

Nolato AB (publ) nine-month interim report 2008

Strong third quarter for the Nolato Group

■ Third quarter of 2008 in brief

- Sales rose by 11 percent to SEK 693 M (624)
- Operating income (EBITA) was up 14 percent to SEK 64 M (56)
- Earnings per share increased to SEK 1.71 (1.37)
- Cash flow after investments was SEK 78 M (52 excluding disposals)
- An outlook for the first six months of 2009 for Nolato Telecom is included in this report

■ First nine months of 2008 in brief

- Sales rose by 16 percent to SEK 2,077 M (1,787)
- Operating income (EBITA) was up 32 percent to SEK 184 M (139)
- Earnings per share increased to SEK 5.02 (3.27)

■ Group highlights

SEK M unless otherwise specified	Q3 2008	Q3 2007	Q1–Q3 2008	Q1–Q3 2007	Q4 2007 – Q3 2008	Full-year 2007
Net sales	693	624	2,077	1,787	2,711	2,421
Operating income (EBITDA) excluding non-recurring items ¹⁾	101	94	304	252	409	357
Operating income (EBITA) excluding non-recurring items ²⁾	64	56	184	139	249	204
EBITA margin excluding non-recurring items, %	9.2	9.0	8.9	7.8	9.2	8.4
Income after financial items	57	47	169	113	227	171
Net income	45	36	132	86	196	150
Earnings per share, SEK *	1.71	1.37	5.02	3.27	7.45	5.70
Adjusted earnings per share, SEK ³⁾ *	1.75	1.45	5.17	3.61	6.88	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.	78	52	144	156	215	227
Net investm. affecting cash flow, excl. acquisitions and disp.	46	14	127	67	148	88
Return on capital employed, %	—	—	—	—	18.7	15.0
Return on shareholders' equity, %	—	—	—	—	22.0	18.3
Equity/assets ratio, %	—	—	45	41	—	46
Net liabilities	—	—	250	388	—	314

Sales, income and return figures for 2007 refer 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.

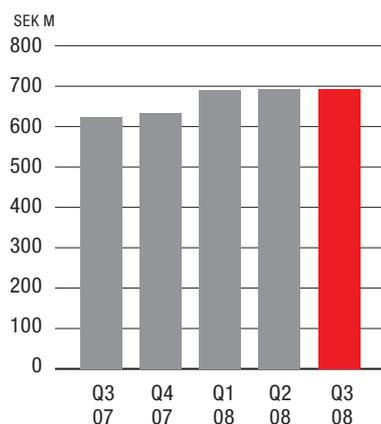
¹⁾ Operating income (EBITDA): Earnings before interest, taxes, depreciation/amortisation and non-recurring items.

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

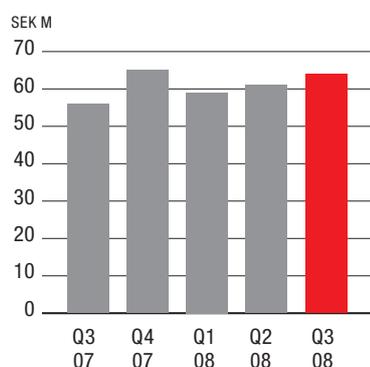
³⁾ Adjusted earnings per share: Net income, excluding amortisation of intangible assets from company acquisitions and non-recurring items, divided by average number of shares.

This document is a translation from Swedish. In the event of any difference, the Swedish original shall govern.

■ Sales by quarter



■ EBITA by quarter



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

Third quarter 2008

- Sales rose by 11 percent to SEK 693 M (624)
- Operating income (EBITA) was up 14 percent to SEK 64 M (56)
- Strong growth for Nolato Medical and Nolato Telecom

■ Sales

Group sales during the third quarter totalled SEK 693 M (624), corresponding to organic growth of 11 percent. Currency exchange rate differences had a positive impact on sales of around 1 percent.

Nolato Medical saw sales grow to SEK 156 M (126), corresponding to organic growth of 24 percent. Volumes have been excellent during the quarter for most of the business area's customer segments.

Nolato Telecom's sales rose by 17 percent to SEK 318 M (271). Sales during the quarter consisted largely of products launched during 2008, for which volumes have shown strong growth. However, the increase in sales was mostly due to a change in the product mix. Product deliveries were made as planned during the quarter to a new customer, RIM, whose operations include developing and producing the BlackBerry.

Nolato Industrial's sales stood at SEK 219 M (233). Volumes shrank, particularly to the automotive industry.

■ Earnings

The Group's operating income (EBITA) was up 14 percent to SEK 64 M (56).

Nolato Medical's operating income (EBITA) was SEK 21 M (17), Nolato Tel-

ecom's was SEK 36 M (27) and Nolato Industrial's was SEK 16 M (17).

The EBITA margin for Nolato Medical was 13.5 percent (13.5).

Nolato Telecom's EBITA margin rose to a healthy 11.3 percent (10.0). A large proportion of new mobile phone projects and successful new project start-ups have had a positive impact on the margin, and capacity utilisation was extremely high.

Nolato Industrial's EBITA margin stood at 7.3 percent (7.3).

Overall, the Group's EBITA margin was a strong 9.2 percent (9.0).

Raw material prices for plastic manufacturing were largely unchanged in the third quarter of 2008 compared with the corresponding quarter in 2007, but remained at a very high level historically. However, prices are currently falling slightly.

Currency effects, i.e. conversion effects and transaction effects, have had a positive impact on operating income of around SEK 6 M (-2) during the third quarter.

Operating income (EBIT) rose to SEK 62 M (54). Income after net financial items grew to SEK 57 M (47). Net financial items included SEK 1 M (-1) in positive effects of currency exchange rate differences during the third quarter, most of which related to translation differences for loans in foreign currencies for operations outside Sweden.

Net income was SEK 45 M (36). Earnings per share were SEK 1.71 (1.37). Adjusted earnings per share excluding amortisation of acquisition goodwill were SEK 1.75 (1.45). The effective tax rate was 21 percent (23).

■ Sales, operating income (EBITA) and EBITA margin by business area

SEK M	Sales Q3/2008	Sales Q3/2007	Op. income (EBITA) Q3/2008	Op. income (EBITA) Q3/2007	EBITA margin Q3/2008	EBITA margin Q3/2007
Nolato Medical	156	126	21	17	13.5%	13.5%
Nolato Telecom	318	271	36	27	11.3%	10.0%
Nolato Industrial	219	233	16	17	7.3%	7.3%
Intra-Group adj, Parent Co.	0	-6	-9	-5	—	—
Group total	693	624	64	56	9.2%	9.0%

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

The first nine months of 2008

Sales and earnings

Consolidated sales for the Nolato Group during the first nine months totalled SEK 2,077 M (1,787). Currency effects had a negative impact of around 1 percent on sales. The Group's operating income (EBITA) was SEK 184 M (139). 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 8.9 percent (7.8 excluding non-recurring items).

Operating income (EBIT) was SEK 178 M (127). Consolidated income after net financial items was SEK 169 M (113). Net financial items included SEK 5 M (1) in positive 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 132 M (86). Earnings per share were SEK 5.02 (3.27). Adjusted earnings per share excluding amortisation of acquisition goodwill and non-recurring items were SEK 5.17 (3.61). The effective tax rate was 22 percent (24).

The return on capital employed was 18.7 percent for the last twelve months (15.0 percent for the 2007 calendar year). The return on operating capital was 19.8 percent for the last twelve months (15.8 percent for the 2007 calendar year).

Nolato Medical

Sales and earnings (SEK M)		
Nine months	2008	2007
Sales	461	379
Operating income (EBITA)	64	51
EBITA margin (%) excl. non-rec. items	13.9	13.5
Operating income (EBIT)	60	41

Nolato Medical saw sales grow to SEK 461 M (379). This corresponds to a 22 percent increase for remaining operations compared with the same period during the previous year. Of this, 14 percent was organic growth. Sales accounted for 22 percent (21) of the Group's entire sales.

Operating income (EBITA) increased

to SEK 64 M (51 excluding operations disposed of and non-recurring items). The EBITA margin was 13.9 percent (13.5).

Since Asia is becoming an increasingly important market for Nolato Medical's customers, there is a demand for Nolato Medical's presence and production resources in the region. A decision was made during the first quarter to start production in China, and this will begin during the fourth quarter of 2008.

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. Delivery volumes from the Hungarian unit rose steadily during the third quarter. Annual sales for the project have been estimated at SEK 20 to 25 M when it reaches full speed at the end of the year.

Nolato Telecom

Sales and earnings (SEK M)		
Nine months	2008	2007
Sales	879	679
Operating income (EBITA)	86	46
EBITA margin (%)	9.8	6.8
Operating income (EBIT)	86	46

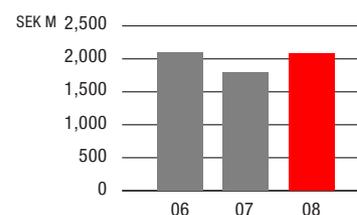
Nolato Telecom saw sales grow to SEK 879 M (679), an increase of 29 percent compared with the same period during the previous year. Sales accounted for 42 percent (38) of the Group's sales.

Sales consisted largely of products launched during the first nine months, for which volumes have been excellent. 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. Relationships with the business area's biggest customers have been deepened over the course of the year.

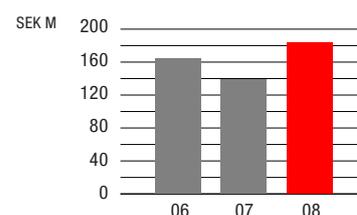
The business area's operating income (EBITA) was SEK 86 M (46). The EBITA margin was 9.8 percent (6.8). A large proportion of the deliveries for new mobile phone projects has had a beneficial effect on the margin, and capacity utilisation has been high.

Nolato Telecom's Chinese operations experienced considerable growth at the

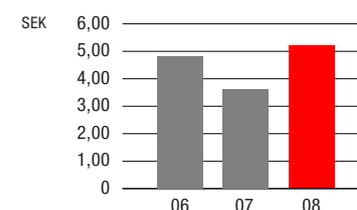
Sales Q1-Q3



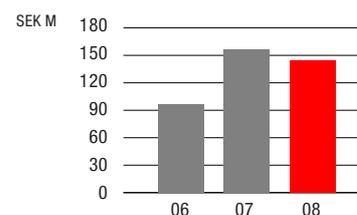
EBITA Q1-Q3 ¹⁾



Adjusted earnings per share Q1-Q3 ²⁾



Cash flow after investments Q1-Q3 ³⁾

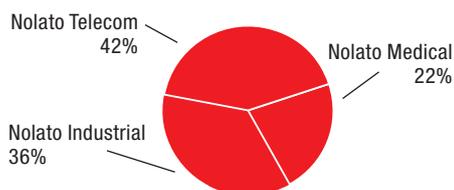


¹⁾ EBITA – Earnings before interest, taxes and amortisation of intangible assets from company acquisitions, excluding non-recurring items.

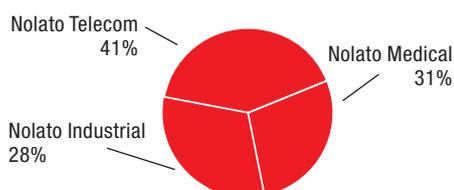
²⁾ Adjusted earnings per share – Net income excluding amortisation of intangible assets from company acquisitions and non-recurring items, divided by average number of shares.

³⁾ Excluding acquisitions and disposals.

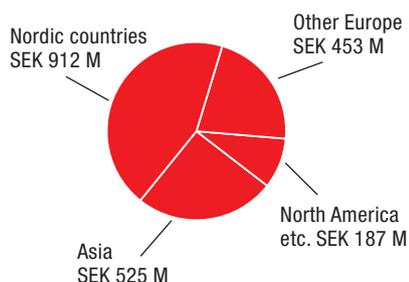
■ Sales by business areas
Q1–Q3 2008



■ EBITA by business areas
Q1–Q3 2008



■ Sales per geographic region
Q1–Q3 2008



end of 2007 and in 2008. Since certain Nolato customers have questioned the use of Malaysia as a production country, the Board decided in July to focus on operations in China. As a result, the production unit in Malaysia will be wound down, and will close during the fourth quarter. It is not anticipated that this wind-down – which is progressing according to plan – will result in any significant future non-recurring items, since writedowns were adjusted previously and other costs are extremely flexible.

Outlook

Nolato Telecom has a strong product portfolio. One of the business area's main customers has recently made changes to its future product range, leading to Nolato Telecom having to revise its production start-up times for these products. This is expected to result in lower sales for the business area for the first six months of 2009 compared with the corresponding period in 2008.

■ Nolato Industrial

Sales and earnings (SEK M)		
Nine months	2008	2007
Sales	738	742
Operating income (EBITA)	58	59
EBITA margin (%)	7.9	8.0
Operating income (EBIT)	56	57

Sales totalled SEK 738 M (742). This corresponds to a drop of 1 percent compared with the same period during the previous year. Sales accounted for 36 percent (41) of the Group's entire sales.

A drop in demand from the automotive industry was noted from the end of the first quarter onwards, with volumes to this segment falling during the third quarter in particular. A number of orders were received during the period for major projects for future deliveries, including within the automotive and hygiene segments.

The business area's operating income (EBITA) was SEK 58 M (59). The EBITA margin was 7.9 percent (8.0).

■ Consolidated performance analysis

SEK M	Q3 2008	Q3 2007	Q1–Q3 2008	Q1–Q3 2007	Q4 2007 – Q3 2008	Full-year 2007
Net sales	693	624	2,077	1,787	2,711	2,421
Gross income excl. amortisation and non-recurring items	146	137	441	382	596	537
<i>As a percent of net sales</i>	21.1	22.0	21.2	21.4	22.0	22.2
Costs ¹⁾	-45	-43	-137	-130	-187	-180
<i>As a percent of net sales</i>	6.5	6.9	6.6	7.3	6.9	7.4
EBITDA excluding non-recurring items	101	94	304	252	409	357
<i>As a percent of net sales</i>	14.6	15.1	14.6	14.1	15.1	14.7
Amortisation and writedowns	-37	-38	-120	-113	-160	-153
EBITA excluding non-recurring items	64	56	184	139	249	204
<i>As a percent of net sales</i>	9.2	9.0	8.9	7.8	9.2	8.4
Amortisation of acquisition goodwill	-2	-2	-6	-5	-8	-7
Non-recurring items ²⁾	—	—	—	-7	—	-7
EBIT	62	54	178	127	241	190
Financial items	-5	-7	-9	-14	-14	-19
Income after financial items	57	47	169	113	227	171
Tax excluding non-recurring items	-12	-11	-37	-29	-51	-43
<i>As a percent of income after financ. items excl. non-recurring items</i>	21.1	23.4	21.9	24.2	22.5	24.2
Lump-sum tax income ³⁾	—	—	—	2	20	22
Operations disposed of, net	—	—	—	1	—	1
Net income	45	36	132	87	196	151

1) Excluding non-recurring items.

2) SEK 7 M in Q1–Q3 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–Q3 2007 pertains to the tax effect of termination costs in connection with the acquisition of Cerbo Group.

■ Cash flow

Cash flow before investments totalled SEK 271 M (223). Net items worth SEK +13 M in relation to BenQ were recorded for the previous year, relating to SEK 51 M in insurance compensation and SEK 38 M in payments. Excluding these compensation payments, cash flow before investments totalled SEK 210 M for the corresponding period during the previous year. The change in working capital was SEK 0 M (-12).

Cash flow after investments totalled SEK 144 M (156 excluding acquisitions and disposals of operations). Net investments affecting cash flow amounted to SEK 127 M (67 excluding SEK 70 M net in acquisitions and disposals).

■ Financial position

Interest-bearing assets totalled SEK 140 M (109), and interest-bearing liabilities and provisions totalled SEK 405 M (503). The market value of derivatives relating to interest-bearing liabilities was SEK +15 M (+6). Net liabilities thus totalled SEK 250 M (388). Shareholders' equity was SEK 968 M (812). The equity/assets ratio was 45 percent (41). 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 4,571 (3,669). The number of employees rose mainly in China.

■ Events after the end of the reporting period

Nolato sold a former production unit in Sweden on October 1. The book value of the property is SEK 12 M. The sale will be reported during the fourth quarter, and will not involve any significant capital gain or loss.

■ 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), 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 6,620 shareholders as at September 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 9 percent. The

next largest shareholders were seven institutional investors, who together owned an additional 30 percent of the capital, with Skandia Liv, Svolder and If Skadeförsäkring being the largest. The ten largest shareholders hold 62 percent of the share capital and 80 percent of the votes.

■ The Parent Company

Sales totalled SEK 19 M (12). The increase in sales is a result of higher costs levied on subsidiaries. Income before tax totalled SEK -22 M (96). 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 consolidated 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

■ Financial position

SEK M	Sep 30, 2008	Sep 30, 2007	Dec 31, 2007
Interest-bearing liabilities to credit institutions	315	416	300
Interest-bearing pension liabilities	90	87	86
Market value of derivatives	- 15	- 6	- 10
Total borrowings	390	497	376
Cash, bank balances and short-term investments	- 140	- 109	- 62
Net financial liabilities	250	388	314
Working capital	190	205	189
<i>As a percent of sales (avg.) (%)</i>	<i>7.3</i>	<i>10.1</i>	<i>7.4</i>
Capital employed	1,373	1,315	1,267
<i>Return on cap. empl., excl. non-rec. items (avg.) (%)</i>	<i>18.7</i>	<i>14.9</i>	<i>15.5</i>
Shareholders' equity	968	812	881
<i>Return on equity (avg.) (%)</i>	<i>22.0</i>	<i>1.5</i>	<i>18.3</i>

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.

■ The Nomination Committee

It was resolved at Nolato's Annual Meeting on April 28, 2008 that the Company should have a Nomination Committee consisting of one representative for each of the five largest shareholders in terms of number of votes as at the end of September.

Following discussions with the five largest shareholders, the following have been elected to Nolato's Nomination Committee ahead of the 2009 Annual 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
- Magnus Molin, representing Svolder.

■ Annual Meeting

The Annual Meeting will be held on April 27, 2009. Any shareholders who wish to submit proposals to the nominations committee can contact one of the Nomination Committee representatives by e-mail:

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

■ Financial information schedule

- 2008 year-end report:
January 29, 2009
- Three-month interim report 2009:
April 27, 2009
- 2009 Annual Meeting:
April 27, 2009
- Six-month interim report 2009:
July 21, 2009
- Nine-month interim report 2009:
October 27, 2009

*Torekov, October 27, 2008
Nolato AB (publ)
Hans Porat
President and CEO*

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 October 27 at 3:00 pm.

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

For further information, please contact:

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

Nolato invites media, analysts and institutional owners to a presentation in Stockholm in connection with the nine month interim report on Tuesday, October 28, at 8.30 am. Nolato will be represented by CEO Hans Porat and CFO Per-Ola Holmström. Those wishing to take part must apply in advance, no later than 4 p.m. on October 27. Applications can be submitted by e-mail to elisabeth.larsson@nolato.se or by phone to +46 431 442213.

Income statement (summary)

SEK M	Q3 2008	Q3 2007	Q1-Q3 2008	Q1-Q3 2007	Q4 2007 - Q3 2008	Full-year 2007
Net sales	693	624	2,077	1,787	2,711	2,421
Cost of goods sold	- 582	- 525	- 1,752	- 1,515	- 2,270	- 2,033
Gross income	111	99	325	272	441	388
Selling expenses	- 13	- 11	- 41	- 38	- 57	- 54
Administrative expenses	- 34	- 32	- 100	- 102	- 135	- 137
Other operating costs	- 2	- 2	- 6	- 5	- 8	- 7
Operating income	62	54	178	127	241	190
Financial items	- 5	- 7	- 9	- 14	- 14	- 19
Income after financial items	57	47	169	113	227	171
Tax	- 12	- 11	- 37	- 27	- 31	- 21
Net income before operations disposed of	45	36	132	86	196	150
Net income from operations disposed of	—	—	—	1	—	1
Net income	45	36	132	87	196	151
All earnings are attributable to the Parent Company's shareholders						
Total amortisation and writedowns charged to income	39	40	126	118	168	160
Earnings per share (SEK) *	1.71	1.37	5.02	3.31	7.45	5.74
Earnings per share, remaining operations (SEK) *	1.71	1.37	5.02	3.27	7.45	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 (summary)

SEK M	Sep 30, 2008	Sep 30, 2007	Dec 31, 2007
Intangible assets	379	388	383
Tangible assets	767	761	752
Other financial assets	2	1	—
Deferred tax asset	19	1	14
Total fixed assets	1,167	1,151	1,149
Inventories	241	209	201
Accounts receivable	549	480	462
Other current assets	63	52	44
Cash, bank balances and short-term investments	140	109	62
Total current assets	993	850	769
Total assets	2,160	2,001	1,918
Shareholders' equity	968	812	881
Long-term liabilities ¹⁾	210	602	449
Short-term liabilities ¹⁾	982	587	588
Total shareholders' equity and liabilities	2,160	2,001	1,918
¹⁾ Interest-bearing/non-interest-bearing liabilities and provisions			
Interest-bearing liabilities and provisions	405	503	386
Non-interest-bearing liabilities and provisions	787	686	651
Total liabilities and provisions	1,192	1,189	1,037

■ Non-recurring items

SEK M	Q3 2008	Q3 2007	Q1-Q3 2008	Q1-Q3 2007	Q4 2007 - Q3 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 of non-recurring items on income statement						
Administrative expenses	—	—	—	-7	—	-7
Tax	—	—	—	2	20	22
Net income	—	—	—	-5	20	15

■ Earnings per share

SEK M	Q3 2008	Q3 2007	Q1-Q3 2008	Q1-Q3 2007	Q4 2007 - Q3 2008	Full-year 2007
Net income	45	36	132	87	196	151
Earnings from operations disposed of	—	—	—	-1	—	-1
Earnings from remaining operations	45	36	132	86	196	150
Adjusted earnings:						
Non-recurring items	—	—	—	7	—	7
Tax, non-recurring items	—	—	—	-2	-20	-22
Amortisation of intangible assets arising from aquisitions	2	2	6	5	8	7
Tax on amortisations	-1	0	-2	-1	-3	-2
Adjusted earnings	46	38	136	95	181	140
Average number of shares, thousands	26,307	26,307	26,307	26,307	26,307	26,307
Earnings per share, SEK	1.71	1.37	5.02	3.31	7.45	5.74
Earnings per share, remaining operations, SEK	1.71	1.37	5.02	3.27	7.45	5.70
Adjusted earnings per share, SEK	1.75	1.45	5.17	3.61	6.88	5.32

■ Operations disposed of 2007

SEK M	Q3 2007	Q1-Q3 2007	Full-year 2007
Net sales	—	33	33
Cost of goods sold	—	-27	-27
Gross income	—	6	6
Selling expenses	—	-2	-2
Administrative expenses	—	-1	-1
Operating income	—	3	3
Financial items	—	-1	-1
Income after financial items	—	2	2
Tax	—	-1	-1
Net income from operations disposed of	—	1	1

■ Quarterly data

Consolidated financial results in brief		Q1	Q2	Q3	Q4	Full-year
Net sales (SEK M)	2008	690	694	693		
	2007	547	616	624	634	2,421
Operating income (EBITDA), excl. non-rec. items (SEK M)	2008	100	103	101		
	2007	73	85	94	105	357
Operating income (EBITA), excl. non-rec. items (SEK M)	2008	59	61	64		
	2007	37	46	56	65	204
EBITA margin, excl. non-recurring items (%)	2008	8.6	8.8	9.2		
	2007	6.8	7.5	9.0	10.3	8.4
Operating income (EBIT) (SEK M)	2008	57	59	62		
	2007	29	44	54	63	190
Operating income (EBIT), excl. non-rec. items (SEK M)	2008	57	59	62		
	2007	36	44	54	63	197
Income after net financial items (SEK M)	2008	53	59	57		
	2007	26	40	47	58	171
Net income, remaining operations (SEK M)	2008	41	46	45		
	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	45		
	2007	20	31	36	64	151
Cash flow after inv., excl. acq. and disposals (SEK M)	2008	47	19	78		
	2007	23	81	52	71	227
Earnings per share (SEK)	2008	1.56	1.75	1.71		
	2007	0.76	1.18	1.37	2.43	5.74
Earnings per share, remaining operations (SEK)	2008	1.56	1.75	1.71		
	2007	0.72	1.18	1.37	2.43	5.70
Adjusted earnings per share (SEK)	2008	1.63	1.79	1.75		
	2007	0.95	1.21	1.45	1.71	5.32
Average number of shares (thousands)	2008	26,307	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	Full-year
Nolato Medical	2008	147	158	156		
	2007	113	140	126	147	526
Nolato Telecom	2008	284	277	318		
	2007	185	223	271	241	920
Nolato Industrial	2008	260	259	219		
	2007	252	257	233	258	1,000
Group adjustments, Parent Company	2008	-1	0	0		
	2007	-3	-4	-6	-12	-25
Group total	2008	690	694	693		
	2007	547	616	624	634	2,421
Operating income (EBITA) per business area (SEK M)						
		Q1	Q2	Q3	Q4	Full-year
Nolato Medical	2008	21	22	21		
	2007	16	18	17	25	76
	<i>EBITA margin (%)</i>	14.3	13.9	13.5		
	2007	14.2	12.9	13.5	17.0	14.4
Nolato Telecom	2008	27	23	36		
	2007	5	14	27	27	73
	<i>EBITA margin (%)</i>	9.5	8.3	11.3		
	2007	2.7	6.3	10.0	11.2	7.9
Nolato Industrial	2008	20	22	16		
	2007	23	19	17	19	78
	<i>EBITA margin (%)</i>	7.7	8.5	7.3		
	2007	9.1	7.4	7.3	7.4	7.8
Group adjustments, Parent Company	2008	-9	-6	-9		
	2007	-7	-5	-5	-6	-23
Group total	2008	59	61	64		
	2007	37	46	56	65	204
	<i>EBITA margin (%)</i>	8.6	8.8	9.2		
	2007	6.8	7.5	9.0	10.3	8.4

■ Group financial highlights

	Q3 2008	Q3 2007	Q1–Q3 2008	Q1–Q3 2007	Q4 2007 – Q3 2008	Full-year 2007
Net sales (SEK M)	693	624	2,077	1,787	2,711	2,421
Sales growth (%)	11	– 2	16	– 15	13	– 10
Percentage of sales outside Sweden (%)	71	64	67	61	66	61
Operating income (EBITDA), excluding non-recurring items (SEK M)	101	94	304	252	409	357
Operating income (EBITA), excluding non-recurring items (SEK M)	64	56	184	139	249	204
EBITA margin, excluding non-recurring items (%)	9.2	9.0	8.9	7.8	9.2	8.4
Income after financial items (SEK M)	57	47	169	113	227	171
Profit margin (%)	8.2	7.5	8.1	6.3	8.4	7.1
Net income, remaining operations (SEK M)	45	36	132	86	196	150
Net income, operations disposed of (SEK M)	—	—	—	1	—	1
Net income (SEK M)	45	36	132	87	196	151
Return on total assets (%)	—	—	—	—	12.1	9.9
Return on capital employed (%)	—	—	—	—	18.7	15.0
Return on operating capital (%)	—	—	—	—	19.8	15.8
Return on shareholders' equity (%)	—	—	—	—	22.0	18.3
Equity/assets ratio (%)	—	—	45	41	—	46
Debt/equity ratio (%)	—	—	42	62	—	44
Interest coverage ratio (times)	8	8	10	7	11	8
Net investments affecting cash flow, excl. acq. and disp. (SEK M)	46	14	127	67	148	88
Cash flow after investments, excl. acquisitions and disposals (SEK M)	78	52	144	156	215	227
Net liabilities (SEK M)	—	—	250	388	—	314
Earnings per share (SEK)	1.71	1.37	5.02	3.31	7.45	5.74
Earnings per share, remaining operations (SEK)	1.71	1.37	5.02	3.27	7.45	5.70
Adjusted earnings per share (SEK)	1.75	1.45	5.17	3.61	6.88	5.32
Cash flow per share (SEK)	2.96	2.09	5.47	3.27	8.17	5.97
Shareholders' equity per share (SEK)	—	—	37	31	—	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	—	—	4,571	3,669	—	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 (summary)

SEK M	Q3 2008	Q3 2007	Q1-Q3 2008	Q1-Q3 2007	Q4 2007 - Q3 2008	Full-year 2007
Cash flow from operations before changes in working capital	91	92	271	235	361	325
Changes in working capital	33	-26	0	-12	2	-10
Investment activities*	-46	-11	-127	-137	-148	-158
Cash flow before financing activities	78	55	144	86	215	157
Financing activities	6	-11	-72	-109	-194	-231
Cash flow for the period	84	44	72	-23	21	-74
Liquid funds at beginning of period	49	69	62	131		131
Exchange rate difference in liquid funds	7	-4	6	1		5
Liquid funds at end of period	140	109	140	109		62

* Q1 - Q3 2007 and full-year 2007 include the acquisition of Cerbo Group at SEK 187 M.

Q1 - Q3 2007 and full-year 2007 include the sale of subsidiaries totalling SEK 117 M, of which SEK 3 M received in Q3 2007.

■ Change in shareholders' equity

SEK M	Q1-Q3 2008	Q1-Q3 2007	Full-year 2007
Amount at beginning of period	881	789	789
Translation differences	34	-3	4
Change in revaluation reserve hedge accounting	0	2	—
Total shareholders' equity after changes in net asset value rep. dir. against shareholders' equity, excluding transactions with the company's shareholders	915	788	793
Earnings for the period	132	87	151
Total shareholders' equity after changes in net asset value, excluding transactions with the company's shareholders	1,047	875	944
Dividend	-79	-63	-63
Amount at end of period	968	812	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

■ The Parent Company's income statements

SEK M	Q3 2008	Q3 2007	Q1-Q3 2008	Q1-Q3 2007	Full-year 2007
Net sales	9	5	19	12	17
Selling expenses	-2	-1	-5	-3	-6
Administrative expenses	-12	-10	-31	-26	-36
Operating income	-5	-6	-17	-17	-25
Income from shares in Group companies	—	—	—	121	93
Financial income	4	8	9	12	21
Financial expenses	-4	-7	-14	-20	-25
Income after financial items	-5	-5	-22	96	64
Appropriations	—	—	—	—	-30
Tax	1	1	6	7	16
Net income	-4	-4	-16	103	50

■ The Parent Company's balance sheets (summary)

SEK M	Sep 30, 2008	Sep 30, 2007	Dec 31, 2007
Financial fixed assets	906	996	992
Deferred tax assets	2	—	2
Current assets	136	168	173
Cash and bank balances	33	69	6
Total assets	1,077	1,233	1,173
Shareholders' equity	689	734	783
Untaxed reserves	30	—	30
Other provisions	2	—	2
Long-term liabilities	—	420	247
Current liabilities	356	79	111
Total shareholders' equity and liabilities	1,077	1,233	1,173
Collateral pledged	—	—	—
Contingent liabilities	137	137	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-Sep 2008	19	8	5	4	—	238	88
Subsidiary	Jan-Sep 2007	10	7	9	5	121	339	113

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.

