

Nolato AB (publ) six-month interim report 2009

Efficiency improvement measures produce results

■ Second quarter of 2009 in brief

- Sales fell by 20% to SEK 557 million (694)
- Operating income (EBITA) was SEK 39 million (61)
- Net income stood at SEK 29 million (46)
- Earnings per share were SEK 1.10 (1.75)
- Cash flow after investments was SEK 35 million (19)
- Previously announced efficiency improvement measures totalling SEK 15 million and a payment of SEK 35 million from the BenQ bankruptcy are included

■ First six months of 2009 in brief

- Sales fell by 16% to SEK 1,163 million (1,384)
- Operating income (EBITA) was SEK 55 million (120)
- Earnings per share were SEK 1.25 (3.31)

■ Group highlights

SEK millions unless otherwise specified	Q2 2009	Q2 2008	Q1 – Q2 2009	Q1 – Q2 2008	Rolling 12 months	Full year 2008
Net sales	557	694	1,163	1,384	2,603	2,824
Operating income (EBITDA) ¹⁾	77	103	133	203	329	399
Operating income (EBITA) ²⁾	39	61	55	120	175	240
EBITA margin, %	7.0	8.8	4.7	8.7	6.7	8.5
Income after financial items	42	59	48	112	152	216
Net income	29	46	33	87	124	178
Earnings per share before and after dilution, SEK*	1.10	1.75	1.25	3.31	4.71	6.77
Adjusted earnings per share, SEK* ³⁾	1.14	1.79	1.37	3.42	4.94	6.99
Average number of shares, thousands*	26,307	26,307	26,307	26,307	26,307	26,307
Cash flow after investments, excl. acquisitions and disposals	35	19	91	66	321	296
Net investments affecting cash flow, excl. acquisitions and disposals	14	37	31	81	105	155
Return on capital employed, %	—	—	—	—	13.7	18.4
Return on shareholders' equity, %	—	—	—	—	13.0	18.4
Equity/assets ratio, %	—	—	56	44	—	50
Net debt	—	—	72	333	—	95

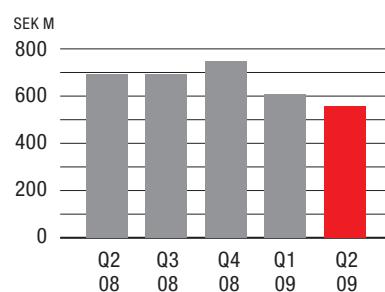
*The company does not have any financial instrument programmes which involve any dilution in the number of shares.

1) Operating income (EBITDA): Earnings before interest, taxes, depreciation and amortisation.

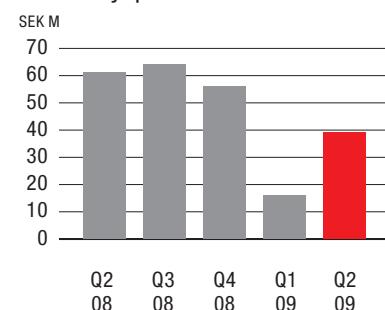
2) Operating income (EBITA): Earnings before interest, taxes and amortisation of intangible assets arising from acquisitions.

3) Adjusted earnings per share: Net income, excluding amortisation of intangible assets arising from acquisitions, divided by the average number of shares.

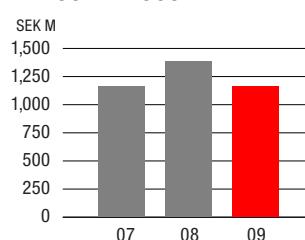
■ Sales by quarter



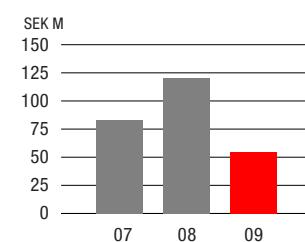
■ EBITA by quarter



■ Sales Q1–Q2 2007–2009



■ EBITA Q1–Q2 2007–2009



Second quarter 2009

- Sales fell by 20% to SEK 557 million (694)
- Operating income (EBITA) was SEK 39 million (61)
- Efficiency improvement measures have produced results

■ Sales

The Group's sales during the second quarter totalled SEK 557 million (694), representing a drop of 20% compared with the corresponding period during the previous year. Currency exchange rate differences had a positive impact on sales of around 7%.

Nolato Medical saw sales grow to SEK 177 million (158), corresponding to organic growth of 12% including currency effects. Excluding currency conversion effects, sales rose by 8%. Volumes were good during the quarter for most of the business area's customer segments, and were not affected to any significant extent by the current global economic conditions.

Nolato Telecom's sales dropped by 34% to SEK 183 million (277). Excluding currency conversion effects, sales fell by 49%. As announced in the nine-month interim report for 2008 and in the year-end report, changes made by one of the business area's main customers to its product range had a negative impact on sales. Preparations for the production of new products during the second half of the year are running according to plan.

Nolato Industrial's sales dropped by 24% to SEK 197 million (259). Volumes

have remained low, particularly for customers in the automotive industry, but also for most other customer segments.

■ Income

The Group's operating income (EBITA) was SEK 39 million (61).

Nolato Medical's operating income (EBITA) was SEK 23 million (21), Nolato Telecom's was SEK 32 million (22) and Nolato Industrial's was SEK -7 million (21). During the second quarter, Nolato Telecom received a payment of SEK 35 million from the BenQ bankruptcy. Excluding this payment, earnings stood at SEK -3 million (22). During the second quarter, Nolato Industrial charged the reduction in staff reported in the interim report for the first quarter to expenses at SEK 12 million. Excluding this cost, earnings stood at SEK 5 million (21). The annual cost saving of the efficiency improvement measures carried out is approximately SEK 25 million, and these measures have already resulted in a full positive effect during the quarter.

Nolato Medical's EBITA margin was 13.0% (13.3%). This margin was affected by increased investments in projects and technology.

Nolato Telecom's EBITA margin was 17.5% (7.9%), or -1.6% (7.9%) excluding the bankruptcy payment. Low production volumes had an impact on the margin.

Nolato Industrial's EBITA margin stood at -3.6% (8.1%), or 2.5% (8.1%) excluding non-recurring items

■ Sales, operating income (EBITA) and EBITA margin by profit centre

SEK M	Sales Q2/2009	Sales Q2/2008	Op. income (EBITA) Q2/2009	Op. income (EBITA) Q2/2008*	EBITA margin Q2/2009	EBITA margin Q2/2008*
Nolato Medical	177	158	23	21	13.0%	13.3%
Nolato Telecom	183	277	32	22	17.5%	7.9%
Nolato Industrial	197	259	-7	21	-3.6%	8.1%
Group adjustments, Parent Co.	0	0	-9	-3	—	—
Group total	557	694	39	61	7.0%	8.8%

Operating income (EBITA): Earnings before interest, taxes and amortisation of intangible assets arising from acquisitions.

* Comparison figures have been recalculated in accordance with amended accounting principles IFRS 8.

relating to staff cut-backs. This margin was affected mainly by low levels of capacity utilisation.

Overall, the Group's EBITA margin stood at 7.0% (8.8%). Costs relating to staff cut-backs totalling SEK 3 million for joint Group functions have been charged to expenses. Excluding all non-recurring items, the margin was 3.4% (8.8%).

Currency effects, i.e. conversion effects and transaction effects, had a negative impact on income of around SEK -2 million (-3) during the second quarter.

Operating income (EBIT) was SEK 37 million (59).

Income after financial items was SEK

42 million (59). Net financial items included SEK 6 million (4) in currency exchange rate difference effects, most of which related to unrealised translation differences for loans in foreign currencies for operations outside Sweden.

Net income was SEK 29 million (46). Earnings per share before and after dilution stood at SEK 1.10 (1.75). Adjusted earnings per share excluding amortisation of intangible assets arising from acquisitions were SEK 1.14 (1.79). The effective tax rate was 31% (22%). Excluding the effects of tax on dividends from foreign subsidiaries, the tax rate was 24% (22%). The tax rate for the year as a whole has been estimated at approximately 25%.

First six months 2009

Sales and income

The Group's sales during the first six months of 2009 totalled SEK 1,163 million (1,384), which was 16% lower than during the corresponding period in the previous year. Currency effects had a positive impact on sales of around 7%.

The Group's operating income (EBITA) was SEK 55 million (120). The EBITA margin was 4.7% (8.7%). The bankruptcy payment had a positive effect of SEK 35 million on earnings, while costs connected with efficiency improvement measures carried out totalled SEK 15 million. Excluding both these non-recurring items, the EBITA margin was 3.0% (8.7%).

Operating income (EBIT) was SEK 51 million (116).

Income after financial items was SEK 48 million (112). These net financial items included currency exchange rate effects of SEK 0 million (4).

Net income was SEK 33 million (87). Earnings per share were SEK 1.25 (3.31). Adjusted earnings per share excluding amortisation of intangible assets arising from acquisitions were

SEK 1.37 (3.42). The effective tax rate was 31% (22%).

The return on capital employed was 13.7% for the last twelve months (18.4% for the 2008 calendar year). The return on operating capital was 14.4% for the last twelve months (19.7% for the 2008 calendar year).

Nolato Medical

Sales and income (SEK millions)

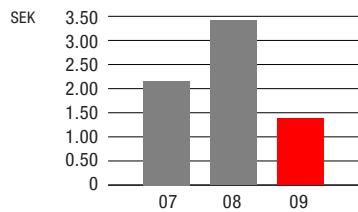
Six months	2009	2008
Sales	355	305
Operating income (EBITA)	47	42
EBITA margin (%)	13.2	13.8
Operating income (EBIT)	44	39

Nolato Medical saw sales rise to SEK 355 million (305). This corresponds to an increase of 16% compared with the same period during the previous year. Excluding currency conversion effects, sales rose by 12%.

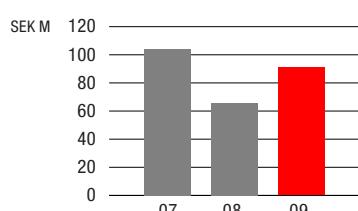
Sales accounted for 31% (22%) of the Group's entire sales.

Operating income (EBITA) rose to SEK 47 million (42). The EBITA margin was 13.2% (13.8%). Nolato Medical is continuing to invest in being able to

Adjusted earnings per share Q1 – Q2 2007 – 2009

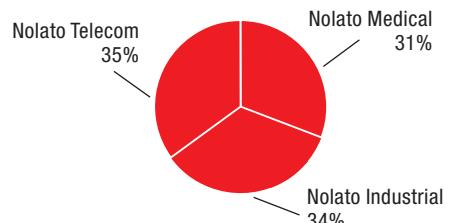


Cash flow after investments Q1 – Q2 2007 – 2009

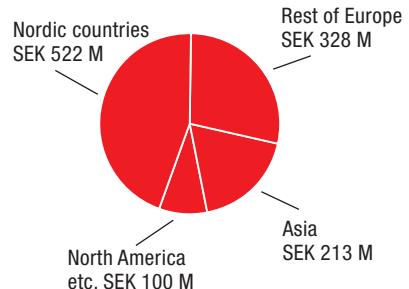


Excluding acquisitions and divestments.

Business areas' share of sales Q1 – Q2 2009



Sales by geographic markets Q1 – Q2 2009



offer new and existing customers a wider range of project management and technical resources, as well as systems deliveries. Combined with a change in the product mix, these investments explain the slightly lower margin compared with the corresponding period in the previous year.

■ Nolato Telecom

Sales and income (SEK millions)

Six months	2009	2008
Sales	409	561
Operating income (EBITA)	32	47
EBITA margin (%)	7.8	8.4
Operating income (EBIT)	32	47

Nolato Telecom's sales totalled SEK 409 million (561), a drop of 27% compared with the same period during the previous year. Excluding currency conversion effects, sales fell by 42%. The production structure features a high degree of flexibility.

Sales accounted for 35% (40%) of the Group's entire sales.

Operating income (EBITA) was SEK

32 million (47). The EBITA margin was 7.8% (8.4%). Excluding the bankruptcy payment, the EBITA margin was -0.7% (8.4%).

As announced in the report for the first quarter, Nolato Telecom has decided to set up a small converting unit in Chennai, India, to manufacture adhesive products for mobile phones. Production is expected to begin at the end of the year, and the investment will total SEK 10 million over a three-year period. This project is progressing according to plan.

■ Nolato Industrial

Sales and income (SEK millions)

Six months	2009	2008
Sales	403	519
Operating income (EBITA)	-8	40
EBITA margin (%)	-2.0	7.7
Operating income (EBIT)	-9	39

Nolato Industrial's sales dropped by 22% to SEK 403 million (519). Sales accounted for 34% (38%) of the Group's entire sales. Nolato Industrial

is continuing to win market shares, and new project start-ups have gone some way towards countering the generally weak levels of demand.

Operating income (EBITA) was SEK -8 million (40). The EBITA margin was -2.0% (7.7%). Costs connected with efficiency improvement measures totalling SEK 12 million were charged to income. Excluding these costs, the EBITA margin stood at 1.0% (7.7%). The measures in question have now been carried out, and had a full effect during the second quarter.

■ Cash flow

Cash flow before investments totalled SEK 122 million (147). The bankruptcy payment is included in the cash flow. The change in working capital was a positive SEK 36 million (-33).

Cash flow after investments was SEK 91 million (66). Net investments affecting cash flow totalled SEK 31 million (81).

■ Consolidated performance analysis

SEK millions	Q2 2009	Q2 2008	Q1-Q2 2009	Q1-Q2 2008	Rolling 12 months	Full year 2008
Net sales	557	694	1,163	1,384	2,603	2,824
Gross income excl. depreciation/amortisation	92	150	205	296	504	595
As a percentage of net sales	16.5	21.6	17.6	21.4	19.4	21.1
Costs	-15	-47	-72	-93	-175	-196
As a percentage of net sales	2.7	6.8	6.2	6.7	6.7	6.9
Operating income (EBITDA)	77	103	133	203	329	399
As a percentage of net sales	13.8	14.8	11.4	14.7	12.6	14.1
Depreciation and amortisation	-38	-42	-78	-83	-154	-159
Operating income (EBITA)	39	61	55	120	175	240
As a percentage of net sales	7.0	8.8	4.7	8.7	6.7	8.5
Amortisation of intang. assets arising from acquisitions	-2	-2	-4	-4	-8	-8
Operating income (EBIT)	37	59	51	116	167	232
Financial items	5	0	-3	-4	-15	-16
Income after financial items	42	59	48	112	152	216
Tax	-13	-13	-15	-25	-28	-38
As a percentage of income after financial items	31.0	22.0	31.3	22.3	18.4	17.6
Net income	29	46	33	87	124	178

■ Financial position

Interest-bearing assets totalled SEK 75 million (49) and interest-bearing liabilities and provisions totalled SEK 147 million (392). The market value of derivatives for interest-bearing liabilities was SEK 0 million (+10). Net debt thus totalled SEK 72 million (333).

Shareholders' equity stood at SEK 1,019 million (887). The equity/assets ratio was 56% (44%). During the second quarter, dividends totalling SEK 72 million were paid to shareholders.

■ Personnel

The average number of employees during the period was 3,292 (4,850). The number of employees has fallen within the Telecom and Industrial business areas.

■ 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 2008 Annual

Report on pages 32–33, and in Note 4 on pages 50–51.

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 NASDAQ OMX Nordic Exchange in the Stockholm Small Cap segment, where they are included in the information technology sector.

Nolato had 6,738 shareholders as at 30 June 2009. The largest shareholders were the Paulsson family with 12% of the share capital, the Jorlén family with 11%, and the Boström family with 9%. The next largest shareholders were seven institutional investors, who together owned another 28% of the capital, with Lannebo Fonder, Svolder, If Skadeförsäkring and Skandia Fonder

being the largest. The ten largest shareholders hold 60% of the share capital and 79% of the votes.

■ The Parent Company

Sales totalled SEK 13 million (10). The increase in sales is a result of higher costs levied on subsidiaries. Income before tax totalled SEK 52 million (–17). This increase is mainly due to higher 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 2008 Annual Report on pages 45–49.

The consolidated interim report has been prepared in accordance with IAS 34 (Interim Financial Reporting). The applicable provisions of the Swedish

■ Financial position

SEK millions

	31/06/2009	31/06/2008	31/12/2008
Interest-bearing liabilities, credit institutions	57	303	174
Interest-bearing pension liabilities	90	89	89
Market value of derivatives	—	–10	—
Total borrowings	147	382	263
Cash and bank	–75	–49	–168
Net debt	72	333	95
Working capital	91	211	103
<i>As a percentage of sales (avg.) (%)</i>	<i>5.8</i>	<i>7.4</i>	<i>5.2</i>
Capital employed	1,166	1,279	1,321
<i>Return on capital employed (avg.) (%)</i>	<i>13.7</i>	<i>18.5</i>	<i>18.4</i>
Shareholders' equity	1,019	887	1,058
<i>Return on shareholders' equity (avg.) (%)</i>	<i>13.0</i>	<i>22.4</i>	<i>18.4</i>

Annual Accounts Act and the Swedish Securities Market Act have also been applied.

The Parent Company interim report has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Securities Market Act, in accordance with the provisions of RFR 2.2, Accounting for Legal Entities.

The new or revised IFRS standards or IFRIC interpretations which entered

into force on 1 January 2009 have not had any material effect on the consolidated income statements or balance sheets.

The EU has approved and amended certain IASB and IFRIC standards and statements for the current year, 2009, onwards. IFRS 8 Operating Segments affects Nolato primarily through a larger proportion of joint Group costs being distributed among the operating

segments, i.e. Nolato's business areas. In accordance with this standard, corresponding comparison figures for 2008 have also been recalculated in line with the new principles.

■ Financial information schedule

■ Nine-month interim report 2009:
27 October 2009

The Board of Directors and the President give their assurance that this interim report provides a true and fair view of the operations, financial position and earnings of the company and the Group, and describe the significant risks and uncertainty factors faced by the company and the companies included in the Group.

Torekov, 21 July 2009

Fredrik Arp
Chairman of the Board

Gun Boström
Board member

Henrik Jorlén
Board member

Erik Paulsson
Board member

Lars-Åke Rydh
Board member

Roger Johanson
Board member

Hans Porat
Board member
President & CEO

Magnus Bergqvist
Board member
Employee representative

Eva Norrman
Board member
Employee representative

Björn Jacobsson
Board member
Employee representative

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 21 July 2009 at 2:00 pm.

For further information please contact:

- Hans Porat, President and CEO, phone +4643 1 442294.
- Per-Ola Holmström, CFO, phone +4643 1 442293.

On 21 July at 2.30 pm CEO Hans Porat and CFO Per-Ola Holmström will be giving their comments on the interim report in a telephone meeting (in Swedish). The number to call is +468 34 54 91 and the code is 474249.

Auditor's report

Introduction

I have reviewed the attached balance sheet for Nolato AB as at 30 June 2009, as well as the accompanying reports on earnings, changes in shareholders' equity and changes in cash flow during the six-month period ending on that date, and a summary of key accounting principles and other additional information. It is the Board of Directors and the President who are responsible for the preparation and accurate presentation of this interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. My responsibility is to express a conclusion on this interim financial information based on my review.

Focus and scope of review

I have conducted my review in accordance with the Standard on Review Engagements (SÖG) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. 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 different in focus and less far-reaching 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 me to obtain a level of assurance that would make me aware of all significant circumstances 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 my review, nothing has come to my attention that causes me to believe that the attached interim financial information has not been prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act in terms of the Group, and in accordance with the Swedish Annual Accounts Act in terms of the Parent Company.

Torekov, 21 July 2009

Alf Svensson
Authorised public accountant

■ Income statements (summary)

SEK millions	Q2 2009	Q2 2008	Q1–Q2 2009	Q1–Q2 2008	Rolling 12 months	Full year 2008
Net sales	557	694	1,163	1,384	2,603	2,824
Cost of goods sold	– 502	– 586	– 1,034	– 1,170	– 2,249	– 2,385
Gross profit	55	108	129	214	354	439
Selling expenses	– 21	– 16	– 41	– 32	– 76	– 67
Administrative expenses	– 31	– 33	– 65	– 66	– 139	– 140
Other operating income	36	—	36	—	36	—
Other operating expenses	– 2	—	– 8	—	– 8	—
	– 18	– 49	– 78	– 98	– 187	– 207
Operating income	37	59	51	116	167	232
Financial items	5	0	– 3	– 4	– 15	– 16
Income after financial items	42	59	48	112	152	216
Tax	– 13	– 13	– 15	– 25	– 28	– 38
Net income	29	46	33	87	124	178
All earnings are attributable to the Parent Co.'s shareholders						
Depreciation/amortisation	40	44	82	87	162	167
Earnings per share before and after dilution (SEK)	1.10	1.75	1.25	3.31	4.71	6.77
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

■ Comprehensive income

SEK millions	Q2 2009	Q2 2008	Q1–Q2 2009	Q1–Q2 2008	Rolling 12 months	Full year 2008
Net income	29	46	33	87	124	178
Other comprehensive income						
Translation differences for the period	– 14	11	– 1	– 2	81	80
Cash flow hedges	1	0	1	0	– 2	– 3
Tax attributable to cash flow hedges	0	0	0	0	1	1
Other comprehensive income, net of tax	– 13	11	0	– 2	80	78
Total com. inc. for the period attrib. to the Parent Co.'s shareh.	16	57	33	85	204	256

■ Balance sheets (summary)

SEK millions	31/06/2009	31/06/2008	31/12/2008
Assets			
Fixed assets			
Intangible fixed assets	374	380	377
Tangible fixed assets	714	750	767
Other securities held as fixed assets	2	—	2
Other long-term receivables	1	0	0
Deferred tax assets	18	16	20
Total fixed assets	1,109	1,146	1,166
Current assets			
Inventories	211	240	238
Accounts receivable	375	522	513
Other receivables	48	49	41
Cash and bank	75	49	168
Total current assets	709	860	960
Total assets	1,818	2,006	2,126
Shareholders' equity			
Long-term liabilities and provisions ¹⁾	200	213	200
Short-term liabilities and provisions ¹⁾	599	906	868
Total liabilities and provisions	799	1,119	1,068
Total shareholders' equity and liabilities	1,818	2,006	2,126
1) Interest-bearing/non-interest-bearing liabilities and provisions:			
Interest-bearing liabilities and provisions	147	392	263
Non-interest-bearing liabilities and provisions	652	727	805
Total liabilities and provisions	799	1,119	1,068

■ Change in shareholders' equity

SEK millions	Q1–Q2 2009	Q1–Q2 2008	Full year 2008
Shareholders' equity at the beginning of the period			
Total comprehensive income for the period	33	85	256
Dividends	– 72	– 79	– 79
Shareholders' equity at the end of the period attributable to the Parent Company's shareholders	1,019	887	1,058

During 2009, a dividend totalling SEK 72 million (79) was paid to the Parent Company's shareholders, corresponding to SEK 2.75 per share (3.00). The Group does not have any incentive programmes resulting in a dilutive effect.

■ Cash flow statements (summary)

SEK millions	Q2 2009	Q2 2008	Q1–Q2 2009	Q1–Q2 2008	Rolling 12 months	Full year 2008
Cash flow from operating activities before changes in working capital	62	94	86	180	271	365
Changes in working capital	–13	–38	36	–33	155	86
Cash flow from operations	49	56	122	147	426	451
Cash flow from investment activities	–14	–37	–31	–81	–93	–143
Cash flow before financing activities	35	19	91	66	333	308
Cash flow from financing activities	–142	–49	–184	–78	–321	–215
Cash flow for the period	–107	–30	–93	–12	12	93
Liquid funds at the beginning of the period	189	78	168	62	—	62
Exchange rate difference in liquid funds	–7	1	0	–1	—	13
Liquid funds at the end of the period	75	49	75	49	—	168

Full-year 2008 and rolling 12 months include the sale of property totalling SEK 12 million.

During the second quarter of 2009 a payment of SEK 35 million from the BenQ bankruptcy was received.

■ Earnings per share

SEK millions	Q2 2009	Q2 2008	Q1–Q2 2009	Q1–Q2 2008	Rolling 12 months	Full year 2008
Net income	29	46	33	87	124	178
Adjusted earnings:						
Amortisation of intangible assets arising from acquisitions	2	2	4	4	8	8
Tax on amortisation	–1	–1	–1	–1	–2	–2
Adjusted earnings	30	47	36	90	130	184
Average number of shares (thousands)*	26,307	26,307	26,307	26,307	26,307	26,307
Earnings per share before and after dilution (SEK)*	1.10	1.75	1.25	3.31	4.71	6.77
Adjusted earnings per share (SEK)*	1.14	1.79	1.37	3.42	4.94	6.99

*The Company does not have any ongoing financial instrument programmes which involve any dilution in the number of shares.

■ Five-year overview

	2008	2007	2006	2005	2004
Net sales (SEK millions)	2,824	2,421	2,702	2,256	2,401
Operating income (EBITA), excluding non-recurring items (SEK millions)	240	204	209	221	201
EBITA margin excluding non-recurring items (%)	8.5	8.4	7.7	9.8	8.4
Operating income (EBIT) (SEK millions)	232	190	78	221	201
Operating income (EBIT), excluding non-recurring items (SEK millions)	232	197	208	221	201
Income after financial items (SEK millions)	216	171	69	208	185
Net income (SEK millions)	178	150	48	181	136
Return on capital employed (%)	18.4	16.3	7.4	21.0	18.9
Return on capital employed excluding non-recurring items (%)	18.4	16.9	19.4	21.0	18.9
Return on shareholders' equity (%)	18.4	18.0	5.9	24.2	22.1
Equity/assets ratio (%)	50	46	46	50	41
Earnings per share (SEK)	6.77	5.70	1.82	6.88	5.15
Adjusted earnings per share (SEK)	6.99	5.32	6.08	6.31	5.15

■ Quarterly data

Consolidated financial results in brief		Q1	Q2	Q3	Q4	Full year
Net sales (SEK millions)	2009	606	557			
	2008	690	694	693	747	2,824
Operating income (EBITDA) (SEK millions)	2009	56	77			
	2008	100	103	101	95	399
Operating income (EBITA) (SEK millions)	2009	16	39			
	2008	59	61	64	56	240
EBITA margin (%)	2009	2.6	7.0			
	2008	8.6	8.8	9.2	7.5	8.5
Operating income (EBIT) (SEK millions)	2009	14	37			
	2008	57	59	62	54	232
Income after financial items (SEK millions)	2009	6	42			
	2008	53	59	57	47	216
Net income (SEK millions)	2009	4	29			
	2008	41	46	45	46	178
Cash flow after inv., excl. acq. and disp. (SEK millions)	2009	56	35			
	2008	47	19	78	152	296
Earnings per share before and after dilution (SEK)	2009	0.15	1.10			
	2008	1.56	1.75	1.71	1.75	6.77
Adjusted earnings per share (SEK)	2009	0.23	1.14			
	2008	1.63	1.79	1.75	1.82	6.99
Average number of shares (thousands)	2009	26,307	26,307			
	2008	26,307	26,307	26,307	26,307	26,307
Net sales per business area (SEK millions)		Q1	Q2	Q3	Q4	Full year
Nolato Medical	2009	178	177			
	2008	147	158	156	171	632
Nolato Telecom	2009	226	183			
	2008	284	277	318	364	1,243
Nolato Industrial	2009	206	197			
	2008	260	259	219	212	950
Group adjustments, Parent Company	2009	-4	0			
	2008	-1	0	0	0	-1
Group total	2009	606	557			
	2008	690	694	693	747	2,824
Operating income (EBITA) per business area (SEK millions)		Q1	Q2	Q3	Q4	Full year
Nolato Medical	2009	24	23			
EBITA margin (%)		13.5	13.0			
	2008	21	21	20	27	89
EBITA margin (%)		14.3	13.3	12.8	15.8	14.1
Nolato Telecom	2009	0	32			
EBITA margin (%)		0.0	17.5			
	2008	25	22	35	32	114
EBITA margin (%)		8.8	7.9	11.0	8.8	9.2
Nolato Industrial	2009	-1	-7			
EBITA margin (%)		-0.5	-3.6			
	2008	19	21	15	0	55
EBITA margin (%)		7.3	8.1	6.8	0.0	5.8
Group adjustments, Parent Company	2009	-7	-9			
	2008	-6	-3	-6	-3	-18
Group total	2009	16	39			
EBITA margin (%)		2.6	7.0			
	2008	59	61	64	56	240
EBITA margin (%)		8.6	8.8	9.2	7.5	8.5
Depreciation/amortisation per business area (SEK millions)		Q1	Q2	Q3	Q4	Full year
Nolato Medical	2009	11	11			
	2008	10	10	10	11	41
Nolato Telecom	2009	18	16			
	2008	19	20	16	17	72
Nolato Industrial	2009	13	13			
	2008	14	14	13	13	54
Group total	2009	42	40			
	2008	43	44	39	41	167

■ Group financial highlights

	Q2 2009	Q2 2008	Q1-Q2 2009	Q1-Q2 2008	Rolling 12 months	Full year 2008
Net sales (SEK millions)	557	694	1,163	1,384	2,603	2,824
Sales growth (%)	-20	13	-16	19	-1	17
Percentage of sales outside Sweden (%)	68	65	69	65	71	68
Operating income (EBITDA) (SEK millions)	77	103	133	203	329	399
Operating income (EBITA) (SEK millions)	39	61	55	120	175	240
EBITA margin (%)	7.0	8.8	4.7	8.7	6.7	8.5
Income after financial items (SEK millions)	42	59	48	112	152	216
Profit margin (%)	7.5	8.5	4.1	8.1	5.8	7.6
Net income (SEK millions)	29	46	33	87	124	178
Return on total capital (%)	—	—	—	—	8.8	11.8
Return on capital employed (%)	—	—	—	—	13.7	18.4
Return on operating capital (%)	—	—	—	—	14.4	19.7
Return on shareholders' equity (%)	—	—	—	—	13.0	18.4
Equity/assets ratio (%)	—	—	56	44	—	50
Debt/equity ratio (%)	—	—	14	44	—	25
Interest coverage ratio (times)	18	14	9	12	10	11
Net investments affecting cash flow, excl. acq. and disposals (SEK millions)	14	37	31	81	105	155
Cash flow after investments, excl. acq. and disposals (SEK millions)	35	19	91	66	321	296
Net debt (SEK millions)	—	—	72	333	—	95
Earnings per share before and after dilution (SEK)	1.10	1.75	1.25	3.31	4.71	6.77
Adjusted earnings per share (SEK)	1.14	1.79	1.37	3.42	4.94	6.99
Cash flow per share (SEK)	1.33	0.72	3.46	2.51	12.66	11.71
Shareholders' equity per share (SEK)	—	—	39	34	—	40
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	—	—	3,292	4,850	—	4,531

Definitions

Adjusted earnings per share

Net income, excluding 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.

Debt/equity ratio

Interest-bearing liabilities and provisions divided by shareholders' equity.

EBITA margin

Operating income (EBITA) as a percentage of net sales.

Earnings per share

Net income, divided by average number of shares.

Equity/assets ratio

Shareholders' equity as a percentage of total capital in the balance sheet.

Interest coverage ratio

Income after financial items plus financial expenses, divided by financial expenses.

Net debt

Interest-bearing liabilities and provisions less interest-bearing assets.

Operating income (EBITDA)

Earnings before interest, taxes and depreciation/amortisation.

Operating income (EBITA)

Earnings before interest, taxes and amortisation of intangible assets arising from acquisitions.

Operating income (EBIT)

Income before tax, financial income and expenses.

Profit margin

Income after financial items as a percentage of net sales.

Return on total capital

Income after financial items plus financial expenses as a percentage of average total capital 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 capital 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 capital less non-interest-bearing liabilities and provisions, less interest-bearing assets.

Return on shareholders' equity

Net income as a percentage of average shareholders' equity.

■ Parent Company income statements

SEK millions	Q2 2009	Q2 2008	Q1–Q2 2009	Q1–Q2 2008	Rolling 12 months	Full year 2008
Net sales	3	2	13	10	25	22
Selling expenses	–3	–1	–6	–3	–12	–9
Administrative expenses	–9	–10	–18	–19	–38	–39
Other operating income	–1	0	0	0	0	—
Other operating expenses	–4	0	–4	0	–4	—
Operating income	–14	–9	–15	–12	–29	–26
Result from shares in Group companies	62	—	66	—	–25	–91
Financial income	1	2	3	5	10	12
Financial expenses	4	–6	–2	–10	–9	–17
Income after financial items	53	–13	52	–17	–53	–122
Appropriations	—	—	—	—	–42	–42
Tax	4	4	4	5	17	18
Net income	57	–9	56	–12	–78	–146
Depreciation/amortisation	0	0	0	0	0	0

■ Parent Company balance sheets (summary)

SEK millions	31/06/2009	31/06/2008	31/12/2008
Assets			
Financial fixed assets	827	946	839
Deferred tax assets	3	2	2
Total fixed assets	830	948	841
Other receivables	291	71	245
Cash and bank	15	4	53
Total current assets	306	75	298
Total assets	1,136	1,023	1,139
Shareholders' equity	696	689	713
Untaxed reserves	72	30	72
Other provisions	2	2	2
Long-term liabilities	20	—	21
Current liabilities	346	302	331
Total shareholders' equity and liabilities	1,136	1,023	1,139
Collateral pledged	—	—	—
Contingent liabilities	95	137	144

Transactions with related parties:

Related party	Period	Services sold	Services purchased	Interest income	Interest expenses	Result from shares in Group companies	Rec. from related parties on the bal. sheet date	Liab. to related parties on the bal. sheet date
Subsidiary	Jan–Jun 2009	13	–8	3	0	66	403	286
Subsidiary	Jan–Jun 2008	10	–5	3	–2	—	246	35

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.

