Very strong growth for Nolato Medical and recovery for Nolato Telecom

Second quarter 2007 in brief

- Sales totaled SEK 636 M (867)
- Very strong growth in sales for Nolato Medical
- EBITA was SEK 48 M (62)
- Net income was SEK 31 M (51)
- Earnings per share were SEK 1.18 (1.94)
- Adjusted earnings per share excluding intangible writedowns for company acquisitions were SEK 1.21 (1.94)
- Cash flow after investments was SEK 81 M (54), excluding disposals
- Disposal of printed cardboard packaging operations on May 21

First six months of 2007 in brief

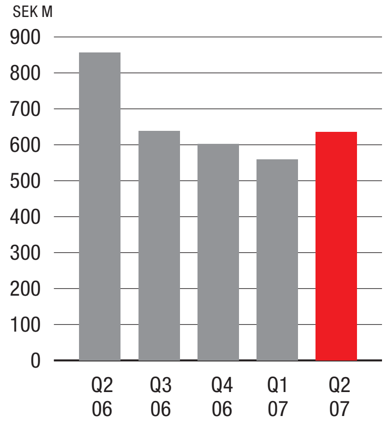
- Sales totaled SEK 1,196 M (1,461)
- EBITA excluding non-recurring costs was SEK 86 M (113)
- SEK 7 M in non-recurring costs for staff reductions relating to acquisitions charged to income
- Net income was SEK 51 M (88)
- Earnings per share were SEK 1.94 (3.35)
- Adjusted earnings per share excluding intangible writedowns for company acquisitions and non-recurring items totaled SEK 2.20 (3.35)
- Cash flow after investments was SEK 104 M (102), excluding acquisitions and disposals
- Acquisition of Cerbo Group on March 5 and Nolato growing further at Nolato Medical

Group highlights

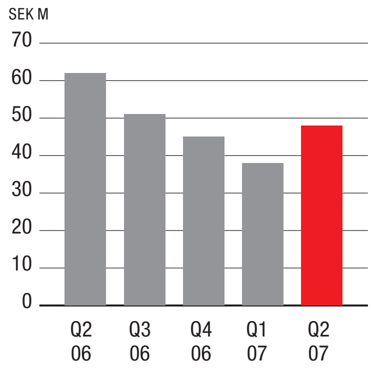
SEK M unless otherwise specified	Q2 2007	Q2 2006	Q1–Q2 2007	Q1–Q2 2006	Q3/06–Q2/07	Full year 2006
Net sales	**636**	867	**1,196**	1,461	**2,437**	2,702
of which operations disposed of	**20**	—	**33**	—	**33**	—
EBITDA excluding non-recurring items [1]	**88**	106	**163**	190	**329**	356
EBITA excluding non-recurring items [2]	**48**	62	**86**	113	**182**	209
of which operations disposed of	**2**	—	**3**	—	**3**	—
EBITA margin excluding non-recurring items, %	**7.5**	7.2	**7.2**	7.7	**7.5**	7.7
Income after financial items	**41**	59	**68**	106	**31**	69
Net income	**31**	51	**51**	88	**11**	48
of which operations disposed of	**0**	—	**1**	—	**1**	—
Earnings per share, SEK	**1.18**	1.94	**1.94**	3.35	**0.42**	1.82
Adjusted earnings per share, SEK [3]	**1.21**	1.94	**2.20**	3.35	**4.94**	6.08
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.	**81**	54	**104**	102	**144**	142
Investments affecting cash flow, excl. acq. and disp.	**28**	33	**53**	82	**109**	138
Return on capital employed, %	**—**	—	**—**	—	**4.1**	7.4
Return on capital employed, excl. non-rec. items, %	**—**	—	**—**	—	**15.3**	19.4
Return on shareholders' equity, %	**—**	—	**—**	—	**1.3**	5.9
Equity/assets ratio, %	**—**	—	**40**	42	**—**	46
Net liabilities	**—**	—	**437**	40	**—**	162

[1] EBITDA – Earnings before interest, taxes, depreciation/amortization and non-recurring items.
[2] EBITA – Earnings before interest, taxes and amortization of intangible assets from company acquisitions, excluding non-recurring items.
[3] Adjusted earnings per share – Net income, excluding amortization 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 amortization of intangible assets from company acquisition, excluding non-recurring items.

Second quarter 2007

- Sales totaled SEK 636 M (867)
- Strong growth of 176 percent at Nolato Medical, organic growth 22 percent
- EBITA was SEK 48 M (62)
- Sale of printed cardboard packaging operations completed
- President and CEO Georg Brunstam to leave the company

Sales

Consolidated sales for the Nolato Group in the second quarter totaled SEK 636 M (867). Acquired units accounted for SEK 99 M of Group sales. Operations remaining after the sale of cardboard packaging accounted for SEK 616 M of sales.

The trend in volumes at Nolato Telecom was positive compared to the same period in 2006 and better than expected. Products late in their product life cycle were delivered on a larger scale than expected at the end of the quarter and also in greater volumes than during the first quarter of 2007. Sales, however, were sharply lower as a result of a change in the product mix at SEK 223 M (580). During the same period in 2006, products were delivered with a high share of assembled components and very high values per delivered unit. Price pressure remained strong and intensified compared to the same period in 2006.

Nolato Medical increased sales to SEK 160 M (58). This corresponds to an increase of 141 percent for remaining operations compared to the same period in 2006, with 22 percent of this organic. Volumes were very good during the quarter, and the Group's acquisitions performed well and in line with expectations.

Nolato Industrial increased sales to SEK 257 M (235). This corresponds to an increase of 9 percent compared to the same period in 2006, with 5 percent of this organic. Volumes were good during the quarter.

Disposals

On May 21, Nolato disposed of the two subsidiaries AB Cerbo Göteborg and Medigrafik A/S. The companies are involved in the development and production of printed cardboard packaging for the pharmaceutical industry and were part of the acquisition of Cerbo Group that Nolato completed in early March this year. The companies have some 100 employees and are expected to post sales of SEK 145 M in 2007. The purchase price was paid in cash and totaled SEK 134 M (on a debt-free basis). The sale of the companies had no effect on the Group's earnings. Sales and earnings for the Group and the Nolato Medical profit center excluding these two companies are reported as "Remaining operations."

Earnings

The Group's EBITA totaled SEK 48 M (62).

Nolato Telecom's EBITA was SEK 14 M (45), Nolato Medical's was SEK 20 M (7) and Nolato Industrial's was SEK 19 M (18).

Nolato Telecom's lower results are mainly the result of lower sales. The

Sales, EBITA and EBITA margin by profit center

SEK M	**Sales Q2/2007**	Sales Q2/2006	**EBITA Q2/2007**	EBITA Q2/2006	**EBITA margin Q2/2007**	EBITA margin Q2/2006
Nolato Telecom	**223**	580	**14**	45	**6.3 %**	7.8 %
Nolato Medical	**160**	58	**20**	7	**12.5 %**	12.1 %
of which operations disposed of	*20*	—	*2*	—	*10.0 %*	—
Nolato Industrial	**257**	235	**19**	18	**7.4 %**	7.7 %
Intra-Group adj, Parent Company	**– 4**	– 6	**– 5**	– 8	**—**	—
Group total	**636**	867	**48**	62	**7.5 %**	7.2 %

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

EBITA margin for Nolato Telecom was 6.3 percent (7.8). Slightly lower capacity utilization and more intense price pressure largely account for the lower margin compared to the same period in 2006.

The EBITA margin for Nolato Medical was 12.5 percent (12.1). Cost-cutting and streamlining measures lowered costs, raising the margin. However, this was offset by a change in the product mix and advances from the acquired units, which pushed the margin down.

Nolato Industrial's EBITA margin was 7.4 percent (7.7).

Overall, the Group's EBITA margin increased to 7.5 percent (7.2).

Prices for raw materials used in plastic production increased slightly during the second quarter of 2007 compared to the first quarter of 2007 and remained at a very high level historically. As a result of various measures, the increase in raw material prices had only a marginal impact on earnings in the second quarter compared to the same period in 2006.

EBITA was affected by effects of currency exchange rate differences totaling SEK 1 M (–3), which were charged to income in the second quarter.

Operating income totaled SEK 46 M (62).

Income after financial items was SEK 41 M (59). Net financial items included SEK 1 M (–2) in effects of currency exchange rate differences during the second quarter, most of which was related to translation differences for loans in foreign currencies in operations outside Sweden.

Net income totaled SEK 31 M (51). Earnings per share were SEK 1.18 (1.94). Adjusted earnings per share excluding writedowns on intangible assets from company acquisitions were SEK 1.21 (1.94).

First six months of 2007

Sales and earnings

Consolidated sales for the Nolato Group totaled SEK 1,196 M (1,461) during the first six months. The Group's EBITA was SEK 86 M (113), excluding non-recurring costs. Non-recurring costs of SEK 7 M (0) relating to the acquisition of Cerbo Group were charged to income in the first quarter of 2007. The costs consist of termination costs for management at Cerbo Group, which are a direct result of the elimination of these positions. The EBITA margin excluding non-recurring costs was 7.2 percent compared to 7.7 percent for the same period in 2006.

Operating income totaled SEK 83 M (113), excluding non-recurring costs. Including non-recurring costs, operating income totaled SEK 76 M (113).

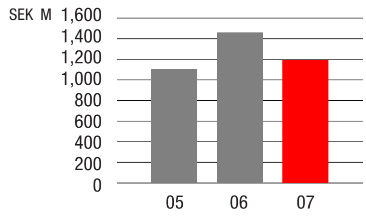
Income after financial items totaled SEK 68 M (106). Net financial items included SEK 2 M (–3) in effects of currency exchange rate differences during the first six months of the year, most of which was related to translation differences for loans in foreign currencies in operations outside Sweden.

Net earnings totaled SEK 51 M (88). Earnings per share were SEK 1.94 (3.35). Adjusted earnings per share excluding writedowns of intangible assets from company acquisitions as well as non-recurring items totaled SEK 2.20 (3.35).

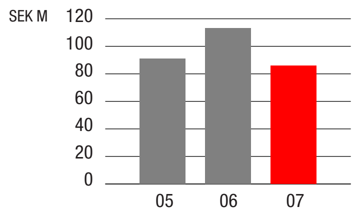
The effective tax rate excluding non-recurring items was 25 percent (17). The increase is mainly due to lower earnings in the Group's Chinese operations, where the tax rate is significantly lower than elsewhere in the Group.

The return on capital employed was 4.1 percent for the most recent twelve-month period (7.4 percent for the 2006 calendar year). Excluding non-recurring items, the return on capital employed was 15.3 percent (19.4 percent for the 2006 calendar year). The return on operating capital was 3.8 percent for the most recent twelve-month

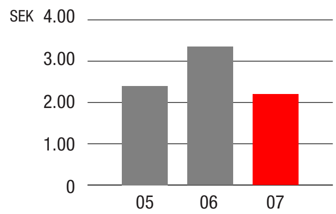
Sales Q1–Q2



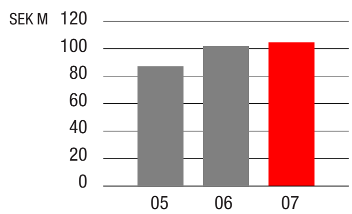
EBITA Q1–Q2 1)



Adjusted earnings per share Q1–Q2 2)



Cash flow after investments Q1–Q2 3)

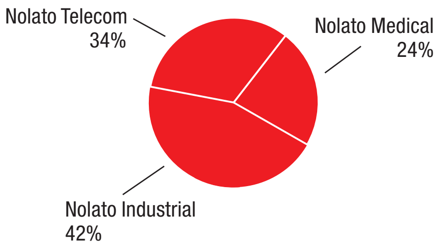


1) EBITA – Earnings before interest, taxes and amortization of intangible assets from company acquisition, excluding non-recurring items.

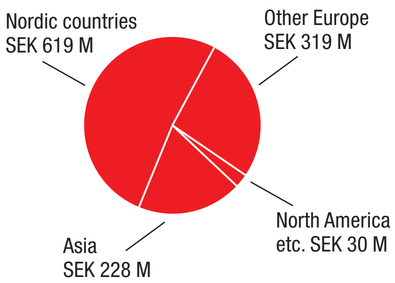
2) Adjusted earnings per share – Net income excluding amortization of intangible assets from company acquisitions and non-recurring items, divided by average number of shares.

3) Excluding acquisitions and divestments.

Sales by profit center Q1–Q2 2007



Sales by geographic region Q1–Q2 2007



period (8.3 percent for the 2006 calendar year). Excluding non-recurring items, the return on operating capital was 16.5 percent (22.3 percent for the 2006 calendar year).

Nolato Telecom

Sales and earnings (SEK M)

Six month	2007	2006
Sales	**408**	891
EBITA	**19**	73
EBITA margin (%)	**4.7**	8.2
Operating income	**19**	73

Sales totaled SEK 408 M (891), thus accounting for 34 percent (60) of total Group sales.

The sharp decrease in sales is explained largely by the loss of BenQ and the weak growth in volumes for other customers during the first quarter. During the second quarter, the lower sales are explained by a change in the product mix, with a smaller share of products with high values per delivered unit, while there was good growth in volumes.

During the first quarter of 2007, Nolato Telecom took on a number of major systems projects for mobile phone customers with production start in the second half of the year and in early 2008. During the second quarter, additional projects were taken on with production start in 2008.

EBITA totaled SEK 19 M (73). The EBITA margin was 4.7 percent (8.2). During the first quarter, lower capacity utilization and remaining fixed costs, which are needed for future projects, resulted in a lower margin than for the same period in 2006. During the second quarter, capacity utilization was still not satisfactory although better compared to the first quarter. Together with the intensified price pressure, this largely explains the lower margin compared to the same period in 2006.

Consolidated performance analysis

SEK M	**Q2 2007**	Q2 2006	**Q1–Q2 2007**	Q1–Q2 2006	Full year 2006
Net sales	**636**	867	**1,196**	1,461	2,702
Gross income excl. amortization and non-recurring items	**134**	140	**253**	270	521
As a percent of net sales	***21.1***	*16.1*	***21.2***	*18.5*	*19.3*
Costs [1]	**– 46**	– 34	**– 90**	– 80	– 165
As a percent of net sales	***7.2***	*3.9*	**7.5**	*5.5*	6.1
EBITDA excluding non-recurring items	**88**	106	**163**	190	356
As a percent of net sales	***13.8***	*12.2*	**13.6**	*13.0*	13.2
Amortization and writedowns	**– 40**	– 44	**– 77**	– 77	– 147
EBITA excluding non-recurring items	**48**	**62**	**86**	**113**	**209**
As a percent of net sales	***7.5***	***7.2***	***7.2***	***7.7***	***7.7***
Amortization of acquisition goodwill	**– 2**	—	**– 3**	—	– 1
Non-recurring items [2]	**—**	—	**– 7**	—	– 130
EBIT	**46**	62	**76**	113	78
Financial items	**– 5**	– 3	**– 8**	– 7	– 9
Income after financial items	**41**	59	**68**	106	69
Tax excluding non-recurring items	**– 10**	– 8	**– 19**	– 18	– 40
As a percent of income after financ. items excl. non-recurring items	***24.4***	*13.6*	***25.3***	*17.0*	*20.1*
Lump-sum tax income [3]	**—**	—	**2**	—	19
Net income	**31**	51	**51**	88	48

[1] Excluding non-recurring items.

[2] SEK 7 M in Q1 2007 pertains to termination costs for management at Cerbo Group in connection with the acquisition.
SEK 125 M pertains to costs for BenQ's feared bankruptcy and SEK 5 M to costs for the dismissal of a subsidiary president.

[3] SEK 2 M in Q1 2007 pertains to the tax effect of termination costs in connection with the acquisition of Cerbo Group.
SEK 18 M for Q4 2006 and full-year 2006 pertains to tax income for BenQ's feared bankruptcy and SEK 1 M for full-year 2006 to other non-recurring items.

Nolato Telecom has gradually moved production to countries where there is customer demand for production. This means that production in Europe has decreased while production in Asia has increased sharply. Nolato Telecom has carried out production in Tallinn, Estonia. In the last quarter, however, production here was very limited, and Nolato has decided to close production here in the second half of 2007. Some parts of production and some employees will be taken over by one of the Group's customers. Nolato expects that this will not entail any non-recurring costs or capital losses.

Nolato Medical

Sales and earnings (SEK M)

Six month	2007	2006
Sales	**286**	113
of which operations disposed of	*33*	—
EBITA	**37**	17
of which operations disposed of	*3*	—
EBITA margin excl. non-rec. items (%)	**12.9**	15.0
Op. income excl. non-rec. items	**35**	17
Op. income incl. non-rec. items	**28**	17

Nolato Medical increased sales to SEK 286 M (113). This is an increase of 124 percent for remaining operations compared to the same period in 2006, with 26 percent of this organic. Sales for remaining operations account for 22 percent (8) of the Group's total sales.

Volumes were very good during the first half of the year for most of Nolato Medical's customers. Volumes for the production of insulin products increased compared to the same period in 2006. Efforts to develop European operations, with production in Hungary, continued to be successful, which also contributed to the growth in sales.

EBITA excluding non-recurring costs was SEK 37 M (17). The EBITA margin excluding non-recurring costs was 12.9 percent (15.0). A change in the product mix and advances from the acquired units resulted in a lower margin compared to previously.

Nolato Industrial

Sales and earnings (SEK M)

Six month	2007	2006
Sales	**509**	470
EBITA	**42**	38
EBITA margin (%)	**8.3**	8.1
Operating income	**41**	38

Sales increased 8 percent to SEK 509 M (470). Compared to the same period in 2006, SEK 13 M of sales comes from acquisitions. Sales accounted for 42 percent (32) of the Group's total sales. Organic growth was 6 percent.

Volumes were good with solid growth in sales for most operations.

EBITA increased to SEK 42 M (38). The EBITA margin increased to 8.3 percent (8.1). The margin was high in the first quarter mainly as a result of high capacity utilization, while the margin fell slightly in the second quarter as a result of the change in product mix.

Cash flow

Cash flow before investments totaled SEK 157 M (170). The change in working capital was positive at SEK 14 M (17). SEK 51 M in insurance compensation for BenQ was received while payments for BenQ had a negative effect of about SEK 30 M. Excluding these payments, cash flow before investments was SEK 136 M. Remaining future payments for BenQ are estimated to be about SEK 20 M.

Cash flow after investment activities was SEK 104 M (102), excluding acquisitions and disposals. Including acquisitions and disposals, cash flow after investment activities was SEK 31 M (102). Net investments affecting cash flow totaled SEK 126 M (68), which included SEK 73 M (0) in acquisitions/disposals. Excluding acquisitions, net investments affecting cash flow totaled SEK 53 M (68).

Financial position

Interest-bearing assets totaled SEK 69 M (207), and interest-bearing liabilities and provisions totaled SEK 513 M (254). The market value of derivatives related to interest-bearing liabilities was SEK +7 M (+7). Net liabilities thus totaled SEK 437 M (40). Shareholders' equity was SEK 786 M (830). The equity/assets ratio was 40 percent (42).

The two acquisitions made by Nolato of Medical Rubber in the fourth quarter of 2006 and Cerbo Group in the first quarter of 2007 affected Nolato's balance sheet, with assets acquired and financed by loans from credit institutions.

Personnel

The Group's President and CEO, Georg Brunstam, will leave the company by December 9, 2007, at the latest. Search for a new CEO has started. Mr Brunstam is stepping down at his own request, and strategies previously developed with and adopted by Nolato's Board of Directors will remain in place.

Financial position

SEK M	Jun 30, 2007	Jun 30, 2006	Dec 31, 2006
Interest-bearing liabilities credit institutions	**427**	194	242
Interest-bearing pension liabilities	**86**	60	55
Market value of derivatives	**– 7**	– 7	– 4
Total borrowings	**506**	247	293
Cash, bank balances and short-term investments	**– 69**	– 207	– 131
Net financial liabilities	**437**	40	162
Working capital	**179**	224	176
As a percent of sales (avg.) (%)	***8.3***	*7.8*	*7.3*
Capital employed	**1,299**	1,084	1,086
Return on cap. empl., excl. non-rec. items (avg.) (%)	***15.3***	*23.6*	*19.4*
Shareholders' equity	**786**	830	789
Return on equity (avg.) (%)	***1.3***	*27.0*	*5.9*

The Board has decided to appoint Per-Ola Holmström, chief financial officer, Executive Vice President of Nolato AB.

The average number of employees in the period was 3,467 (4,082). The number of employees fell mainly in China.

Important risks and uncertainty factors

The Group's and the Parent Company's business risks and risk management as well as their management of financial risks are described in the 2006 Annual Report on pages 33–34 and in Note 4 on pages 54–55. No events of significant importance occurred during the period that materially affect or change these descriptions of the Group's risks and management of these risks.

Ownership and legal structure

Nolato AB (publ), with Swedish corporate identity number 556080-4592, is the parent company of the Nolato Group.

Nolato's Class B share is quoted on the OMX Nordic Exchange in the Stockholm Mid Cap segment, where the share is included in the information technology sector.

Nolato had 6,881 shareholders on June 30, 2007. The largest shareholders are the Jorlén family with 11 percent, the Boström family with 10 percent and the Paulsson family with 8 percent of the capital. The next largest shareholders are seven institutional investors that together own another 27 percent of the capital, with Livförsäkringsaktiebolaget Skandia, Skandia/Carlson fonder and IF Skadeförsäkrings AB representing the largest. The ten largest owners hold 56 percent of the capital and 77 percent of the voting rights.

The Parent Company

Sales totaled SEK 7 M (13). The decrease in sales is a result of lower debited costs to subsidiaries. Income before taxes was SEK 101 M (–1). The increase in income is the result of dividends from subsidiaries. During 2007 Cerbo Group AB has been acquired.

Accounting and valuation principles

The consolidated accounts for the Nolato Group are prepared according to International Financial Reporting Standards (IFRS), which are described in the 2006 Annual Report on pages 51–54.

The interim report has been prepared according to IAS 34, "Interim Financial Reporting," the Swedish Financial Accounting Standards Council recommendation RR 31, "Interim Group Financial Reporting," and the Annual Accounts Act. The new or revised IFRS standards or IFRIC Interpretations that entered into force since January 1, 2007, have not had any material effect on the Group's income statements or balance sheets.

Financial information schedule

- Nine-month interim report 2007: October 24, 2007
- Year-end report 2007: January 31, 2008

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phone +46 431 442294 or +46 708 551251

Per-Ola Holmström, Executive Vice President and CFO,
phone +46 431 442293 or +46 705 763340

The Board of Directors and the President and CEO ensure that this interim report provides an accurate overview of the Company's and the Group's operations, position and earnings and also describes the significant risks and uncertainty factors that the Company and the companies included in the Group are subject to.

Torekov July 19, 2007

Carl-Gustaf Sondén
Chairman

Gun Boström

Henrik Jorlén

Erik Paulsson

Lars-Åke Rydh

Roger Johanson

Georg Brunstam
President

Magnus Bergqvist
Employee representative

Eva Norrman
Employee representative

Björn Jacobsson
Employee representative

Review report

Introduction

We have reviewed this six-month interim report 2007. Management is responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Report's Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the Standard on Review Engagements SÖG 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Federation of Authorised Public Accountants, "FAR."

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 less 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 us to obtain a level of assurance that would make us 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 our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Report's Act.

Torekov July 19, 2007

Ernst & Young
Ingvar Ganestam
Authorized Public Accountant
Chief Auditor

Income statement

	Remaining operations		Disposed operations		Group total	
	Q2 2007	Q2 2006	**Q2 2007**	Q2 2006	**Q2 2007**	Q2 2006
Net sales	**616**	867	**20**	—	**636**	867
Cost of goods sold	**– 524**	– 768	**– 16**	—	**– 540**	– 768
Gross income	**92**	99	**4**	—	**96**	99
Selling expenses	**– 15**	– 14	**– 1**	—	**– 16**	– 14
Administrative expenses	**– 31**	– 32	**– 1**	—	**– 32**	– 32
Other operating income	**—**	10	**—**	—	**—**	10
Other operating costs	**– 2**	– 1	**—**	—	**– 2**	– 1
Operating income	**44**	62	**2**	—	**46**	62
Financial items	**– 4**	– 3	**– 1**	—	**– 5**	– 3
Income after financial items	**40**	59	**1**	—	**41**	59
Tax	**– 9**	– 8	**– 1**	—	**– 10**	– 8
Net income	**31**	51	**0**	—	**31**	51
Total amortization and writedowns charged to inc.	**41**	44	**1**	—	**42**	44
Earnings per share after full tax (SEK)	**—**	—	**—**	—	**1.18**	1.94
Number of shares at the end of the period (000)	**—**	—	**—**	—	**26,307**	26,307
Average number of shares (000)	**—**	—	**—**	—	**26,307**	26,307

	Remaining operations		Disposed operations		Group total			
	Q1–Q2 2007	Q1–Q2 2006	**Q1–Q2 2007**	Q1–Q2 2006	**Q1–Q2 2007**	Q1–Q2 2006	**Q3/06 – Q2/07**	Full year 2006
Net sales	**1,163**	1,461	**33**	—	**1,196**	1,461	**2,437**	2,702
Cost of goods sold	**– 990**	– 1,263	**– 27**	—	**– 1,017**	– 1,263	**– 2,183**	– 2,429
Gross income	**173**	198	**6**	—	**179**	198	**254**	273
Selling expenses	**– 27**	– 27	**– 2**	—	**– 29**	– 27	**– 70**	– 68
Administrative expenses	**– 70**	– 66	**– 1**	—	**– 71**	– 66	**– 139**	– 134
Other operating income	**—**	10	**—**	—	**—**	10	**–**	10
Other operating costs	**– 3**	– 2	**—**	—	**– 3**	– 2	**– 4**	– 3
Operating income	**73**	113	**3**	—	**76**	113	**41**	78
Financial items	**– 7**	– 7	**– 1**	—	**– 8**	– 7	**– 10**	– 9
Income after financial items	**66**	106	**2**	—	**68**	106	**31**	69
Tax	**– 16**	– 18	**– 1**	—	**– 17**	– 18	**– 20**	– 21
Net income	**50**	88	**1**	—	**51**	88	**11**	48
Total amortization and writedowns charged to income	**78**	77	**2**	—	**80**	77	**169**	166
Earnings per share after full tax (SEK)	**—**	—	**—**	—	**1.94**	3.35	**0.42**	1.82
Number of shares at the end of the period (000)	**—**	—	**—**	—	**26,307**	26,307	**26,307**	26,307
Average number of shares (000)	**—**	—	**—**	—	**26,307**	26,307	**26,307**	26,307

Balance sheets

SEK M	Jun 30, 2007	Jun 30, 2006	Dec 31, 2006
Non-current tangible assets	**800**	691	683
Non-current intangible assets	**389**	49	193
Financial fixed assets	**4**	4	13
Total non-current assets	**1,193**	744	889
Inventories	**210**	240	187
Accounts receivable	**435**	689	426
Other current assets	**55**	91	91
Cash, bank balances, and short-term investments	**69**	207	131
Total current assets	**769**	1,227	835
Total assets	**1,962**	1,971	1,724
Shareholders' equity	**786**	830	789
Interest-bearing provisions	**86**	60	55
Non-interest-bearing provisions	**142**	91	110
Interest-bearing liabilities	**427**	194	242
Non-interest-bearing liabilities	**521**	796	528
Total shareholders' equity and liabilities	**1,962**	1,971	1,724

Non-recurring items

SEK M	Q2 2007	Q2 2006	Q1–Q2 2007	Q1–Q2 2006	Q3/06 – Q2/07	Full year 2006
BenQ's feared bankruptcy	**—**	—	**—**	—	**– 125**	– 125
Salary for dismissal of subsidiary president	**—**	—	**—**	—	**– 5**	– 5
Tax resulting from government decision	**—**	—	**– 7**	—	**– 7**	—
Tax effect	**—**	—	**2**	—	**21**	19
Net income	**—**	—	**– 5**	—	**– 116**	– 111
Effect of non-recurring items on income statement						
Cost of goods sold	**—**	—	**—**	—	**– 108**	– 108
Selling expenses	**—**	—	**—**	—	**– 17**	– 17
Administrative expenses	**—**	—	**– 7**	—	**– 12**	– 5
Tax	**—**	—	**2**	—	**21**	19
Net income	**—**	—	**– 5**	—	**– 116**	– 111

Earnings per share

SEK M	Q2 2007	Q2 2006	Q1–Q2 2007	Q1–Q2 2006	Q3/06 – Q2/07	Full year 2006
Net income	**31**	51	**51**	88	**11**	48
Adjusted earnings:						
Non-recurring items	**—**	—	**7**	—	**137**	130
Tax on non-recurring items	**—**	—	**– 2**	—	**– 21**	– 19
Amortization of acquisition goodwill	**2**	—	**3**	—	**4**	1
Tax on amortization	**– 1**	—	**– 1**	—	**– 1**	0
Adjusted earnings	**32**	51	**58**	88	**130**	160
Average number of shares (thousands)	**26,307**	26,307	**26,307**	26,307	**26,307**	26,307
Earnings per share (SEK)	**1.18**	1.94	**1.94**	3.35	**0.42**	1.82
Adjusted earnings per share (SEK)	**1.21**	1.94	**2.20**	3.35	**4.94**	6.08

Quarterly data

Consolidated financial results in brief

		Q1	Q2	Q3	Q4	Full year
Net sales (SEK M)	**2007**	**560**	**636**			
	2006	594	867	638	603	2,702
EBITDA [1] excluding non-recurring items (SEK M)	**2007**	**75**	**88**			
	2006	84	106	86	80	356
EBITA [2] excluding non-recurring items (SEK M)	**2007**	**38**	**48**			
	2006	51	62	51	45	209
EBITA margin excluding non-recurring items (%)	**2007**	**6.8**	**7.5**			
	2006	8.6	7.2	8.0	7.5	7.7
Operating income (SEK M)	**2007**	**30**	**46**			
	2006	51	62	46	– 81	78
Operating income excluding non-recurring items (SEK M)	**2007**	**37**	**46**			
	2006	51	62	51	44	208
Income after financial items (SEK M)	**2007**	**27**	**41**			
	2006	47	59	44	– 81	69
Net income (SEK M)	**2007**	**20**	**31**			
	2006	37	51	35	– 75	48
Cash flow after investments and disp. excl. non-rec. items(SEK M)	**2007**	**23**	**81**			
	2006	48	54	– 21	61	142
Earnings per share (SEK)	**2007**	**0.76**	**1.18**			
	2006	1.41	1.94	1.33	– 2.86	1.82
Adjusted earnings per share [3] (SEK)	**2007**	**0.99**	**1.21**			
	2006	1.41	1.94	1.48	1.25	6.08
Average number of shares (thousands)	**2007**	**26,307**	**26,307**			
	2006	26,307	26,307	26,307	26,307	26,307

Net sales by profit center (SEK M)

		Q1	Q2	Q3	Q4	Full year
Nolato Telecom	**2007**	**185**	**223**			
	2006	311	580	390	277	1,558
Nolato Medical	**2007**	**113**	**140**			
	2006	55	58	48	83	244
Nolato Industrial	**2007**	**252**	**257**			
	2006	235	235	204	250	924
Disposed operations	**2007**	**13**	**20**			
	2006	—	—	—	—	—
Group adjustments, Parent Company	**2007**	**– 3**	**– 4**			
	2006	– 7	– 6	– 4	– 7	– 24
Group total	**2007**	**560**	**636**			
	2006	594	867	638	603	2,702

EBITA [2] by profit center (SEK M)

			Q1	Q2	Q3	Q4	Full year
Nolato Telecom		**2007**	**5**	**14**			
	EBITA-margin		***2.7%***	***6.3%***			
		2006	28	45	33	18	124
	EBITA-margin		9.0%	7.8%	8.5%	6.5%	8.0%
Nolato Medical		**2007**	**16**	**18**			
	EBITA-margin		***14.2%***	***12.9%***			
		2006	10	7	7	12	36
	EBITA-margin		18.2%	12.1%	14.6%	14.5%	14.8%
Nolato Industrial		**2007**	**23**	**19**			
	EBITA-margin		***9.1%***	***7.4%***			
		2006	20	18	18	18	74
	EBITA-margin		*8.5%*	*7.7%*	*8.8%*	*7.2%*	*8.0%*
Disposed operations		**2007**	**1**	**2**			
		2006	—	—	—	—	—
Group adjustments, Parent Company		**2007**	**– 7**	**– 5**			
		2006	– 7	– 8	– 7	– 3	– 25
Group total		**2007**	**38**	**48**			
	EBITA-margin		***6.8%***	***7.5%***			
		2006	51	62	51	45	209
	EBITA-margin		8.6%	7.2%	8.0%	7.5%	7.7%

[1] EBITDA – Earnings before interest, taxes, depreciation/amortization and non-recurring items.
[2] EBITA – Earnings before interest, taxes and amortization of intangible assets from company acquisitions, excluding non-recurring items.
[3] Net income, excluding amortization of acquisition goodwill and non-recurring items, divided by average number of shares.

Group financial highlights

	Q2 2007	Q2 2006	**Q1–Q2 2007**	Q1–Q2 2006	**Q3/06 – Q2/07**	Full year 2006
Net sales (SEK M)	**636**	867	**1,196**	1,461	**2,437**	2,702
Sales growth (%)	**– 27**	53	**– 18**	32	**– 7**	20
Percentage of sales outside Sweden (%)	**61**	76	**59**	72	**61**	68
EBITDA excluding non-recurring items (SEK M)	**88**	106	**163**	190	**329**	356
EBITA excluding non-recurring items (SEK M)	**48**	62	**86**	113	**182**	209
EBITA margin excluding non-recurring items (%)	**7.5**	7.2	**7.2**	7.7	**7.5**	7.7
Income after financial items (SEK M)	**41**	59	**68**	106	**31**	69
Profit margin (%)	**6.4**	6.8	**5.7**	7.3	**1.3**	2.6
Net income (SEK M)	**31**	51	**51**	88	**11**	48
Return on total assets (%)	**—**	—	**—**	—	**2.6**	4.7
Return on capital employed (%)	**—**	—	**—**	—	**4.1**	7.4
Return on capital employed excluding non-recurring items (%)	**—**	—	**—**	—	**15.3**	19.4
Return on operating capital (%)	**—**	—	**—**	—	**3.8**	8.3
Return on operating capital excluding non-recurring items (%)	**—**	—	**—**	—	**16.5**	22.3
Return on shareholders' equity (%)	**—**	—	**—**	—	**1.3**	5.9
Equity/assets ratio (%)	**—**	—	**40**	42	**—**	46
Debt/equity ratio (%)	**—**	—	**65**	31	**—**	38
Interest coverage ratio (times)	**6**	26	**6**	23	**3**	8
Investments affecting cash flow excl. acquisitions and disp (SEK M)	**28**	33	**53**	82	**109**	138
Cash flow after investments excluding acquisitions and disp. (SEK M)	**81**	54	**104**	102	**144**	142
Net liabilities (SEK M)	**—**	—	**437**	40	**—**	162
Earnings per share (SEK)	**1.18**	1.94	**1.94**	3.35	**0.42**	1.82
Adjusted earnings per share (SEK)	**1.21**	1.94	**2.20**	3.35	**4.94**	6.08
Cash flow per share (SEK)	**7.30**	2.06	**1.18**	3.88	**– 3.12**	– 0.42
Shareholders' equity per share (SEK)	**—**	—	**30**	32	**—**	30
Number of shares at end of 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	**—**	—	**3,467**	4,082	**—**	4,144

Definitions

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

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

Return on total assets
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.

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 amortization of acquisition goodwill and non-recurring items, divided by average number of shares.

Cash flow

SEK M	Q2 2007	Q2 2006	Q1–Q2 2007	Q1–Q2 2006	Q3/06 – Q2/07	Full year 2006
Cash flow from operations	**73**	77	**143**	153	**215**	225
Changes in working capital	**36**	– 4	**14**	17	**52**	55
Investment activities *	**83**	– 19	**– 126**	– 68	**– 349**	– 291
Cash flow before financing activities	**192**	54	**31**	102	**– 82**	– 11
Financing activities	**– 222**	– 70	**– 98**	– 58	**– 51**	– 11
Cash flow for the period	**– 30**	– 16	**– 67**	44	**– 133**	– 22
Liquid funds at start of period	**100**	223	**131**	163		163
Exchange rate difference in liquid funds	**– 1**	—	**5**	—		– 10
Liquid funds at end of period	**69**	207	**69**	207		131

* SEK 187 M, of which SEK 3 M was paid in Q2 2007, included in Q1–Q2 2007 and Q3/06–Q2/07 for acquisition of Cerbo Group
SEK 114 M included in Q2, Q1–Q2 and Q3/06–Q2/07 for disposal of operations
SEK 153 M included in full-year 2006 and Q3/06–Q2/07 for acquisition of Medical Rubber

Change in shareholders' equity

SEK M	Q1– Q2 2007	Q1– Q2 2006	Full year 2006
Amount on January 1	**789**	832	832
Dividend to shareholders	**– 63**	– 63	– 63
Translation differences	**8**	– 31	– 31
Change in revaluation reserve hedge accounting	**1**	4	3
Net income	**51**	88	48
Amount at end of period	**786**	830	789

Five-year overview

	2006	2005	2004	2003 *	2002 *
Net sales (SEK M)	**2,702**	2,256	2,401	2,671	2,011
EBITA excluding non-recurring items (SEK M)	**209**	221	201	161	55
EBITA margin excluding non-recurring items (%)	**7.7**	9.8	8.4	6.0	2.7
Operating income including non-recurring items (SEK M)	**78**	221	201	57	42
Operating income excluding non-recurring items (SEK M)	**208**	221	201	150	42
Income after financial items (SEK M)	**69**	208	185	6	36
Net income (SEK M)	**48**	181	136	– 35	60
Return on capital employed (%)	**7.4**	21.0	18.9	3.6	4.5
Return on capital employed excluding non-recurring items (%)	**19.4**	21.0	18.9	11.0	4.5
Return on shareholders' equity (%)	**5.9**	24.2	22.1	9.7	3.5
Equity/assets ratio (%)	**46**	50	41	31	33
Earnings per share (SEK)	**1.82**	6.88	5.15	– 1.35	2.45
Adjusted earnings per share (SEK)	**6.08**	6.31	5.15	2.62	1.23

* Not restated to comply with IFRS

Parent company income statement

SEK M	Q1–Q2 2007	Q1–Q2 2006	Full year 2006
Net sales	**7**	13	53
Selling expenses	**– 2**	– 6	– 18
Administrative expenses	**– 16**	– 21	– 36
Operating income	**– 11**	– 14	– 1
Income from shares in Group companies	**121**	24	76
Financial income	**4**	4	10
Financial expenses	**– 13**	– 15	– 16
Income after financial items	**101**	– 1	69
Tax	**6**	7	3
Net income	**107**	6	72

Parent company balance sheet

SEK M	Jun 30, 2007	Jun 30, 2006	Full year 2006
Financial fixed assets	**1,044**	652	800
Current assets	**189**	47	143
Cash and bank balances	**33**	88	42
Total assets	**1,266**	787	985
Shareholders' equity	**740**	622	696
Long-term liabilities	**457**	151	149
Current liabilities	**69**	14	140
Total shareholders' equity and liabilities	**1,266**	787	985

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