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AGM

The AGM will be held on 15th May 2007, at 3.00 p.m.
Venue: Factory Events Konferenser
Mässor, Nacka Strand, Nacka, Sweden

Entitlement to participate
In order to participate and be entitled to vote shareholders must be:
– registered in the shareholders’ register
– have notified the company of their intention to participate

Registration in the shareholders’ register at the Swedish Central Securities Depository (VPC AB) must have been completed by Tuesday 8th May 2007 at the latest. Shareholders whose shares have been registered through a nominee must register their shares temporarily in their own name by Wednesday 9th May at the latest.

Notification
Notification of participation in the AGM is to be sent to the company at the address Consilium AB, Box 5028, 131 05 NACKA, by 3.00 p.m. on Wednesday 9th May 2006. Notification may also be carried out by telephone: + 46 856305300, fax: + 46 856305399 or e-mail to info@consilium.se.

Dividend
It is proposed that the Components business area be distributed to shareholders. No cash dividend is proposed.

Change of address
For shareholders registered as residents in Sweden, no change of address need be submitted to VPC. Other shareholders who have changed address plus all shareholders who have changed name or account number should report these changes as soon as possible to their account-holding institution. Any shareholders who have shares registered under a nominee should report change of name, address and account number to the account manager. A special form for this purpose will be supplied by the relevant bank.

Financial information
Consilium AB’s financial information is published in Swedish and English. Reports can be ordered from Consilium AB, Box 5028, 131 05 NACKA, telephone: + 46 856305300, fax: + 46 856305399 or e-mail to info@consilium.se, www.consilium.se. During the 2007 operational year interim reports will be published in May (3 months), August (6 months) and November (9 months). Preliminary closing of the accounts (12 months) to be published in February and the Annual Report in April, 2008.
This is Consilium

Consilium is one of the world’s leading suppliers of products and systems for fire and gas detection and navigation equipment. The company’s primary goal is to be an innovative, competitive, high service level supplier within well-defined market and product areas. The overall objective is, through the application of Consilium’s competence within selected segments and a clearly-defined business strategy, create value for its shareholders. Consilium’s focus for its growth is on investments within Marine systems to market and product areas in which the group already has, or is able to, achieve world class. Until the AGM this year the Components business area is also part of the Group. It is proposed that these operations be distributed to the shareholders and be listed separately during 2007.

<table>
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<tr>
<th>The year in brief</th>
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- Orders amounted to MSEK 830.0 (734.4), an increase of 13 percent
- Net turnover amounted to MSEK 768.1 (658.3), an increase of 17 percent
- Operating profit amounted to MSEK 31.0 (20.7)
- Earnings after financial items amounted to MSEK 17.8 (6.7)
- Earnings after taxes amounted to MSEK 7.0 (0.1)
- Earnings per share before and after dilution amounted to SEK 0.96 (0.02)
- A new share issue has brought in MSEK 69.5 to the Group
- Conversion of debenture loans of totally MSEK 31.5 has been carried out
- Focus on Marine systems has been implemented. It is proposed that the business area Components be distributed to shareholders
- No cash dividend is proposed

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Group Review

Marine systems

Consilium’s marine operations are undertaken within the business areas Fire & Gas and Navigation. These operations have developed positively due to the focus of the last few years, and now show an average volume growth of 15 percent over the last five-year period.

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<td>78</td>
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Fire & Gas

Consilium is one of the dominant world suppliers of fire and gas detection systems for international shipping. Customers primarily consist of international shipping lines and shipyards. Consilium’s products and solutions have also been successfully developed for onshore applications, most recently within the transport sector.

Consilium Fire & Gas AB, Sweden
Consilium Marine AB, Sweden
Consilium Nittan R&D AB, Sweden
Consilium Security Systems AB, Sweden
CN System AB, Sweden

Navigation

Consilium Navigation is one of the world’s leading suppliers of selected navigation equipment. Consilium offers marine voyage data recorders (VDR/s-VDR), speed logs and radar products and systems. Customers include international shipping lines, shipyards and suppliers of complete navigation systems (systems suppliers).

Consilium Navigation Group AB, Sweden
Consilium Navigation AB, Sweden
Consilium Research and Development AB, Sweden
Consilium Selesmar Srl, Italy
Consilium Highlander Ltd, China
Consilium Navigation EOOD, Bulgaria
Market companies
Consilium has focused on setting up its own market companies and sales offices in all its most important markets. This structure is then complemented by local sales agents. Certain markets are also processed through partnerships with local or regional companies who occupy a strong position on the relevant market.
Consilium GmbH, Germany
Consilium Marine Hellas Ltd, Greece
Consilium Marine Italy Srl, Italy
Consilium Marine Korea Ltd, South Korea

Components
Consilium Components is one of Europe’s leading companies within tool development and component manufacturing using fine blanking technology. Operations within Consilium Components are organised into two divisions: one competence centre for marketing of technical customer solutions, Consilium Components Technology, and one production division with two production facilities under Consilium Components Production.
Consilium Components AB, Sweden
Consilium Components AD, Bulgaria

Other operations
In addition to operations within Marine systems and Components, the joint-venture company JOWA Consilium US Inc. is also part of the Group. This company offers products and systems for tank level gauging. In the marine market, these solutions are used for measurement of levels in fuel and oil tanks, cargo tanks, ballast tanks and freshwater tanks on all different types of vessel, as well as on oil rigs and in dry docks. Onshore customers mainly consist of refineries, the chemical industry, heating plants and municipal water and sewage works. Comparative figures also include operations now closed down or otherwise disposed of.
JOWA Consilium US Inc., USA

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Consilium – an authentic marine company achieving high growth rates

Specialisation and focus followed through
During the last few years, Consilium has undergone a transformation from a company running 13 different types of operations to the current two core areas: Marine systems and Components. Now this process will be fulfilled as it is proposed that the Components business area be distributed to our shareholders and listed separately. This will enable us to promote our values within each operational area in a more clear-cut fashion; it will enable improved future growth and allow us to participate in future structural business within each area. Consilium will become an authentic marine application company, primarily supplying security systems and navigation equipment. Sales will also occur to certain segments on the onshore market where our marine technology and application expertise fits in well. A considerable amount of in-house energy and management resources have been mobilised for this Group transformation. Now our focus can be wholeheartedly fixed on the continued growth of our marine operations.

Strong financial position
In November 2006, Consilium issued new shares worth MSEK 73, before issue costs, in order to strengthen its financial position. After conversion during March 2007 of outstanding convertible debenture loans, equity was strengthened by almost MSEK 38. The new Consilium (Marine systems) will be a financially strong company. This will enable continued, high levels of growth. The new Components will receive the financial resources necessary to complete current structural change and market investments.

Marine systems
In spite of in-house competition for the limited resources available during Consilium’s extensive restructuring period, marine operations have shown a positive trend. For the last five year period, an average annual volume growth of 15 percent has been achieved! Major investments in the construction of a strong market organisation and in product development have successively provided the desired results.

In 2006, Consilium’s marine operations increased their business volume substantially. Orders increased by 23 percent to MSEK 635.1 (331.3) and net turnover also rose by 24 percent to MSEK 579.5 (468.6). Operating profit was 18 percent higher at MSEK 50.8 (42.9). Business volumes have also continued to move in the right direction during the first period of 2007.

The Fire & Gas business area shows continued growth and a good level of operating margin. Market shares in both fire and gas alarms have been successively strengthened. We are happy to see increased volumes within several market segments, especially as concerns demand for systems for LNG vessels. Consilium has extended its cooperation with the Japanese company Nittan through the formation of a joint fire alarm company for the Scandinavian onshore market. Nittan is a fire alarm company with a net turnover of more than MSEK 2 and more than 1,000 employees.

Order increases in the Navigation business area have been considerable in 2006, primarily due to the new regulations concerning marine voyage data recorders (VDR). The establishment of production capacity and project organisation necessary to respond to this massive increase has affected profits for 2006. Sales of speed logs also continue in a positive direction. Radar operations are now the object of a larger restructuring programme which has also affected earnings.

Consilium’s goal is to offer high quality at competitive prices. Consilium will, within selected market segments, offer customers the best total price including technology, functionality, quality, service and support plus reliability of delivery. We wish to develop Consilium into a prioritised supplier for our customers.

Components
The last year has also seen major streamlining measures within the Swedish production process. Through investments in machines and in-house trimming we have substantially reduced the number of productions lines for fine blanking and consequently the number of employees. This enabled the merging of the two previous production units without any larger scale investments in new premises.

In order to meet global competition, a company for manufacturing and assembly has been established in Bulgaria. Investments in production machinery and training of staff have been carried out on a continuous basis. Operations currently employ more than 30 people and are expected to grow substantially over the next few years.

Net turnover decreased by 3 percent in 2006 to MSEK 175.3 (179.8). Operating profit/loss amounted to MSEK -1.0 (-2.5). The large scale positive impact of the merger of the two production units did not materialise mainly due to decreased demand volume from important customers in the automotive industry and increases in the cost of materials. At the beginning of 2007, the volume demand from car manufacturing customers has once again increased. Volumes of components for truck manufacturers continue to rise. The beginning of 2007 also saw a number of important new orders coming in.

In 2006 increased customer focus was the goal of an organisational redesign. Operations have been divided up into two divisions: Consilium Components Technology and Consilium Components Production. Consilium
Components Technology is customer based and includes marketing, sales, project management, technical solutions and new tool solutions. Consilium Components Production is responsible for manufacture and assembly of customer components in Sweden and Bulgaria.

**Investment for the future**
Consilium has carried out major investments in order to develop operations. The last few years have seen new products for new market areas, the establishment of new market companies and new production units in low cost countries, and these activities have affected our profit to the tune of more than MSEK 10 annually.

Consilium has invested in development and marketing of new products and new markets; for example the S-VDR for existing vessels according to the new IMO regulations, fire alarm systems for the transport and offshore markets.

In addition we are continuously investing major resources in the further development of our existing products in order to secure Consilium’s future market position. With increasing global competition we are forced to continually adapt to new market conditions and to place ourselves on the leading edge of technical development. Within the framework of these development investments we have increased cooperation with other companies in our operating areas as well as with universities. Consilium participates in the international IMO Committees that are responsible for the development of global marine regulations and standards, as well as in EU projects and special competence projects with, for example, the Swedish Defence Research Agency (FOI).

Consilium has also invested in the establishment of marine market companies on important markets. Resources for sales, project planning, service and support have been successively moved closer to the customers. In the last five year period, new market companies have been started up in Finland, Greece, Italy, Japan, Norway, Singapore and The Netherlands. These new operations together employ approximately 80 people. An increasing share of total marine sales currently occur through these companies, while the competence center for marketing and technology remains with the product companies in Sweden.

In order to respond to global cost competition Consilium has, during the last three year period, also invested in production facilities in low cost countries (Bulgaria, Estonia and China). These operations currently employ around 80 people. In the future Consilium will actively participate in structural change within its operational areas and acquire other companies or operations where and when this may strengthen our market position and add market or technical competence.

**Organisation and staff**
The combination of restructuring and growth during the last few years has been possible thanks to our professional, committed staff. Business management and employees have together contributed substantially to the positive developments that have occurred within the company.

There is a strong company culture and high levels of competence within our niche business operations which we intend to continue to develop. This competence forms the foundation on which Consilium can rest on in order to continue its upward path. Through training inputs, experience of work in different overseas companies and increased in-house recruitment, Consilium intends to support Human Resources goals and career development. Motivated, qualified and goal-oriented staff, willing and able to take personal responsibility, are essential for the future positive development of Consilium.

**Let’s look forward – Consilium Sea Chart**
We are currently working with an overall strategy and goal document for the new Consilium that we have named the “Consilium Sea Chart”. This chart will contain our strategies and goals for the coming years. An equivalent document has been established for Consilium Components concerning its future as an independent company. We can now look forward with confidence. The streamlining and focussing process has been completed. Our financial position has been strengthened. Orders and net turnover are increasing. Our order books are fuller than ever before.

Stockholm, March 2007
Ove Hansson, CEO
Business concept

Consilium is a technical knowledge-based company, focused on development of marine operations in well-defined market and product areas where Consilium has identified the potential for the company to become a leading market player.

Goals

Overall goal

The overall goal is to create value for shareholders by utilising Consilium’s expertise, long experience and high degree of innovation to apply a clear business strategy within selected market segments.

Qualitative goal

Consilium’s qualitative goal is to, through high levels of product quality, optimised cost structures, a high degree of delivery reliability, global service and support, offer the market’s best total cost.

Financial goal

Consilium’s financial goal is to maintain a profitable, annual average growth volume of 15 percent. Operating margins will also be successively strengthened.

Strategies

Consilium’s business strategy is to strive for growth, organic and through acquisitions, partnerships and alliances, and focus its growth initiatives on market and product areas in which the Group already is, or has the potential to be, world-class.

This is to be achieved by:

– offering customers the best total cost, which includes delivery reliability, global service and support as well as quality and functionality
– being an innovative, competitive supplier, providing a high level of service, on the leading edge of technical developments within selected market segments
– continuously work to improve the company’s processes and to increase productivity
– actively participate in ongoing structural change in the market
– continuously improving Group competence, and
– being an attractive employer providing interesting work and the opportunity for individual development.

The rationale behind the division of the company

During the last six years Consilium has concentrated its operations on three business areas: Fire & Gas, Navigation and Components. The strategy has been to focus operations where Consilium is able to achieve world class and over the years the Group has invested in, developed, sold and closed down various types of operations based on this strategy. Today Consilium primarily runs marine operations that are world class and possess a dominant position on many markets.

The Components business area has historically been a very important business area for the company and has contributed to the financial stability of the Group for a long period of time. Over the last few years the global changes on the automotive market have, however, affected this business area in a negative fashion. In order to respond to this situation Consilium has rationalised and invested substantially. Totally investments of MSEK 50 have been injected into these operations. Extensive rationalisation measures have been implemented and production has been concentrated to one production plant in Sweden as a complement to overseas production in low costs countries.

The challenges faced by marine operations and Components are totally different. As there are no business synergies between these operations, Consilium intends to continue its focus efforts and concentrate even more decisively on core operations by creating two, independent companies. The recent new share issue has enabled a division of Consilium into two, financially strong companies each possessing good opportunities to gain from future growth and business opportunities.

Consequently, the Board of Consilium has proposed to the AGM that a decision be made to distribute the Components business area to the shareholders at the upcoming AGM, in order that it be listed as a separate company on OMX First North. The current Consilium AB will, in the future, consist of the business areas Fire & Gas and Navigation. This division of business will mean that the values of the separate operations will be easier to define and fulfil, and improved growth will be made possible.
Consilium is in a mature market with market areas currently in a strong growth phase. The market’s sub-segments are dominated by a limited number of actors whose number is relatively constant or deviates slightly due to consolidation and owner concentration.

This market is strongly competitive which results in severe pressure on prices. Consequently Consilium must differentiate its offerings and position itself properly in order to retain or increase its market shares, as well as to establish its position as supplier of premium products.

Consilium’s business strategy has resulted in the company concentrating its operations within market areas where it has the opportunity to achieve world class and Consilium is currently one of the leading suppliers within most of their selected market segments.

The Consilium Group bases its sustainable competitive edge on four components:

1. **Innovation** – within existing and new product areas
2. **Quality** – primarily through successful research and development
3. **Delivery reliability** – in terms of production and distribution
4. **Service and support** – global offering through local representation

In the long term these aim at creating the most cost-efficient total offering for the customer, which the company has entitled Total Cost of Ownership. As concerns shareholders and other stakeholders, Consilium complements its attractiveness with an additional three components more financial in character:

1. **Growth** – organic growth complemented by strategic acquisitions plus innovation and efforts towards continuous improvement
2. **Results** – both financial and strategic based on established goals
3. **Shareholder value** – created via clear strategies and focussing plus optimisation of resource utilisation

**Differentiation**

Consilium possesses unique competence plus a set of products and solutions that have no peer on the market. For example the company is the only one in the world that can offer an integrated solution for fire and gas detection on board vessels, also first in the world with a speed log with an echo sounder function. Consilium’s offering within Marine systems are strengthened through characteristics such as:

1. **Premium products and solutions** – Consilium will be one of the leading suppliers in the world
2. ** Tradition and experience** – with operations since 1912
3. **High technological level** – Consilium’s offerings to be state-of-the-art

**These are complemented by:**

4. **Focus on safety** – in order to protect people, the environment and material

**Values**

Consilium strives to be the customer’s first choice. Through high product quality, optimised cost structure, high levels of delivery reliability and global service and support, Consilium will offer the market’s best total cost. The company’s values are vital in order to maintain good relationships with customers. Consilium must be associated with values such as competence, credibility, reliability, accessibility, care and respect.
History of current operations

Consilium possesses a long tradition and history through the products and solutions it offers the market. With its SAL logs, Consilium is the leading supplier of logs working through acoustic correlation technology. The first SAL log was delivered to the Swedish Navy vessel HMS Hugin as early as 1914 and in 1918 the first log used for civilian purposes was installed on the passenger vessel the S/S Hyperion after the Svenska Ackumulator AB had been acquired by Svenska Ackumulator AB (later changed to Junger Instrument AB). Over the years Consilium has developed and acquired a product portfolio representing a total body of knowledge unique on the market. Below is a chronological account of the most important development stages over the last 50 years as well as other important dates for the Group.

The 1960s
Salén & Wicander launches its first gas detection system, the KVC-1 (1959). Italian Selenia Marine initiates development of navigation radar for the US company Raytheon (1960). Demand for fire protection increases due to the fact that more vessels were running with unstaffed machine rooms. Towards the end of the 1960s, Salén & Wicander’s first fire alarm system is launched.

The 1970s
In 1971 Salén & Wicander launches the world’s first sampling gas detection system, the SW-1000, which had been developed together with the Finnish company Strömberg. Thanks to this cooperation the company gains access to both the Finnish and the Russian markets. Two years later the company initiates cooperation concerning fire detectors with Nittan, a Japanese company. During the latter part of the 1970s a further two generations of gas detection systems are launched, the SW-2000 and the SW-2010. At the same time the company establishes itself on the South Korean market through a number of orders from South Korean shipyards, as well as on the German market.

Salén and Wicander acquire Junger Instrument AB in 1972 and the same year they launch the first generation of speed logs based on a patented acoustic correlation technology, SAL ACCOR. Selenia begins to market radar systems under its own name. Second generation radar system, Prora, is launched.

The 1980s
In 1980 Selenia launches the world’s first ARPA radar, Prora/Autotrack, and six years later Selescan. In 1981, Salén & Wicander launches the conventional fire alarm C-300 which later, within Consilium, is developed into an addressable system and is succeeded by the CS3000 in 1989. This fire alarm system is first installed in Karolinska University Hospital and then launched on the marine market two years later. The CS3000 still remains part of Consilium’s range of products as a part of an integrated solution for fire and gas detection for LNG vessels (see the 1990s).

Consilium acquires parts of Salén & Wicander, 1985, and initiates cooperation in the development of what is currently included in Consilium’s Marine systems.
The first generation acoustic speed log for measurement of water track speed, the SAL Imcor, is launched in 1983. Three years later comes the SAL 860 which is Consilium’s first docking log. One year previously in 1985, Selenia Marine had been acquired by Segnalamento Marittimo which then changed the name of its operations to Selesmar Italia.

Consilium sets up a company called China Sweden Marine Equipment together with a partner in China. The aim is for the company to sell its fire alarm system C-300 on the Chinese market. 1985 is an extremely early date for a Swedish company to establish itself in China.

The 1990s

During the 1990s, the development of processes and different indicators for the SAL is underway in order to strengthen existing speed logs. In 1991 Consilium launched the SAL R1, a log that even today remains a vital component of the Group’s product portfolio. In 1996 Wahlberg & Sehlin initiate the development of a marine voyage data recorder and the following year the first VDR is delivered to Star Cruises. Consilium completes the development project and industrialises the product. BSH grants approval to Consilium’s first voyage data recorder, the Consilium VDR M1 in 1999. Towards the end of the 1990s Consilium also sets up a marketing company in the US.

In 1997, Consilium launches the FG3000, the world’s only integrated fire alarm and gas detection system. The system is based on the GS3000 and CS3000. The same year, the NSAC-1 is introduced – an addressable fire alarm system developed by Japanese Nittan. The next year there is a new gas detection system, the SW-2020 to replace the SW-1000.

The 90s also saw a number of developments within Consilium’s radar products and in 1997 the new NavBat radar was introduced. In 1999 all the company’s radar products were upgraded for high-speed crafts.

The 2000s

The integrated gas and fire detection system FG3000 is adapted for the increasing LNG market at the beginning of the 2000s and this decade sees Consilium’s global expansion where market companies are established at a high rate of speed in important shipbuilding and shipping countries such as Singapore, The Netherlands, Norway, Italy, Greece, Finland and Japan. A new system adapted to the transport market, the TS1000, is developed and makes its breakthrough in 2003 when Consilium receives an order from Danske Stadsbanorna in Denmark who order the system for 100 trains. Selesmar Selux, Consilium’s most modern radar system, is launched the same year after several years’ intensive development activities and two years later also receives approval for installation in high-speed crafts. Consilium launches a new log family, the T Series and rapidly releases by the SAL T1, T2 and T3. Consilium also presents a solution aimed at the utilisation of the log’s acoustic pulse to measure the depth of the sea bottom and so launches the world’s first combined speed log and echo sounder.

An expanding market fuels additional generation shifts within the marine voyage data recorder field and new regulations stimulate new demands for simpler varieties which causes a dramatic expansion of the market. Consilium’s solution, the Consilium S-VDR, is introduced in 2005 and becomes a resounding success. The same year Consilium launches their latest fire alarm system, the state-of-the-art CS4000. This system consists of a technology platform on which optional modules can be assembled depending on specifications and areas of application. This system is the initiator of Consilium’s modular construction philosophy. A new generation of marine voyage data recorders is launched in 2006, the Consilium VDR M4 and the S-VDR M4. During this year Consilium’s sales of marine voyage data recorders pass 1,000 units – a milestone in the history of the Group. Radar operations are reorganised and fully incorporated into the Navigation business area. Consilium proposes that operations within the three business areas be divided into two companies by distributing Components operations to shareholders.
Market for Marine systems

The market for Marine systems consists of international shipping lines and shipbuilding yards who need to equip their vessels with safety and security systems for fire and gas detection and with navigation products. In addition, suppliers of complete navigation systems known as systems suppliers form an important market for Consilium’s solutions and products within the navigation field.

An increasingly integrated global economy has created enormous transport needs and 90 percent of all transports in the world occur across water at some point in their journey. Global transports are in demand, not least because of the large-scale global energy needs in which oil and natural gas form a large share of the total goods freighted around the world. Currently there are almost 65,000 vessels of more than 300 tons in traffic in the world and renewal of the merchant fleet maintains an annual ceiling of almost 2,200 vessels.

In spite of increased freight rates there is a major shortfall in available transport capacity and the necessity of building new vessels is extremely pressing. In principle all the shipyards of the world are fully booked until 2010. This strained shipbuilding capacity in combination with the high cost of building new ships – not least due to high steel and energy prices – has also led to high levels of demand for second-hand vessels.

In addition to merchant ships, demand for cruise and passenger vessels continues with a good growth rate of around 5 percent, as a result of generally good, global economic levels. The market is maintaining a relatively constant level of demand for naval marine vessels plus fishing-vessels, coastguard and special tonnage vessels.

**Market geography**

Asia is clearly the geographically most important market in the world. Shipyards in Japan build the most vessels, followed by China and South Korea. Measured in pure tonnage, Korea is the largest shipbuilding nation as they build the largest and most advanced ships. Together these three countries are responsible for more than 60 percent of total newbuildings in the world. China has grown dramatically as a shipbuilding nation during the last few years and is also the country who builds most new shipyards. Consolidation has been underway for some time and today’s market consists of increasingly large shipyard companies. Vietnam is a growing market for shipbuilding.

Shipyards in Europe remain important customers as Finland, France, Germany, Croatia, Poland, Turkey and Italy primarily build smaller scale tanker and container ships and passenger vessels. Germany, Spain, Portugal and France build, together with the US, navy vessels. In addition the US forms an important market within the cruise ship segment.

Japan is also an important shipping country and is second only to Greece as far as concentration of shipping lines is concerned. Other important countries in this field include China, Norway, Russia, Germany and the US. The major systems suppliers are represented on all the important markets with the exception of Japan which is dominated by domestic suppliers.

**International maritime regulations**

International maritime regulations established by IMO (International Maritime Organization) form the second driving force on the market. IMO, founded in 1959, is an international maritime authority reporting to the UN, tasked to develop and establish an extensive body of regulations for maritime operations. Currently these regulations cover issues such as safety and security, environment, law and technology. IMO has established a number of regulations and recommendations of which the most important are SOLAS (Safety of Life at Sea), MARPOL (International Convention for the Prevention of Pollution from Ships) and STCW (Standards of Training, Certification and Watch-keeping for Seafarers).

IMO’s regulations also state in detail the safety and navigation systems that vessels of different types, sizes or functions (type of goods or task) must be equipped with. New regulations are developed and implemented on a continuous basis and successively fuel demand for approved products and solutions. For example, new rules for marine voyage data recorders which state that not only newly built ships but also certain types of older tonnage must be equipped according to certain special specifications, have expanded the market for this product group.

**Investments**

Demand from the merchant vessel market segment is fuelled partially through the international body of regulations that must be applied as well as through the values linked to ships – the value of the vessel itself and the value of its cargo. Shipping lines and shipyards within this segment attempt to primarily equip their ships based on the minimum requirements, at the same time they prioritise the anticipation of future possible regulations for an optimised total cost. Within the passenger and cruise market segment, regulations are considerably more extensive and the willingness to invest is generally greater which means that these vessels are often equipped to a considerably higher degree – often higher than the level stipulated in the regulations.

**Local presence**

A high level of presence on the market is decisive and Consilium has focussed on setting up its own market companies and sales offices on all the most important markets. These are then complemented by local sales agents. Certain markets are worked through partnerships with local or regional companies who enjoy a strong position on the market in
question. The latter is especially important in markets that tend to favour domestic suppliers. Proximity to the customer and presence on local markets have also increased in importance due to customer demands concerning short lead times for global service and maintenance.

Market shares
Over the years Consilium has built up a strong position on the market and is one of the world’s leading suppliers in several product segments. A considerable proportion of the world’s ships are equipped with Consilium’s fire alarm systems and the company’s market share currently amounts to around 40 percent on a growing market. For gas detection systems, Consilium has succeeded in increasing its market share even though the market is in a growth phase, largely thanks to many important orders for LNG vessels. Consilium’s market share is closing on 40 percent within this product segment as well.

Consilium is also a leading supplier of selected navigation products. Consilium’s market share for speed logs, which primarily consists of newly built ships, amounts to a little more than 25 percent. New maritime regulations have expanded the market for marine voyage data recorders and the company’s market share amounts to 20 percent for smaller scale VDRs (S-VDR) and circa 10 percent for VDRs. The market share for radar products is considerably smaller.

The onshore market
Consilium’s products and systems within fire and gas detection are also offered for onshore applications on the Scandinavian market. The market for fire alarms is of primary interest and Consilium has, over the years, delivered products to hotels, hospitals and small and medium sized industrial properties. Customers include the Grand Hotel in Stockholm, Sahlgrenska University Hospital, Swedish Radio and Volvo Trucks. Consilium assesses that its market share exceeds 10 percent and that the organisational measures currently underway will increase this share over time. The market for gas detection primarily consists of companies within the pharmaceutical industry, airlines and the petrochemical industry. The merger with the Japanese company Nittan’s Scandinavian operations is assessed as producing a positive effect.

The transport market
Consilium has developed adapted fire detection systems for the transport market. Currently Consilium offers to two market sub-segments, trains and trucks/busses, based on the company’s products. All these customer groups are in a strong expansion phase and the demand for adapted safety solutions is high. Customers consist of companies such as Bombardier (trains), DaimlerChrysler (trucks) and Volvo (buses).
Fire & Gas

Consilium is one of the dominating suppliers in the world for fire and gas detection systems within international maritime operations. Consilium’s products and solutions have been successfully developed for new offerings such as onshore applications and most recently for the transport sector. During the year Consilium has strengthened its global presence, not least through several important cooperation projects with Nittan.

The Fire & Gas business area offers systems for fire and gas detection in order to protect humans and financial values, primarily to international shipyards and shipping lines. Operations are primarily located in Gothenburg with the product company Consilium Marine working with the shipping market, Consilium Fire & Gas who mainly works the transport market and Consilium Security Systems who offer solutions for onshore applications. Production units and partners are also located in Estonia, China and the Czech Republic. During the year net turnover was MSEK 394.8 (334.1). Operating profit amounted to MSEK 45.3 (37.6). Orders were worth MSEK 408.9 (401.9). In total this business area employed 166 people (140).

Important events in 2006
Consilium strengthened its global presence on one of the world’s most important marine markets when it established a new market company in Japan. Operations are in the form of a joint-venture company with Nittan and confirm the 35 year-long history of cooperation between these two companies. This jointly owned company will be primarily supply the extremely large Japanese market with sales, project planning, service and support for fire alarm and gas detection systems. Operations will also include marketing of all Navigation business area offerings in line with the Group’s global strategy for market companies.

During the year Consilium and Nittan also agreed to establish a joint fire alarm company for the Scandinavian onshore market. The company, which consists of both companies’ previous operations within the area, will sell products and solutions to agents and installation companies and operate under the name of CN System AB. The new business strategy, which has previously been applied by Nittan, has resulted in Consilium reconstructing its previous onshore operations and, through a management buy-out solution, has divided up its previous sales and installation operations into three partially owned companies: Consilium Säkerhet Syd, Väst and Öst. Consilium has also instigated negotiations on increasing its share of the previously 50 percent ownership in the development company Consilium Nittan R&D. The reason for this is the aim of commercialising development activities, and also the opportunity to increase influence and focus on the continued development of the modular construction platform for new systems.

During the year Consilium has strengthened its market shares within all operational areas, and has also achieved an extremely strong position as supplier of integrated safety solutions for LNG vessels. In 2006, Consilium delivered 80 percent of all fire and gas alarm business within LNG (Liquefied Natural Gas) in the world.

Consilium’s investment in solutions for the transport sector show continued success. During the year the company has begun installation of fire alarms on the Chinese railway. This job has been a dramatic success and the potential in the Chinese market is enormous. China is also a country with major ambitions as concerns the development of wind power for energy supply – one of the application areas for Consilium’s offerings. Consilium has also won several important orders for fire detectors for trucks – an area where the company is now making plans to develop a new generation of detectors.

As a part of the overall development of Consilium’s total business, the company has reorganised and streamlined production as well as initiating an extensive renewal project concerning its range of products. These activities are an important part of the company’s ambition to retain its position as one of the leading suppliers of safety solutions for fire and gas detection in the world.

Fire alarms
Consilium is a leading global supplier of marine fire alarm systems and the product portfolio has, through acquisitions and in-house innovations, developed to include two product lines: conventional systems that detect fire for a certain area or space, and addressable systems that indicate exactly where a fire is occurring. The advanced systems are able to control fire doors, smoke hatches, sprinkler systems, telephone and pager functions, ventilation and fan systems as well as being connected to external systems such as VDRs.

Salwico CS4000 is Consilium’s latest addressable fire alarm system. This system has been optimised for all types of configuration, so that it can be used in principle on all types and sizes of vessel that Consilium services. The CS4000 is able to communicate with both analogue and conventional detectors and offers full retroactive compatibility. It works for both newly built vessels and for retrofit of existing vessels.
matic system that samples at a number of sensor points for
gas according to a programmable sequence. The system
has been developed to suit most types of vessels on the
market and can be used for measurements in tanks, cargo
holds and double hulls. The Salwico kvc41 continuously
measures the occurrence of explosive, poisonous gases and
is specially useful for installations that are not suitable for
sampling e.g. pump and machine rooms. For total gas pro-
duction Consilium also offers installations in which both
systems are combined. The Salwico gs3000 is a unique,
analogue addressable gas detection system that, together
with the fire alarm system Salwico cs3000, is primarily
aimed at lng vessels.

Competition
Consilium is one of the three really large global suppliers
of fire alarm systems. These companies service all the major
shipyards through local staff or via their agents. Ownership
concentration among competitors continues and the price
pressure on the market remains – even if price is only one
of several factors to consider when selecting a supplier. In
addition to Consilium, Autronica and Thorn are serious
players on the market.

On the gas market, Consilium is the only real global
supplier, which means that the company meets different
competitors in different parts of the world. As a comple-
ment to the shipyards, on this market it is also important
to maintain good relations with the larger scale shipping
lines. Within the lng segment, for example, this is deci-
sive in order to win orders. Among competitors in Asia are
names such as Rikken and Komyho, and in Europe; Omi-
cron/Moss, TQ and Martek. Within the transport vehicle
segment, Consilium currently has no competitors with
the same strong offering. A certain amount of competi-
tion occurs through manufacturers making their own solu-
tions.
Production and logistics
Efficient production is a basic precondition for fulfilling customer requirements for availability, lead times, delivery reliability and price picture. Consilium has chosen to locate unique customer fire alarm projects and production of gas detection systems at production units in Gothenburg. Parts of the rest of production have been located in low cost countries in order to increase cost efficiency. Production is currently located in China (Shanghai), Estonia (Tallinn) and the Czech Republic (Votice) as a complement to operations in Sweden. Consilium’s focus on marine systems has also led to increased coordination with business units within Navigation, including at the Chinese operations in Shanghai.

During the year Consilium has worked with streamlining and systematising of production in order to strengthen its offerings to the market. An overall balanced scorecard has been implemented including practical goals for each department. These activities have also included training of all staff in company processes in order to increase knowledge of, and participation in, total operations. As part of streamlining activities the company’s purchasing department has been reorganised and a thorough supplier review has been implemented which has rationalised the supplier base by almost 35 percent. Taken together these measures have exerted an extremely positive affect on the total cost structure. Consilium has also invested in an automatic storage facility in Gothenburg which has increased control and decreased the level of tied capital.

Development and quality activities
Consilium’s development activities are carried out in the development company Consilium Nittan R & D. Development activities are implemented in close cooperation with customers where their wishes and requirements are placed in relationship to international regulations, available and future technology and Consilium’s own innovations. Knowledge of the market through alliances, partnerships and market companies are also important parameters.

The work of renewing Consilium’s offerings has been intensified in 2006. The project also encompasses a total review of operations including areas such as product development processes and methods. In addition, total offerings have been concentrated as the fewer products and solutions offered are now able to carry out more tasks than previously.

Through this product range renewal project, Consilium has created an optimal basic technology platform on which the company will be able to build additional modules for all products and solutions within both fire alarms and gas detection. By establishing a module-based product offering, Consilium will also be able to offer products and solutions to sub-segments in which its products have previously been considered too expensive or too advanced. This project, which offers full retrofit compatibility in line with Consilium’s established product strategy, will successively deliver new generations of both central and loop units and Consilium assesses that within four years there will be a totally new product portfolio to offer the market.

Consilium is participating in several international development and research projects. These create background information for future products and solutions, as well as providing Consilium with important information on trends and tendencies on the market. Together with Technical Research Institute of Sweden (SPI), Consilium is involved in a research project aimed at optimising extinguishing systems and fire detection for the engine space in trucks and busses. Another major project is LASS that aims at understanding what happens when fires occur in vessels constructed of lightweight material, plus DBS – a project aimed at creating calculation models for fire spread in different ship constructions. For the onshore market, the company is participating in a project to evaluate sprinkler systems in cultural buildings with a special focus on small and mid-sized wooden buildings.
Investments
The year’s investments amounted to MSEK 18.9 (17.0). Investments have primarily encompassed product development, premises and inventory items.

Organisation
Consilium stands for a serious approach, reliability, professionalism and accountability, and operations are organised in order to offer a high level of service as well as great flexibility and adaptation to customer needs and requirements. The company’s processes strive to achieve operative cost advantages through continuous improvement and development. The knowledge, skills and attitudes of the company’s employees are decisive for the company’s continued success and staff personal development and managers’ leadership ability have high priority. Consilium applies a competence matrix in order to continuously map available competence and training needs within the organisation. Each employee participates in at least one planning dialogue per year where an individual training plan is established.

Proximity to universities is vital and provides a good recruitment pool for the company. In combination with well-educated employees, it is vital that there is specific business area experience within the company’s niche areas. Consequently Consilium works with a careful, initial selection process for recruitment as well as implementing continuous training and competence development. Training inputs in 2006 have included extensive quality training for technicians, management development, training of coordination group leaders plus personal efficiency training. This year Consilium has also implemented a larger scale development project within the framework of the growth project Vincent.

A good working environment is a precondition for a creative workplace and successful operations. During the year each workplace has been inspected in order to check working environment, ergonomics and other working conditions. Consilium offers health checks at occupational health care every three years plus work-related care for all employees. Private medical care is offered to key personnel. All employees are offered the opportunity to participate in preventative health care via a sports grant. Two additional campaigns in this area have been carried out during the year, one stop smoking course and the opportunity for massage for employees during office hours.

Employees in figures
As per 31 December 2006, the company had 166 employees (140). Staff turnover this year has amounted to 6.0 percent (3.8). Of employees 20 percent (22) are women and 80 percent (78) men. Costs for competence development amounted to MSEK 11,746 (12,100) per employee. Absence due to illness during the year was 2.9 percent (2.9). Health risks within operations are minor and one (1) occupational injury was reported in 2006.

Environment
Consilium’s environmental activities are focussed on sustainable development in which regulations and legislation are regarded as a minimum level for the company’s approach. Consilium has implemented an environmental policy aimed at continuously exerting a decreasing impact on the surrounding environment. Environmental activities are now an integrated part of the company’s quality management system and Consilium regards them as an investment in the future. Consequently, as far as possible, the company attempts to enter into cooperation with environmentally aware suppliers, and uses material and production processes with low environmental impact as much as possible. Consilium also ensures that waste products are properly processed and that operations follow a number of international regulations in their environmental activities. In 2006, Consilium’s operations have been environmentally certified according to ISO 14000.
State-of-the-art ships in the Baltic – secured with Consilium equipment

The international forestry products group Stora Enso has introduced a new transport system to link together the harbours of Kemi and Oulu with Gothenburg and Lübeck, for further transport to UK and Belgium. In 2005, Stora Enso signed a cooperation agreement with Transatlantic for marine transports in the Baltic Sea.

Rederi AB Transatlantic is a Swedish shipping company created by a merger between b&n Nordjöfrakt and Ghor-ton Lines AB and has been listed on the Stockholm Stock Exchange since 1991. Transatlantic turnover is bsek 2.3, it employs 1,300 people and has 40 vessels of which half are used for European sea freight, primarily for contract traffic for the forestry and steel industries.

In connection with the cooperation agreement which encompasses a fifteen year period, Transatlantic ordered three new ro-ro vessels from the Finnish shipyard Aker Finnyards. These new vessels are constructed to be able to manage up to 155 SECU boxes and are designed for the demanding conditions prevailing in the Baltic Sea, which includes qualification for the highest ice class 1A Super. Consilium received the order to provide fire safety precautions onboard as a result of a long, successful history of cooperation with Transatlantic.

“Consilium has delivered fire alarms for our latest 8–10 ships and we are extremely happy with what they have to offer. When a ship is equipped this normally happens in consultation with shipyard, shipping line and ship designer. It can sometimes be difficult to combine high performance, service and support with an attractive price so that everyone is satisfied – but Consilium manages to achieve this time after time,” says Örjan Larsson, Project Manager for shipbuilding at Rederi AB Transatlantic.

Purpose-designed vessels

Two of the new vessels, TransPulp and TransPaper, were delivered to Transatlantic in 2006. The final ship, TransTimber, will be delivered during the first half of 2007.

These ships are purpose-designed for Stora Enso’s SECU boxes, and decks are painted with special friction paint. The boxes are loaded so tightly that the containers do not have to be lashed down to the deck, which is unusual, and they have been approved by the Swedish Maritime Administration for work in the Baltic using this cargo method.

When Transatlantic established the technical specification that states which equipment is to be placed on board the ships, they chose to equip them with Consilium’s state-of-the-art fire alarm system, the Salwico CS4000. When selecting a supplier, Transatlantic places great emphasis not only on the initial investment but also on the total cost offered, linked with global service and maintenance.

“Consilium has delivered products and solutions to ships we have built in Poland and China as well as, in this case, Finland. It has been very successful and shows how well the company can manage the role of global supplier,” concludes Örjan Larsson.

In 2006, Transatlantic signed a new agreement on extended cooperation with Stora Enso. This agreement states that Transatlantic rents out free transport capacity for third-party cargo. In connection with this Transatlantic established the subsidiary company TransLumi Line AB to run and develop these operations which also include the three new vessels.

NETTS

NETTS is the name of Stora Enso’s Northern European transport system. This system has been implemented in order to increase cost efficiency and improve service and is also intended to function as a platform for further development of the company’s transport and distribution all over Europe. Starting in 2005 their old transport system has been replaced by NETTS which, based on the hub and spoke principle, mainly uses Stora Enso’s new special containers SECU.

SECU

SECU (Stora Enso Cargo Unit) is one of three components that form the foundation of NETTS; the other two are specially constructed transport vessels (such as TransPaper and TransPulp) and adapted loading and unloading stations in the harbours. This new transport solution is based on an environmental management system and Stora Enso has high hopes that it will create not only improved efficiency but also improved environmental friendliness in their operations. As the containers offered on the market did not fulfil the company’s requirements, Stora Enso developed their own solution in their SECU boxes. These are considerably larger than conventional containers and possess three times the capacity of the traditional 40-foot container.
Navigation

Consilium Navigation is one of the world’s leading suppliers of marine voyage data recorders (VDR/S-VDR) and this year passed the magic number of 1,000 systems sold. Through its speed logs under the brand name SAL, the company is also one of the world’s most experienced suppliers with almost 100 years of history in the business as well as being the only manufacturer of approved speed log and echo sounder combination.

The Navigation business area offers marine voyage data recorders, speed logs and navigational radar to the world’s merchant fleet as well as to military and government agencies and to larger-scale private boats. Operations are run from Consilium Navigation AB in Stockholm. Production units are located in Bulgaria, Estonia, Italy and China. Product development is carried out in Sweden and Italy. In 2006, Navigation turnover was MSEK 184.7 (134.5). Operating profit amounted to MSEK 5.5 (5.3). Orders totalled MSEK 246.2 (129.4). Total number of employees was 163 (94).

Important events in 2006

Compared to the previous year, orders improved by 100 percent, partially due to new maritime safety regulations which have extended the market for marine voyage data recorders. During the year Consilium sold its one thousandth VDR system.

Consilium’s global activities have continued. Resources for sales, project management, service and support have been moved closer to the customer and market companies are currently responsible for an increasing proportion of sales. Capacity for manufacture and assembly are currently located in Bulgaria, Estonia, Italy and China. Strengthening of production capacity and project organisation has been carried out in several units and has affected the financial result of this business area.

Radar operations have experienced extensive structural change with an improved focus on marketing which has resulted in positive effects. During the year Consilium also won a breakthrough order to be delivered to the world’s biggest icebreaker vessel, the Russian nuclear icebreaker Yamal.

Marine voyage data recorders – VDR

Consilium is one of the world’s leading suppliers of marine voyage data recorders, internationally better known as VDRs. This piece of equipment is the marine equivalent of what is known in aviation as the plane’s “black box”. It is an advanced recording instrument that registers important information on what occurs on a ship’s bridge. Radar information, rudder instructions, machine orders and radio communications are central sources of information that are registered by the ship’s VDR. Recordings are stored for a certain period of time so that any incidents the ship is involved in can be analysed, or even incidents that may have occurred in the proximity of the ship may have been registered by its VDR. This analysis is normally carried out by the maritime authorities. Information can also be used by shipping lines for training purposes and consequently does not necessarily have to include incidents.

International maritime regulations established by the UN agency IMO (International Maritime Organization) stipulate that vessels of a certain size or carrying out certain operations must be equipped with a VDR. Newly built merchant vessels over 3,000 gross tonnage must have a full VDR, which means that a large amount of the information available must be registered. Since 1 July 2006, even older existing merchant ships over 3,000 gross tonnage that traffic international waters must also be equipped with a simplified version of marine voyage data recorder, an S-VDR. Initially these regulations met resistance, however lately an increasing number of users have realised the importance of VDRs, both from an environmental and safety point of view, and many shipping lines are installing VDRs with higher levels of functionality than regulations require.

Consilium’s latest VDR/S-VDR, the company’s fourth generation of marine voyage data recorders, was launched in 2006. Voyage data recorders are built in modules and all models are based on the same construction platform, but differ in their functionality. This offers great flexibility for customer-specific solutions. Products are developed taking into consideration the need for simple installation and management and to minimise day-to-day maintenance activities – everything to create an optimal total cost of ownership.

Speed logs

Consilium’s brand of speed logs, SAL, originates from Svenska Aktiebolaget Logg whose first log was installed as early as 1914. Consequently Consilium is one of the world’s most experienced suppliers, steeped in tradition! A speed log is used to measure how far a vessel has travelled and at what speed. Measurements can be stated either as bottom track speed or as water track speed. Bottom track speed includes the effects of currents and wind drift.

Consilium’s solution is based on its acoustic correlation technology. The basic principle is that the time it takes for an acoustic pulse to generate an echo is translated into the ship’s speed. Echoes generated from the sea bottom equals bottom-track speed and echoes generated by particles in the water indicates water-track speed. In order to calculate the distance travelled this information is complemented with the time factor.
Thanks to Consilium’s acoustic solution, its latest speed logs are also able to measure depth, and consequently function as a combined log and echo sounder.

Consilium’s speed logs the SAL T3 and T3+ (adapted for vessels larger than 50,000 gross tonnage) are the world’s first approved combination log and fulfil regulations and requirements for both log and echo sounder characteristics. The echo sounder function also brings added value for shipyards and shipping lines in that combination logs need only one, dual-function sensor which consequently means only one hole to make in the vessel’s hull.

Navigational radar
Consilium’s offerings within radar products covers both individual radar antenna, tranceivers to complete radar systems for vessels and, within the VTS special area (Vessel Traffic Service Systems), radar equipment for harbour authorities to monitor shipping traffic in harbours and at harbour entrances.

Navigational radar equipment broadcasts radar signals (electromagnetic pulses) from an antenna. These pulses are reflected back by objects in the ship’s surroundings. Distance to these objects can be measured by noting the time it takes for the pulse to travel from the transmitter to the target and back to the receiver. In that the speed of the pulse is known, time can then be recalculated into distance. The object may then be presented graphically on a radar screen which, for example, facilitates navigation in poor visibility or at night.

Consilium has the capacity to equip all types of larger vessels and, with its radar Selesmar Selux, offers a fifth generation ARPA (Automatic Radar Plotting Aid) radar. This has special, separate approval for its three major components: the radar computer, the keyboard and the display. Selesmar Selux is a further development of Consilium’s previous products within the area and is noted for its extremely good performance in arctic conditions. The radar has also been developed to manage AIS (Automatic Identification System) information, a system that makes it possible to identify and follow the movements of other vessels based on a specially broadcast signal.

Competition
The market is dominated by global systems suppliers who deliver complete navigation packages including radar products. The Japanese companies Furuno and JRC, Kelvin Hughes from UK, Kongsberg from Norway together with SAAB and Raytheon Anschütz from Germany, plus Sperry from the US are the most important. Their common denominator is that they produce their own navigational radar which they complement with their own integrated navigation systems consisting of their own and others’ products. Consilium’s navigation products may be included in systems suppliers’ complete systems, as they may be the first choice of the shipyard or shipping line. Consequently in practice Consilium may be both supplier and competitor to the same company.

Most of the global systems suppliers have developed their own marine voyage data recorders and compete with Consilium in this field as well. Within this segment there are also a number of independent suppliers such as Rutger from Canada, Maris from Norway and NetWave from Holland. In addition to previous competitors, new ones have joined the market and in many cases they offer low-budget solutions adapted to the minimum requirements that apply for S-VDR. This group includes a number of Chinese suppliers.

Competitors within the traditional speed logs for larger vessels segment, in addition to the Japanese suppliers mentioned above, include Skipper from Norway. Competitors within logs for smaller scale vessels segment consist primarily of Ben from France, Plath from Germany and Furuno and JRC. Consilium also meets a certain amount of competition from alternative log solutions based on GPS technology. In certain cases, however, Consilium act as a supplier to these systems in the form of simpler logs that measure water track speed, the SAL R1, something that GPS cannot do.
Production and logistics
Consilium works continuously with the optimisation of material supply, production location and logistics flows. These activities include focusing on processes for purchase of raw materials and components, quality assurance and selection of strategic suppliers. Focussed logistics activities, in the long run, create cost efficiency and improved service to customers through higher levels of delivery reliability, fewer problems and shorter delivery times.

In a competitive market under price pressure, more is demanded in the form of efficient production. As part of increased cost efficiency, Consilium has chosen to locate part of its production to low cost countries. Production units are currently located in China (Chiangping), Bulgaria (Sofia) plus Estonia (Tallinn) as a complement to operations in Sweden and Italy. Consilium’s focus on marine systems has also brought increased coordination with business units within Fire & Gas at the company’s Chinese operations in Shanghai.

Development and quality activities
Consilium’s development activities are governed by its own innovations, international bodies of regulations and customer requirements as concerns both performance and cost efficiency. Activities include continuous refinement of Consilium’s offerings and the development of new products. Operations occur in close cooperation with both customers and suppliers based on processes and simulations defined by long experience of the market. Consilium currently maintains a qualified organisation for its development activities which, in 2006, was strengthened by a development project manager dedicated to specific product offerings.

During the year focus has been on quality assurance of all products and the development of new generations. Consilium’s marine voyage data recorders have been further developed with a focus on cost reduction and future generations. Development activities within radar have, in addition to quality assurance of the generation shift within the product portfolio, concentrated on the development of new antennas and tranceivers. Consilium is also involved in several technical development projects to complement the company’s product portfolio and offerings to the market.

Over the years Consilium has been an active participant in several international research and development projects. This participation is vital not only for the development of new products and solutions, but also to keep up to date on market trends and tendencies. Consilium is currently involved in two major development projects – one in cooperation with the Swedish Defence Research Agency (FOI) concerning research within radar technology and the other a European research project that examines the opportunities to develop marine voyage data recorders for smaller vessels.

Investments
The year’s investments amounted to MSEK 10.2 (6.3). Investments primarily cover development activities.

Organisation
Consilium operates on a global market and its ability to attract and stimulate employees is a precondition for long-term profitability and operational development. With a greater proportion of staff located abroad, these activities have gained in importance. During the year recruitment and activities aimed at shifting generations within the staff has been intensified.

The Nordic maritime sector, as in the European shipyard industry, is showing positive trends as a result of the strong current economic situation. This has brought increased competition for both Swedish and international personnel with marine experience. More specialised recruitment processes, clear leadership and feedback are vital instruments in the work of developing and retaining a competent labour force.

Consilium implements planning dialogues annually with all employees. During this process the individual’s training
needs and career goals are discussed and analysed and placed in relationship to the requirements and needs of the organisation.

During the year training inputs on sales and purchasing techniques have been carried out as well as courses for product managers and technical inputs for radar personnel. Consilium also plans and implements in-house training programmes in order to secure transfer of knowledge and development of personnel, something which has recently become especially important within the production organisation.

A good working environment is the foundation of good performance. Consilium reviews the needs of each work place when necessary concerning the working environment, including an ergonomic survey. Employees are offered health checks every year and a major health review every three years. In addition, the company finances free membershhip at an agreed gym for individual preventative health care activities.

**Employees in figures**

As per 31 December 2006 there were 163 (94) employees. Staff turnover during the year amounted to 6.0 percent (5.0). Women make up 18 percent (18) of employees and men 82 percent (82). Costs for competence development amounted to SEK 4,000 kronor (1,500) per employee. Absence due to illness in 2006 was 3.0 percent (2.5). Health and safety risks are minor in these operations and there were zero (zero) reported incidents in 2006.

**Environment**

Consilium’s environmental activities are affected by both national legislation and international regulations. Increased environmental awareness from the customer side has contributed to increased requirements from Consilium, and in many cases documented environmental activities is a precondition for new orders. Consilium has stipulated that its products must be manufactured of selected materials and via environmentally sound manufacturing processes. Waste products must be disposed of in an environmentally friendly fashion.
VDR – a useful tool for marine accident investigations

On December 2nd 2006 the British Oil Tanker British Cygnet and the German Containership Vera collided in the Baltic Sea north of Danish island Fyn (Fyns Hoved). The collision is currently undergoing a joint marine accident investigation by the Isle of Man Ship Registry, the German Bundesstelle fur Seenfalluntersuchung – Federal Bureau of Maritime Casualty Investigation and the Danish Investigation Division of the Danish Maritime Authority.

The British Cygnet was on its way to the Shell oil terminal at Port of Fredericia in Denmark, and was reported empty. The Vera was underway from Port of Aarhus to Bremerhaven in Germany. The reason for the two ships colliding is yet to be clarified and the current investigation will be presented in the summer of 2007 following, among other things, interviews with crew members and examination of the ships' VDR information.

Following the collision there was damage to the bow of the Vera and the ship took in some water. There was also a big hole in the side on the British Cygnet with damage to one or two of the ballast tanks. No one onboard was reported injured on either vessel and no oil spill was recorded. The British Cygnet was equipped with a VDR (Voyage Data Recorder) supplied by Consilium, from which parts of the investigation will be based.

The Isle of Man Ship Registry

The Isle of Man has a long established maritime industry and has, since the first ship registered in 1786, developed an infrastructure to cater for the shipping industry. The Isle of Man Ship Registry was established in 1984. Since then the Isle of Man register has developed to be an independent quality international British register dedicated to the maintenance of the highest standards. Ships of virtually all types are accepted for registry, the fleet including bulk carriers, tankers, gas and chemical carriers, offshore support vessels, container ships, cargo ships and ro-ro ferries. Around 9 GT million, or closer to 450 ships are currently under the Isle of Man Ship Registry.

The investigation

The British Cygnet operates under the Isle of Man Registry; hence the Registry is leading the accident investigation in close cooperation with the German Bundesstelle fur Seenfalluntersuchung (Vera’s flag state) and the Danish Maritime Authority (due to the fact that the collision took place in Danish waters. The Marine Surveyor, Samantha Clark, in charge of the investigation praises the benefits from having VDR information at hand when conducting an investigation.

“The collision incident between the Isle of Man registered Oil Tanker ‘British Cygnet’ and the German registered Containership ‘Vera’ is currently under investigation by the Isle of Man Ship Registry. The replay of VDR data from the British Cygnet has been extremely valuable to the investigation. The accuracy and clarity of all the information recorded by British Cygnet’s VDR system has greatly assisted our analysis of the situation.”

A marine accident investigation is a time consuming process and the current investigation is set to be finalized in the summer of 2007. The investigation solely seeks to provide information about the collision to prevent future incidents and thus is not expected to propose any penalties. Part of the investigation comprises analyzing radar information and voice recordings together with rudder and machine orders – information that will be provided by the Consilium VDR.

FACTS

Consilium VDR

Consilium offers two of the market’s most innovative, flexible and cost effective marine voyage data recorders, the Consilium VDR and the S-VDR. Consilium’s VDR is into its fourth generation and fulfills all international requirements and regulations such as IMO directives and standards. AVDR is the equivalent of the aviation industry’s “black box” and is an advanced computer that registers and documents all important information on board a vessel.

Consilium’s VDR records everything that can be perceived on a ship’s bridge including the ship’s position, speed, course, depth, rudder instructions and commands, radio communication, radar screens, internal communications and machine orders. All this information is saved so that the shipping line, accident investigation panel or authorities are able to analyze an incident that a vessel has been involved in or that has occurred in the proximity of the vessel. Consilium has also developed a replay analysis system, the Voyage Data Player, which enables the user to follow the instruments, CCTV, radio communications etc. with the aim of analyzing the events on board a vessel and the issuing of orders onboard. This information can also be used for training and many shipping lines currently employ bridge simulators in which they re-use genuine VDR information.
Components

Consilium Components is one of Europe’s leading companies as concerns tool production and component manufacturing within the fine blanking area. Since 2006 the company has been organised into two divisions: Consilium Components Technology (CCT) and Consilium Components Production which consists of two production units. It is proposed that the subsidiary company Components be distributed to shareholders at the 2007 Consilium AGM.

The Components business area offers qualified technical advisory services and the manufacture of precision components, including the development of production methods and cutting tools. Customers primarily consist of European vehicle manufacturers and suppliers to the European automotive industry. Operations are run from Consilium Components AB in Ulricehamn. There is also a second production unit in Consilium Components AB located in Bulgaria. In 2006, turnover for this business area was MSEK 175.3 (179.8). Operating profit/loss amounted to MSEK -1.0 (-2.5). Orders amounted to MSEK 166.3 (181.5). Totally this business area employed 167 people (136), of whom 26 are located in Bulgaria (10).

Important events in 2006
Consilium implemented an organisational change during the second part of 2006 which resulted in operations being divided up into Consilium Components Technology (CCT) and Consilium Components Production. CCT is a technology and competence centre that offers customers technical solutions within product and tool production including prototype manufacture and project management. Consilium Components Production is responsible for the manufacturing and assembly of components in Sweden and Bulgaria.

In spite of a weak market situation for the automotive industry, which has affected the company’s turnover and earnings, Consilium has won strategically important orders and initiated several interesting development projects. Consilium succeeded in establishing itself as a strategic supplier to Getrag, one of the world’s leading suppliers of gear boxes, and also received its first direct order from this German company. New orders from previous customers and new customer relations have created the preconditions for improved turnover and profitability.

In 2006 Consilium has made considerable improvements and implemented computer-aided design (CAM) and manufacturing (CAM) of new cutting tools. Operations in Bulgaria have been further developed and the number of employees has increased from 10 to almost 30. Extensive competence development projects have also been implemented, primarily within Swedish operations.

At the beginning of 2007, Consilium received its TS 16949 certificate, a quality standard for suppliers to the automotive industry that replaces QS 9000.

Consilium’s offerings
In 2006, Consilium Components celebrated its 50th birthday. During this period the company has developed into one of Europe’s leading suppliers of advanced precision components possessing major expertise on material solutions and manufacturing methods.

By offering the fine blanking production method, Consilium is able to manufacture components with greater precision and higher tolerance requirements compared to conventional blanking/stamping. In situations where a component will be exposed to dynamic pressure or is used as a friction surface, for example in a cogwheel, conventional blanking is normally not sufficient to achieve the high quality tolerances these applications require. The major area of application for fine blanking is the manufacture of vehicle components and Consilium is able to offer fineblanking in a number of materials such as steel, stainless steel, brass, copper and aluminium. Through its innovative cutting tools, Consilium is able to offer counterboring, bending and grooving and embossing of components in connection with their fineblanking.

Consilium also possesses extensive knowledge and experience of conventional manufacturing methods and also offers automatic stamping and eccentric shaft-pressing. Consilium is also able, to an increasing degree, to assemble complex components as an integrated part of the production process. Due to its production plants in Ulricehamn and Sofia, Bulgaria, Consilium is able to offer an optimised total cost for the customer where normally the more advanced production is carried out in Sweden and the more labour intensive production in Bulgaria.

CCT
By establishing Consilium Components Technology, CCT, Consilium has organised itself with a clear focus on proximity to customer. CCT provides the customer with improved access to Consilium competence within production technology, development and tool production. CCT also provides a clearer connection to the total cost of the customer project, a vitally important factor as both Consilium’s and the customer’s sales and production cycles are long and subject to continuous cost optimisation.
The market
Consilium’s market consists of larger European industries that need precision components. The major group is manufacturers and suppliers for the European automotive industry, working within car and truck manufacturing, complemented by manufacturers of busses and contractors vehicles.

Other customer categories include manufacturers of products that contain metal components with high demand levels for exactness and tolerance, for example manufacturers of lock mechanisms, fans, pumps and security equipment for motor saws.

Consilium is considerably affected by developments within the automotive industry and European car sales. The industry experiences great price pressure, due to both increased competition and increased costs especially on the raw materials side. The vehicle manufacturers, in turn, exert pressure on their suppliers, who have also been negatively affected by price developments within raw materials and energy. Consequently cost focus and rationalisations are constantly underway. The total value of the market for fine blanking products in Europe is estimated at around SEK 15-20. As a supplier for Volvo Cars as well as to several systems suppliers who work with Volvo Cars, Consilium is directly and indirectly subjected to a relatively large amount of exposure from their sales development. In order to balance this and as a part of market risk reduction activities, Consilium is increasing its efforts to identify new markets outside the vehicle sector. The market for trucks, busses and contractors vehicles is affected by the state of the global economy and, thanks to increased transport needs, demand for primarily trucks is high. Historically Consilium has only to a very limited extent produced cutting tools that have not been intended for in-house production. However the company’s unique competence and long experience within this field forms a potential business opportunity on certain selected markets.

Customers
Consilium’s sales are often not direct to vehicle manufacturers but go via system suppliers. These have been consolidated over the years and are increasingly global. Consequently this requires a greater initial sales effort but also brings higher levels of probability of winning larger and longer orders. Autoliv, the world leader in vehicle safety, is Consilium’s single largest customer. In 2006, cooperation with Autoliv in Germany has been intensified. Autoliv in Germany delivers all over Europe and to a group of different car manufacturers which means they are a very important customer. Another system supplier is Haldex who manufactures brake and four wheel drive systems. They have recently implemented a global purchasing strategy which means that Consilium may be invited to deliver to their manufacturing units all over the world. Getrag, one of the world’s biggest producers of gear boxes, has been an important customer for many years thanks to their acquisition of Volvo’s gear box manufacture. In 2006 Consilium received new orders direct from the Getrag Group – an important milestone. Other customers within the vehicle industry include Valeo Engine Cooling, Fuji Autotech, Kongb erg Automotive, Smidesprodukter and Öhlins Racing, plus Volvo Trucks, Renault and Mack on the truck manufacturing side.

Outside the automotive industry Consilium has around 40 customers who need fine blanked components, companies such as Huskvarna, Fix, ITT Flygt, Electrolux, Fiskars and ABU Garcia.

Competition
The consolidation of component suppliers continues. Consilium primarily meets competition from German companies who are active on the same main markets. The most prominent are Egon Grosshaus GmbH, FSG, Koki, Feintool and Finova. In Sweden, Consilium has only one substantial competitor within fine blanking.

Competition from alternative manufacturing methods
such as conventional blanking or laser cutting may occur primarily for short series. Consilium is currently evaluating the choice of responding to this competition by offering conventional manufacturing methods itself, and also by increasing the degree of partnership with complementary producers.

**Production and logistics**

Consilium has, through the establishment of CCT and production units in Sweden and Bulgaria, a unique opportunity to, in consultation with customers, evaluate and discuss different manufacturing methods in order to achieve optimal total cost for the development of new components. Depending on the complexity, order size, work content, transport costs etc Consilium will present a proposed price to the customer for the development and production of cutting tools, manufacturing methods and choice of production plant. Traditional manufacturing and/or labour-intensive manufacturing will be increasingly located to the factory in Bulgaria, while more complicated components or long production series will be completed in line production in Sweden.

**Development and quality activities**

Consilium is a well-respected company within tool production and is recognised as a driving force behind developments aimed at optimising tool performance, focussing on both metallurgical and tribologic characteristics as on different post treatment methods. Consilium’s development activities on the tools side are now a part of CCT.

During 2006, tool production has moved from being an activity based on paper drawings to computer-aided design (CAD) and manufacturing (CAM), as well as a product data management system (PDM) for all data within tool production. The new system means that both design and production can occur with the help of computer generated 3D drawings where, for example, production settings can be entered as early as the design stage.

Consilium is already certified according to the automotive industry’s QS9000 standard and larger customers’ special quality requirements such as the Ford Corporation’s Q1 certification.

At the beginning of 2007, Consilium won its TS 16949 certification. TS stands for Technical Specification and is a further upgrade of, and replacement for, the previous QS9000 certification for suppliers to the vehicle industry. The goal of this certification is to ensure that there is a management system in place working for continuous improvement, preventing errors, decreasing variation and losses in the value added chain. The new standard is based on a process oriented approach.

**Investments**

Consilium has, as a result of developments in 2006, in principle exercised a freeze on investments throughout the year. The investments that have been carried out have been incremental investments for the new CAD/CAM system plus certain minor investments in the Bulgarian operations. Total investments this year amounted to approximately MSEK 0.3 (2.9) in Sweden.

**Organisation and employees**

Consilium is among the leading companies in Europe as concerns tool production and component manufacturing within the fine blanking field. The efforts and commitment of its employees are decisive for company success, and Consilium places great emphasis on utilising the abilities and development potential of every employee. Professionalism, commitment and efforts towards continuous improvement are the guiding tenets of operations and are reflected in management, communications, recruitment and competence development.

In order to develop competence and expertise, annual planning dialogues are held with each employee in which development needs are analysed and discussed. There is no specific training course for fine blanking at upper secon-
dary or university level in Sweden, which means that staff must primarily be trained in-house. Consilium applies a competence matrix in order to map the competence and training needs of employees. This matrix is a very important tool and provides a useful basis for development planning and follow up of completed training inputs. In 2006, Consilium’s Objective 3 project concerning competence development has focussed on training within computers and languages.

A healthy and risk-free working environment is vital to Consilium and the company’s Health and Safety Committee carry out regular health and safety inspections. Every new purchase is subjected to a risk assessment, as well as the company’s working stations when necessary. Work rotation is an important ingredient in order to improve health and decrease risks. Consilium has also initiated the use of smaller working groups with greater individual responsibility, which will also lead to greater commitment and increased productivity. In addition to occupational health care for all employees, which includes gymnastic exercises in breaks from work and information on food and nutrition, health checks are carried out every three years.

As per 31 December 2006, the company employed 141 people (146) in Sweden and 26 (10) in Bulgaria. Staff turnover in 2006 was 18 percent. This figure is abnormally high and was affected by redundancy of personnel in connection with the operational close down in Varberg. Of the employees in Ulricehamn, 18 percent (20) are women and 82 percent (80) men. The equivalent figures for Bulgaria are 73 percent women and 27 percent men. Costs for competence development amounted to SEK 3,400 (3,500) per employee. Absence due to illness this year was 4.9 percent (7.2). Four incidents (18) were reported during the year as well as 15 occupational injuries (10). No serious accidents were reported. Costs for preventative health care activities amounted to SEK 1,200 (950) per employee.

The environment
The Swedish manufacturing unit within the business area is obliged, under the provisions of the Swedish Environmental Code, to apply for permits. The unit has received a permit for the manufacture of sheet metal components from the Environmental Permit Department at the Västra Götaland County Administrative Board. As operations in Varberg have now ceased, Consilium has submitted a request for cancellation of permit according to the Swedish Environmental Code to the Halland County Administrative Board. The permit for the Ulricehamn facility covers production the equivalent of raw material utilisation of a maximum of 8,000 tons per year. This permit is also linked to a number of special conditions concerning different types of outside environmental impact, for example concerning noise, waste material and chemical management. In 2006 the intake of raw materials for total production has amounted to a little more than 6,000 tons (6,000). The operations covered by the permit are, in principle, the net turnover of the entire business area and consequently approximately 23 percent (25) of the Consilium Groups total net turnover.
Consilium – tool production without drawings

The making of tools on on-off production basis is an ancient guild profession. Previously it was known as tool and die making, and toolmakers were considered to be on a par with clockmakers or cobblers. These are operations with a heritage and long traditions where methods and processes can be traced back many generations. In Sweden approximately 300 small enterprises employ almost 5,000 people and deliver tools for machines such as sheet presses, extrusion machines for plastic details etc. to the large scale manufacturing industries.

Consilium is a prominent company within the development of fine blanking tools and has its own department employing around 30 people working with the manufacturing of tools for the production of components, as well as maintaining the tools used in day-to-day operations.

Since software suppliers succeeded in integrating systems for construction and manufacture in a sufficiently efficient manner, all serious modern companies now use 3D construction – while the actual manufacture is still carried out using traditional drawings. Anders Brask is the Technical Director of Protech AB and Swedish agent for the system Consilium has implemented. Anders possesses long experience of the manufacturing industry and has observed developments closely.

“Traditionally 2D drawings have been used and there are very few tool and die makers who work without drawings in the way that Consilium does. Working in 3D means a very high technical level and this is the future approach to modern tool and die making,” says Anders Brask.

Transfer to 3D

In 2005, Consilium initiated a major development project which resulted in a successive transfer to a no-drawings situation. At the beginning of 2006 the company had developed its first tool within the new, integrated system consisting of computer-aided design (CAD), manufacturing (CAM) and a production data management system (PDM). The new system means that both construction and manufacturing can be carried out directly from the 3D models in the CAD system. As early as the construction phase information on processing methods are entered which are automatically managed by the CAM system during production.

“Today we are working totally without drawings in the development of new tools. Moving from 2D to 3D is a revolutionary experience which has also demanded much of our organisation. Currently everyone is working with computers at all workstations out in the workshop which has increased our efficiency in both the construction and manufacturing phases. We run an extremely competitive tool and die manufacturing,” comments Stefan Inhammar, Director of Consilium Components Technology.

Through its product data management system, or project system (PDM), Consilium has been able to optimise and streamline its processes. The PDM component is the glue that keeps all the construction and manufacturing parts together and gives full control of the flow of information.

“PDM keeps the process together throughout the production of new tools and can be equated with a business management system for the workshop. For an engineering company to take this development step to implement PDM is unique. Thanks to this system, Consilium is able to cut down lead times in both the construction and manufacturing phases, which in the long term will mean lower tying of capital and competitive delivery times,” concludes Anders Brask.

“With computer controlled communications from the construction phase to finished tool, the risk of errors in interpretation are eliminated. By integrating construction and manufacturing into one control system such as PDM we can also speed up the process for new tools. Most profit will be gained from maximising the degree of utilisation and increasing our cost efficiency,” adds Stefan Inhammar.

FACTS

Missler Software
Missler Software is one of the major actors on the international market for integrated CAD/CAM solutions. The company was founded in France in 1983 and employs 280 people with a head office in Evry and partners and distributors worldwide.

Misslers TopSolid series has many areas of application from traditional construction and design to niche areas such as tool and die construction and manufacture, metal sheet processing, stamping, furniture and interior design construction plus processing in slightly unusual materials, for example glass and wood. Customers can be found in all business areas, e.g., telecom, electronics, construction and design plus more traditional manufacturing companies and industries.
The Board

Carl Rosenblad
Born 1935. LL.B. Masters in Business Administration. 
Board member since 1994. Chairman since 2000. 
Current appointments: 
Chairman of Consilium AB and subsidiaries; Chairman of Svenska Bostadsfonden 1, 2 and 3 AB, and subsidiaries; Chairman of Platanen AB and subsidiaries. Board member of Spiranza AB. 
Previous appointments: 
Chairman of Aforys AB and subsidiaries.

Louise Westerberg
Born 1955. B.Sc in Economics.
Board member since 2004. 
CEO and Board member of Viktor Rydberg Education AB. 
Current appointments: 
Board member of VRS Fastigheter AB, Viktor Rydberg School Foundation, Staining AB, and Louise Westerberg AB. 
Previous appointments: 
Cetka Elektronik AB.

Fred Andersson
Born 1946. B.Sc in Economics. 
Board member since 2000. 
Current appointments: 
Chairman of Climatewell AB, Dynarc AB, Board member of Viamare Invest AB, H&M Hennes&Mauritz AB, Hammarplastgruppen AB, Consilium AB, Prevesta AB and subsidiaries, Tril AB, Nicator Group AB and subsidiaries, Caromandel Holding AB and subsidiaries, s.o.b i Umeå AB, and Olympiabåten Foundation. 
Previous appointments: 
Board member of Prevesta Huvumanufaktur AB, Hiding Anders Holding Sweden AB, Maboletam AB, Educator Litas AB, Viamare Finance AB, Nicator Business Development AB, AN wa AB, Bergendah & son AB, Dial n Smile AB.

Anders Roos
Board member since 2006. 
Business Area Manager Saab Rosemount Marine. 
Current appointments: 
Board member of Consilium AB, Saab Rosemount Tank Radar AB, Saab Rosemount Marine Korea, Saab Rosemount Marine Singapore, Saab Marine Middle-East, SF-Control OY, and Saab Marine RU. 
Previous appointments: 
Board member of Scanjet Marine AB.

Kurt Wirland
Board member since 2001. 
Consultant. 
Current appointments: 
Board member of Consilium AB and Ölands Näringsliv Economic Association.

Fred Andersson
Born 1946. B.Sc in Economics. 
Board member since 2000. 
Current appointments: 
Chairman of Climatewell AB, Dynarc AB, Board member of Viamare Invest AB, H&M Hennes&Mauritz AB, Hammarplastgruppen AB, Consilium AB, Prevesta AB and subsidiaries, Tril AB, Nicator Group AB and subsidiaries, Caromandel Holding AB and subsidiaries, s.o.b i Umeå AB, and Olympiabåten Foundation. 
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Board member of Prevesta Huvumanufaktur AB, Hiding Anders Holding Sweden AB, Maboletam AB, Educator Litas AB, Viamare Finance AB, Nicator Business Development AB, AN wa AB, Bergendah & son AB, Dial n Smile AB.

Anders Roos
Board member since 2006. 
Business Area Manager Saab Rosemount Marine. 
Current appointments: 
Board member of Consilium AB, Saab Rosemount Tank Radar AB, Saab Rosemount Marine Korea, Saab Rosemount Marine Singapore, Saab Marine Middle-East, SF-Control OY, and Saab Marine RU. 
Previous appointments: 
Board member of Scanjet Marine AB.

Kurt Wirland
Board member since 2001. 
Consultant. 
Current appointments: 
Board member of Consilium AB and Ölands Näringsliv Economic Association.

Carl Rosenblad
Born 1935. LL.B. Masters in Business Administration. 
Board member since 1994. Chairman since 2000. 
Current appointments: 
Chairman of Consilium AB and subsidiaries; Chairman of Svenska Bostadsfonden 1, 2 and 3 AB, and subsidiaries; Chairman of Platanen AB and subsidiaries. Board member of Spiranza AB. 
Previous appointments: 
Chairman of Aforys AB and subsidiaries.

Louise Westerberg
Born 1955. B.Sc in Economics.
Board member since 2004. 
CEO and Board member of Viktor Rydberg Education AB. 
Current appointments: 
Board member of VRS Fastigheter AB, Viktor Rydberg School Foundation, Staining AB, and Louise Westerberg AB. 
Previous appointments: 
Cetka Elektronik AB.

Fred Andersson
Born 1946. B.Sc in Economics. 
Board member since 2000. 
Current appointments: 
Chairman of Climatewell AB, Dynarc AB, Board member of Viamare Invest AB, H&M Hennes&Mauritz AB, Hammarplastgruppen AB, Consilium AB, Prevesta AB and subsidiaries, Tril AB, Nicator Group AB and subsidiaries, Caromandel Holding AB and subsidiaries, s.o.b i Umeå AB, and Olympiabåten Foundation. 
Previous appointments: 
Board member of Prevesta Huvumanufaktur AB, Hiding Anders Holding Sweden AB, Maboletam AB, Educator Litas AB, Viamare Finance AB, Nicator Business Development AB, AN wa AB, Bergendah & son AB, Dial n Smile AB.

Anders Roos
Board member since 2006. 
Business Area Manager Saab Rosemount Marine. 
Current appointments: 
Board member of Consilium AB, Saab Rosemount Tank Radar AB, Saab Rosemount Marine Korea, Saab Rosemount Marine Singapore, Saab Marine Middle-East, SF-Control OY, and Saab Marine RU. 
Previous appointments: 
Board member of Scanjet Marine AB.

Kurt Wirland
Board member since 2001. 
Consultant. 
Current appointments: 
Board member of Consilium AB and Ölands Näringsliv Economic Association.

Carl Rosenblad
Born 1935. LL.B. Masters in Business Administration. 
Board member since 1994. Chairman since 2000. 
Current appointments: 
Chairman of Consilium AB and subsidiaries; Chairman of Svenska Bostadsfonden 1, 2 and 3 AB, and subsidiaries; Chairman of Platanen AB and subsidiaries. Board member of Spiranza AB. 
Previous appointments: 
Chairman of Aforys AB and subsidiaries.

Louise Westerberg
Born 1955. B.Sc in Economics.
Board member since 2004. 
CEO and Board member of Viktor Rydberg Education AB. 
Current appointments: 
Board member of VRS Fastigheter AB, Viktor Rydberg School Foundation, Staining AB, and Louise Westerberg AB. 
Previous appointments: 
Cetka Elektronik AB.
Ove Hansson  
Born 1955.  
LL B, M.Sc. in Business Administration.  
Current appointments/position:  
President and CEO of Consilium AB, and Board member of Consilium’s subsidiaries.  
Previous appointments/positions:  
Board member of Consilium AB between 2000 and 2004. Board member of Turon Medtech AB. Chief Financial Officer of Consilium AB. Board member of FB Holdings AB, and Platanen AB and subsidiaries.

Carl Adam Rosenblad  
Born 1965.  
M.Sc. in Business Administration.  
Current position:  
Managing Director of Consilium Navigation AB.  
Previous position:  
Director of Business Development.

Anna Holmgren  
Born 1965.  
Diploma in Economics.  
Previous appointments/positions:  
Chief Financial Officer  
Previous appointments/positions:  
Financial manager of Consilium’s subsidiaries.

Jan-Erik Lindström  
Born 1962.  
M.Sc. in Business Administration.  
Current appointments/positions:  
Managing Director of Consilium Fire & Gas AB. Chairman of Consilium Nittan R&D AB. Board member of Consilium Fire & Gas AB, and Consilium Säkerhet Ost AB.  
Previous appointments/positions:  
Financial manager of Consilium Marine AB. Board member of AB Getberget i Göteborg.

Anders Andersson  
Born 1948.  
M.Sc. in Engineering.  
Current appointments/positions:  
Managing Director and Board member of Borgstena Textil AB.

AUDITORS

Anders Trast Winqvist  
Born 1961.  
Chief Auditor.  
Authorised Public Accountant (FAR).  
Auditor since 2003.  
Öhrlings PricewaterhouseCoopers, 113 97 Stockholm

Bengt Eklöf  
Born 1948.  
Deputy Auditor.  
Authorised Public Accountant (FAR).  
Deputy since 2003.  
Öhrlings PricewaterhouseCoopers, 113 97 Stockholm
## Group companies and addresses

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### SWEDEN

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**Consilium Components AB**  
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**CN System AB**  
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### FINLAND

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### GERMANY

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### CHINA

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**China Sweden Marine Equipment Co.**  
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### NORWAY

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### USA

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**JOWA Consilium US Inc.**  
59 Porter Road  
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Own companies, sales offices and sales representatives
Consilium is a technical, knowledge-based company in well defined market and product areas.

The Company focuses its growth within Marine systems through its business areas Fire & Gas and Navigation.