

Nolato AB (publ) six-month interim report 2008

Strong first six months for the Nolato Group

■ Second quarter of 2008 in brief

- Sales rose by 13 percent to SEK 694 M (616)
- Operating income (EBITA) was up 33 percent to SEK 61 M (46)
- Earnings per share increased to SEK 1.75 (1.18)
- Cash flow after investments was SEK 19 M (81 excluding disposals)

■ First six months of 2008 in brief

- Sales rose by 19 percent to SEK 1,384 M (1,163)
- Operating income (EBITA) was up 45 percent to SEK 120 M (83)
- Earnings per share increased to SEK 3.31 (1.90)
- Decision made to start production in China for Nolato Medical

■ Group highlights

SEK M unless otherwise specified	Q2 2008	Q2 2007	Q1–Q2 2008	Q1–Q2 2007	Q3 2007 – Q2 2008	Full-year 2007
Net sales	694	616	1,384	1,163	2,642	2,421
Operating income (EBITDA) excluding non-recurring items ¹⁾	103	85	203	158	402	357
Operating income (EBITA) excluding non-recurring items ²⁾	61	46	120	83	241	204
EBITA margin excluding non-recurring items, %	8.8	7.5	8.7	7.1	9.1	8.4
Income after financial items	59	40	112	66	217	171
Net income	46	31	87	50	187	150
Earnings per share, SEK *	1.75	1.18	3.31	1.90	7.11	5.70
Adjusted earnings per share, SEK ³⁾ *	1.79	1.21	3.42	2.16	6.58	5.32
Average number of shares, thousands	26,307	26,307	26,307	26,307	26,307	26,307
Cash flow after investm., excl. acquisitions and disp.	19	81	66	104	189	227
Net investm. affecting cash flow, excl. acquisitions and disp.	37	28	81	53	116	88
Return on capital employed, %	—	—	—	—	18.5	15.0
Return on capital employed, excl. non-rec. items, %	—	—	—	—	18.5	15.5
Return on shareholders' equity, %	—	—	—	—	22.4	18.3
Equity/assets ratio, %	—	—	44	40	—	46
Net liabilities	—	—	333	437	—	314

Sales, income och return figures for 2007 refers only to remaining operations.

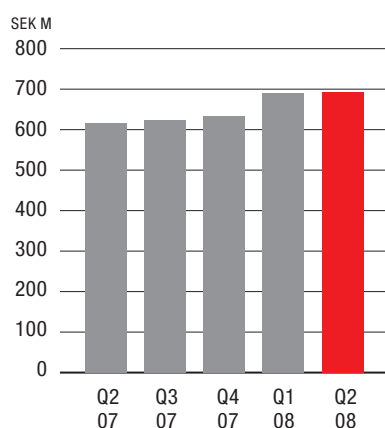
* Earnings per share before and after dilution. The company does not have any ongoing financial instrument programmes which involve any dilution in the number of shares.

¹⁾ Operating income (EBITDA): Earnings before interest, taxes, depreciation/amortisation and non-recurring items.

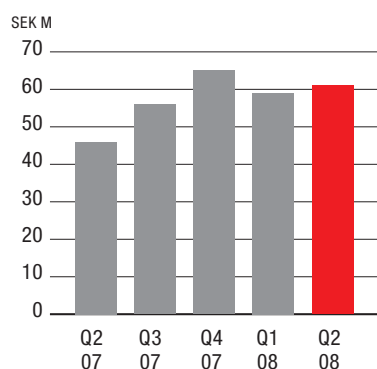
²⁾ Operating income (EBITA): Earnings before interest, taxes and amortisation of intangible assets from company acquisitions, excluding non-recurring items.

³⁾ Adjusted earnings per share: Net income, excluding amortisation of intangible assets from company acquisitions and non-recurring items, divided by average number of shares.

Sales by quarter



EBITA by quarter



Earnings before interest, taxes and amortisation of intangible assets from company acquisitions, excluding non-recurring items.

Second quarter of 2008

- Sales rose by 13 percent to SEK 694 M (616)
- Operating income (EBITA) was up 33 percent to SEK 61 M (46)
- Strong growth for Nolato Medical and Nolato Telecom

Sales

Group sales during the second quarter totalled SEK 694 M (616), corresponding to organic growth of 13 percent. Currency exchange rate differences had an adverse impact on sales of around 1 percent.

Nolato Medical saw sales grow to SEK 158 M (140 for remaining operations), corresponding to organic growth of 13 percent. Volumes were high during the quarter, particularly within pharmaceutical packaging.

Nolato Telecom's sales rose by 24 percent to SEK 277 M (223). Sales during the quarter consisted largely of products launched during 2008, for which volumes have shown excellent growth.

Product deliveries began at the end of the quarter to a new customer, RIM, whose operations include developing and producing the BlackBerry.

Nolato Telecom's Chinese operations experienced considerable growth at the end of 2007 and in 2008. Since certain Nolato customers have questioned the use of Malaysia as a production country, the Board has today decided to focus on operations in China. As a result, the production unit in Malaysia will be wound down, and will be closed

during the fourth quarter. It is not anticipated that this will result in any significant future non-recurring items, since writedowns were adjusted previously and other costs are flexible.

Nolato Industrial's sales rose by 1 percent to SEK 259 M (257). Volumes were high during the quarter, particularly to the engineering industry and other industries, although a drop in demand to the automotive industry was noted.

Earnings

The Group's operating income (EBITA) rose 33 percent to SEK 61 M (46).

Nolato Medical's operating income (EBITA) was SEK 22 M (18 for remaining operations), Nolato Telecom's was SEK 23 M (14) and Nolato Industrial's was SEK 22 M (19).

Nolato Medical's EBITA margin was 13.9 percent (12.9). Acquisitions had a negative impact on the margin for the previous year.

Nolato Telecom's EBITA margin rose sharply to 8.3 percent (6.3). The large proportion of new mobile phone projects has had a beneficial effect on the margin. Capacity utilisation was also high.

Nolato Industrial's EBITA margin grew to 8.5 percent (7.4). The product mix has had a beneficial effect on the margin.

Overall, the Group's EBITA margin rose to 8.8 percent (7.5).

Raw material prices for plastic manufacturing were largely unchanged during the second quarter of 2008 compared with the corresponding quarter

Sales, operating income (EBITA) and EBITA margin by profit centre

SEK M	Sales Q2/2008	Sales Q2/2007	Op. income (EBITA) Q2/2008	Op. income (EBITA) Q2/2007	EBITA margin Q2/2008	EBITA margin Q2/2007
Nolato Medical	158	140	22	18	13.9%	12.9%
Nolato Telecom	277	223	23	14	8.3%	6.3%
Nolato Industrial	259	257	22	19	8.5%	7.4%
Intra-Group adj, Parent Co.	0	-4	-6	-5	—	—
Group total	694	616	61	46	8.8%	7.5%

Op. income (EBITA): Earnings before interest, taxes and amortisation of intangible assets from company acquisitions, excluding non-recurring items.

in 2007, but these remained at a very high level historically and price rises have been announced for the second half of 2008.

Currency effects, i.e. conversion effects and transaction effects, have had a negative impact on earnings of SEK -3 M (1) during the second quarter.

Operating income (EBIT) rose to SEK 59 M (44). Income after net financial items grew to SEK 59 M (40). Net financial items included SEK 4 M (1) in effects of currency exchange rate differences during the second quarter, most of which related to translation differences for loans in foreign currencies for operations outside Sweden.

Net income was SEK 46 M (31). Earnings per share were SEK 1.75 (1.18). Adjusted earnings per share excluding amortisation of acquisition goodwill and non-recurring items were SEK 1.79 (1.21). The effective tax rate was 22 percent (22, excluding non-recurring items).

■ First six months of 2008

Sales and earnings

Consolidated sales for the Nolato Group during the first six months totalled SEK 1,384 M (1,163). Currency effects had a negative impact of around 1 percent on sales. The Group's operating income (EBITA) was SEK 120 M (83). Earnings for the previous year were affected by non-recurring items totalling SEK 7 M during the first quarter, relating to the acquisition of the Cerbo Group. The EBITA margin was 8.7 percent (7.1 excluding non-recurring items).

Operating income (EBIT) was SEK 116 M (73). Income after financial items was SEK 112 M (66). Net financial items included SEK 4 M (2) in currency exchange rate difference effects, most of which related to translation differences for loans in foreign currencies for operations outside Sweden.

Net income was SEK 87 M (50). Earnings per share were SEK 3.31 (1.90). Adjusted earnings per share excluding amortisation of acquisition goodwill and non-recurring items were SEK 3.42 (2.16).

The effective tax rate was 22 percent (25).

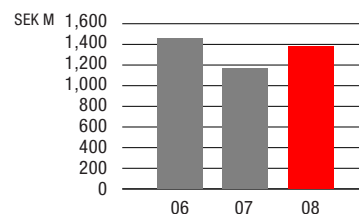
The return on capital employed was 18.5 percent for the last twelve months (15.0 percent for the 2007 calendar year). The return on operating capital was 18.9 percent for the last twelve months (15.8 percent for the 2007 calendar year).

Nolato Medical

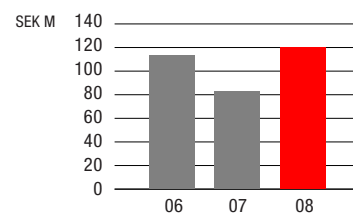
Sales and earnings (SEK M)		
Six months	2008	2007
Sales	305	253
Operating income (EBITA)	43	34
EBITA marg. excl. non-rec. items (%)	14.1	13.4
Operating income (EBIT)	40	25

Nolato Medical saw sales grow to SEK 305 M (253). This corresponds to a 21 percent increase for remaining operations compared with the same period during the previous year. Of this, 9 per-

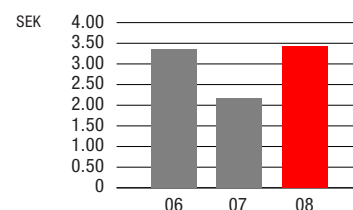
■ Sales Q1 – Q2



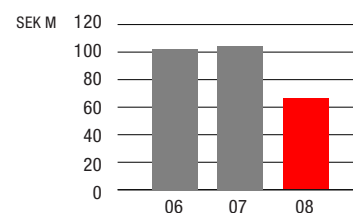
■ EBITA Q1 – Q2 ¹⁾



■ Adjusted earnings per share Q1 – Q2 ²⁾



■ Cash flow after investments Q1 – Q2 ³⁾

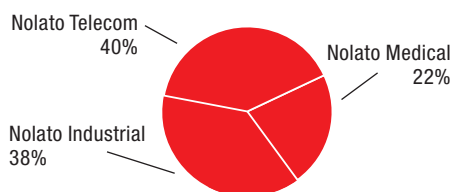


¹⁾ EBITA – Earnings before interest, taxes and amortisation of intangible assets from company acquisitions, excluding non-recurring items.

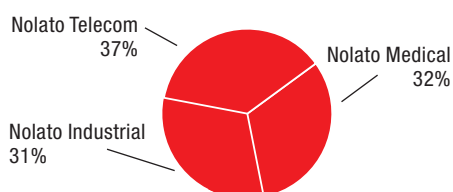
²⁾ Adjusted earnings per share – Net income excluding amortisation of intangible assets from company acquisitions and non-recurring items, divided by average number of shares.

³⁾ Excluding acquisitions and disposals.

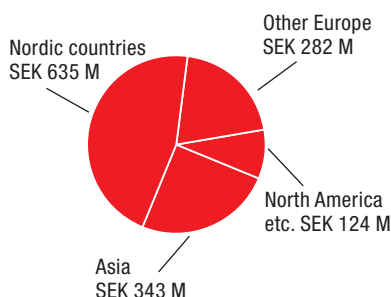
■ Sales by business areas
Q1 – Q2 2008



■ EBITA by business areas
Q1 – Q2 2008



■ Sales by geographic region
Q1 – Q2 2008



■ Consolidated performance analysis

SEK M	Q2 2008	Q2 2007	Q1-Q2 2008	Q1-Q2 2007	Q3 2007 -Q2 2008	Full-year 2007
Net sales	694	616	1,384	1,163	2,642	2,421
Gross income excl. amortisation and non-recurring items	150	129	296	245	588	537
<i>As a percent of net sales</i>	21.6	20.9	21.4	21.1	22.3	22.2
Costs ¹⁾	-47	-44	-93	-87	-186	-180
<i>As a percent of net sales</i>	6.8	7.1	6.7	7.5	7.0	7.4
EBITDA excluding non-recurring items	103	85	203	158	402	357
<i>As a percent of net sales</i>	14.8	13.8	14.7	13.6	15.2	14.7
Amortisation and writedowns	-42	-39	-83	-75	-161	-153
EBITA excluding non-recurring items	61	46	120	83	241	204
<i>As a percent of net sales</i>	8.8	7.5	8.7	7.1	9.1	8.4
Amortisation of acquisition goodwill	-2	-2	-4	-3	-8	-7
Non-recurring items ²⁾	—	—	—	-7	—	-7
EBIT	59	44	116	73	233	190
Financial items	0	-4	-4	-7	-16	-19
Income after financial items	59	40	112	66	217	171
Tax excluding non-recurring items	-13	-9	-25	-18	-50	-43
<i>As a percent of income after financ. items excl. non-recurring items</i>	22.0	22.5	22.3	24.7	23.0	24.2
Lump-sum tax income ³⁾	—	—	—	2	20	22
Operations disposed of, net	—	0	—	1	—	1
Net income	46	31	87	51	187	151

1) Excluding non-recurring items.

2) SEK 7 M in Q1-Q2 2007 pertains to termination costs for management at Cerbo Group in connection with the acquisition.

3) SEK 20 M in Q4 2007 pertains to changes in the tax situation for foreign subsidiaries.

SEK 2 M in Q1-Q2 2007 pertains to the tax effect of termination costs in connection with the acquisition of Cerbo Group.

cent was organic growth. Sales accounted for 22 percent (22) of the Group's entire sales.

Operating income (EBITA) increased to SEK 43 M (34 excluding operations disposed of and non-recurring items). The EBITA margin was 14.1 percent (13.4).

As customers produce ever greater volumes for the Asian markets, Nolato Medical's presence and production is increasingly in demand. As a result of this, Nolato Medical decided during the first quarter to start production in China. Production, which is expected to begin during the fourth quarter of 2008, will take place initially at one of the Beijing factories where Nolato Telecom already operates. Nolato Medical will begin by producing products for a customer which already has a close working relationship with Nolato Medical in Europe.

The outsourcing project announced in the 2007 nine-month interim report is running according to plan, with only small-scale deliveries during the first six months. Production is expected to increase steadily during the third and

fourth quarters. Annual sales for the project have been estimated at SEK 20-25 M when it reaches full speed at the end of the year.

Nolato Telecom

Sales and earnings (SEK M)		
Six months	2008	2007
Sales	561	408
Operating income (EBITA)	50	19
EBITA margin (%)	8.9	4.7
Operating income (EBIT)	50	19

Nolato Telecom saw sales grow to SEK 561 M (408), an increase of 38 percent compared with the same period during the previous year. Sales accounted for 40 percent (34) of the Group's entire sales.

Sales during the first six months consisted largely of products launched during the period. Start-up problems experienced by a co-supplier in a project resulted in a temporary volume surplus of approximately SEK 40 M during the first quarter.

Operating income (EBITA) was SEK 50 M (19). The EBITA margin was 8.9 percent (4.7). A large proportion

of the deliveries for new mobile phone projects has had a beneficial effect on the margin, and capacity utilisation has been high.

Nolato Industrial

Sales and earnings (SEK M)		
Six months	2008	2007
Sales	519	509
Operating income (EBITA)	42	42
EBITA margin (%)	8.1	8.3
Operating income (EBIT)	41	41

Sales rose to SEK 519 M (509). This corresponds to a 2 percent increase compared with the same period during the previous year. Of this, 1 percent was organic growth. Sales accounted for 38 percent (42) of the Group's entire sales.

Volumes were high during the first six months, particularly to the engineering industry and other industries. A drop in demand to the automotive industry was noted from the end of the first quarter onwards. Orders were received during the second quarter for a number of projects for future deliveries.

Operating income (EBITA) was SEK 42 M (42). The EBITA margin was 8.1 percent (8.3).

Cash flow

Cash flow before investments totalled SEK 147 M (157). Net items worth SEK +21 M in relation to BenQ were recorded for the previous year, in the form of SEK 51 M in insurance compensation received and SEK 30 M in

payments. Excluding these compensation payments, cash flow before investments totalled SEK 136 M for the corresponding period during the previous year. Working capital fell by SEK 33 M (+14), primarily as a result of higher levels of invoicing and activity during the first six months of 2008 compared with 2007.

Cash flow after investments totalled SEK 66 M (104 excluding acquisitions and disposals). Net investments affecting cash flow amounted to SEK 81 M (53 excluding SEK 73 M net in acquisitions and disposals).

Financial position

Interest-bearing assets totalled SEK 49 M (69) and interest-bearing liabilities and provisions totalled SEK 392 M (513). The market value of derivatives for interest-bearing liabilities was SEK +10 M (+7). Net debt thus totalled SEK 333 M (437). Shareholders' equity was SEK 887 M (786). The equity/assets ratio was 44 percent (40). During the second quarter, dividends totalling SEK 79 M (63) were paid to shareholders.

Personnel

The average number of employees in the Nolato Group during the period was 4,850 (3,467). The number of employees rose mainly in China.

Events after the end of the reporting period

On July 21, a decision was made to

wind down Nolato Telecom's Malaysian production unit and to close operations at the end of 2008.

Significant risks and uncertainty factors

The business risks and risk management of the Group and the Parent Company, along with the management of financial risks, are described in the annual report for 2007 on pages 30–31, and in note 4 on pages 52–53. No significant events have occurred during the period which would significantly affect or change these descriptions of the Group and the Parent Company's risks or the management thereof.

Ownership and legal structure

Nolato AB (publ), with Swedish corporate identity number 556080-4592, is the Parent Company of the Nolato Group. Nolato's B shares are listed on the OMX Nordic Exchange under the Stockholm Small Cap index, where the shares are included in the IT sector.

Nolato had 6,610 shareholders as at June 30, 2008. The largest shareholders were the Paulsson family with 12 percent of the share capital, the Jorlén family with 11 percent, and the Boström family with 10 percent. The next largest shareholders were seven institutional investors, who together owned an additional 26 percent of the capital, with Skandia Liv, Svolder and If Skadeförsäkring being the largest. The ten largest shareholders hold 62 per-

■ Financial position

SEK M	June 30, 2008	June 30, 2007	Dec 31, 2007
Interest-bearing liabilities to credit institutions	303	427	300
Interest-bearing pension liabilities	89	86	86
Market value of derivatives	-10	-7	-10
Total borrowings	382	506	376
Cash, bank balances and short-term investments	-49	-69	-62
Net financial liabilities	333	437	314
Working capital	211	179	189
<i>As a percent of sales (avg.) (%)</i>	<i>7.4</i>	<i>8.3</i>	<i>7.4</i>
Capital employed	1,279	1,299	1,267
<i>Return on cap. empl., excl. non-rec. items (avg.) (%)</i>	<i>18.5</i>	<i>15.3</i>	<i>15.5</i>
Shareholders' equity	887	786	881
<i>Return on equity (avg.) (%)</i>	<i>22.4</i>	<i>1.3</i>	<i>18.3</i>

cent of the share capital and 81 percent of the votes.

The Parent Company

Sales totalled SEK 10 M (7). The increase in sales is a result of higher costs levied on subsidiaries. Income before tax totalled SEK -17 M (101). This drop is due to lower dividends from subsidiaries.

Accounting and valuation principles

Nolato's consolidated accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. The con-

solidated accounts have been prepared in accordance with the same principles as those applied to the Annual Report, which are described in the 2007 Annual Report on pages 49–52.

This interim report has been prepared in accordance with IAS 34 (Interim Financial Reporting), the Swedish Financial Accounting Standards Council recommendation RR 31 (Interim Group Financial Reporting) and the Swedish Annual Reports Act.

The Parent Company accounts have been prepared in accordance with the Swedish Annual Reports Act and the Swedish Financial Reporting Board

recommendation 2.1 (Accounting for Legal Entities). The new or revised IFRS standards or IFRIC interpretations which entered into force on January 1, 2008 have not had any material effect on the Group's income statements or balance sheets.

Financial information schedule

- Nine-month interim report 2008:
October 27, 2008
- 2008 year-end report:
January 29, 2009

The Board of Directors and the President give their assurance that this interim report provides a true and fair view of the operations, financial position and earnings of the company and the Group, and describe the significant risks and uncertainty factors faced by the company and the companies included in the Group.

Torekov, July 21, 2008

Carl-Gustaf Sondén
Chairman of the Board

Gun Boström
Board member

Henrik Jorlén
Board member

Erik Paulsson
Board member

Lars-Åke Rydh
Board member

Roger Johanson
Board member

Hans Porat
Board member
President and CEO

Magnus Bergqvist
Board member
Employee representative

Eva Norrman
Board member
Employee representative

Björn Jacobsson
Board member
Employee representative

The information contained in this interim report is the information which Nolato must make public in accordance with the Swedish Securities Market Act and/or the Swedish Financial Instruments Trading Act. This information was made public on July 21, 2008 at 14:30.

For further information, please contact:

- Hans Porat, President & CEO, phone +46431 442294, +46705 517550.
- Per-Ola Holmström, CFO, phone +46431 442293, +46705 763340.

Nolato invites media, analysts and institutional owners to a telephone conference in connection with the six month interim report on Monday, July 21 at 3 pm. Nolato is represented by CEO Hans Porat and CFO Per-Ola Holmström. The phone number is +46 8345491 and the code 474249.

Review report

Introduction

I have reviewed the attached balance sheet for Nolato AB as at June 30, 2008, as well as the accompanying reports on earnings, changes in shareholders' equity and changes in cash flow during the six-month period ending on that date, and a summary of key accounting principles and other additional information. It is the Board of Directors and the President who are responsible for the preparation and accurate presentation of this interim financial information in accordance with IAS 34. My responsibility is to express a conclusion on this interim financial information based on my review.

Focus and scope of review

I have conducted my review in accordance with the Standard on Review Engagements (SÖG) 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially different in focus and less far-reaching in scope than an audit conducted in accordance with the Standards on Auditing in Sweden RS and other generally accepted auditing practices. The procedures performed in a review do

not enable me to obtain a level of assurance that would make me aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the attached interim financial information does not, in all material respects, provide a true and fair view of the company's financial position as at June 30, 2008, and of its financial results and cash flow for the six-month period ending on that date, in accordance with IAS 34.

Torekov, July 21, 2008

Alf Svensson
Authorised public accountant

Income statement

SEK M	Q2 2008	Q2 2007	Q1-Q2 2008	Q1-Q2 2007	Q3 2007 -Q2 2008	Full-year 2007
Net sales	694	616	1,384	1,163	2,642	2,421
Cost of goods sold	- 586	- 524	- 1,170	- 990	- 2,213	- 2,033
Gross income	108	92	214	173	429	388
Selling expenses	- 14	- 15	- 28	- 27	- 55	- 54
Administrative expenses	- 33	- 31	- 66	- 70	- 133	- 137
Other operating costs	- 2	- 2	- 4	- 3	- 8	- 7
Operating income	59	44	116	73	233	190
Financial items	0	- 4	- 4	- 7	- 16	- 19
Income after financial items	59	40	112	66	217	171
Tax	- 13	- 9	- 25	- 16	- 30	- 21
Net income before operations disposed of	46	31	87	50	187	150
Net income from operations disposed of	—	0	—	1	—	1
Net income	46	31	87	51	187	151
All earnings are attributable to the Parent Company's shareholders						
Total amortisation and writedowns charged to income	44	41	87	78	169	160
Earnings per share (SEK) *	1.75	1.18	3.31	1.94	7.11	5.74
Earnings per share, remaining operations (SEK) *	1.75	1.18	3.31	1.90	7.11	5.70
Number of shares at the end of the period (thousands)	26,307	26,307	26,307	26,307	26,307	26,307
Average number of shares (thousands)	26,307	26,307	26,307	26,307	26,307	26,307

* Earnings per share before and after dilution. The company does not have any ongoing financial instrument programmes which involve any dilution in the number of shares.

Balance sheets

SEK M	June 30, 2008	June 30, 2007	Dec 31, 2007
Non-current tangible assets	750	800	752
Non-current intangible assets	380	389	383
Financial fixed assets	16	4	14
Total non-current assets	1,146	1,193	1,149
Inventories	240	210	201
Accounts receivable	522	435	462
Other current assets	49	55	44
Cash, bank balances, and short-term investments	49	69	62
Total current assets	860	769	769
Total assets	2,006	1,962	1,918
Shareholders' equity	887	786	881
Long-term liabilities ¹⁾	213	463	449
Current liabilities ¹⁾	906	713	588
Total shareholders' equity and liabilities	2,006	1,962	1,918
1) Interest-bearing/non-interest-bearing liabilities and provisions			
Interest-bearing liabilities and provisions	392	513	386
Non-interest-bearing liabilities and provisions	727	663	651
Total liabilities and provisions	1,119	1,176	1,037

■ Non-recurring items

SEK M	Q2 2008	Q2 2007	Q1-Q2 2008	Q1-Q2 2007	Q3 2007 -Q2 2008	Full-year 2007
Restructuring costs from aquisition of Cerbo	—	—	—	-7	—	-7
Tax effect	—	—	—	2	—	2
Tax changes for foreign subsidiaries	—	—	—	-	20	20
Net income	—	—	—	-5	20	15
Effect on non-recurring items on income statement						
Administrative expenses	—	—	—	-7	—	-7
Tax	—	—	—	2	20	22
Net income	—	—	—	-5	20	15

■ Earnings per share

SEK M	Q2 2008	Q2 2007	Q1-Q2 2008	Q1-Q2 2007	Q3 2007 -Q2 2008	Full-year 2007
Net income	46	31	87	51	187	151
Earnings from operations disposed of	—	0	—	-1	—	-1
Earnings from remaining operations	46	31	87	50	187	150
Adjusted earnings:						
Non-recurring items	—	—	—	7	—	7
Tax, non-recurring items	—	—	—	-2	-20	-22
Amortisation of intangible assets arising from aquisitions	2	2	4	3	8	7
Tax on amortisations	-1	-1	-1	-1	-2	-2
Adjusted earnings	47	32	90	57	173	140
Average number of shares, thousands	26,307	26,307	26,307	26,307	26,307	26,307
Earnings per share, SEK	1.75	1.18	3.31	1.94	7.11	5.74
Earnings per share, remaining operations, SEK	1.75	1.18	3.31	1.90	7.11	5.70
Adjusted earnings per share, SEK	1.79	1.21	3.42	2.16	6.58	5.32

■ Operations disposed of

SEK M	Q2 2007	Q1-Q2 2007	Full-year 2007
Net sales	20	33	33
Cost of goods sold	-16	-27	-27
Gross income	4	6	6
Selling expenses	-1	-2	-2
Administrative expenses	-1	-1	-1
Operating income	2	3	3
Financial items	-1	-1	-1
Income after financial items	1	2	2
Tax	-1	-1	-1
Net income from operations disposed of	0	1	1

■ Quarterly data

Consolidated financial results in brief		Q1	Q2	Q3	Q4	Full-year
Net sales (SEK M)	2008	690	694			
	2007	547	616	624	634	2,421
Operating income (EBITDA), excl. non-rec. items (SEK M)	2008	100	103			
	2007	73	85	94	105	357
Operating income (EBITA), excl. non-rec. items (SEK M)	2008	59	61			
	2007	37	46	56	65	204
EBITA margin, excl. non-recurring items (%)	2008	8.6	8.8			
	2007	6.8	7.5	9.0	10.3	8.4
Operating income (EBIT) (SEK M)	2008	57	59			
	2007	29	44	54	63	190
Operating income (EBIT), excl. non-rec. items (SEK M)	2008	57	59			
	2007	36	44	54	63	197
Income after net financial items (SEK M)	2008	53	59			
	2007	26	40	47	58	171
Net income, remaining operations (SEK M)	2008	41	46			
	2007	19	31	36	64	150
Net income, operations disposed of (SEK M)	2008	—	—			
	2007	1	0	—	—	1
Net income (SEK M)	2008	41	46			
	2007	20	31	36	64	151
Cash flow after inv., excl. acq. and disposals (SEK M)	2008	47	19			
	2007	23	81	52	71	227
Earnings per share (SEK)	2008	1.56	1.75			
	2007	0.76	1.18	1.37	2.43	5.74
Earnings per share, remaining operations (SEK)	2008	1.56	1.75			
	2007	0.72	1.18	1.37	2.43	5.70
Adjusted earnings per share (SEK)	2008	1.63	1.79			
	2007	0.95	1.21	1.45	1.71	5.32
Average number of shares (thousands)	2008	26,307	26,307			
	2007	26,307	26,307	26,307	26,307	26,307
Net sales per business area (SEK M)						
		Q1	Q2	Q3	Q4	Helår
Nolato Medical	2008	147	158			
	2007	113	140	126	147	526
Nolato Telecom	2008	284	277			
	2007	185	223	271	241	920
Nolato Industrial	2008	260	259			
	2007	252	257	233	258	1,000
Group adjustments, Parent Company	2008	-1	0			
	2007	-3	-4	-6	-12	-25
Group total	2008	690	694			
	2007	547	616	624	634	2,421
Operating income (EBITA) per business area (SEK M)						
		Q1	Q2	Q3	Q4	Helår
Nolato Medical	2008	21	22			
	2007	16	18	17	25	76
	<i>EBITA margin (%)</i>	14.3	13.9			
	2007	14.2	12.9	13.5	17.0	14.4
Nolato Telecom	2008	27	23			
	2007	5	14	27	27	73
	<i>EBITA margin (%)</i>	9.5	8.3			
	2007	2.7	6.3	10.0	11.2	7.9
Nolato Industrial	2008	20	22			
	2007	23	19	17	19	78
	<i>EBITA margin (%)</i>	7.7	8.5			
	2007	9.1	7.4	7.3	7.4	7.8
Group adjustments, Parent Company	2008	-9	-6			
	2007	-7	-5	-5	-6	-23
Group total	2008	59	61			
	2007	37	46	56	65	204
	<i>EBITA margin (%)</i>	8.6	8.8			
	2007	6.8	7.5	9.0	10.3	8.4

■ Group financial highlights

	Q2 2008	Q2 2007	Q1-Q2 2008	Q1-Q2 2007	Q3 2007 -Q2 2008	Full-year 2007
Net sales (SEK M)	694	616	1,384	1,163	2,642	2,421
Sales growth (%)	13	-,29	19	-,20	10	-,10
Percentage of sales outside Sweden (%)	65	61	65	59	64	61
Operating income (EBITDA), excluding non-recurring items (SEK M)	103	85	203	158	402	357
Operating income (EBITA), excluding non-recurring items (SEK M)	61	46	120	83	241	204
EBITA margin, excluding non-recurring items (%)	8.8	7.5	8.7	7.1	9.1	8.4
Income after financial items (SEK M)	59	40	112	66	217	171
Profit margin (%)	8.5	6.5	8.1	5.7	8.2	7.1
Net income, remaining operations (SEK M)	46	31	87	50	187	150
Net income, operations disposed of (SEK M)	—	0	—	1	—	1
Net income (SEK M)	46	31	87	51	187	151
Return on total assets (%)	—	—	—	—	12.0	9.9
Return on capital employed (%)	—	—	—	—	18.5	15.0
Return on capital employed excl. non-recurring items (%)	—	—	—	—	18.5	15.5
Return on operating capital (%)	—	—	—	—	18.9	15.8
Return on operating capital excl. non-recurring items (%)	—	—	—	—	18.9	16.4
Return on shareholders' equity (%)	—	—	—	—	22.4	18.3
Equity/assets ratio (%)	—	—	44	40	—	46
Debt/equity ratio (%)	—	—	44	65	—	44
Interest coverage ratio (times)	14	6	12	6	11	8
Net investments affecting cash flow, excl. acquisitions and disposals (SEK M)	37	28	81	53	116	88
Cash flow after investments, excl. acquisitions and disposals (SEK M)	19	81	66	104	189	227
Net liabilities (SEK M)	—	—	333	437	—	314
Earnings per share (SEK)	1.75	1.18	3.31	1.94	7.11	5.74
Earnings per share, remaining operations (SEK)	1.75	1.18	3.31	1.90	7.11	5.70
Adjusted earnings per share (SEK)	1.79	1.21	3.42	2.16	6.58	5.32
Cash flow per share (SEK)	0.72	7.30	2.51	1.18	7.30	5.97
Shareholders' equity per share (SEK)	—	—	34	30	—	33
Number of shares at the end of the period (thousands)	26,307	26,307	26,307	26,307	26,307	26,307
Average number of shares (thousands)	26,307	26,307	26,307	26,307	26,307	26,307
Average number of employees	—	—	4,850	3,467	—	3,760

Definitions

Operating income (EBITDA)

Earnings before interest, taxes, depreciation/amortisation and non-recurring items.

Operating income (EBITA)

Earnings before interest and taxes, excluding non-recurring items and amortisation of intangible assets arising from acquisitions.

Operating income (EBIT)

Income before tax, financial items and expenses.

EBITA margin excluding non-recurring items

Operating income (EBITA) as a percentage of net sales.

Profit margin

Income after financial items plus financial expenses as a percentage of net sales.

Return on total capital

Income after financial items plus financial expenses as a percentage of average total assets in the balance sheet.

Return on capital employed

Income after financial items plus financial expenses as a percentage of average capital employed.
Capital employed consists of total assets less non-interest-bearing liabilities and provisions.

Return on operating capital

Operating income as a percentage of average operating capital. Operating capital consists of total assets less non-interest-bearing liabilities and provisions, less interest-bearing assets.

Return on shareholders' equity

Net income as a percentage of average shareholders' equity.

Equity/assets ratio

Shareholders' equity as a percentage of total assets in the balance sheet.

Net liabilities

Interest-bearing liabilities and provisions less interest-bearing assets.

Debt/equity ratio

Interest-bearing liabilities and provisions divided by shareholders' equity.

Interest coverage ratio

Income after financial items plus financial expenses, divided by financial expenses.

Earnings per share

Net income, divided by average number of shares.

Adjusted earnings per share

Net income, excluding non-recurring items and amortisation of intangible assets arising from acquisitions, divided by the average number of shares.

Cash flow per share

Cash flow before financing activities, divided by average number of shares.

■ Cash flow

SEK M	Q2 2008	Q2 2007	Q1–Q2 2008	Q1–Q2 2007	Q3 2007 –Q2 2008	Full-year 2007
Cash flow from operations before changes in working capital	94	73	180	143	362	325
Changes in working capital	– 38	36	– 33	14	– 57	– 10
Investment activities*	– 37	83	– 81	– 126	– 113	– 158
Cash flow before financing activities	19	192	66	31	192	157
Financing activities	– 49	– 222	– 78	– 98	– 211	– 231
Cash flow for the period	– 30	– 30	– 12	– 67	– 19	– 74
Liquid funds at beginning of period	78	100	62	131		131
Exchange rate difference in liquid funds	1	– 1	– 1	5		5
Liquid funds at end of period	49	69	49	69		62

* Full year 2007 includes the acquisition of Cerbo Group at SEK 187 M, of which SEK 3 M was paid in Q2 2007.

Full year 2007 and rolling 12 months include the sale of subsidiaries totalling SEK 117 M, of which SEK 114 M received in Q2 2007.

■ Change in shareholders' equity

SEK M	Q1–Q2 2008	Q1–Q2 2007	Full-year 2007
Amount at beginning of period	881	789	789
Translation differences	– 2	8	4
Change in revaluation reserve hedge accounting	—	1	—
Total shareholders' equity after changes in net asset value rep. dir. against shareholders' equity, excluding transactions with the company's shareholders	879	798	793
Earnings for the period	87	51	151
Total shareholders' equity after changes in net asset value, excluding transactions with the company's shareholders	966	849	944
Dividend	– 79	– 63	– 63
Amount at end of period	887	786	881

■ Five-year overview

	2007	2006	2005	2004	2003 *
Net sales (SEK M)	2,421	2,702	2,256	2,401	2,671
Operating income (EBITA), excluding non-recurring items (SEK M)	204	209	221	201	161
EBITA margin, excluding non-recurring items (%)	8.4	7.7	9.8	8.4	6.0
Operating income (EBIT) (SEK M)	190	78	221	201	57
Operating income (EBIT), excluding non-recurring items (SEK M)	197	208	221	201	150
Income after financial items (SEK M)	171	69	208	185	6
Net income (SEK M)	150	48	181	136	– 35
Return on capital employed (%)	15.0	7.4	21.0	18.9	3.6
Return on capital employed excl. non-recurring items (%)	15.5	19.4	21.0	18.9	11.0
Return on shareholders' equity (%)	18.3	5.9	24.2	22.1	9.7
Equity/assets ratio (%)	46	46	50	41	31
Earnings per share (SEK)	5.70	1.82	6.88	5.15	– 1.35
Adjusted earnings per share (SEK)	5.32	6.08	6.31	5.15	2.62

*Not restated to comply with IFRS

■ Income statements, Parent Company

SEK M	Q2 2008	Q2 2007	Q1-Q2 2008	Q1-Q2 2007	Full-year 2007
Net sales	2	-1	10	7	17
Selling expenses	-1	-1	-3	-2	-6
Administrative expenses	-10	-7	-19	-16	-36
Operating income	-9	-9	-12	-11	-25
Income from shares in Group companies	—	25	—	121	93
Financial income	2	1	5	4	21
Financial expenses	-6	-8	-10	-13	-25
Income after financial items	-13	9	-17	101	64
Appropriations	—	—	—	—	-30
Tax	4	5	5	6	16
Net income	-9	14	-12	107	50

■ Balance sheets, Parent Company

SEK M	June 30, 2008	June 30, 2007	Dec 31, 2007
Financial fixed assets	946	1,042	992
Deferred tax assets	2	2	2
Current assets	71	189	173
Cash and bank balances	4	33	6
Total assets	1,023	1,266	1,173
Shareholders' equity	689	740	783
Untaxed reserves	30	—	30
Other provisions	2	1	2
Long-term liabilities	—	232	247
Current liabilities	302	293	111
Total shareholders' equity and liabilities	1,023	1,266	1,173
Collateral pledged	—	—	—
Contingent liabilities	137	138	136

Transactions with related parties:

Related parties	Period	Services sold	Services purchased	Interest income	Interest expenses	Dividend received	Rec. from related parties on the balance sheet day	Liab. from related parties on the balance sheet day
Subsidiary	Jan–Jun 2008	10	5	3	2	—	246	35
Subsidiary	Jan–Jun 2007	5	5	4	4	121	379	45

None of the company's Board members or senior executives currently has, or has previously had, any direct or indirect involvement in any business transaction with the company which is, or was, of an unusual character in terms of its conditions. Nor has the Group issued any loans, pledged any guarantees or entered into any surety arrangements for any of the company's Board members or senior executives.