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## **Nolato continues its expansion in medical devices Acquires Medical Rubber AB**

Nolato today signed an agreement to acquire Medical Rubber, one of Europe's leading manufacturers of precision components in silicone rubber and thermoplastic elastomers for medical devices.

"The acquisition enhances Nolato's position as a leading manufacturer of polymer systems components in medical technology and is completely in line with the expansion strategies we have for the Nolato Medical business area," said Georg Brunstam, who is President and CEO of Nolato.

"It's a fine, well-managed company that fits in well at Nolato. It complements Nolato Medical's current operations both technologically and in terms of customers and also creates synergies in the business area," noted Mr. Brunstam.

Medical Rubber is expected to have sales of about SEK 100 M in 2006, with an EBITDA margin of about 18 percent. The company has some one hundred employees in Hörby, Sweden. Customers are located throughout the world, and roughly 50 percent of the company's production is exported.

The company is being acquired from the Persson family, which founded Medical Rubber in 1973. The purchase price is SEK 160 M (on a debt free basis), and the acquisition is expected to have a positive effect on Nolato's per-share earnings as soon as the takeover is complete.

"In Nolato, we've got an owner that enables us to develop the company together, and at the same time we feel there are many common denominators, commercially, technologically and in terms of values," said Mai Persson, who will stay on as Managing Director of Medical Rubber after Nolato's acquisition.

"Medical Rubber's expertise and customer base complement our current resources really well and create even more breadth in our customer offering," remarked Christer Wahlquist, who is head of the Nolato Medical business area.

The takeover will take effect on November 1, 2006

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*The Nolato Group is a high-tech developer and manufacturer of polymer components and systems products for leading customers in telecommunications, automotive products, household appliances, medical technology, hygiene and other selected industrial segments. The Group has operations in Sweden, Estonia, Japan, China, Malaysia and Hungary. The Nolato share is quoted in the OMX Nordic List, Mid Cap, Information Technology. [www.nolato.com](http://www.nolato.com)*