

Weak demand for Nolato Telecom's existing product portfolio

As a result of weak demand for its existing product portfolio, Nolato Telecom expects the business area's sales for the first quarter to be in the region of SEK 250 million, with a slightly negative operating income (EBITA).

“Since the Chinese New Year, we have experienced low sales of existing products as a result of weak consumer demand,” says Hans Porat, President and CEO of Nolato. “This came as a surprise. Although we are now working as planned on new customer project start-ups, the current situation will have a significant impact on Nolato Telecom's sales and income. There is also a general sense of uncertainty in the market in relation to access to electronic components in the future as a result of the natural disasters in Japan.”

As announced in the year-end report, Nolato Telecom had an older product mix at the end of the year. Following a strong start to the year, with stocks being built up ahead of the Chinese New Year in early February, demand for Nolato Telecom's existing product portfolio has dropped sharply. Nolato Telecom therefore expects its operating income (EBITA) for the first quarter of 2011 to be slightly negative (32), with sales in the region of SEK 250 million (320).

In connection with the above information, Nolato will be holding a telephone conference (*in Swedish*) today at 9:30 a.m. President and CEO Hans Porat and CFO Per-Ola Holmström will be taking part. The telephone number for the conference is +46 (0)8 30 17 90. The meeting code is 389917.

The full quarterly report for January to March 2011 will be published on 27 April.

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The Nolato Group is a high-tech developer and manufacturer of polymer product systems for leading customers in medical technology, telecommunications, hygiene, automotive products and other selected industrial sectors.

Sales during 2010 stood at SEK 3.4 billion, and the average number of employees during the year was 7,563.

Nolato's shares are quoted on the NASDAQ OMX Nordic Exchange, Stockholm Mid Cap segment, where they are included in the information technology sector. www.nolato.com