</i>	<i>09-12-31</i>	<i>08-09-30</i>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		51,470	51,470
Restricted reserves		<u>93,928</u>	<u>99,766</u>
		145,398	151,236
Unrestricted reserves		289,506	366,958
Net income for the year		<u>38,657</u>	<u>38,436</u>
		<u>328,163</u>	<u>405,394</u>
<b>Total shareholders' equity</b>		473,561	556,630
<b>Provisions</b>			
Provisions for pensions and similar commitments	24	102,036	96,998
Deferred income taxes	25	<u>–</u>	<u>11,306</u>
		102,036	108,304
<b>Long-term liabilities</b>			
Other liabilities		<u>12,942</u>	<u>5,087</u>
		12,942	5,087
<b>Current liabilities</b>			
Trade payables		190,193	119,751
Due to group companies		102,521	1,608
Other liabilities		31,327	56,963
Accrued expenses and deferred income	27	<u>117,178</u>	<u>125,467</u>
		<u>441,219</u>	<u>303,789</u>
<b>Total provisions and liabilities</b>		<u>556,197</u>	<u>417,180</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		1,029,758	973,810

## Assets Pledged and Contingent Liabilities - Group

<i>SEK thousands</i>	<i>09-12-31</i>	<i>08-09-30</i>
<b>Assets pledged</b>		
<i>For own liabilities and provisions</i>		
Chattel mortgages	15,200	15,200
	15,200	15,200
<b>Contingent liabilities</b>		
Guarantees, FPG/PRI	2,029	1,857
	2,029	1,857

Binding commitment for purchase of goods amounts to SEK 135,629,000

## Summary of Changes in Equity - Group

<i>SEK thousands</i>	<i>Share capital</i>	<i>Restricted reserves</i>	<i>Unrestricted reserves</i>
<i>Group</i>			
At beginning of year	51,470	97,757	395,918
Transfer between restricted/unrestricted reserves		2,008	-2,008
Net income for the year			38,436
Dividend			-64,000
Translation differences			37,050
Equity on September 30, 2008	51,470	99,765	405,396
Transfer between restricted/unrestricted reserves		-5,837	5,837
Net income for the year			38,656
Group contribution			-152,000
Tax effect on group contribution			42,560
Translation differences			-12,287
Equity on December 31, 2009	51,470	93,928	328,163

## Cash Flow Analysis - Group

<i>SEK thousands</i>	<i>09-12-31</i>	<i>08-09-30</i>
<b>Operations</b>		
Income after financial items	76,627	68,792
Adjustments for non-cash items	<u>-92,555</u>	<u>65,121</u>
	-15,928	133,913
Income taxes paid	<u>-13,524</u>	<u>-27,056</u>
<b>Cash flow from operations before working capital changes</b>	-29,452	106,857
Increase(-)/Decrease(+) in inventories	-17,980	-30,764
Increase(-)/Decrease(+) in current receivables	10,641	1,317
Increase(+)/Decrease(-) in current liabilities	<u>137,430</u>	<u>18,782</u>
<b>Cash flow from operations</b>	<u>100,639</u>	<u>96,192</u>
<b>Increase/decrease in fixed assets</b>		
Acquisition of intangible fixed assets	-18,264	-548
Acquisition of tangible fixed assets	<u>-35,378</u>	<u>-17,715</u>
<b>Cash flow from changes in fixed assets</b>	<u>-53,642</u>	<u>-18,263</u>
<b>Increase/decrease in borrowings</b>		
Amortization of borrowings	-	-93,503
Dividend paid	-	<u>-64,000</u>
<b>Cash flow from changes in borrowings</b>	<u>-</u>	<u>-157,503</u>
<b>Cash flow for the year</b>	46,997	-79,574
<b>Opening balance cash resources</b>	<u>77,587</u>	<u>130,268</u>
<b>Closing balance cash resources</b>	124,584	77,587

## Additional Information to Cash Flow Analysis - Group

<i>SEK thousands</i>	<i>09-12-31</i>	<i>08-09-30</i>
<b>Interest paid and dividend received</b>		
Interest received	3,041	4,596
Interest paid	-2,532	-4,304
<b>Cash resources</b>		
<i>The following items comprise cash resources</i>		
Cash and bank	124,584	77,587

The above items have been classified as cash resources based on the fact that they:

- Are not subject to any material risk for value fluctuations.
- Can easily be converted into cash.
- Have a maturity of less than three months from the investment date.

## Income Statements - Parent Company

<i>SEK thousands</i>	<i>Note</i>	<i>2009*</i>	<i>2008*</i>
Net sales	1	1,298,741	981,106
Cost of goods sold		<u>-835,334</u>	<u>-595,988</u>
<b>Gross profit</b>		463,407	385,117
Selling expenses		-235,900	-210,930
Administrative expenses		-116,773	-103,146
Research and development costs		-32,463	-25,006
Items affecting comparability	3	-14,684	–
Other operating income	4	26,208	30,392
Other operating expenses	5	<u>-17,432</u>	<u>-9,103</u>
<b>Operating income</b>		72,363	67,324
<b>Financial items</b>			
Loss/income from shareholding in group companies	7	-16,417	207,232
Interest income and similar	8	67,259	5,871
Interest expense and similar	9	<u>-9,633</u>	<u>-7,242</u>
<b>Loss/income after financial items</b>		113,572	273,185
<b>Appropriations</b>			
Other appropriations	10	<u>8,766</u>	<u>-4,202</u>
<b>Loss/income before tax</b>		122,338	268,983
Income taxes	11	<u>-34,234</u>	<u>-17,498</u>
<b>Net loss/income for the year</b>		88,104	251,485

\* 2009 refers to prolonged fiscal year Oct. 1, 2008 - Dec. 31, 2009. Comparative year Oct.1, 2007 - Sept. 30, 2008

## Balance Sheets - Parent Company

<i>SEK thousands</i>	<i>Note</i>	<i>09-12-31</i>	<i>08-09-30</i>
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b><i>Intangible fixed assets</i></b>			
Trademarks	12	34,247	44,961
Other intangible assets	14	1,206	2,180
		<u>35,453</u>	<u>47,141</u>
<b><i>Tangible fixed assets</i></b>			
Land and buildings	15	31,408	41,475
Leasehold improvements	16	549	186
Machinery and technical equipment	17	41,323	21,887
Other equipment, tools, fixtures and fittings	18	5,958	5,179
Construction in progress and advance payments for tangible fixed assets	19	2,501	5,128
		<u>81,739</u>	<u>73,856</u>
<b><i>Financial fixed assets</i></b>			
Investment in group companies	20	276,697	276,697
Loans to group companies		351,618	370,883
Other securities held as fixed assets		2	2
Deferred tax receivables	21	15,998	3,402
		<u>644,315</u>	<u>650,984</u>
<b>Total fixed assets</b>		<u>761,507</u>	<u>771,981</u>
<b>Current assets</b>			
<b><i>Inventories</i></b>			
Raw materials and consumables		42,929	37,584
Work in progress		12,961	13,917
Finished products and goods for resale		84,760	77,727
		<u>140,650</u>	<u>129,228</u>
<b><i>Current receivables</i></b>			
Trade receivables		122,080	119,464
Due from group companies		179,304	62,384
Prepaid tax		6,062	14,602
Other receivables		14,793	1,560
Prepaid expenses and accrued income	22	8,343	8,965
		<u>330,582</u>	<u>206,975</u>
<b>Cash and bank</b>		<u>44,057</u>	<u>25,014</u>
<b>Total current assets</b>		<u>515,289</u>	<u>361,217</u>
<b>TOTAL ASSETS</b>		<u>1,276,796</u>	<u>1,133,198</u>

## Balance Sheets - Parent Company

<i>SEK thousands</i>	<i>Note</i>	<i>09-12-31</i>	<i>08-09-30</i>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<i>Restricted equity</i>			
Share capital (5,146,999 shares)		51,470	51,470
Legal reserve		59,110	59,110
		<u>110,580</u>	<u>110,580</u>
<i>Unrestricted equity</i>			
Retained earnings brought forward		667,117	415,632
Group contribution		-167,750	-
Tax effect on group contribution		46,970	-
Net income/loss for the year		88,104	251,485
		<u>634,441</u>	<u>667,117</u>
<b>Total shareholders' equity</b>		<b>745,021</b>	<b>777,697</b>
<b>Untaxed reserves</b>			
Accelerated depreciation	23	42,961	51,728
		<u>42,961</u>	<u>51,728</u>
<b>Provisions</b>			
Provisions for pensions and similar commitments	24	101,458	96,743
		<u>101,458</u>	<u>96,743</u>
<b>Current liabilities</b>			
Trade payables		128,342	70,394
Due to group companies		188,284	32,880
Other liabilities		8,589	29,560
Accrued expenses and deferred income	27	62,141	74,196
		<u>387,356</u>	<u>207,030</u>
<b>Total provisions and liabilities</b>		<b>531,775</b>	<b>355,501</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,276,796</b>	<b>1,133,198</b>

### **Assets Pledged and Contingent Liabilities - Parent Company**

<i>SEK thousands</i>	<i>09-12-31</i>	<i>08-09-30</i>
<b>Assets pledged</b>		
<i>For own liabilities and provisions</i>		
Chattel mortgages	15,200	15,200
	<u>15,200</u>	<u>15,200</u>
<b>Contingent liabilities</b>		
Guarantees, FPG/PRI	2,029	1,857
	<u>2,029</u>	<u>1,857</u>

Binding commitment for purchase of goods amounts to SEK 133,584,000

### **Summary of Changes in Equity - Parent Company**

<i>SEK thousands</i>	<i>Share capital</i>	<i>Restricted reserves</i>	<i>Unrestricted reserves</i>
<i>Parent Company</i>			
At beginning of year	51,470	59,110	479,632
Net income for the year			251,485
Dividend			-64,000
Equity on September 30, 2008	<u>51,470</u>	<u>59,110</u>	<u>667,117</u>
Net income for the year			88,104
Group contribution			-167,750
Tax effect on group contribution			46,970
Equity on December 31, 2009	<u>51,470</u>	<u>59,110</u>	<u>634,441</u>

## Cash Flow Analysis - Parent Company

<i>SEK thousands</i>	<i>09-12-31</i>	<i>08-09-30</i>
<b>Operations</b>		
Income after financial items	113,572	268,983
Adjustments for non-cash items	-98,690	-167,364
	14,882	101,619
Income taxes paid	-6,812	-12,918
<b>Cash flow from operations before working capital changes</b>	8,070	88,701
Increase(-)/Decrease(+) of inventories	-11,422	-13,331
Increase(-)/Decrease(+) in current receivables	-123,608	-558
Increase(+)/Decrease(-) in current liabilities	180,325	21,979
<b>Cash flow from operations</b>	53,366	96,791
<b>Increase/decrease in fixed assets</b>		
Acquisition of intangible fixed assets	-	-548
Acquisition of tangible fixed assets	-34,323	-7,991
<b>Cash flow from changes in fixed assets</b>	-34,323	-8,539
<b>Increase/decrease in borrowings</b>		
Amortization of borrowings	-	-88,000
Dividend paid	-	-64,000
<b>Cash flow from changes in borrowings</b>	-	-152,000
<b>Cash flow for the year</b>	19,043	-63,748
<b>Opening balance cash resources</b>	25,014	88,762
<b>Closing balance cash resources</b>	44,057	25,014

## Additional Information to Cash Flow Analysis - Parent Company

<i>SEK thousands</i>	<i>09-12-31</i>	<i>08-09-30</i>
<b>Interest paid and dividend received</b>		
Dividend received	5,536	11,968
Interest received	27,383	3,066
Interest paid	-2,499	-3,508
<b>Cash resources</b>		
<i>The following items comprise cash resources</i>		
Cash and bank	44,057	25,014

The above items have been classified as cash resources based on the fact that they:

- Are not subject to any material risk for value fluctuations.
- Can easily be converted to cash.
- Have a maturity of less than three months from the investment date.

## Notes to the Financial Statements

*SEK thousands unless otherwise stated*

### **General accounting principles**

The financial statements have been prepared in accordance with the Annual Accounts Act and the general recommendations of the Swedish Accounting Standards Board and when specifically stated, in accordance with the recommendations of the Swedish Financial Accounting Standards Council.

### **Significant accounting principles**

Assets, provisions and liabilities are stated at historical cost unless otherwise stated.

#### *Research and development*

Research and development costs and expenses are charged to income as incurred.

#### *Taxes*

The Parent company and the Group apply Recommendation RR9 of the Swedish Accounting Standards Board. The Group's total tax expense comprises current and deferred income taxes. Deferred taxes are calculated in accordance with this Recommendation as 26.3% of the unutilized deficits at assessment of tax and other timing differences in regard of accelerated depreciation. The tax value of unutilized losses carried-forward is recorded as an asset only to the extent it is likely that these losses will mean lower future tax payments.

#### *Items affecting comparability*

Items affecting comparability that are of such size, nature or incidence that they are relevant to explain the performance of the company are disclosed as required by Recommendation No. 4 of the Financial Accounting Standards Council. Examples include gains or losses on disposal of business segments, or significant fixed assets, and write-downs, and restructuring provisions.

#### *Inventories*

Inventories, valued in accordance with Recommendation No. 2 Inventories Report of the Swedish Accounting Standards Board, are stated as the lower of cost (measured on the first-in first-out method) or net realizable value. Assessed obsolescence is thereby considered. For manufactured work in progress and finished goods, cost comprises direct production costs and an appropriate overhead burden.

#### *Receivables*

Receivables are recorded at the amount expected to be collected based on individual assessment of collectibility.

#### *Receivables and liabilities denominated in foreign currency*

Receivables and liabilities denominated in foreign currency are stated at year-end exchange rates in accordance with the Recommendation No. 8 of the Financial Accounting Standards Council. Exchange differences on current receivables and liabilities are reported in operating income.

*Depreciation principles for fixed assets*

Depreciation and amortization is based on the asset's cost and the estimated useful economic life. The amortization rate for trademarks and goodwill is based on an individual assessment of each item's economical life time. Further write-down is made in case of a permanent impairment of value.

The following useful economic lives are applied:

	<u>Group &amp; Parent Co.</u>
<i>Intangible assets</i>	
Trademarks	10-20 years
Computer software	5 years
Goodwill	10-20 years
<i>Tangible assets</i>	
Buildings	20-33 years
Leasehold improvements	Contract period
Machinery and technical equipment	10 years
Other equipment, tools, fixtures and fittings	3-5 years

The difference between book and tax depreciation is reported in the respective entity as accelerated depreciation, which is part of the untaxed reserves.

*Leasing - reporting by lessee*

In the consolidated financial statements and in the parent company accounts, all lease contracts are accounted for according to the rules for operating leases. The group's leasing commitments are insignificant.

*Short-term investments*

Short-term investments are in accordance with Swedish law reported at the lower of cost or fair value.

**Consolidated financial statements**

The consolidated financial statements have been prepared in accordance with Recommendation RR 1:00 of the Financial Accounting Standards Council. The consolidated financial statements comprise all companies where the parent company owns - directly or indirectly - more than 50% of the votes, or otherwise controls a company as defined in the Annual Accounts Act, article 1:4.

**Translation of the financial statements of foreign subsidiaries**

Foreign currency transaction is done in accordance with Recommendation No. 8 of the Financial Accounting Standards Council. The current rate method is applied for the translation of income statements and balance sheets of independent foreign operations.

The current rate method means that all assets, provisions and liabilities in the balance sheet are translated at year-end exchange rate while income statement items are translated at an average exchange rate. Translation differences are recorded directly in equity.

**Cederroth AB**  
556052-5478

**Group affiliation**

Cederroth AB is 100% owned by Cederroth Intressenter AB, Sweden.

The consolidated financial statements prepared by the parent company may be obtained from Cederroth AB.

Other group companies accounted for 0.03% of the Cederroth group's purchases in the fiscal year 2009 and for 0.0% of its sales value.

Other group companies accounted for 6.1% of the Cederroth group's purchases in the fiscal year 2009 and for 15.7% of its sales value.

**Note 1 Net sales by geographic market**

	2009	2008
<i>Group</i>		
<i>Net sales by geographic market</i>		
Sweden	881,456	641,142
Other EU countries	1,193,084	876,385
Other Europe outside EU	181,520	143,638
Other world	27,757	21,734
	<u>2,283,817</u>	<u>1,682,899</u>
<i>Parent company</i>		
<i>Net sales by geographic market</i>		
Sweden	881,456	640,410
Other EU countries	331,953	279,257
Other Europe outside EU	60,460	43,617
Other world	24,872	17,822
	<u>1,298,741</u>	<u>981,106</u>

**Note 2 Employees, personnel costs, fees to Board of Directors and auditors**

<i>Average number of employees</i>	<i>Males</i>		<i>Males</i>	
	2009	%	2008	%
<i>Parent company</i>				
Sweden	369	50%	376	49%
<i>Subsidiaries</i>				
Norway	34	41%	35	43%
Denmark	70	50%	71	48%
Finland	42	43%	47	39%
Holland	1	100%	1	100%
Spain & Portugal	96	82%	49	66%
Poland	295	41%	332	36%
Total - subsidiaries	<u>538</u>	50%	<u>535</u>	46%
Total Group	907	50%	911	48%

<i>Number of males/females in corporate management</i>	<i>09-12-31</i>	<i>08-09-30</i>
	<i>Females %</i>	<i>Females %</i>
<i>Parent company</i>		
Board	0%	0%
Other leading positions	33%	33%
<i>Group</i>		
Board	24%	24%
Other leading positions	30%	33%

**Salaries, other remunerations  
and social security costs**

	2009		2008	
	Salaries and remunerations	Social security costs	Salaries and remunerations	Social security costs
Parent company (of which pension costs)	176,326	80,462 <i>1)</i> (16,036)	140,877	68,389 <i>1)</i> (19,613)
Subsidiaries (of which pension costs)	220,306	32,540 <i>(9,972)</i>	143,237	24,818 <i>(7,304)</i>
Total - Group (of which pension costs)	396,632	113,002 <i>2)</i> (26,008)	284,114	93,207 <i>2)</i> (26,917)

<sup>1)</sup> Of the parent company's pension costs SEK 0 (p.y. SEK 457,000) relate to its board of directors and the president. At the end of the fiscal year there are no further pension commitments to this group beyond what has been reflected as liabilities in the balance sheet.

<sup>2)</sup> Of the Group's pension costs SEK 1,618,000 (p.y. SEK 1,104,000) relate to the board of directors, the president and the general managers of the subsidiaries. There are no further pension commitments to this group beyond what has been reflected as liabilities in the balance sheet.

**Salaries and remunerations by country and distributed by board members  
and other employees**

	2009		2008	
	Board and president	Other employees	Board and president	Other employees
Parent company Sweden (of which bonuses, etc.)	746 <i>(746)</i>	175,580 <i>(8,880)</i>	6,141 <i>(3,932)</i>	134,736 <i>(7,883)</i>
Parent company total (of which bonuses, etc.)	746 <i>(746)</i>	175,580 <i>(8,880)</i>	6,141 <i>(3,932)</i>	134,736 <i>(7,883)</i>
<i>Subsidiaries abroad</i>				
Norway	1,860	23,685	1,168	16,463
Denmark	4,363	47,026	3,005	31,519
Finland	2,077	27,360	1,721	20,741
Holland	–	1,629	–	1,081
Spain & Portugal	3,101	55,671	1,696	16,373
Poland	1,819	51,716	2,085	47,386
Total - subsidiaries	13,220	207,087	9,675	133,563
Total - Group	13,965	382,667	15,816	268,299

**Absence due to sickness**

	2009	2008
Total absence due to sickness as part of ordinary work hours	4%	5%
Part of total absence due to sickness relating to continuous absence of 60 days or more.	32%	39%
Absence due to sickness as part of each group's ordinary		
<i>Absence between males and females:</i>		
Males	4%	3%
Females	5%	6%
<i>Absence between age groups:</i>		
29 years or younger	5%	5%
30-49 years	4%	4%
50 years or older	5%	6%

<b>Audit fees</b>	<i>Group</i>	<i>Parent Co.</i>
<i>KPMG</i>		
Financial audits	1,592	442
Consultancy	163	38
	<u>1,755</u>	<u>480</u>

**Note 3 Items affecting comparability**

<i>Group</i>		
Personnel costs related to restructuring	-34,897	-
Other restructuring costs	-10,468	-
Divestment of building	4,111	-
	<u>-41,254</u>	<u>-</u>
<i>Parent company</i>		
Personnel costs related to restructuring	-11,999	-
Other restructuring costs	-6,796	-
Divestment of building	4,111	-
	<u>-14,684</u>	<u>-</u>

**Note 4 Other operating income**

	<i>2009</i>	<i>2008</i>
<i>Group</i>		
Exchange gains on operating receivables/liabilities	20,850	18,505
Other	9,736	15,487
	<u>30,586</u>	<u>33,992</u>
<i>Parent company</i>		
Exchange gains on operating receivables/liabilities	18,551	14,392
Other	7,657	16,000
	<u>26,208</u>	<u>30,392</u>

**Note 5 Other operating expenses**

	<i>2009</i>	<i>2008</i>
<i>Group</i>		
Exchange losses on operating receivables/liabilities	-16,416	-5,882
Other	-6,899	-8,071
	<u>-23,315</u>	<u>-13,953</u>
<i>Parent company</i>		
Exchange losses on operating receivables/liabilities	-14,100	-3,952
Other	-3,332	-5,151
	<u>-17,432</u>	<u>-9,103</u>

**Note 6 Depreciation of tangible and intangible fixed assets**

	2009	2008
<i>Group</i>		
<i>Depreciation by type of asset</i>		
Trademarks	-13,360	-10,634
Goodwill	-20,071	-21,884
Other immaterial assets	-1,025	-803
Land and buildings	-7,234	-5,597
Leasehold improvements	-102	-85
Machinery and technical equipment	-14,658	-9,556
Other equipment, tools, fixtures and fittings	-10,958	-10,675
	<u>-67,408</u>	<u>-59,234</u>
<i>Parent company</i>		
<i>Depreciation by type of asset</i>		
Trademarks	-10,715	-10,362
Other immaterial assets	-973	-751
Land and buildings	-4,265	-3,407
Leasehold improvements	-33	-26
Machinery and technical equipment	-5,913	-4,789
Other equipment, tools, fixtures and fittings	-4,298	-4,222
	<u>-26,197</u>	<u>-23,557</u>

**Note 7 Loss/income from shareholding in group companies**

	2009	2008
Dividends	5,536	11,967
Divestment of subsidiary (within group)	-	195,265
Depreciation of shares in subsidiaries	-21,953	-
	<u>-16,417</u>	<u>207,232</u>

**Note 8 Interest income and similar income**

	2009	2008
<i>Group</i>		
Interest income - other	2,825	4,768
Exchange gains financial items	9,140	-
	<u>11,965</u>	<u>4,768</u>
<i>Parent company</i>		
Interest income - group companies	41,095	2,610
Interest income - other	1,099	3,261
Exchange gains financial items	25,065	-
	<u>67,259</u>	<u>5,871</u>

**Note 9 Interest expense and similar charges**

	2009	2008
<i>Group</i>		
Interest expense	-8,147	-3,277
Exchange losses financial items	<u>—</u>	<u>-5,362</u>
	-8,147	-8,639
<i>Parent company</i>		
Interest expense - group companies	-1,269	-3,389
Interest expense - other	<u>-8,364</u>	<u>-3,853</u>
	-9,633	-7,242

**Note 10 Appropriations**

	2009	2008
Accelerated depreciation:		
- Trademarks	13,609	-4,965
- Machinery and equipment, tools, etc.	<u>-4,843</u>	<u>763</u>
	8,766	-4,202

**Not 11 Income taxes**

	2009	2008
<i>Group</i>		
<i>Current taxes</i>		
Current cost	-51,149	-26,225
<i>Deferred tax income</i>		
Deferred taxes due to timing differences	<u>13,179</u>	<u>-4,132</u>
<b>Total taxes within the Group</b>	-37,970	-30,357
<i>Parent company</i>		
<i>Current taxes</i>		
Current cost	-46,830	-13,252
<i>Deferred tax income</i>		
Deferred tax in regard of timing difference	<u>12,596</u>	<u>-4,246</u>
<b>Total income tax within the parent company</b>	-34,234	-17,498

<b>Reconciliation of effective tax</b>		2009		2008	
<i>Group</i>	%	<i>Amount</i>	%	<i>Amount</i>	
Income before tax		76,627		68,793	
Tax as per current rate for parent company	28.0%	-21,455	28.0%	-19,262	
Effect of other current rates for foreign subsidiaries	-1.5%	1,173	5.0%	503	
Depreciation of goodwill on consolidation and trademarks	7.0%	-5,396	14.4%	-5,716	
Variation of deferred tax liability	-17.2%	13,179	-6.1%	-4,132	
Other	33.2%	-25,471	12.1%	-1,750	
Total income tax	49.6%	-37,970	53.4%	-30,357	
<i>Parent Company</i>	%	<i>Amount</i>	%	<i>Amount</i>	
Income before tax		122,339		268,983	
Tax as per current rate for parent company	28.0%	-34,255	28.0%	-75,315	
Tax non-deductible expenses	6.1%	-7,424	0,1,%	-225	
Tax non-taxable revenues	-4.7%	5,716	-23.3%	62,615	
Variation of deferred tax liability	-10.3%	12,596	1.6%	-4,246	
Other	8.9%	-10,867	0.1%	-327	
Total income tax	28.0%	-34,234	6.5%	-17,498	

<b>Tax items posted directly against equity</b>		2009		2008	
<i>Group</i>					
Tax effect of group contribution		42,560		–	
<i>Parent Company</i>					
Tax effect of group contribution		46,970		–	

**Note 12 Trademarks**

	<i>09-12-31</i>	<i>08-09-30</i>
<i>Group</i>		
<i>Cost</i>		
At beginning of year	364,688	362,532
Acquisition	18,635	–
Disposal	-3,933	–
Translation differences during the year	3,435	2,156
At end of year	<u>382,825</u>	<u>364,688</u>
<i>Accumulated amortization</i>		
At beginning of year	-317,419	-305,222
Amortization for the year	-13,360	-10,691
Disposal	3,933	–
Translation differences during the year	-2,701	-1,506
At end of year	<u>-329,547</u>	<u>-317,419</u>
<b>Net book value at end of year</b>	<b>53,278</b>	<b>47,268</b>
<i>Parent Company</i>		
<i>Cost</i>		
At beginning of year	319,308	319,308
Disposal	-3,933	–
At end of year	<u>315,375</u>	<u>319,308</u>
<i>Accumulated amortization</i>		
At beginning of year	-274,347	-263,985
Amortization for the year	-10,714	-10,362
Disposal	3,933	–
At end of year	<u>-281,128</u>	<u>-274,347</u>
<b>Net book value at end of year</b>	<b>34,247</b>	<b>44,961</b>

**Note 13 Goodwill**

	<i>09-12-31</i>	<i>08-09-30</i>
<i>Group</i>		
<i>Cost</i>		
At beginning of year	316,662	297,049
Translation differences during the year	<u>3,462</u>	<u>19,613</u>
At end of year	320,124	316,662
<i>Accumulated amortization</i>		
At beginning of year	-255,358	-220,018
Amortization for the year	-21,957	-22,261
Translation differences during the year	<u>-4,375</u>	<u>-13,079</u>
At end of year	-281,690	-255,358
<b>Net book value at end of year</b>	<b>38,434</b>	<b>61,304</b>

**Note 14 Other intangible fixed assets**

	<i>09-12-31</i>	<i>08-09-30</i>
<i>Group</i>		
At beginning of year	5,601	4,916
Additions	76	548
Translation differences during the year	<u>18</u>	<u>137</u>
At end of year	5,695	5,601
<i>Accumulated amortization</i>		
At beginning of year	-3,360	-2,426
Amortization for the year	-1,025	-803
Translation differences during the year	<u>-15</u>	<u>-131</u>
At end of year	-4,400	-3,360
<b>Net book value at end of year</b>	<b>1,295</b>	<b>2,241</b>
<i>Parent Company</i>		
At beginning of year	3,905	3,357
Acquisition	<u>-</u>	<u>548</u>
At end of year	3,905	3,905
<i>Accumulated amortization</i>		
At beginning of year	-1,725	-974
Amortization for the year	<u>-974</u>	<u>-751</u>
At end of year	-2,699	-1,725
<b>Net book value at end of year</b>	<b>1,206</b>	<b>2,180</b>

**Note 15 Land and buildings**

	09-12-31	08-09-30
<i>Group</i>		
<i>Cost</i>		
At beginning of year	177,312	168,883
Additions	1,382	771
Disposals	-16,888	-
Adjustment opening balance	-6,397	-
Translation differences during the year	298	7,658
At end of year	<u>155,707</u>	<u>177,312</u>
<i>Accumulated depreciation</i>		
At beginning of year	-80,887	-72,638
Disposals	11,142	-
Depreciation for the year	-7,234	-5,597
Re-classification	-396	-
Translation differences during the year	-1,919	-2,652
At end of year	<u>-79,294</u>	<u>-80,887</u>
<i>Accumulated depreciation</i>		
At beginning of year	-6,397	-4,398
Disposals	6,397	-
Depreciation for the year	-	-1,999
At end of year	<u>-</u>	<u>-6,397</u>
<b>Net book value at end of year</b>	<b>76,413</b>	<b>90,028</b>
<i>Parent Company</i>		
<i>Cost</i>		
At beginning of year	86,754	86,466
Additions	339	288
Adjustments	-6,397	-
Disposals	-16,888	-
At end of year	<u>63,808</u>	<u>86,754</u>
<i>Accumulated depreciation</i>		
At beginning of year	-38,881	-35,474
Disposals	11,142	-
Reclassification	-396	-
Depreciation for the year	-4,265	-3,407
At end of year	<u>-32,400</u>	<u>-38,881</u>
<i>Accumulated depreciation</i>		
At beginning of year	-6,398	-4,398
Disposals	6,398	-
Depreciation for the year	-	-2,000
At end of year	<u>-</u>	<u>-6,398</u>
<b>Net book value at end of year</b>	<b>31,408</b>	<b>41,475</b>

**Note 16 Leasehold improvements**

	09-12-31	08-09-30
<i>Group</i>		
<i>Cost</i>		
At beginning of year	12,267	12,234
Additions	13	–
Disposals	-288	–
Translation differences during the year	36	33
At end of year	<u>12,028</u>	<u>12,267</u>
<i>Accumulated depreciation</i>		
At beginning of year	-11,901	-11,794
Disposals	288	–
Reclassifications	396	–
Translation differences during the year	-102	-85
At end of year	<u>-11,345</u>	<u>-11,901</u>
<b>Net book value at end of year</b>	<b>683</b>	<b>366</b>
<i>Parent Company</i>		
<i>Cost</i>		
At beginning of year	<u>11,678</u>	<u>11,678</u>
At end of year	<u>11,678</u>	<u>11,678</u>
<i>Accumulated depreciation</i>		
At beginning of year	-11,492	-11,466
Reclassifications	396	–
Depreciation for the year	-33	-26
At end of year	<u>-11,129</u>	<u>-11,492</u>
<b>Net book value at end of year</b>	<b>549</b>	<b>186</b>

**Note 17 Machinery and technical equipment**

	<i>09-12-31</i>	<i>08-09-30</i>
<i>Group</i>		
<i>Cost</i>		
At beginning of year	222,926	214,367
Additions	49,779	5,096
Disposals	-1,281	-2,822
Translation differences during the year	-17,798	6,285
At end of year	<u>253,626</u>	<u>222,926</u>
<i>Accumulated depreciation</i>		
At beginning of year	-174,184	-163,224
Disposals	871	2,822
Adjustment	-32	-
Depreciation for the year	-14,658	-9,556
Translation differences during the year	17,601	-4,226
At end of year	<u>-170,402</u>	<u>-174,184</u>
<b>Net book value at end of year</b>	<b>83,224</b>	<b>48,742</b>
<i>Parent Company</i>		
<i>Cost</i>		
At beginning of year	124,237	124,209
Additions	25,475	1,542
Disposals	-536	-1,514
At end of year	<u>149,176</u>	<u>124,238</u>
<i>Accumulated depreciation</i>		
At beginning of year	-102,350	-99,075
Disposals	442	1,514
Adjustment	-32	-
Depreciation for the year	-5,913	-4,789
At end of year	<u>-107,853</u>	<u>-102,350</u>
<b>Net book value at end of year</b>	<b>41,323</b>	<b>21,887</b>

**Note 18 Other equipment, tools, fixtures and fittings**

	09-12-31	08-09-30
<i>Group</i>		
<i>Cost</i>		
At beginning of year	186,328	186,719
Additions	7,651	6,116
Disposals	-11,111	-10,763
Adjustment	2,518	–
Translation differences during the year	-1,478	4,256
At end of year	<u>183,908</u>	<u>186,328</u>
<i>Accumulated depreciation</i>		
At beginning of year	-168,791	-165,385
Disposals	9,498	9,931
Depreciation for the year	-10,958	-10,675
Translation differences during the year	364	-2,662
At end of year	<u>-169,887</u>	<u>-168,791</u>
<b>Net book value at end of year</b>	<b>14,021</b>	<b>17,537</b>
<i>Parent Company</i>		
<i>Cost</i>		
At beginning of year	119,208	124,355
Additions	5,138	1,416
Disposals	-3,741	-6,563
At end of year	<u>120,605</u>	<u>119,208</u>
<i>Accumulated depreciation</i>		
At beginning of year	-114,029	-116,366
Disposals	3,680	6,558
Depreciation for the year	-4,298	-4,221
At end of year	<u>-114,647</u>	<u>-114,029</u>
<b>Net book value at end of year</b>	<b>5,958</b>	<b>5,180</b>

**Note 19 Construction in progress and advance payments for tangible fixed assets**

	09-12-31	08-09-30
<i>Group</i>		
At beginning of year	8,687	2,574
Additions	34,323	17,901
Reclassifications	-36,561	-12,168
Translation differences during the year	-449	380
<b>At end of year</b>	<u><b>6,000</b></u>	<u><b>8,687</b></u>
<i>Parent Company</i>		
At beginning of year	5,128	380
Investments	30,334	8,542
Reclassifications	-32,960	-3,794
<b>At end of year</b>	<u><b>2,501</b></u>	<u><b>5,128</b></u>

**Note 20 Investment in group companies**

	09-12-31	08-09-30
<i>Cost</i>		
At beginning of year	321,711	452,741
Acquisitions	–	258
Increase capital stock Cederroth Holding Aps	–	29,041
Increase capital stock Cederroth Distrex SAU	21,953	–
Disposal (within Group)	–	-160,329
At end of year	<u>343,664</u>	<u>321,711</u>
<i>Accumulated depreciation</i>		
At beginning of year	-45,014	-45,014
Depreciation for the year	-21,953	–
At end of year	<u>-66,967</u>	<u>-45,014</u>
<b>Net book value at end of year</b>	<b>276,697</b>	<b>276,697</b>

**Parent company's investment in shares and participation in subsidiaries**

<i>Subsidiary/Reg.No./Domicile</i>	<i>Reg. No.</i>	<i>No. of shares</i>	<i>Owner-ship %</i>	<i>09-12-31 Book value</i>	<i>08-09-30 Book value</i>
Cederroth Holding B.V., Holland		5,250	100	5,440	5,440
Cederroth A/S, Norway		450	100	4,875	4,875
Cederroth Holding Aps		2	100	29,201	29,201
Cederroth AS, Denmark				–	–
Paramedical AS, Denmark				–	–
Cederroth OY		–	0	–	–
Cederroth Distrex S.A.U., Spain		2,109	100	49,885	49,885
Cederroth Inter S.A., Switzerland		100	100	529	529
Soraya S.A., Poland		172,890	100	159,231	159,231
Cederroth Förvaltning AB, U.V. <sup>1)</sup>	556765-1756	100,000	100	100	100
Cederroth Sverige AB, U.V. <sup>1)</sup>	556126-6353	13,000	100	2,326	2,326
Date Dofter AB, U.V. <sup>1)</sup>	556206-4401	100	100	1,260	1,260
Famaco AB, U.V. <sup>1)</sup>	556036-6212	500	100	1,287	1,287
Cederroth Ind. Prod. AB, U.V. <sup>1)</sup>	556198-9772	100	100	50	50
Wallco AB, U.V. <sup>1)</sup>	556149-5523	1,000	100	192	192
Aktiva Pharmaceut. AB, U.V. <sup>1)</sup>	556068-9878	3,000	100	1,040	1,040
Grumme AB, U.V. <sup>1)</sup>	556037-7458	1,000	100	60	60
Pharbio Medical Int. AB, U.V. <sup>1)</sup>	556170-9451	10,000	100	21,221	21,221
				<u>276,697</u>	<u>276,697</u>

<sup>1)</sup> = Upplands Väsby, Sweden

**Note 21 Deferred tax receivables**

	<i>Deferred tax receivable</i>	<i>Deferred tax liability</i>	<i>Net</i>
<i>Group 2009</i>			
Untaxed reserves	–	-12,029	-12,029
Accrued expenses	1,528	–	1,528
Other	14,539	–	14,539
<i>Net deferred tax liability</i>	<u>16,067</u>	<u>-12,029</u>	<u>4,038</u>
<i>Group 2008</i>			
Untaxed reserves	–	-14,484	-14,484
Accrued expenses	4,220	–	4,220
Other	–	-1,042	-1,042
<i>Net deferred tax liability</i>	<u>4,220</u>	<u>-15,526</u>	<u>-11,306</u>
<i>Parent company 2009</i>			
Machinery & equipment	–	–	–
Buildings	1,591	–	1,591
Pensions	–	–	–
Other	14,407	–	14,407
<i>Net deferred tax receivable</i>	<u>15,998</u>	<u>–</u>	<u>15,998</u>
<i>Parent company 2008</i>			
Machinery & equipment	1,385	–	1,385
Buildings	1,791	–	1,791
Pensions	226	–	226
<i>Net deferred tax receivable</i>	<u>3,402</u>	<u>–</u>	<u>3,402</u>

**Note 22 Prepaid expenses and accrued income**

	<i>09-12-31</i>	<i>08-09-30</i>
<i>Group</i>		
Expenses	8,054	8,789
Rents	1,681	2,655
Insurances	1,200	1,361
Interest expenses	3	1,332
Royalty	148	636
	<u>11,086</u>	<u>14,773</u>
<i>Parent Company</i>		
Expenses	5,983	3,742
Rents	1,551	2,552
Insurances	662	728
Interest expenses	–	1,307
Royalty	147	636
	<u>8,343</u>	<u>8,965</u>

**Note 23     Untaxed reserves**

	<i>09-12-31</i>	<i>08-09-30</i>
Accelerated depreciation		
• Trademarks	27,119	40,728
• Machinery and equipment, tools, etc.	<u>15,842</u>	<u>11,000</u>
	42,961	51,728

Of untaxed reserves, SEK 12,029,000 refers to deferred tax.  
The deferred tax is not reported in the Parent Company's balance sheet, but in the Group's.

**Note 24     Provisions for pensions and similar commitments**

	<i>09-12-31</i>	<i>08-09-30</i>
<i>Group</i>		
PRI pensions	101,458	96,743
Other pensions	<u>578</u>	<u>255</u>
	102,036	96,998
Insured by Swedish Pension Registration Institute FPG/PRI	101,458	96,743
<i>Parent Company</i>		
PRI pensions	101,458	96,743
Insured by Swedish Pension Registration Institute FPG/PRI	101,458	96,743

**Note 25     Credit facility**

	<i>Group</i>	<i>Parent Co.</i>
Allowed credit limit	-54,348	-50,000
Available credit	<u>54,348</u>	<u>50,000</u>
Used credit	-	-

**Note 26     Assets pledged for loans from financial institutions**

	<i>09-12-31</i>	<i>08-09-30</i>
<i>Group</i>		
Chattel mortgages	15,200	15,200
<i>Parent company</i>		
Chattel mortgages	15,200	15,200

**Note 27 Accrued expenses and deferred income**

	<i>09-12-31</i>	<i>08-09-30</i>
<i>Group</i>		
Accrued salary costs, incl. social security fees	62,928	64,546
Accrued sales expenses	39,650	49,662
Accrued audit and legal expenses	1,049	1,491
Other items	<u>13,551</u>	<u>9,768</u>
	117,178	125,467
<i>Parent Company</i>		
Accrued salary costs, incl. social security fees	44,113	34,828
Accrued sales expenses	11,042	22,536
Accrued audit and legal expenses	168	450
Other items	<u>6,818</u>	<u>16,382</u>
	62,141	74,196

**Upplands Väsby April 26, 2010**

Conny Karlsson  
*Chairman*

Mats Gullbrandsson

Göran Barsby

Lars Vernerholt

Leif Wahlgren  
*Group Chief Executive*

Our audit report was submitted on April 26, 2010  
KPMG AB

Per Bergman  
*Authorized Public Accountant*

Anders Skeppstedt  
*Authorized Public Accountant*

## AUDITORS' REPORT

To the annual meeting of the shareholders of Cederroth AB

Corporate identity number 556052-5478

We have audited the annual accounts, the consolidated accounts, the accounting records and the administration of the board of directors and the managing director of Cederroth AB for the financial year ended December 31, 2009. These accounts and the administration of the company and the application of the Annual Accounts Act when preparing the annual accounts and the consolidated accounts are the responsibility of the board of directors and the managing director. Our responsibility is to express an opinion on the annual accounts, the consolidated accounts and the administration based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Sweden. Those standards require that we plan and perform the audit to obtain high but not absolute assurance that the annual accounts and the consolidated accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and their application by the board of directors and the managing director and significant estimates made by the board of directors and the managing director when preparing the annual accounts and the consolidated accounts as well as evaluating the overall presentation of information in the annual accounts and the consolidated accounts. As a basis for our opinion concerning discharge from liability, we examined significant decisions, actions taken and circumstances of the company in order to be able to determine the liability, if any, to the company of any board member or the managing director. We also examined whether any board member or the managing director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association. We believe that our audit provides a reasonable basis for our opinion set out below.

The annual accounts and the consolidated accounts have been prepared in accordance with the Annual Accounts Act and give a true and fair view of the company's and the group's financial position and results of operations in accordance with generally accepted accounting principles in Sweden. The statutory administration report is consistent with the other parts of the annual accounts and the consolidated accounts.

We recommend to the annual meeting of shareholders that the income statements and balance sheets of the parent company and the group be adopted, that the profit of the parent company be dealt with in accordance with the proposal in the administration report and that the members of the board of directors and the managing director be discharged from liability for the financial year.

Upplands Väsby April 26, 2010

KPMG AB

Per Bergman  
Authorized Public Accountant

Anders Skeppstedt  
Authorized Public Accountant

## BOARD OF DIRECTORS AND AUDITORS

### Board of Directors

CONNYS KARLSSON, born 1955  
Chairman

GÖRAN BARSBY, born 1951  
Board Member

MATS GULLBRANDSSON, born 1966  
Board Member

LARS VERNEHOLT, born 1968  
Board Member

### Auditors

KPMG AB  
PER BERGMAN, born 1946  
Authorized Public Accountant

KPMG AB  
ANDERS SKEPPSTEDT, born 1948  
Authorized Public Accountant

## EXECUTIVE MANAGEMENT

### Group Management

LEIF WAHLGREN, born 1951  
Group Chief Executive  
Employed since 1993

SARA BRANDT, born 1963  
Exec. Vice President, Head of Nordic Division  
Employed since 2004

MARIA LUNDMAN HEDBERG, born 1965  
Exec. Vice President, Head of Wound Care Division  
Employed since 1995

JAROSLAW CYBULSKI, born 1969  
Head of Eastern European Division  
Employed since 1999

JAN-ERIC CARLSSON, born 1949  
Director of Personnel  
Employed since 1996

OLA CARLSTEIN, born 1965  
Director of Operations  
Employed since 2004

LARS INGMAN, born 1960  
Chief Financial Officer (from Feb. 2, 2009)  
Employed since 2009

### Operating Units

HANS-CHRISTIAN BØE, born 1954  
Man. Dir. of Cederroth A/S, Norway  
Employed since 1985

JAROSLAW CYBULSKI, born 1969  
Man. Dir. of Soraya S.A., Poland  
Employed since 1999

FINN ESBECH, born 1947  
Man. Dir. of Cederroth Paramedical A/S  
Employed since 1995

CHRISTIAN HOLST, born 1962  
Man. Dir. of Cederroth A/S, Denmark  
Employed since 1995

JOSÉ MIGUEL TORRES, born 1974  
Man. Dir. of Cederroth Distrex S.A.U., Spain  
Employed since 2008

ULLA SAVÉN, born 1955  
Man. Dir. of Cederroth OY, Finland  
Employed since 2002

## ADDRESSES

### CEDERROTH AB

Box 715 (street address: Kanalvägen 10A)  
SE-194 27 Upplands Väsby  
Sweden  
Telephone: +46 8 590 96 300  
Telefax: +46 8 590 96 470  
E-mail: info@cederroth.com  
Home page: www.cederroth.com

### Subsidiaries

#### CEDERROTH INDUSTRIAL PRODUCTS AB

Box 715 (street address: Kanalvägen 10A)  
SE-194 27 Upplands Väsby  
Sweden  
Telephone: +46 8 590 96 300  
Telefax: +46 8 590 82 203

#### PHARBIO MEDICAL INTERNATIONAL AB

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Telephone: +46 8 590 96 300  
Telefax: +46 8 590 96 470

#### CEDERROTH DANMARK A/S

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Denmark  
Telephone: +45 43 66 40 00  
Telefax: +45 43 66 40 10

#### CEDERROTH A/S

Postboks 23  
N-3164 Revetal  
Norway  
Telephone: +47 33 06 47 00  
Telefax: +47 33 06 47 01

#### CEDERROTH OY

PL 95 (street address: Piispansilta 9B)  
FI-02231 Espoo  
Finland  
Telephone: +358 (0) 20 700 9200  
Telefax: +358 (0) 20 700 9246

#### CEDERROTH DISTREX S.A.U.

C/Foronda, 4 - 4<sup>a</sup> Planta  
ES-28034 Madrid  
Spain  
Telephone: +34 91 383 61 71  
Telefax: +34 91 383 61 92

#### CEDERROTH PORTUGUESA

Rua do Cheinho, 63-Lote 12  
P-4435-654 Baguim do Monte (Oporto)  
Portugal  
Telephone: +351 22 973 90 78  
Telefax: +351 22 973 90 80

#### SORAYA S.A.

Ul. Polna 21  
PL-05-250 Radzymin  
Poland  
Telephone: +48 22 358 13 00  
Telefax: +48 22 358 13 03

#### CEDERROTH PARAMEDICAL A/S

Vassingerødvej 3-5  
DK-3540 Lyngø  
Denmark  
Telephone: +45 43 66 44 00  
Telefax: +45 48 18 93 83

## TOILETRIES



- A selection of trademarks:**
- Acta** - toothpaste
  - Asan** - intimate soap
  - Bats** - deodorant
  - Blistex** - lip balm
  - Bliw** - liquid soap
  - EHS** - hair care
  - Family Fresh** - shower creme, etc.
  - HTH** - skin care
  - Idomin** - skin care
  - Jordan** - toothbrushes
  - L300** - skin & face care
  - Savett** - wet wipes & alcolgel
  - Soraya** - skin & face care
  - Stomatol** - toothpaste
  - Topz** - cotton buds & cotton wool
  - TRESemmé** - hair care

## HEALTH



- A selection of trademarks:**
- Pharbio:**
- Curbisal** - prostate problems
  - Hemofer** - iron supplement
  - Omega-3 Forte** - fish oil
  - Omega-3 Barn** - fish oil
  - Valerina** - insomnia
- Allévo** - weight reduction
- LongoVital** - herbs & vitamins
- Multiplex / Vitaplex** - vitamins & minerals
- Nicotinell** - smoking cessation
- Samarin** - antacid
- Seltin** - mineral salt

## HOUSEHOLD



**A selection of trademarks:**

**Grumme:**

Dishwashing liquid

Detergents

Soft soap

**Blomstra** - fertilizer

**Svinto** - steel wool

**US622 / Djungelolja** - mosquito repellent

**WC Kukka** - WC cleanser

## WOUND CARE



**A selection of trademarks:**

**Desivon** - wound antiseptic

**Dr. San** - adhesive bandages

**Dr. SOS** - adhesive bandages

**Salvemed** - pharmacy assortment

**Salvedped** - foot care

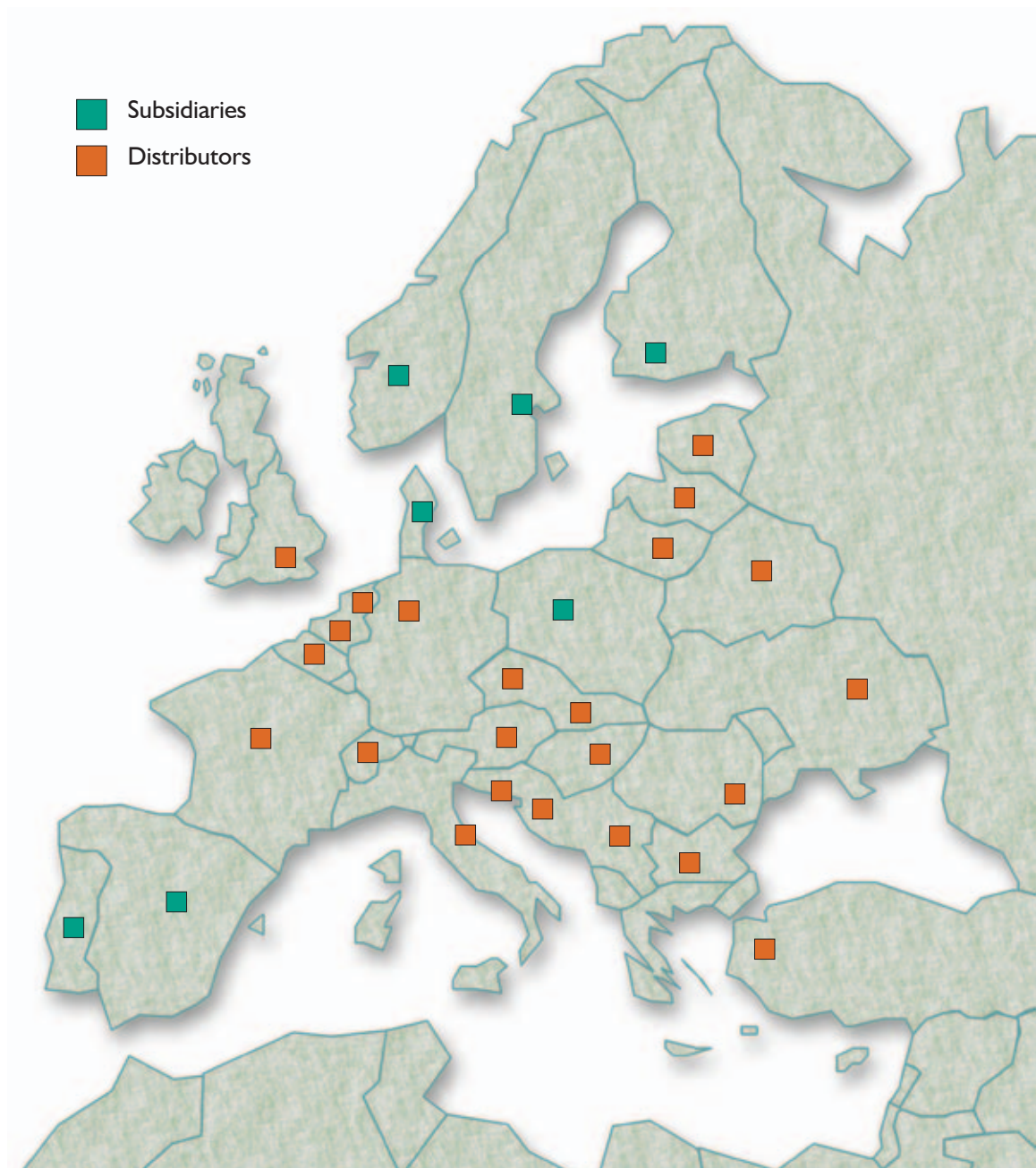
**Salvequick** - adhesive bandages & wound care products

**Sanitan** - adhesive bandages

# INDUSTRIAL PRODUCTS



A selection of products:  
Cederroth First Aid Panel  
Cederroth First Aid boxes  
Cederroth First Aid kits  
Cederroth Bloodstopper  
Cederroth Eye Wash  
Salvequick Plaster dispenser  
Savett - moist cleansing wipes



# CEDERROTH

Box 715, SE-194 27 Upplands Väsby, Sweden

