

## Nolato AB (publ) year-end report 2010

# Nolato's best year ever

## Strong cash flow during the fourth quarter

### ■ Fourth quarter of 2010 in brief

- Sales rose by 10% to SEK 864 million (786)
- Operating income (EBITA) was SEK 63 million (63)
- Net income was SEK 43 million (57)
- Earnings per share were SEK 1.64 (2.17)
- Cash flow after investments was SEK 155 million (79), excluding property disposed of

### ■ Full-year 2010 in brief

- Sales rose by 30% to SEK 3,375 million (2,602)
- Operating income (EBITA) was SEK 262 million (166)
- Earnings per share increased to SEK 7.11 (4.68)
- The equity/assets ratio was 50% (51)
- The Board proposes an ordinary dividend of SEK 3.00 (3.00)  
plus an extra dividend of SEK 3.00, totalling SEK 6.00 per share (3.00)
- Review of financial targets

### ■ Group highlights

SEK millions unless otherwise specified	Q4 2010	Q4 2009	Full year 2010	Full year 2009
Net sales	864	786	3,375	2,602
Operating income (EBITDA) <sup>1)</sup>	99	126	407	343
Operating income (EBITA) <sup>2)</sup>	63	63	262	166
EBITA margin, %	7.3	8.0	7.8	6.4
Income after financial items	61	58	243	148
Net income	43	57	187	123
Earnings per share before and after dilution, SEK*	1.64	2.17	7.11	4.68
Adjusted earnings per share, SEK* <sup>3)</sup>	1.74	2.24	7.37	4.90
Cash flow after investments, excl. acquisitions and disposals	155	79	230	139
Net investments affecting cash flow, excl. acquisitions and disposals	43	38	140	118
Return on capital employed, %	—	—	18.4	12.1
Return on shareholders' equity, %	—	—	16.5	11.5
Equity/assets ratio, %	—	—	50	51
Net debt	—	—	34	40

\* 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.

## Fourth quarter 2010

- Sales rose by 10% to SEK 864 million (786)
- Operating income (EBITA) was SEK 63 million (63)
- Strong cash flow of SEK 155 million (79), excl. property disposed of
- Nolato Industrial has decided to start production in Romania

### Sales

The Group's sales totalled SEK 864 million (786), representing an increase of 10% compared with the corresponding period during the previous year. The acquired unit within Nolato Medical accounted for SEK 43 million. Currency effects had a negative impact on sales of around 1%.

Nolato Medical's sales rose by 32% to SEK 235 million (178). Organic growth was 8% including currency effects. Excluding currency conversion effects, sales rose by 11%.

Nolato Telecom's sales rose by 1% to SEK 377 million (372). Excluding currency conversion effects, sales rose by 2%. Volumes have remained good for most customers, although lower than during the strong third quarter. Onward sales of components (touchscreens) has contributed approximately SEK 80 million in additional sales. Certain deliveries have been postponed past the year-end.

Nolato Industrial's sales rose by 7% to SEK 253 million (236). Demand from virtually all customer segments remained high.

### Income

The Group's operating income (EBITA) was SEK 63 million (63).

Nolato Medical's operating income (EBITA) was SEK 28 million (22), Nolato Telecom's was SEK 24 million (30) and Nolato Industrial's was SEK 18 million (18).

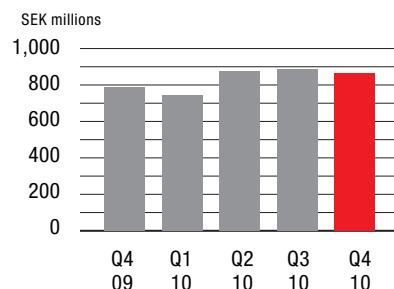
Nolato Medical's EBITA margin was 11.9% (12.4). The reduction in the margin is attributable to the acquisition of Contour Plastics.

Nolato Telecom's EBITA margin was 6.4% (8.1). Compared with the corresponding period during the previous year, a higher turnover of components, an older product mix and lower levels of capacity utilisation had a negative impact on Nolato Telecom's margin. During 2009, non-recurring items had an impact of SEK 20 million on income during the fourth quarter.

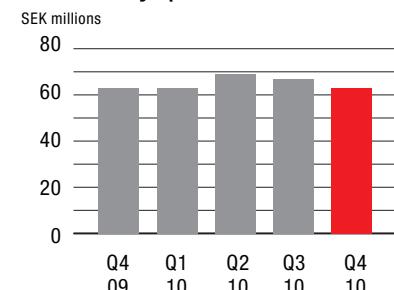
Nolato Industrial's EBITA margin was 7.1% (7.6). The margin was affected by a somewhat unfavourable product mix.

Overall, the Group's EBITA margin was 7.3% (8.0).

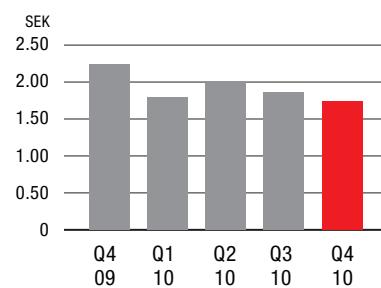
### Sales by quarter



### EBITA by quarter



### Adjusted earnings per share by quarter



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

SEK million	Sales Q4/2010	Sales Q4/2009	Op. income (EBITA) Q4/2010	Op. income (EBITA) Q4/2009	EBITA margin Q4/2010	EBITA margin Q4/2009
Nolato Medical	235	178	28	22	11.9%	12.4%
Nolato Telecom	377	372	24	30	6.4%	8.1%
Nolato Industrial	253	236	18	18	7.1%	7.6%
Intra-Group adj. Parent Co	-1	—	-7	-7	—	—
Group total	<b>864</b>	<b>786</b>	<b>63</b>	<b>63</b>	<b>7.3%</b>	<b>8.0%</b>

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

Currency effects had a positive impact of around SEK 1 million (+4). These currency effects consist of SEK 1 million in transaction effects.

Operating income (EBIT) was SEK 60 million (61).

Income after net financial items was SEK 61 million (58). These net financial items include currency exchange rate effects of SEK +3 million (0) during the fourth quarter.

Net income was SEK 43 million (57). Earnings per share were SEK 1.64 (2.17). Adjusted earnings per share excluding amortisation of intangible assets arising from acquisitions were SEK 1.74 (2.24). The effective tax rate was 29% (2). Non-recurring items had a positive effect of SEK 9 million on tax expenses during the corresponding period in the previous year.

## Full year 2010

### Sales and income

The Group's sales totalled SEK 3,375 million (2,602) during 2010, representing an increase of 30% compared with 2009. During the year, acquired units contributed sales of SEK 80 million. Currency effects had a negative impact of around 4% on sales.

The Group's operating income (EBITA) was up 58% to SEK 262 million (166). The EBITA margin was 7.8% (6.4).

Operating income (EBIT) was SEK 253 million (158).

Income after net financial items was SEK 243 million (148).

Net income was SEK 187 million (123). Earnings per share before and after dilution stood at SEK 7.11 (4.68). Adjusted earnings per share excluding amortisation of intangible assets arising from acquisitions were SEK 7.37 (4.90). The effective tax rate was 23% (17).

The return on capital employed was 18.4% (12.1%). The return on operating capital was 21.6% (13.9%).

### Nolato Medical

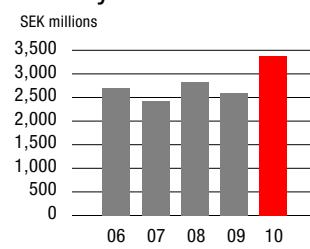
Full-year sales and income (SEK millions)	2010	2009
Sales	808	692
Operating income (EBITA)	100	89
EBITA margin (%)	12.4	12.9
Operating income (EBIT)	94	84

As previously announced, Nolato has acquired – and, as at 23 July, consolidated – the US company Contour Plastics. The purchase price was SEK 165 million. Contour Plastics, which has changed its name to Nolato Contour, has 180 employees. Its customers consist of a number of US medical technology companies, and the acquisition will also make it possible to offer European customers production in North America. The Company recorded sales for 2010 of SEK 179 million, with a pro forma EBITDA margin of about 13%. The acquisition has brought an additional SEK 80 million in sales during the period Nolato has owned the company, and it has had a marginal positive effect on earnings per share.

Nolato Medical saw sales rise to SEK 808 million (692), corresponding to growth of 17%. Organic growth was 5%. Excluding currency conversion

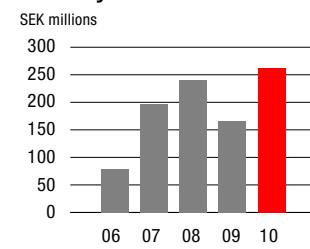
### Sales

#### Full year 2006 – 2010



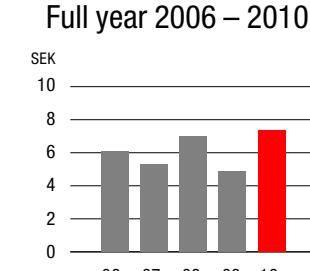
### EBITA

#### Full year 2006 – 2010



### Adjusted earnings per share

#### Full year 2006 – 2010



effects and acquisition effects, growth was 8%. Operations have developed in line with market growth.

Operating income (EBITA) rose to SEK 100 million (89). The EBITA margin was 12.4% (12.9). This margin was affected by continued investments in project resources and technical resources, and by the acquisition.

As previously announced, capacity is being increased in Hörby by 3,700 m<sup>2</sup> in order to create the optimum production structure within the business area. This work is running according to plan, and the facility is now gradually being brought into use. The premises are rented from the municipal property company Hörby Industrifastigheter, which is also responsible for the enlargement work.

## ■ Nolato Telecom

### Full-year sales and income (SEK millions)

	2010	2009
Sales	1,575	1,090
Operating income (EBITA)	122	86
EBITA margin (%)	7.7	7.9
Operating income (EBIT)	122	86

Nolato Telecom's sales rose by 44% to SEK 1,575 million (1,090) as a result of a generally strong product portfolio and onward sales of components (touchscreens) worth approximately SEK 200 million. Excluding currency conversion effects, sales rose by 51%. Volumes were high as a result of customers building up stocks in connection with product launches, particularly during the first six months. This has meant that the normal seasonal variation, involving a weaker first six months, did not apply during 2010.

Operating income (EBITA) rose to SEK 122 million (86). The EBITA margin was 7.7% (6.5 excluding non-recurring items). With the exception of the fourth quarter, new products and high levels of capacity utilisation have had a positive impact on the margin compared with 2009, while a higher proportion of components has had the opposite effect.

In order to cope with greater demand, Nolato Lövepac Converting has moved to larger, more suitable production premises in China, and has started production in Chennai, India.

## ■ Nolato Industrial

### Full-year sales and income (SEK millions)

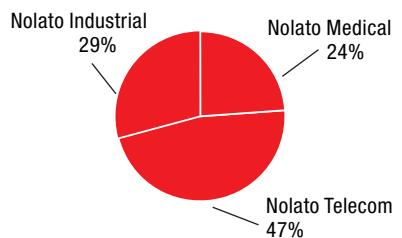
	2010	2009
Sales	994	824
Operating income (EBITA)	79	19
EBITA margin (%)	7.9	2.3
Operating income (EBIT)	76	16

Nolato Industrial's sales rose by 21% to SEK 994 million (824). Demand has gradually risen within most customer segments, albeit from low levels in 2009. A focus on new projects and new market segments has also had a positive impact on sales.

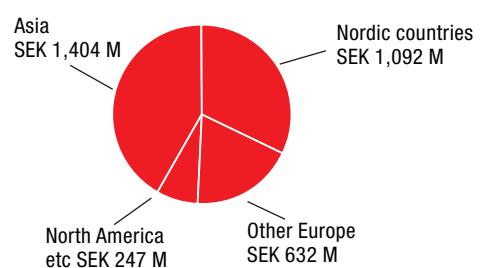
Operating income (EBITA) was SEK 79 million (31 excluding non-recurring items), with an EBITA margin of 7.9% (3.8 excluding non-recurring items). High levels of capacity utilisation, new products and the full effect of earlier restructuring measures have had a positive impact on the margin.

The business area has decided to start small-scale production in Romania. This will take place in rented premises, and is expected to begin during the third quarter of 2011.

## ■ Business areas' share of sales 2010



## ■ Sales by geographic markets 2010



## ■ Cash flow

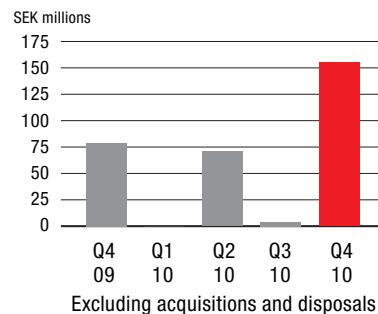
Cash flow before investments and disposals totalled SEK 370 million (257). The change in working capital was SEK +30 million (-7). Cash flow after investments totalled SEK 84 million (139), including acquisitions and property disposed of. Excluding acquisitions and property disposed of, the cash flow was SEK 230 million (139). Net investments affecting cash flow totalled SEK 286 million (118), of which the acquisition of Contour Plastics accounted for SEK 164 million. Payment of SEK 18 million has been received from the sale of the property in Kristianstad, reducing net investments.

## ■ Financial position

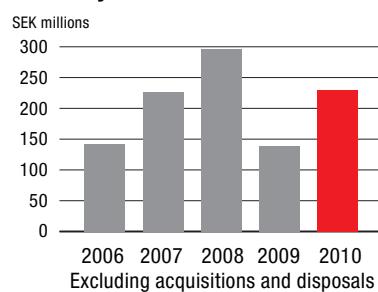
Interest-bearing assets totalled SEK 239 million (172), and interest-bearing liabilities and provisions totalled SEK 273 million (212). Net debt thus totalled SEK 34 million (40). Shareholders' equity stood at SEK 1,179 million (1,086). The equity/assets ratio was 50% (51). During the second quarter, dividends totalling SEK 79 million were paid to shareholders.

At the end of last year, Nolato extended loan agreements with credit institutions by SEK 350 million, with a three-and-a-half-year term. Nolato therefore has total loan agreements of SEK 700 million, of which SEK 350 million runs until the end of 2012 and SEK 350 million runs until the middle of 2014.

## ■ Cash flow after investments per quarter



## ■ Cash flow after investments full year 2006 – 2010



## ■ Consolidated performance analysis

SEK millions	Q4 2010	Q4 2009	Full year 2010	Full year 2009
Net sales	864	786	3,375	2,602
Gross income excl. depreciation/amortisation	150	170	627	501
<i>As a percentage of net sales</i>	17.4	21.6	18.6	19.3
Costs	-51	-44	-220	-158
<i>As a percentage of net sales</i>	5.9	5.6	6.5	6.1
Operating income (EBITDA)	99	126	407	343
<i>As a percentage of net sales</i>	11.5	16.0	12.1	13.2
Depreciation and amortisation	-36	-63	-145	-177
Operating income (EBITA)	63	63	262	166
<i>As a percentage of net sales</i>	7.3	8.0	7.8	6.4
Amortisation of intang. assets arising from acquisitions	-3	-2	-9	-8
Operating income (EBIT)	60	61	253	158
Financial items	1	-3	-10	-10
Income after financial items	61	58	243	148
Tax	-18	-1	-56	-25
<i>As a percentage of income after financial items</i>	29.5	1.7	23.0	16.9
Net income	43	57	187	123

## ■ Financial position

SEK millions	31/12/2010	31/12/2009
Interest-bearing liabilities, credit institutions	180	120
Interest-bearing pension liabilities	93	92
<b>Total borrowings</b>	<b>273</b>	<b>212</b>
Cash and bank	-239	-172
<b>Net debt</b>	<b>34</b>	<b>40</b>
Working capital	145	133
<i>As a percentage of sales (avg.) (%)</i>	4.1	4.5
Capital employed	1,452	1,298
<i>Return on capital employed (avg.) (%)</i>	18.4	12.1
Shareholders' equity	1,179	1,086
<i>Return on shareholders' equity (avg.) (%)</i>	16.5	11.5

## ■ The tax situation in China

With effect from 2011, China has introduced new taxes and charges for foreign companies, which are expected to increase Nolato's tax expenses by around SEK 5–10 million each year. During the period 2008–2010, Nolato was entitled to a 15% tax rate in China, thanks to its high-tech status. The process of applying for this status for 2011–2013 is currently underway.

## ■ Personnel

The average number of employees during the period was 7,563 (4,308). The significant increase is due mainly to high demand for staff in connection with mobile phone project start-ups in China.

## ■ 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 2009 Annual Report on pages 32–33, and in Note 4 on pages 50–51.

No significant events have occurred during the period that would significantly affect or change these descriptions of the Group's and the Parent Company's risks or the management thereof.

## ■ Events after the balance sheet date

No significant events have occurred since the end of the period.

## ■ Dividend

At the Annual General Meeting, the Board of Directors and the President and CEO will propose an ordinary dividend of SEK 3.00 per share (3.00) plus an extra dividend of SEK 3.00 per share. The total dividend will therefore be SEK 6.00 per share (3.00), corresponding to SEK 158 million. The pay-out ratio for the ordinary dividend is 42%, and 84% in total. The dividend yield is 7.2% in relation to the stock exchange price on 30 December 2010.

## ■ 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, since 1 January 2011 in the Stockholm Mid Cap segment, where they are included in the information technology sector.

The number of shareholders has risen by 19%, totalling 7,889 on 30 December. The largest shareholders were the Paulsson family with 12% of the share capital, the Jorlén family with 10%, and the Boström family with 9%. The ten largest shareholders include financial institutions which own an additional 28% of the share capital, with Lannebo Fonder, Svolder and Skandia Fonder being the largest. The ten largest shareholders hold 59% of the share capital and 79% of the votes.

## ■ The Parent Company

Sales totalled SEK 23 million (21). The increase in sales is a result of higher costs levied on subsidiaries. Income after financial items was SEK 73 million (26). The rise in income 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 2009 Annual Report on pages 45–49.

The consolidated year-end report has been prepared in accordance with IAS 34 (Interim Financial Reporting). The applicable provisions of the Swedish Annual Accounts Act and the Swedish Securities Market Act have also been applied.

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

The new or revised IFRS standards or IFRIC interpretations that entered into force on 1 January 2010 have not had any material effect on the Group's income statements or balance sheets.

## ■ Financial targets

The Board has reviewed Nolato's financial targets, and has decided on the following:

- An EBITA margin in excess of 8%
- A return on capital employed in excess of 15%
- An equity/assets ratio in excess of 35%

This involves an increase in the margin target of one percentage point, from 7% to 8%. The other targets remain unchanged.

## ■ Annual General Meeting

The Annual General Meeting will be held on 27 April 2011. Any shareholders who wish to submit proposals to the Nomination Committee can contact one of the Nomination Committee representatives by e-mail:

- henrik.jorlen@gmail.com
- gunbostrom@gmail.com
- erik.paulsson@hansan.se
- johan.lannebo@lannebofonder.se
- magnus.molin@svolder.se

## ■ Financial calendar

- 2010 Annual Report: Nolato's Annual Report will be published on the company's website, [www.nolato.se](http://www.nolato.se), during week 13. A copy of the Annual Report will also be sent to those Nolato shareholders who have specifically requested a copy.
- Three-month interim report 2011: 27 April 2011
- 2011 Annual General Meeting: 27 April 2011
- Six-month interim report 2011: 20 July 2011
- Nine-month interim report 2011: 26 October 2011

## ■ Contact:

- Hans Porat, President and CEO, phone +46 43 1442294.
- Per-Ola Holmström, CFO, phone +46 43 1442293.

## ■ Analyst meeting:

Hans Porat and Per-Ola Holmström will be giving their comments on the year-end report (in Swedish) at a meeting for investors and the media at Regeringsgatan 65, floor IV, Stockholm on 2 February at 08:30. Attendees must register no later than 16:00 on 1 February by e-mailing [eija.lindberg@nolato.se](mailto:eija.lindberg@nolato.se) or by telephoning +46 43 1442208.

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*The information contained in this year-end report is the information that 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 1 February 2011 at 14:30.*

*This report has not been reviewed by the company's auditor.*

Torekov, 1 February 2011

Nolato AB (publ)

The Board of Directors

## ■ Consolidated income statement (summary)

SEK millions	Q4 2010	Q4 2009	Full year 2010	Full year 2009
Net sales	864	786	3,375	2,602
Cost of goods sold	– 750	– 677	– 2,889	– 2,273
<b>Gross profit</b>	<b>114</b>	<b>109</b>	<b>486</b>	<b>329</b>
Other operating income	4	5	5	41
Selling expenses	– 21	– 17	– 76	– 71
Administrative expenses	– 38	– 39	– 160	– 132
Other operating expenses	1	3	– 2	– 9
	– 54	– 48	– 233	– 171
<b>Operating income</b>	<b>60</b>	<b>61</b>	<b>253</b>	<b>158</b>
Financial items	1	– 3	– 10	– 10
<b>Income after financial items</b>	<b>61</b>	<b>58</b>	<b>243</b>	<b>148</b>
Tax	– 18	– 1	– 56	– 25
<b>Net income</b>	<b>43</b>	<b>57</b>	<b>187</b>	<b>123</b>
All earnings are attrib. to the Parent Co.'s shareholders				
Depreciation/amortisation/writedowns	39	65	154	185
Earnings per share before and after dilution (SEK)	1.64	2.17	7.11	4.68
Number of shares at the end of the period	26,307,408	26,307,408	26,307,408	26,307,408
Average number of shares	26,307,408	26,307,408	26,307,408	26,307,408

## ■ Consolidated comprehensive income

SEK millions	Q4 2010	Q4 2009	Full year 2010	Full year 2009
<b>Net income</b>	<b>43</b>	<b>57</b>	<b>187</b>	<b>123</b>
<b>Other comprehensive income</b>				
Translation differences for the period	6	3	– 17	– 25
Cash flow hedges	– 5	– 1	2	3
Tax attributable to cash flow hedges	2	0	0	– 1
<b>Other comprehensive income, net of tax</b>	<b>3</b>	<b>2</b>	<b>– 15</b>	<b>– 23</b>
<b>Total comp. inc. for the period attrib. to the Parent Co.'s shareholders</b>	<b>46</b>	<b>59</b>	<b>172</b>	<b>100</b>

## ■ Consolidated balance sheet (summary)

SEK millions	31/12/2010	31/12/2009
<b>Assets</b>		
<b>Fixed assets</b>		
Intangible fixed assets	441	373
Tangible fixed assets	718	702
Other securities held as fixed assets	2	2
Other long-term receivables	1	1
Deferred tax assets	30	25
<b>Total fixed assets</b>	<b>1,192</b>	<b>1,103</b>
<b>Current assets</b>		
Inventories	222	215
Accounts receivable	616	573
Other current assets	81	50
Cash and bank	239	172
<b>Total current assets</b>	<b>1,158</b>	<b>1,010</b>
<b>Total assets</b>	<b>2,350</b>	<b>2,113</b>
<b>Shareholders' equity and liabilities</b>		
<b>Shareholders' equity</b>	<b>1,179</b>	<b>1,086</b>
Long-term liabilities and provisions <sup>1)</sup>	203	202
Short-term liabilities and provisions <sup>1)</sup>	968	825
<b>Total liabilities and provisions</b>	<b>1,171</b>	<b>1,027</b>
<b>Total shareholders' equity and liabilities</b>	<b>2,350</b>	<b>2,113</b>
<sup>1)</sup> Interest-bearing/non-interest-bearing liabilities and provisions:		
Interest-bearing liabilities and provisions	273	212
Non-interest-bearing liabilities and provisions	898	815
<b>Total liabilities and provisions</b>	<b>1,171</b>	<b>1,027</b>

## ■ Changes in consolidated shareholders' equity

SEK millions	Full year 2010	Full year 2009
<b>Shareholders' equity at the beginning of the period</b>	<b>1,086</b>	<b>1,058</b>
Total comprehensive income for the period	172	100
Dividends	-79	-72
<b>Shareholders' equity at end of period attrib. to Parent Co's shareholders</b>	<b>1,179</b>	<b>1,086</b>

During 2010 a dividend totalling SEK 79 million (72), was paid to the Parent Company's shareholders, corresponding to SEK 3.00 per share (2.75).

The Group does not have any incentive programmes resulting in a dilutive effect.

## ■ Consolidated cash flow statement (summary)

SEK millions	Q4 2010	Q4 2009	Full year 2010	Full year 2009
Cash flow from op. activities before changes in working cap.	99	113	340	264
Changes in working capital	99	4	30	-7
<b>Cash flow from operations</b>	<b>198</b>	<b>117</b>	<b>370</b>	<b>257</b>
Cash flow from investment activities	-25	-38	-286	-118
<b>Cash flow before financing activities</b>	<b>173</b>	<b>79</b>	<b>84</b>	<b>139</b>
Cash flow from financing activities	-63	6	-10	-130
<b>Cash flow for the period</b>	<b>110</b>	<b>85</b>	<b>74</b>	<b>9</b>
<b>Liquid funds at the beginning of the period</b>	<b>131</b>	<b>83</b>	<b>172</b>	<b>168</b>
Exchange rate difference in liquid funds	-2	4	-7	-5
<b>Liquid funds at the end of the period</b>	<b>239</b>	<b>172</b>	<b>239</b>	<b>172</b>

## ■ Earnings per share

SEK millions	Q4 2010	Q4 2009	Full year 2010	Full year 2009
<b>Net income</b>	<b>43</b>	<b>57</b>	<b>187</b>	<b>123</b>
Adjusted earnings:				
Amortisation of intangible assets arising from acquisitions	3	2	9	8
Tax on amortisation	0	0	-2	-2
<b>Adjusted earnings</b>	<b>46</b>	<b>59</b>	<b>194</b>	<b>129</b>
Average number of shares*	26,307,408	26,307,408	26,307,408	26,307,408
Earnings per share before and after dilution (SEK)*	1.64	2.17	7.11	4.68
Adjusted earnings per share (SEK)*	1.74	2.24	7.37	4.90

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

## ■ Five-year overview

	2010	2009	2008	2007	2006
Net sales (SEK millions)	3,375	2,602	2,824	2,421	2,702
Operating income (EBITA) (SEK millions)	262	166	240	197	79
EBITA margin (%)	7.8	6.4	8.5	8.1	2.9
Operating income (EBIT) (SEK millions)	253	158	232	190	78
Income after financial items (SEK millions)	243	148	216	171	69
Net income (SEK millions)	187	123	178	150	48
Return on capital employed (%)	18.4	12.1	18.4	16.3	7.4
Return on shareholders' equity (%)	16.5	11.5	18.4	18.0	5.9
Equity/assets ratio (%)	50	51	50	46	46
Earnings per share (SEK)	7.11	4.68	6.77	5.70	1.82
Adjusted earnings per share (SEK)	7.37	4.90	6.99	5.32	6.08

## ■ Quarterly data (summary)

		Q1	Q2	Q3	Q4	Full year
Net sales (SEK millions)	<b>2010</b>	<b>746</b>	<b>878</b>	<b>887</b>	<b>864</b>	<b>3,375</b>
2009	606	557	653	786	2,602	
2008	690	694	693	747	2,824	
Operating income (EBITDA) (SEK millions)	<b>2010</b>	<b>100</b>	<b>105</b>	<b>103</b>	<b>99</b>	<b>407</b>
2009	56	77	84	126	343	
2008	100	103	101	95	399	
Operating income (EBITA) (SEK millions)	<b>2010</b>	<b>63</b>	<b>69</b>	<b>67</b>	<b>63</b>	<b>262</b>
2009	16	39	48	63	166	
2008	59	61	64	56	240	
EBITA margin (%)	<b>2010</b>	<b>8.4</b>	<b>7.9</b>	<b>7.6</b>	<b>7.3</b>	<b>7.8</b>
2009	2.6	7.0	7.4	8.0	6.4	
2008	8.6	8.8	9.2	7.5	8.5	
Operating income (EBIT) (SEK millions)	<b>2010</b>	<b>61</b>	<b>67</b>	<b>65</b>	<b>60</b>	<b>253</b>
2009	14	37	46	61	158	
2008	57	59	62	54	232	
Income after financial items (SEK millions)	<b>2010</b>	<b>57</b>	<b>65</b>	<b>60</b>	<b>61</b>	<b>243</b>
2009	6	42	42	58	148	
2008	53	59	57	47	216	
Net income (SEK millions)	<b>2010</b>	<b>45</b>	<b>52</b>	<b>47</b>	<b>43</b>	<b>187</b>
2009	4	29	33	57	123	
2008	41	46	45	46	178	
Cash flow after inv., excl. acq. and disp. (SEK millions)	<b>2010</b>	<b>0</b>	<b>71</b>	<b>4</b>	<b>155</b>	<b>230</b>
2009	56	35	- 31	79	139	
2008	47	19	78	152	296	
Earnings per share before and after dilution (SEK)	<b>2010</b>	<b>1.71</b>	<b>1.98</b>	<b>1.78</b>	<b>1.64</b>	<b>7.11</b>
2009	0.15	1.10	1.26	2.17	4.68	
2008	1.56	1.75	1.71	1.75	6.77	
Adjusted earnings per share (SEK)	<b>2010</b>	<b>1.79</b>	<b>2.01</b>	<b>1.83</b>	<b>1.74</b>	<b>7.37</b>
2009	0.23	1.14	1.29	2.24	4.90	
2008	1.63	1.79	1.75	1.82	6.99	
Return on total capital (%)	<b>2010</b>	<b>10.2</b>	<b>11.3</b>	<b>11.5</b>	<b>11.3</b>	<b>11.3</b>
2009	9.4	8.8	7.1	7.5	7.5	
2008	11.0	12.0	12.1	11.8	11.8	
Return on capital employed (%)	<b>2010</b>	<b>16.1</b>	<b>18.4</b>	<b>18.6</b>	<b>18.4</b>	<b>18.4</b>
2009	14.7	13.7	11.3	12.1	12.1	
2008	16.7	18.5	18.7	18.4	18.4	
Return on operating capital (%)	<b>2010</b>	<b>18.0</b>	<b>20.8</b>	<b>20.5</b>	<b>21.6</b>	<b>21.6</b>
2009	16.5	14.4	12.7	13.9	13.9	
2008	17.5	18.9	19.8	19.7	19.7	
Return on shareholders' equity (%)	<b>2010</b>	<b>14.9</b>	<b>17.5</b>	<b>18.6</b>	<b>16.5</b>	<b>16.5</b>
2009	14.2	13.0	11.2	11.5	11.5	
2008	20.4	22.4	22.0	18.4	18.4	

## ■ Quarterly data business areas

Net sales (SEK millions)	Q1	Q2	Q3	Q4	Full year	
Nolato Medical	<b>2010</b>	<b>186</b>	<b>185</b>	<b>202</b>	<b>235</b>	<b>808</b>
	2009	178	177	159	178	692
	2008	147	158	156	171	632
Nolato Telecom	<b>2010</b>	<b>320</b>	<b>434</b>	<b>444</b>	<b>377</b>	<b>1,575</b>
	2009	226	183	309	372	1,090
	2008	284	277	318	364	1,243
Nolato Industrial	<b>2010</b>	<b>241</b>	<b>259</b>	<b>241</b>	<b>253</b>	<b>994</b>
	2009	206	197	185	236	824
	2008	260	259	219	212	950
Group adjustments, Parent Company	<b>2010</b>	<b>-1</b>	<b>0</b>	<b>0</b>	<b>-1</b>	<b>-2</b>
	2009	-4	0	0	0	-4
	2008	-1	0	0	0	-1
Group total	<b>2010</b>	<b>746</b>	<b>878</b>	<b>887</b>	<b>864</b>	<b>3,375</b>
	2009	606	557	653	786	2,602
	2008	690	694	693	747	2,824
Operating income (EBITA) (SEK millions)	Q1	Q2	Q3	Q4	Full year	
Nolato Medical	<b>2010</b>	<b>23</b>	<b>24</b>	<b>25</b>	<b>28</b>	<b>100</b>
EBITA margin (%)		<b>12.4</b>	<b>13.0</b>	<b>12.4</b>	<b>11.9</b>	<b>12.4</b>
	2009	24	23	20	22	89
EBITA margin (%)		13.5	13.0	12.6	12.4	12.9
	2008	21	21	20	27	89
EBITA margin (%)		14.3	13.3	12.8	15.8	14.1
Nolato Telecom	<b>2010</b>	<b>32</b>	<b>34</b>	<b>32</b>	<b>24</b>	<b>122</b>
EBITA margin (%)		<b>10.0</b>	<b>7.8</b>	<b>7.2</b>	<b>6.4</b>	<b>7.7</b>
	2009	0	32	24	30	86
EBITA margin (%)		0.0	17.5	7.8	8.1	7.9
	2008	25	22	35	32	114
EBITA margin (%)		8.8	7.9	11.0	8.8	9.2
Nolato Industrial	<b>2010</b>	<b>17</b>	<b>23</b>	<b>21</b>	<b>18</b>	<b>79</b>
EBITA margin (%)		<b>7.1</b>	<b>8.9</b>	<b>8.7</b>	<b>7.1</b>	<b>7.9</b>
	2009	-1	-7	9	18	19
EBITA margin (%)		-0.5	-3.6	4.9	7.6	2.3
	2008	19	21	15	0	55
EBITA margin (%)		7.3	8.1	6.8	0.0	5.8
Group adjustments, Parent Company	<b>2010</b>	<b>-9</b>	<b>-12</b>	<b>-11</b>	<b>-7</b>	<b>-39</b>
	2009	-7	-9	-5	-7	-28
	2008	-6	-3	-6	-3	-18
Group total	<b>2010</b>	<b>63</b>	<b>69</b>	<b>67</b>	<b>63</b>	<b>262</b>
EBITA margin (%)		<b>8.4</b>	<b>7.9</b>	<b>7.6</b>	<b>7.3</b>	<b>7.8</b>
	2009	16	39	48	63	166
EBITA margin (%)		2.6	7.0	7.4	8.0	6.4
	2008	59	61	64	56	240
EBITA margin (%)		8.6	8.8	9.2	7.5	8.5
Depreciation/amortisation (SEK millions)	Q1	Q2	Q3	Q4	Full year	
Nolato Medical	<b>2010</b>	<b>12</b>	<b>12</b>	<b>13</b>	<b>16</b>	<b>53</b>
	2009	11	11	11	12	45
	2008	10	10	10	11	41
Nolato Telecom	<b>2010</b>	<b>16</b>	<b>14</b>	<b>14</b>	<b>13</b>	<b>57</b>
	2009	18	16	15	40	89
	2008	19	20	16	17	72
Nolato Industrial	<b>2010</b>	<b>11</b>	<b>12</b>	<b>11</b>	<b>10</b>	<b>44</b>
	2009	13	13	12	13	51
	2008	14	14	13	13	54
Group total	<b>2010</b>	<b>39</b>	<b>38</b>	<b>38</b>	<b>39</b>	<b>154</b>
	2009	42	40	38	65	185
	2008	43	44	39	41	167

## ■ Group financial highlights

	Q4 2010	Q4 2009	Full year 2010	Full year 2009
Net sales (SEK millions)	864	786	3,375	2,602
Sales growth (%)	10	5	30	-8
Percentage of sales outside Sweden (%)	75	77	76	73
Operating income (EBITDA) (SEK millions)	99	126	407	343
Operating income (EBITA) (SEK millions)	63	63	262	166
EBITA margin (%)	7.3	8.0	7.8	6.4
Income after financial items (SEK millions)	61	58	243	148
Profit margin (%)	7.1	7.4	7.2	5.7
Net income (SEK millions)	43	57	187	123
Return on total capital (%)	—	—	11.3	7.5
Return on capital employed (%)	—	—	18.4	12.1
Return on operating capital (%)	—	—	21.6	13.9
Return on shareholders' equity (%)	—	—	16.5	11.5
Equity/assets ratio (%)	—	—	50	51
Debt/equity ratio (%)	—	—	23	20
Interest coverage ratio (times)	31	18	25	14
Net investm. affecting cash flow, excl. acq. and disposals (SEK millions)	43	38	140	118
Cash flow after investments, excl. acq. and disposals (SEK millions)	155	79	230	139
Net debt (SEK millions)	—	—	34	40
Earnings per share before and after dilution (SEK)	1.64	2.17	7.11	4.68
Adjusted earnings per share (SEK)	1.74	2.24	7.37	4.90
Cash flow per share (SEK)	5.89	3.00	8.74	5.28
Shareholders' equity per share (SEK)	—	—	45	41
Average number of employees	—	—	7,563	4,308

## 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 statement

SEK millions	Q4 2010	Q4 2009	Full year 2010	Full year 2009
Net sales	5	4	23	21
Other operating income	4	—	4	—
Selling expenses	— 6	— 3	— 15	— 11
Administrative expenses	— 6	— 16	— 43	— 42
Other operating expenses	—	— 19	—	— 24
<b>Operating income</b>	<b>— 3</b>	<b>— 34</b>	<b>— 31</b>	<b>— 56</b>
Result from shares in Group companies	25	—	99	79
Financial income	2	2	9	7
Financial expenses	5	0	— 4	— 4
<b>Income after financial items</b>	<b>29</b>	<b>— 32</b>	<b>73</b>	<b>26</b>
Appropriations	— 32	— 21	— 32	— 21
Tax	5	13	14	19
<b>Net income</b>	<b>2</b>	<b>— 40</b>	<b>55</b>	<b>24</b>
Depreciation/amortisation	0	0	0	0

## ■ Parent Company balance sheet (summary)

SEK millions	31/12/2010	31/12/2009
<b>Assets</b>		
Financial fixed assets	877	949
Deferred tax assets	6	4
<b>Total fixed assets</b>	<b>883</b>	<b>953</b>
Other receivables	251	201
Cash and bank	105	74
<b>Total current assets</b>	<b>356</b>	<b>275</b>
<b>Total assets</b>	<b>1,239</b>	<b>1,228</b>
<b>Shareholders' equity and liabilities</b>		
Shareholders' equity	837	759
Untaxed reserves	125	93
Other provisions	2	2
Long-term liabilities	17	18
Current liabilities	258	356
<b>Total shareholders' equity and liabilities</b>	<b>1,239</b>	<b>1,228</b>
Collateral pledged	—	—
Contingent liabilities	92	99

### 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	Full year 2010	23	— 15	8	0	99	556	222
Subsidiary	Full year 2009	21	— 15	7	— 1	79	444	235

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.

