

Nolato AB (publ) nine-month interim report 2007

Strong quarter for the Nolato Group

■ Third quarter 2007 in brief

- Strong margin for Nolato Telecom and continued growth in sales for Nolato Medical
- Sales totaled SEK 624 M (638)
- EBITA increased to SEK 56 M (51)
- Net income increased to SEK 36 M (35)
- Earnings per share increased to SEK 1.37 (1.33)
- Adjusted earnings per share excluding intangible writedowns for company acquisitions were SEK 1.45 (1.48)
- Cash flow after investments was SEK 52 M (–6), excluding acquisitions and disposals
- Hans Porat appointed new President and CEO

■ First nine months of 2007 in brief

- Sales totaled SEK 1,820 M (2,099)
- EBITA excluding non-recurring costs was SEK 142 M (164)
- Net income was SEK 87 M (123)
- Earnings per share were SEK 3.31 (4.68)
- Cash flow after investments was SEK 156 M (96), excluding acquisitions and disposals
- Acquisition of Cerbo Group on March 5 and disposal of printed cardboard packaging companies on May 21

■ Group highlights

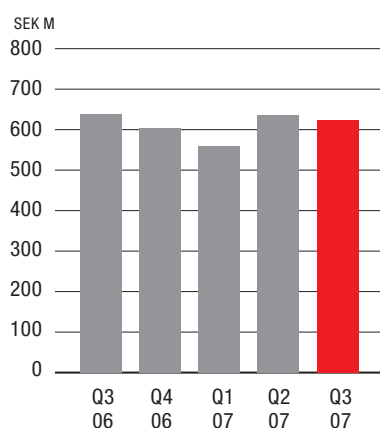
SEK M unless otherwise specified	Q3 2007	Q3 2006	Q1–Q3 2007	Q1–Q3 2006	Q4/06 – Q3/07	Full year 2006
Net sales	624	638	1,820	2,099	2,423	2,702
of which operations disposed of	—	—	33	—	33	—
EBITDA excluding non-recurring items ¹⁾	94	86	257	276	337	356
EBITA excluding non-recurring items ²⁾	56	51	142	164	187	209
of which operations disposed of	—	—	3	—	3	—
EBITA margin excluding non-recurring items, %	9.0	8.0	7.8	7.8	7.7	7.7
Income after financial items	47	44	115	150	34	69
Net income	36	35	87	123	12	48
of which operations disposed of	—	—	1	—	1	—
Earnings per share, SEK	1.37	1.33	3.31	4.68	0.45	1.82
Adjusted earnings per share, SEK ³⁾	1.45	1.48	3.65	4.83	4.90	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.	52	– 6	156	96	202	142
Net investm. affecting cash flow, excl. acq. and disp.	14	32	67	100	90	123
Return on capital employed, %	—	—	—	—	4.4	7.4
Return on capital employed, excl. non-rec. items, %	—	—	—	—	14.9	19.4
Return on shareholders' equity, %	—	—	—	—	1.5	5.9
Equity/assets ratio, %	—	—	41	49	—	46
Net liabilities	—	—	388	63	—	162

¹⁾ EBITDA – Earnings before interest, taxes, depreciation/amortization and non-recurring items.

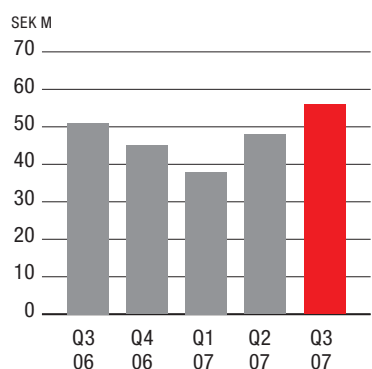
²⁾ EBITA – Earnings before interest, taxes and amortization of intangible assets from company acquisitions, excluding non-recurring items.

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.

■ Third quarter 2007

- Sales totaled SEK 624 M (638)
- Strong EBITA margin, 10.0 percent (8.5), for Nolato Telecom
- Sharp growth in sales of 162 percent for Nolato Medical, 35 percent organically
- Consolidated EBITA increased 10 % to SEK 56 M (51) and the consolidated EBITA margin increased to 9.0% (8.0)
- Strong cash flow of SEK 52 M (-6) excluding acquisitions and disposals

Sales

Consolidated sales for the Nolato Group in the third quarter totaled SEK 624 M (638). Acquired units accounted for SEK 69 M of sales. Currency effects had a negative impact on sales of about 1 percent.

Nolato Telecom reported growth in sales volumes compared to the same period in 2006. More products late in their product life cycle were delivered than expected. Overall, this meant increased sales compared to previous quarters in 2007, and higher volumes led to improved capacity utilization at Nolato Telecom. However, sales fell sharply as a result of a change in the product mix to SEK 271 M (390). During the same period in 2006, products with a high share of assembled components and very high value per delivered unit were delivered. Price pressure remained strong.

Nolato Telecom was named strategic supplier to the Canadian company

RIM, which develops and manufactures the BlackBerry mobile platform. To date, orders have been received for production of a small-scale project in 2008.

Nolato Medical increased sales to SEK 126 M (48), which corresponds to an increase of 162 percent compared to the same period in 2006, with 35 percent of this organic growth. Volumes were very strong for the quarter, and the acquisitions have performed well and in line with expectations.

Nolato Medical, which has been selected as a strategic partner of Coloplast AS (Denmark), received a major new outsourcing order for further production. Coloplast is a rapidly expanding Danish company with extensive international operations. Production will be carried out at Nolato's facility in Hungary and is expected to start up in the second quarter of 2008, gradually increasing during the third and fourth quarter. Annual sales for the project are estimated at SEK 20–25 M once the project reaches full production toward the end of next year. Components and subsystems will be delivered to the customer's rapidly expanding production units in Hungary.

Nolato Industrial increased its sales to SEK 233 M (204), which corresponds to an increase of 14 percent compared to the same period in 2006, with 10 percent of this organic. Volumes were good during the quarter, particularly for the automotive industry.

■ Sales, EBITA and EBITA margin by profit center

SEK M	Sales Q3/2007	Sales Q3/2006	EBITA Q3/2007	EBITA Q3/2006	EBITA margin Q3/2007	EBITA margin Q3/2006
Nolato Telecom	271	390	27	33	10.0%	8.5%
Nolato Medical	126	48	17	7	13.5%	14.6%
of which operations disposed of	—	—	—	—	—	—
Nolato Industrial	233	204	17	18	7.3%	8.8%
Intra-Group adj, Parent Company	-6	-4	-5	-7	—	—
Group total	624	638	56	51	9.0%	8.0%

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

Earnings

Consolidated EBITA was SEK 56 M (51).

Nolato Telecom's EBITA was SEK 27 M (33), Nolato Medical's was SEK 17 M (7) and Nolato Industrial's was SEK 17 M (18).

Nolato Telecom's lower earnings are due largely to lower sales. The EBITA margin for Nolato Telecom increased to a strong 10.0 percent (8.5). This strong margin, compared to the same period in 2006, is largely explained by high capacity utilization along with high volumes at the beginning of the quarter for products late in their product life cycle as well as high volumes in new projects. The start-up of new projects was completed without any significant interruptions and with high productivity.

The EBITA margin for Nolato Medical was 13.5 percent (14.6). A change in product mix and advances from the acquired units had a negative impact on the margin compared to the same period in 2006.

Nolato Industrial's EBITA margin was 7.3 percent (8.8). The lower margin compared to the same period in 2006 is largely explained by the change in product mix, including a higher content of assembled components for the automotive industry.

Overall, the consolidated EBITA margin increased to 9.0 percent (8.0).

Prices of raw materials for plastic production increased slightly in the third quarter of 2007 compared to the first six months 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 for the third quarter compared to the same period in 2006.

Currency effects, that is, exchange rate translation and transaction effects, had a negative impact on earnings of about SEK 2 M in the quarter.

EBITA was affected by effects of currency exchange rate differences totaling SEK 0 M (2) which were charged to income in the third quarter.

Operating income increased to SEK 54

M (51, excluding non-recurring costs).

In 2006, SEK 5 M in non-recurring costs was charged to income for the dismissal of a managing director in one subsidiary.

Income after financial items increased to SEK 47 M (44). Net financial items included SEK -1 M (-1) in currency exchange rate differences during the third quarter, most of which was related to translation differences for loans in foreign currencies in operations outside Sweden.

Net income was SEK 36 M (35). Earnings per share were SEK 1.37 (1.33). Adjusted earnings per share excluding writedowns of intangible assets from company acquisitions were SEK 1.45 (1.48)

First nine months of 2007

Sales and earnings

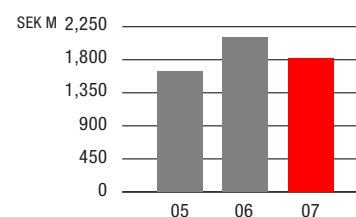
Consolidated sales during the period totaled SEK 1,820 M (2,099). Currency effects had a negative impact on sales of just under 1 percent. Consolidated EBITA was SEK 142 M (164), excluding non-recurring costs. SEK 7 M in non-recurring costs related to the acquisition of Cerbo Group was charged to income in the first quarter of 2007. In 2006, SEK 5 M in non-recurring costs was charged to income. The EBITA margin excluding non-recurring costs was 7.8 percent, unchanged from the same period in 2006. Currency effects, that is, exchange rate translation and transaction effects, had an impact on earnings of about SEK 0 M in the quarter.

Operating income totaled SEK 137 M (164), excluding non-recurring costs. Including non-recurring costs, operating income totaled SEK 130 M (159).

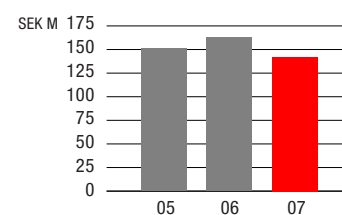
Income after financial items was SEK 115 M (150). Financial items included SEK 1 M (-4) in effects of currency exchange rate differences during the period, most of which was related to translation differences on loans in foreign currencies in operations outside Sweden.

Net income was SEK 87 M (123).

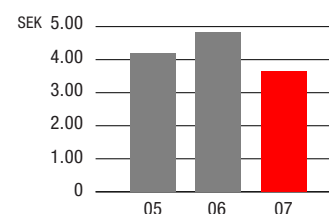
Sales Q1-Q3



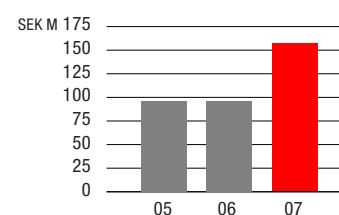
EBITA Q1-Q3 ¹⁾



Adjusted earnings per share Q1-Q3 ²⁾



Cash flow after investments Q1-Q2 ³⁾

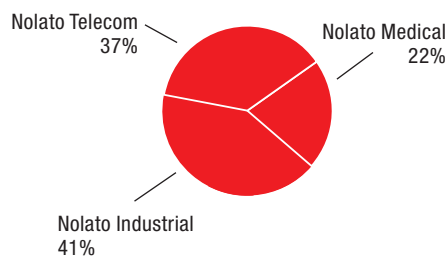


1) EBITA – Earnings before interest, taxes and amortization of intangible assets from company acquisitions, excluding non-recurring items.

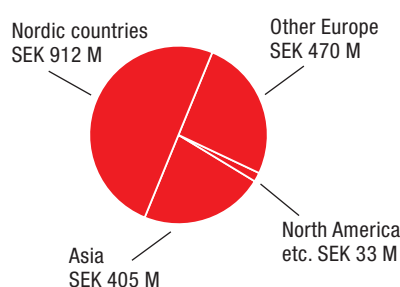
2) Adjusted earnings per share – Net income excluding amortization of intangible assets from company acquisitions and non-recurring items, divided by average number of shares.

3) Excluding acquisitions and divestments.

■ Sales by profit center Q1–Q3 2007



■ Sales by geographic region Q1–Q2 2007



Earnings per share were SEK 3.31 (4.68). Adjusted earnings per share excluding writedowns on intangible assets from company acquisitions as well as non-recurring items were SEK 3.65 (4.83).

The effective tax rate including non-recurring items was 25 percent (18). The increase is largely due to improved earnings in countries with higher tax rates. The return on capital employed was 4.4 percent for the most recent twelve-month period (7.4 for the 2006 calendar year). Excluding non-recurring items, return on capital employed was 14.9 percent (19.4 for the 2006 calendar year). The return on operating capital was 4.3 percent for the most recent twelve-month period (8.3 for the 2006 calendar year). Excluding non-recurring items, the return on operating capital was 15.8 (22.3 percent for the 2006 calendar year).

Disposals

On May 21, Nolato disposed of its two subsidiaries AB Cerbo Göteborg and Medigrafik A/S. The companies are focused on the development and production of printed cardboard packaging for the pharmaceutical industry and were included in the acquisition of Cerbo Group that Nolato made at the beginning of March this year. The purchase price was paid in cash and totaled SEK 134 M (on a debt-free basis). The sale of the companies entailed no capital gain or loss for the Group. Sales and earnings for the Group and the Nolato Medical profit center excluding these two companies are reported under "Remaining operations."

■ Consolidated performance analysis

SEK M	Q3 2007	Q3 2006	Q1–Q3 2007	Q1–Q3 2006	Full year 2006
Net sales	624	638	1,820	2,099	2,702
Gross income excl. amortization and non-recurring items	137	126	390	396	521
<i>As a percent of net sales</i>	22.0	19.7	21.4	18.9	19.3
Costs ¹⁾	– 43	– 40	– 133	– 120	– 165
<i>As a percent of net sales</i>	6.9	6.3	7.3	5.7	6.1
EBITDA excluding non-recurring items	94	86	257	276	356
<i>As a percent of net sales</i>	15.1	13.5	14.1	13.1	13.2
Amortization and writedowns	– 38	– 35	– 115	– 112	– 147
EBITA excluding non-recurring items	56	51	142	164	209
<i>As a percent of net sales</i>	9.0	8.0	7.8	7.8	7.7
Amortization of acquisition goodwill	– 2	—	– 5	—	– 1
Non-recurring items ²⁾	—	– 5	– 7	– 5	– 130
EBIT	54	46	130	159	78
Financial items	– 7	– 2	– 15	– 9	– 9
Income after financial items	47	44	115	150	69
Tax excluding non-recurring items	– 11	– 10	– 30	– 28	– 40
<i>As a percent of income after financ. items excl. non-recurring items</i>	23.4	20.4	24.6	18.1	20.1
Lump-sum tax income ³⁾	—	1	2	1	19
Net income	36	35	87	123	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 bankruptcy and
SEK 5 M to costs for the dismissal of a subsidiary managing director.

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 full-year 2006 pertains to tax income for BenQ's bankruptcy
and SEK 1 M for full-year 2006 to other non-recurring items.

Nolato Telecom

Sales and earnings (SEK M)		
Nine months	2007	2006
Sales	679	1 281
EBITA	46	106
EBITA margin (%)	6.8	8.3
Operating income	46	106

Sales totaled SEK 679 M (1,281), thus accounting for 37 percent (60) of total Group sales.

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

During the first six months 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 beginning of 2008.

EBITA was SEK 46 M (106). The EBITA margin was 6.8 percent (8.3). During the first quarter, capacity utilization was low, and remaining fixed costs, which are necessary for future projects, resulted in a lower margin than for the same period in 2006. During the second quarter, capacity utilization was still unsatisfactory but better compared to the first quarter. The third quarter had high capacity utilization with a strong margin.

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. This production was very limited in the last few quarters, and Nolato decided earlier to close production in the second half of 2007. Nolato expects that

this will not entail any non-recurring costs or capital losses.

Nolato Medical

Sales and earnings (SEK M)		
Nine months	2007	2006
Sales	412	161
<i>of which operations disposed of</i>	33	—
EBITA	54	24
<i>of which operations disposed of</i>	3	—
EBITA margin excl. non-rec. items (%)	13.1	14.9
Op. income excl. non-rec. items	51	24
Op. income incl. non-rec. items	44	19

Nolato Medical increased sales to SEK 412 M (161), which corresponds to an increase of 135 percent for remaining operations compared to the same period in 2006, with 29 percent of this organic. Sales for remaining operations accounted for 21 percent (8) of total Group sales.

Volumes during the period were good for Nolato Medical. Volumes for the production of insulin products in particular 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 54 M (24). The EBITA margin excluding non-recurring items was 13.1 percent (14.9). The change in product mix and advances from the acquired units resulted in a lower margin level compared to previously.

Nolato Industrial

Sales and earnings (SEK M)		
Nine months	2007	2006
Sales	742	674
EBITA	59	56
EBITA margin (%)	8.0	8.3
Operating income	57	56

Sales increased 10 percent to SEK 742 M (674). Compared to the same period in 2006, SEK 20 M of sales was from acquisitions. Sales accounted for 41 percent (32) of total Group sales. Organic growth was 7 percent.

Volumes were good, especially for the automotive industry, with solid growth in sales for most operations.

EBITA increased to SEK 59 M (56). The EBITA margin was 8.0 percent (8.3). The margin was high during the first quarter mainly due to high capacity utilization, while the margin fell in the second and third quarter as a result of a change in product mix, including a higher content of assembled components for the automotive industry.

Cash flow

Cash flow before investments was SEK 223 M (196). The change in working capital was negative at SEK -12 M (-35). SEK 51 M in insurance compensation for BenQ customer receivables was received while payments for BenQ of roughly SEK 38 M had a negative effect. Excluding these payments, cash flow before investments was SEK 210 M. Remaining future payments for BenQ are estimated to be about SEK 12 M.

Cash flow after investment activities was SEK 156 M (96), excluding acquisitions and disposals of operations. Including acquisitions and disposals of operations, cash flow after investment activities was SEK 86 M (81). Net investments affecting cash flow totaled SEK 137 M (115), including a net SEK 70 M (15) for acquisitions/disposals of operations. Excluding acquisitions and disposals of operations, net investments affecting cash flow totaled SEK 67 M (100).

Financial position

Interest-bearing assets totaled SEK 109 M (189) and interest-bearing liabilities and provisions totaled SEK 503 M (259). The market value of derivatives related to interest-bearing liabilities was SEK +6 M (+7). Net liabilities thus totaled SEK 388 M (63). Shareholders' equity was SEK 812 M (868). The equity/assets ratio was 41 percent (49).

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.

New President and CEO

Nolato's Board of Directors has appointed Hans Porat, who has been the President of Gadelius, Japan, since 2002, to be the company's new President and CEO. Porat, 52, has an MS in engineering. Prior to his position as President of Gadelius, Porat was Deputy CEO and Executive Vice President of the Trelleborg Group. Before this, he held management positions at ABB and Fläkt, both in Sweden and internationally. Porat will assume his position by February 1, 2008, at the latest.

Personnel

The average number of employees during the period was 3,669 (4,794). The number of employees was lower mainly in China.

Important risks and uncertainty factors

The Group's and the Parent Company's business risks and risk management 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 and the Parent Company'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 6,979 shareholders on September 30, 2007. The largest owners are the Paulsson family with 12 percent, the Jorlén family with 11 percent and the Boström family with 10 percent of the capital. The next largest shareholders are seven institutional investors, which together own another 29 percent of the capital, with Livförsäkringsaktiebolaget Skandia, Skandia/Carlson fonder and If Skadeförsäkring representing the largest. The ten largest owners hold 61 percent of the capital and 80 percent of the votes.

The Parent Company

Sales totaled SEK 12 M (22). The decrease in sales was a result of lower costs debited to subsidiaries. Income before taxes was SEK 96 M (29). The higher earnings are due to higher dividends from subsidiaries. The acquisition of Cerbo Group AB was carried out in 2007.

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," and with the Swedish Financial Accounting Standards Council recommendation RR 31, "Interim Group Financial Reporting." The new or revised IFRS standards or IFRIC

■ Financial position

SEK M	Sep 30, 2007	Sep 30, 2007	Dec 31, 2007
Interest-bearing liabilities credit institutions	416	198	242
Interest-bearing pension liabilities	87	61	55
Market value of derivatives	-6	-7	-4
Total borrowings	497	252	293
Cash, bank balances and short-term investments	-109	-189	-131
Net financial liabilities	388	63	162
Working capital	205	284	176
<i>As a percent of sales (avg.) (%)</i>	<i>10.1</i>	<i>9.8</i>	<i>7.3</i>
Capital employed	1,315	1,127	1,086
<i>Return on cap. empl., excl. non-rec. items (avg.) (%)</i>	<i>14.9</i>	<i>22.0</i>	<i>19.4</i>
Shareholders' equity	812	868	789
<i>Return on equity (avg.) (%)</i>	<i>1.5</i>	<i>24.0</i>	<i>5.9</i>

Interpretations that entered into force since January 1, 2007, have not had any material effect on the Group's income statements or balance sheets.

Information about the Nomination Committee

At Nolato's Annual Shareholders' Meeting on April 25, 2007, it was decided that the company should have a Nomination Committee consisting of one representative for each of the five shareholders that have the largest number of votes at the end of September.

After discussions with the five largest shareholders, the following people have accepted membership in Nolato's Nomination Committee prior to the 2008 Annual Shareholders' Meeting:

- Henrik Jorlén, chairman,
representing the Jorlén family
- Gun Boström,
representing the Boström family
- Erik Paulsson
representing the Paulsson family
- Erik Sjöström, representing
Livförsäkringsaktiebolaget Skandia

The Annual Shareholders' Meeting

The Annual Shareholders' Meeting will be held on April 28, 2008. Shareholders who wish to forward suggestions to the Nomination Committee can contact one of the representatives on the Nomination Committee by e-mail:

- henrik.jorlen@bjarenet.com
- gunbostrom@gmail.com
- erik.paulsson@hansan.se
- erik.sjostrom@skandia.se.

Financial information schedule

- Year-end report 2007:
January 31, 2008
- Three-month interim report 2008:
April 28, 2008
- Annual Shareholders' Meeting 2008:
April 28, 2008
- Six-month interim report 2008:
July 21, 2008

Torekov, Sweden October 24, 2007

Nolato AB (publ)

Georg Brunstam

President and CEO

This report has not been reviewed
by the Company's auditors.

For further information, please contact:

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phone +46 431 442293 or +46 705 763340

Income statement

SEK M	Remaining operations		Disposed operations		Group total	
	Q3 2007	Q3 2006	Q3 2007	Q3 2006	Q3 2007	Q3 2006
Net sales	624	638	—	—	624	638
Cost of goods sold	- 525	- 546	—	—	- 525	- 546
Gross income	99	92	—	—	99	92
Selling expenses	- 11	- 12	—	—	- 11	- 12
Administrative expenses	- 32	- 34	—	—	- 32	- 34
Other operating income	—	—	—	—	—	—
Other operating costs	- 2	—	—	—	- 2	—
Operating income	54	46	—	—	54	46
Financial items	- 7	- 2	—	—	- 7	- 2
Income after financial items	47	44	—	—	47	44
Tax	- 11	- 9	—	—	- 11	- 9
Net income	36	35	—	—	36	35
Total amortization and writedowns charged to inc.	40	35	—	—	40	35
Earnings per share after full tax (SEK)	—	—	—	—	1.37	1.33
Number of shares at the end of the period (000)	—	—	—	—	26,307	26,307
Average number of shares (000)	—	—	—	—	26,307	26,307

SEK M	Remaining operations		Disposed operations		Group total		
	Q1-Q3 2007	Q1-Q3 2006	Q1-Q3 2007	Q1-Q3 2006	Q1-Q3 2007	Q1-Q3 2006	Q4/06 - Q3/07
Net sales	1,787	2,099	33	—	1,820	2,099	2,423
Cost of goods sold	- 1,515	- 1,809	- 27	—	- 1,542	- 1,809	- 2,162
Gross income	272	290	6	—	278	290	261
Selling expenses	- 38	- 39	- 2	—	- 40	- 39	- 69
Administrative expenses	- 102	- 100	- 1	—	- 103	- 100	- 137
Other operating income	—	10	—	—	—	10	—
Other operating costs	- 5	- 2	—	—	- 5	- 2	- 6
Operating income	127	159	3	—	130	159	49
Financial items	- 14	- 9	- 1	—	- 15	- 9	- 15
Income after financial items	113	150	2	—	115	150	34
Tax	- 27	- 27	- 1	—	- 28	- 27	- 22
Net income	86	123	1	—	87	123	12
Total amortization and writedowns charged to income	118	112	2	—	120	112	174
Earnings per share after full tax (SEK)	—	—	—	—	3.31	4.68	0.45
Number of shares at the end of the period (000)	—	—	—	—	26,307	26,307	26,307
Average number of shares (000)	—	—	—	—	26,307	26,307	26,307

■ Balance sheets

SEK M	Sep 30, 2007	Sep 30, 2006	Dec 31, 2006
Non-current tangible assets	761	694	683
Non-current intangible assets	388	48	193
Financial fixed assets	2	4	13
Total non-current assets	1,151	746	889
Inventories	209	247	187
Accounts receivable	480	504	426
Other current assets	52	81	91
Cash, bank balances, and short-term investments	109	189	131
Total current assets	850	1,021	835
Total assets	2,001	1,767	1,724
Shareholders' equity	812	868	789
Interest-bearing provisions	87	61	55
Non-interest-bearing provisions	150	92	110
Interest-bearing liabilities	416	198	242
Non-interest-bearing liabilities	536	548	528
Total shareholders' equity and liabilities	2,001	1,767	1,724

■ Non-recurring items

SEK M	Q3 2007	Q3 2006	Q1-Q3 2007	Q1-Q3 2006	Q4/06 – Q3/07	Full year 2006
BenQ's bankruptcy	—	—	—	—	- 125	- 125
Salary for dismissal of subsidiary managing director	—	- 5	—	- 5	—	- 5
Tax resulting from government decision	—	—	- 7	—	- 7	—
Tax effect	—	1	2	1	20	19
Net income	—	- 4	- 5	- 4	- 112	- 111
Effect of non-recurring items on income statement						
Cost of goods sold	—	—	—	—	- 108	- 108
Selling expenses	—	—	—	—	- 17	- 17
Administrative expenses	—	- 5	- 7	- 5	- 7	- 5
Tax	—	1	2	1	20	19
Net income	—	- 4	- 5	- 4	- 112	- 111

■ Earnings per share

SEK M	Q3 2007	Q3 2006	Q1-Q3 2007	Q1-Q3 2006	Q4/06 – Q3/07	Full year 2006
Net income	36	35	87	123	12	48
Adjusted earnings:						
Non-recurring items	—	5	7	5	132	130
Tax on non-recurring items	—	- 1	- 2	- 1	- 20	- 19
Amortization of acquisition goodwill	2	—	5	—	6	1
Tax on amortization	—	—	- 1	—	- 1	—
Adjusted earnings	38	39	96	127	129	160
Average number of shares (000)	26,307	26,307	26,307	26,307	26,307	26,307
Earnings per share (SEK)	1.37	1.33	3.31	4.68	0.45	1.82
Adjusted earnings per share (SEK)	1.45	1.48	3.65	4.83	4.90	6.08

■ Quarterly data

Consolidated financial results in brief

		Q1	Q2	Q3	Q4	Full year
Net sales (SEK M)	2007	560	636	624		
	2006	594	867	638	603	2,702
EBITDA ¹⁾ excluding non-recurring items (SEK M)	2007	75	88	94		
	2006	84	106	86	80	356
EBITA ²⁾ excluding non-recurring items (SEK M)	2007	38	48	56		
	2006	51	62	51	45	209
EBITA margin excluding non-recurring items (%)	2007	6.8	7.5	9.0		
	2006	8.6	7.2	8.0	7.5	7.7
Operating income (SEK M)	2007	30	46	54		
	2006	51	62	46	- 81	78
Operating income excluding non-recurring items (SEK M)	2007	37	46	54		
	2006	51	62	51	44	208
Income after financial items (SEK M)	2007	27	41	47		
	2006	47	59	44	- 81	69
Net income (SEK M)	2007	20	31	36		
	2006	37	51	35	- 75	48
Cash flow after inv. and disp. excl. non-rec. items (SEK M)	2007	23	81	52		
	2006	48	54	- 21	61	142
Earnings per share (SEK)	2007	0.76	1.18	1.37		
	2006	1.41	1.94	1.33	- 2.86	1.82
Adjusted earnings per share ³⁾ (SEK)	2007	0.99	1.21	1.45		
	2006	1.41	1.94	1.48	1.25	6.08
Average number of shares (000)	2007	26,307	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	271		
	2006	311	580	390	277	1,558
Nolato Medical	2007	113	140	126		
	2006	55	58	48	83	244
Nolato Industrial	2007	252	257	233		
	2006	235	235	204	250	924
Disposed operations	2007	13	20	—		
	2006	—	—	—	—	—
Group adjustments, Parent Company	2007	- 3	- 4	- 6		
	2006	- 7	- 6	- 4	- 7	- 24
Group total	2007	560	636	624		
	2006	594	867	638	603	2,702

EBITA²⁾ by profit center (SEK M)

		Q1	Q2	Q3	Q4	Full year
Nolato Telecom	2007	5	14	27		
	<i>EBITA margin</i>	2.7%	6.3%	10.0%		
	2006	28	45	33	18	124
	<i>EBITA margin</i>	9.0%	7.8%	8.5%	6.5%	8.0%
Nolato Medical	2007	16	18	17		
	<i>EBITA margin</i>	14.2%	12.9%	13.5%		
	2006	10	7	7	12	36
	<i>EBITA margin</i>	18.2%	12.1%	14.6%	14.5%	14.8%
Nolato Industrial	2007	23	19	17		
	<i>EBITA margin</i>	9.1%	7.4%	7.3%		
	2006	20	18	18	18	74
	<i>EBITA margin</i>	8.5%	7.7%	8.8%	7.2%	8.0%
Disposed operations	2007	1	2	—		
	2006	—	—	—	—	—
Group adjustments, Parent Company	2007	- 7	- 5	- 5		
	2006	- 7	- 8	- 7	- 3	- 25
Group total	2007	38	48	56		
	<i>EBITA margin</i>	6.8%	7.5%	9.0%		
	2006	51	62	51	45	209
	<i>EBITA margin</i>	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

	Q3 2007	Q3 2006	Q1–Q3 2007	Q1–Q3 2006	Q4/06 – Q3/07	Full year 2006
Net sales (SEK M)	624	638	1,820	2,099	2,423	2,702
Sales growth (%)	– 2	19	11	28	– 11	20
Percentage of sales outside Sweden (%)	64	73	61	72	59	68
EBITDA excluding non-recurring items (SEK M)	94	86	257	276	337	356
EBITA excluding non-recurring items (SEK M)	56	51	142	164	187	209
EBITA margin excluding non-recurring items (%)	9.0	8.0	7.8	7.8	7.7	7.7
Income after financial items (SEK M)	47	44	115	150	34	69
Profit margin (%)	7.5	6.9	6.3	7.1	1.4	2.6
Net income (SEK M)	36	35	87	123	12	48
Return on total assets (%)	—	—	—	—	2.9	4.7
Return on capital employed (%)	—	—	—	—	4.4	7.4
Return on capital employed excluding non-recurring items (%)	—	—	—	—	14.9	19.4
Return on operating capital (%)	—	—	—	—	4.3	8.3
Return on operating capital excluding non-recurring items (%)	—	—	—	—	15.8	22.3
Return on shareholders' equity (%)	—	—	—	—	1.5	5.9
Equity/assets ratio (%)	—	—	41	49	—	46
Debt/equity ratio (%)	—	—	62	30	—	38
Interest coverage ratio (times)	8	18	7	21	3	8
Investments affecting cash flow excl. acquisitions and disp. (SEK M)	14	32	67	100	90	123
Cash flow after investments excl. acquisitions and disp. (SEK M)	52	– 6	156	96	202	142
Net liabilities (SEK M)	—	—	388	63	—	162
Earnings per share (SEK)	1.37	1.33	3.31	4.68	0.45	1.82
Adjusted earnings per share (SEK)	1.45	1.48	3.65	4.83	4.90	6.08
Cash flow per share (SEK)	2.09	– 0.80	3.27	3.08	– 0.23	– 0.42
Shareholders' equity per share (SEK)	—	—	31	33	—	30
Number of shares at end of period (000)	26,307	26,307	26,307	26,307	26,307	26,307
Average number of shares (000)	26,307	26,307	26,307	26,307	26,307	26,307
Average number of employees	—	—	3,669	4,794	—	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	Q3 2007	Q3 2006	Q1–Q3 2007	Q1–Q3 2006	Q4/06 – Q3/07	Full year 2006
Cash flow from operations	92	78	235	231	229	225
Changes in working capital	– 26	– 52	– 12	– 35	75	55
Investment activities *	– 11	– 47	– 137	– 115	– 310	– 291
Cash flow before financing activities	55	– 21	86	81	– 6	– 11
Financing activities	– 11	3	– 109	– 55	– 65	– 11
Cash flow for the period	44	– 18	– 23	26	– 71	– 22
Liquid funds at start of period	69	207	131	163		163
Exchange rate difference in liquid funds	– 4	—	1	—		– 10
Liquid funds at end of period	109	189	109	189		131

- * SEK 187 M included in Q1–Q3 2007 and Q4/06–Q3/07 for acquisition of Cerbo Group
 SEK 117 M, of which SEK 3 M was received in Q3/07, included in Q1–Q3 2007 and Q4/06–Q3/07 for disposal of operations
 SEK 153 M included in full-year 2006 and Q4/06–Q3/07 for acquisition of Medical Rubber
 SEK 15 M included in full year 2006 and Q1–Q3 2006 for an assets purchase

Change in shareholders' equity

SEK M	Q1– Q3 2007	Q1– Q3 2006	Full year 2006
Amount on January 1	789	832	832
Dividend to shareholders	– 63	– 63	– 63
Translation differences	– 3	– 27	– 31
Change in revaluation reserve hedge accounting	2	3	3
Net income	87	123	48
Amount at end of period	812	868	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-Q3 2007	Q1-Q3 2006	Full year 2006
Net sales	12	22	53
Selling expenses	- 3	- 8	- 18
Administrative expenses	- 26	- 31	- 36
Operating income	- 17	- 17	- 1
Income from shares in Group companies	121	53	76
Financial income	12	7	10
Financial expenses	- 20	- 14	- 16
Income after financial items	96	29	69
Tax	7	7	3
Net income	103	36	72

■ Parent Company balance sheet

SEK M	Sep 30, 2007	Sep 30, 2006	Full year 2006
Financial fixed assets	996	614	800
Current assets	168	91	143
Cash and bank balances	69	115	42
Total assets	1 233	820	985
Shareholders' equity	734	652	696
Long-term liabilities	420	150	149
Current liabilities	79	18	140
Total shareholders' equity and liabilities	1 233	820	985