

## Nolato AB (publ) nine-month interim report 2011

## Continued good development and strong financial position

## ■ Third quarter of 2011 in brief

- Sales amounted to SEK 718 million (887)
- Operating income (EBITA) was SEK 54 million (67)
- Net income stood at SEK 36 million (47)
- Earnings per share were SEK 1.37 (1.78)
- Cash flow after investments was SEK 48 million (4), excluding acquisitions

## ■ First nine months of 2011 in brief

- Sales amounted to SEK 2,243 million (2,511)
- Operating income (EBITA) was SEK 151 million (199)
- Earnings per share were SEK 3.76 (5.47)
- Cash flow after investments was SEK 123 million (75), excluding acquisitions

## ■ Group highlights

SEK millions unless otherwise specified	Q3 2011	Q3 2010	Q1 - Q3 2011	Q1 - Q3 2010	Rolling 12 months	Full year 2010
Net sales	718	887	2,243	2,511	3,107	3,375
Operating income (EBITDA) <sup>1)</sup>	111	103	278	308	377	407
Operating income (EBITA) <sup>2)</sup>	54	67	151	199	214	262
EBITA margin, %	7.5	7.6	6.7	7.9	6.9	7.8
Income after financial items	50	60	138	182	199	243
Net income	36	47	99	144	142	187
Earnings per share before and after dilution, SEK*	1.37	1.78	3.76	5.47	5.40	7.11
Adjusted earnings per share, SEK <sup>3) *</sup>	1.44	1.83	3.95	5.63	5.69	7.37
Cash flow after investments, excl. acquisitions and disposals	48	4	123	75	278	230
Net investm. affecting cash flow, excl. acquisitions and disposals	32	28	87	97	130	140
Return on capital employed, %	—	—	15.0	18.6	15.0	18.4
Return on shareholders' equity, %	—	—	12.7	18.6	12.7	16.5
Equity/assets ratio, %	—	—	52	48	—	50
Net debt	—	—	66	199	—	34

\*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 intangibles assets arising from acquisitions, divided by the average number of shares.

## Third quarter 2011

- Sales amounted to SEK 718 million (887)
- Strong development for Nolato Industrial
- Continuing weak volumes within Nolato Telecom
- Expansion of Nolato Medical's plant in Hungary
- Operating income (EBITA) was SEK 54 million (67)

### Sales

The Group's sales totalled SEK 718 million (887), representing a 19% drop compared with the corresponding period during the previous year. Currency effects had a negative impact on sales of around 3%.

Nolato Medical saw sales increase by 9% to SEK 220 million (202). Organic growth amounted to 7% excluding currency effects. Including currency conversion effects, sales rose organically by 4%. Volumes were healthy and in line with market growth. In order to facilitate further expansion within Nolato Medical, it was decided to extend the production plant in Hungary by 3,500 m<sup>2</sup>.

Nolato Telecom's sales halved to SEK 220 million (444), including the resale of components (touch screens) of approx. SEK 5 million (60). Excluding currency conversion effects, sales fell by 47%. Demand for the existing product portfolio remains weak.

Nolato Industrial's sales rose by 16% to SEK 279 million (241). Excluding currency conversion effects, sales increased by 17%. Demand has been strong and increased within most customer segments.

### Income

The Group's operating income (EBITA) was SEK 54 million (67).

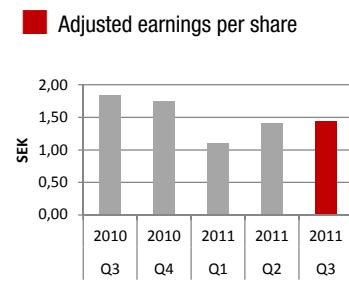
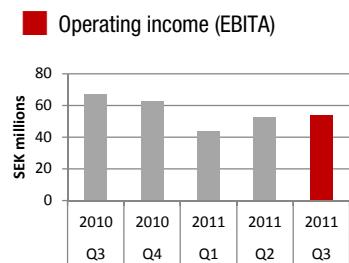
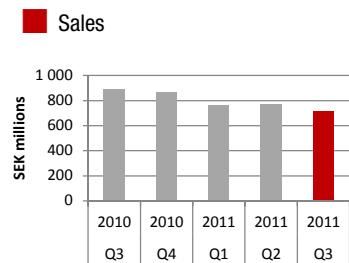
Nolato Medical's operating income (EBITA) was SEK 25 million (25), Nolato Telecom's was SEK 7 million (32) and Nolato Industrial's was SEK 26 million (21).

Nolato Medical's EBITA margin was 11.4% (12.4). The margin was affected by further initiatives within projects and technology. Nolato Telecom's EBITA margin was 3.2% (7.2) and is explained by low capacity utilisation. Excluding lump sums the EBITA margin was 2.3% (7.2). Nolato Industrial's EBITA margin was a healthy 9.3% (8.7). Strong demand within most customer segments and a high level of capacity utilisation contributed to the strong margin. Collectively, the Group's EBITA margin was 7.5% (7.6).

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

SEK millions	Sales Q3/2011	Sales Q3/2010	Operating inc. EBITA Q3/2011	Operating inc. EBITA Q3/2010	EBITA margin Q3/2011	EBITA margin Q3/2010
Nolato Medical	220	202	25	25	11.4%	12.4%
Nolato Telecom	220	444	7	32	3.2%	7.2%
Nolato Industrial	279	241	26	21	9.3%	8.7%
Intra-Group adj., Parent Co	-1	—	-4	-11	—	—
<b>Group total</b>	<b>718</b>	<b>887</b>	<b>54</b>	<b>67</b>	<b>7.5%</b>	<b>7.6%</b>

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



Currency effects (transaction and conversion effects) affected income by SEK -1 million (-1).

Operating income (EBIT) was SEK 51 million (65). During the quarter, a dividend was received from a previous bankruptcy of SEK 27 million, which is recognised under other operating income. Amortisation of production equipment of SEK 25 was implemented during the quarter and is recognised under extra amortisation costs. The amortisation is related to equipment within Nolato Telecom caused by technology shift. The lump sum of these two amounts to SEK +2 million (0) and both relates to Nolato Telecom.

Income after financial items was SEK 50 million (60). Net financial items included SEK +2 million (-3) in currency exchange rate difference effects during the third quarter.

Net income was SEK 36 million (47). Earnings per share, before and after dilution, stood at SEK 1.37 (1.78). Adjusted earnings per share excluding amortisation of intangible assets arising from acquisitions were SEK 1.44 (1.83).

## First nine months 2011

### Sales and earnings

The Group's sales during the first nine months of 2011 totalled SEK 2,243 million (2,511), which was 11% lower than during the corresponding period of the previous year. Currency effects had a negative impact on sales of 5%.

Nolato Medical's sales rose by 20% to SEK 687 million (573), Nolato Telecom's sales fell by 39% to SEK 728 million (1,198), while Nolato Industrial's sales increased by 12% to SEK 830 million (741).

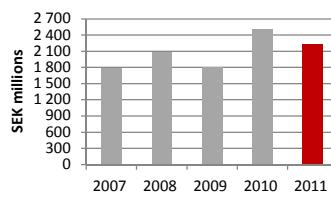
The Group's operating income (EBITA) amounted to SEK 151 million (199), whilst the EBITA margin was 6.7% (7.9). Operating income (EBIT) was SEK 144 million (193).

Income after financial items was SEK 138 million (182). Net financial items include currency exchange rate effects of SEK 1 million (-4).

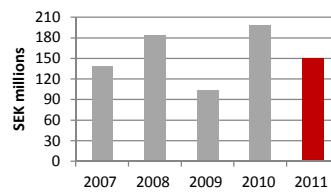
Net income was SEK 99 million (144). Earnings per share, both before and after dilution, were SEK 3.76 (5.47). Adjusted earnings per share excluding amortisation of intangible assets arising from acquisitions were SEK 3.95 (5.63). The effective tax rate was 28% (21). The higher tax rate was the result of changes in earnings between countries in which the Group is active.

The return on capital employed for the last twelve months was 15.0% (18.4% for the 2010 calendar year). The return on operating capital for the last twelve months was 16.2% (21.6% for the 2010 calendar year).

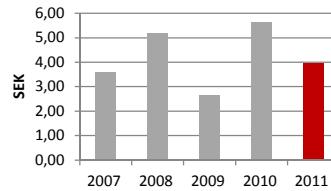
Sales nine months



Operating income (EBITA) nine months



Adjusted earnings per share nine months



## ■ Nolato Medical

### Sales and income Q1-Q3 (SEK millions)

	2011	2010
Sales	687	573
Operating income (EBITA)	82	72
EBITA margin (%)	11.9	12.6
Operating income (EBIT)	77	68

Nolato Medical saw sales grow to SEK 687 million (573), which corresponds to an increase of 20%. Organic growth amounted to 9% excluding currency conversion effects. The trend in volumes was good for most of the business area's customer segments and the business has developed well in line with the growth in the market.

Operating income (EBITA) rose to SEK 82 million (72). The EBITA margin was 11.9% (12.6). Compared with the previous year, the margin was negatively affected by the acquired unit in the USA. As a result of a high level of market activity, Nolato Medical has decided to continue the initiatives within projects and technology, which has also resulted in a slight reduction in the margin. The level of activity in the business area's projects has been very high over the past twelve months. Nolato expects sales from project activity to decline during the forthcoming quarters.

Nolato Medical has approved an extension to the factory in Hungary in order to facilitate future expansion. A further 3,500 m<sup>2</sup> will be completed, enabling the gradual commencement of production from 2013 onwards. This extension will provide additional clean room capacity, amongst other things. The investment cost is estimated at around SEK 30 million.

Nolato Medical's american business entity has developed positively and according to plan and now also offers silicon production to medical customers in North America.

## ■ Nolato Telecom

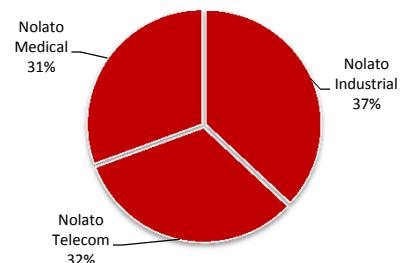
### Sales and income Q1-Q3 (SEK millions)

	2011	2010
Sales	728	1,198
Operating income (EBITA)	7	98
EBITA margin (%)	1.0	8.2
Operating income (EBIT)	7	98

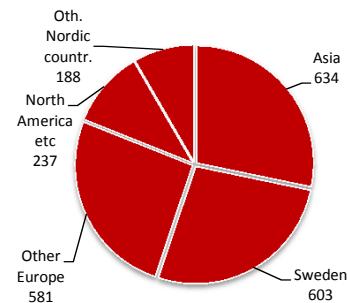
Nolato Telecom's sales fell by 39% to SEK 728 million (1,198), which includes the resale of components (touch screens) of approximately SEK 95 million (120). Excluding currency conversion effects, sales fell by 33%. After a strong start to the year, demand for the existing product portfolio fell markedly. The start-up of a number of new projects was either deferred or cancelled, partly due to a shortage of electronic components as a result of the natural disasters in Japan. Demand for the existing product portfolio remained weak during the third quarter.

Operating income (EBITA) fell to SEK 7 million (98). Income was affected by non-recurring items amounting to SEK +2 million net. The EBITA margin was 1.0% (8.2). Low volumes have resulted in very weak profitability.

## ■ Business areas' share of sales Q1-Q3 2011



## ■ Sales by geographic markets Q1-Q3 2011 (SEK millions)



## ■ Nolato Industrial

Sales and income Q1-Q3 (SEK millions)	2011	2010
Sales	830	741
Operating income (EBITA)	78	61
EBITA margin (%)	9.4	8.2
Operating income (EBIT)	76	59

Nolato Industrial's sales rose by 12% to SEK 830 million (741). Strong demand, advanced market positions and new products contributed to an increase in sales. Excluding currency conversion effects, sales rose by 14%.

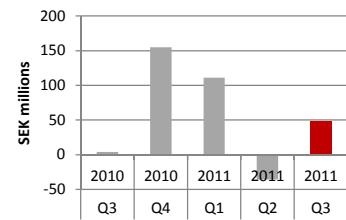
Operating income (EBITA) was SEK 78 million (61), with a strong EBITA margin of 9.4% (8.2). A high level of capacity utilisation has positively affected the margin.

As previously stated, the business area has established a small production unit in Romania. Production is progressing according to plan.

## ■ Cash flow

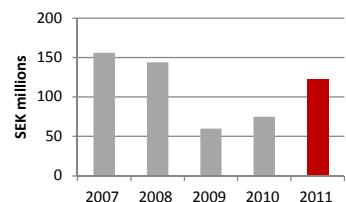
Cash flow before investments totalled SEK 210 million (172) and was positively affected by the dividend from a previous bankruptcy. The change in working capital was a negative SEK 11 million (-69). Cash flow after investments was SEK 123 million (75, excluding acquisitions). Net investments affecting cash flow totalled SEK 87 million (97, excluding acquisitions).

## ■ Cash flow after investments



Excluding acquisitions and disposals

## ■ Cash flow after investments first nine months



Excluding acquisitions and disposals

## ■ Consolidated performance analysis

SEK millions	Q3 2011	Q3 2010	Q1 - Q3 2011	Q1 - Q3 2010	Rolling 12 months	Full year 2010
Net sales	718	887	2,243	2,511	3,107	3,375
Gross income excl. depreciation/amortisation	131	157	395	477	545	627
<i>As a percentage of net sales</i>	18.2	17.7	17.6	19.0	17.5	18.6
Costs	-20	-54	-117	-169	-168	-220
<i>As a percentage of net sales</i>	2.8	6.1	5.2	6.7	5.4	6.5
Operating income (EBITDA)	111	103	278	308	377	407
<i>As a percentage of net sales</i>	15.5	11.6	12.4	12.3	12.1	12.1
Depreciation and amortisation	-57	-36	-127	-109	-163	-145
Operating income (EBIT)	54	67	151	199	214	262
<i>As a percentage of net sales</i>	7.5	7.6	6.7	7.9	6.9	7.8
Amortisation of intang. assets arising from acquisitions	-3	-2	-7	-6	-10	-9
Operating income (EBIT)	51	65	144	193	204	253
Financial items	-1	-5	-6	-11	-5	-10
Income after financial items	50	60	138	182	199	243
Tax	-14	-13	-39	-38	-57	-56
<i>As a percentage of income after financial items</i>	28.0	21.7	28.3	20.9	28.6	23.0
Net income	36	47	99	144	142	187

## ■ Financial position

SEK millions	30/09/2011	30/09/2010	31/12/2010
Interest-bearing liabilities, credit institutions	126	238	180
Interest-bearing pension liabilities	93	92	93
<b>Total borrowings</b>	<b>219</b>	<b>330</b>	<b>273</b>
Cash and bank	-153	-131	-239
<b>Net debt</b>	<b>66</b>	<b>199</b>	<b>34</b>
Working capital	125	252	145
<i>As a percentage of sales (avg.) (%)</i>	6.1	5.7	4.1
Capital employed	1,338	1,463	1,452
<i>Return on capital employed (avg.) (%)</i>	15.0	18.6	18.4
Shareholders' equity	1,118	1,133	1,179
<i>Return on shareholders' equity (avg.) (%)</i>	12.7	18.6	16.5

## ■ The tax situation in China

With effect from 2011 onwards, China has introduced new taxes and duties for foreign companies which are expected to increase Nolato's tax cost by around SEK 5 – 10 million annually. During the period 2008 - 2010, Nolato enjoyed a tax rate of 15% in China as a result of its "High-Tech Status". The application process for this status for the period 2011 - 2013 is currently under way and notification is anticipated during the fourth quarter. The tax rate for the first nine months has been determined assuming that Nolato will continue to be accorded "High-Tech Status" (15% tax rate in China), but with a supplement for the new non-profit based taxes from 2011 onwards.

## ■ Personnel

The average number of employees during the period was 5,684 (7,616). The reduction in the number of employees is attributable to Nolato Telecom in China and arose as a result of lower volumes.

## ■ 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 2010 Annual Report on pages 32 – 33 and in Note 4 on pages 49 – 50.

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.

## ■ Events after the balance sheet date

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

## ■ 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 have been listed on the NASDAQ OMX Nordic Exchange in the Stockholm Mid Cap segment since 1 January 2011, where they are included under the information technology sector.

The number of shareholders was 7,712 as of 30 September. The largest shareholders were the Paulsson family with 12%, the Jorlén family with 10%, the Boström family with 10%, Lannebo Fonder with 10%, Svolder with 5% and Skandia Fonder with 4% of the share capital. The ten largest shareholders hold 61% of the capital and 80% of the votes.

## ■ The Parent Company

Sales totalled SEK 20 million (18). The increase in sales is a result of higher costs levied on subsidiaries. Income after financial items amounted to SEK 145 million (44). The improved result is primarily the result of 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 2010 Annual Report on pages 45–48.

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, Accounting for Legal Entities.

The new or revised IFRS standards or IFRIC interpretations that entered into force on 1 January 2011 have not had any material effect on the Group's income statements or balance sheets.

## ■ Nomination Committee

It was resolved at Nolato's Annual General Meeting on 27 April 2011 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 2012 Annual General Meeting:

- Henrik Jorlén, chairman, representing the Jorlén family
- Gun Boström, representing the Boström family
- Erik Paulsson, representing the Paulsson family
- Johan Lannebo, representing Lannebo Fonder
- Magnus Molin, representing Svolder

## ■ Annual General Meeting

The Annual General Meeting will be held on 24 April 2012. Shareholders wishing to submit proposals to the nomination committee should contact the nomination committee's chairman Henrik Jorlén, by e-mail to [henrik.jorlen@gmail.com](mailto:henrik.jorlen@gmail.com) or by ordinary mail to Kommendörsgatan 4, 269 77 Torekov, Sweden.

## ■ Financial calendar

- 2011 year-end report: 1 February 2012
- Three-month interim report 2012: 24 April 2012
- 2012 Annual General Meeting: 24 April 2012
- Six-month interim report 2012: 20 July 2012
- Nine-month interim report 2012: 24 October 2012

*Torekov, 26 October 2011*

*Nolato AB (publ)*

*Hans Porat, President and CEO*

## ■ Contact:

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

*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 26 October 2011 at 14:30 pm.*

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

## ■ Consolidated income statement (summary)

SEK millions	Q3 2011	Q3 2010	Q1 - Q3 2011	Q1 - Q3 2010	Rolling 12 months	Full year 2010
Net sales	718	887	2,243	2,511	3,107	3,375
Cost of goods sold	– 647	– 764	– 1,972	– 2,139	– 2,722	– 2,889
<b>Gross profit</b>	<b>71</b>	<b>123</b>	<b>271</b>	<b>372</b>	<b>385</b>	<b>486</b>
Other operating income	29	0	34	1	38	5
Selling expenses	– 16	– 18	– 52	– 55	– 73	– 76
Administrative expenses	– 33	– 40	– 109	– 122	– 147	– 160
Other operating expenses	0	0	0	– 3	1	– 2
	– 20	– 58	– 127	– 179	– 181	– 233
<b>Operating income</b>	<b>51</b>	<b>65</b>	<b>144</b>	<b>193</b>	<b>204</b>	<b>253</b>
Financial items	– 1	– 5	– 6	– 11	– 5	– 10
<b>Income after financial items</b>	<b>50</b>	<b>60</b>	<b>138</b>	<b>182</b>	<b>199</b>	<b>243</b>
Tax	– 14	– 13	– 39	– 38	– 57	– 56
<b>Net income</b>	<b>36</b>	<b>47</b>	<b>99</b>	<b>144</b>	<b>142</b>	<b>187</b>
All earnings are attrib. to the Parent Co.'s shareholders						
Depreciation/amortisation	60	38	134	115	173	154
Earnings per share before and after dilution (SEK)	1.37	1.78	3.76	5.47	5.40	7.11
Number of shares at the end of the period	26,307,408	26,307,408	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	26,307,408	26,307,408

## ■ Consolidated comprehensive income (summary)

SEK millions	Q3 2011	Q3 2010	Q1 - Q3 2011	Q1 - Q3 2010	Rolling 12 months	Full year 2010
<b>Net income</b>	<b>36</b>	<b>47</b>	<b>99</b>	<b>144</b>	<b>142</b>	<b>187</b>
<b>Other comprehensive income</b>						
Translation differences for the period	19	– 44	– 1	– 23	5	– 17
Cash flow hedges	0	7	– 1	7	– 6	2
Tax attributable to cash flow hedges	0	– 2	0	– 2	2	0
<b>Other comprehensive income, net of tax</b>	<b>19</b>	<b>– 39</b>	<b>– 2</b>	<b>– 18</b>	<b>1</b>	<b>– 15</b>
<b>Total comp. income for the period attributable to the Parent Co.'s shareholders</b>	<b>55</b>	<b>8</b>	<b>97</b>	<b>126</b>	<b>143</b>	<b>172</b>

## ■ Reconciliation of consolidated income before tax

SEK millions	Q1 - Q3 2011	Q1 - Q3 2010	Rolling 12 months	Full year 2010
<b>Operating income (EBIT)</b>				
Nolato Medical	77	68	103	94
Nolato Telecom	7	98	31	122
Nolato Industrial	76	59	93	76
Group adjustments, Parent Company	– 16	– 32	– 23	– 39
<b>Consolidated operating income (EBIT)</b>	<b>144</b>	<b>193</b>	<b>204</b>	<b>253</b>
Financial items (not distributed by business areas when no follow-up by management)	– 6	– 11	– 5	– 10
<b>Consolidated income before tax</b>	<b>138</b>	<b>182</b>	<b>199</b>	<b>243</b>

## ■ Consolidated balance sheet (summary)

SEK millions	30/09/2011	30/09/2010	31/12/2010
<b>Assets</b>			
<b>Fixed assets</b>			
Intangible fixed assets	434	442	441
Tangible fixed assets	689	723	718
Other securities held as fixed assets	2	2	2
Other long-term receivables	1	1	1
Deferred tax assets	39	29	30
<b>Total fixed assets</b>	<b>1,165</b>	<b>1,197</b>	<b>1,192</b>
<b>Current assets</b>			
Inventories	229	251	222
Accounts receivable	508	674	616
Other current assets	81	102	81
Cash and bank	153	131	239
<b>Total current assets</b>	<b>971</b>	<b>1,158</b>	<b>1,158</b>
<b>Total assets</b>	<b>2,136</b>	<b>2,355</b>	<b>2,350</b>
<b>Shareholders' equity and liabilities</b>			
<b>Shareholders' equity</b>	<b>1,118</b>	<b>1,133</b>	<b>1,179</b>
Long-term liabilities and provisions <sup>1)</sup>	98	96	94
Deferred tax liabilities <sup>1)</sup>	101	104	109
Short-term liabilities and provisions <sup>1)</sup>	819	1,022	968
<b>Total liabilities and provisions</b>	<b>1,018</b>	<b>1,222</b>	<b>1,171</b>
<b>Total shareholders' equity and liabilities</b>	<b>2,136</b>	<b>2,355</b>	<b>2,350</b>
<sup>1)</sup> Interest-bearing/non-interest-bearing liabilities and provisions:			
Interest-bearing liabilities and provisions	219	330	273
Non-interest-bearing liabilities and provisions	799	892	898
<b>Total liabilities and provisions</b>	<b>1,018</b>	<b>1,222</b>	<b>1,171</b>

## ■ Changes in consolidated shareholders' equity (summary)

SEK millions	Q1 - Q3 2011	Q1 - Q3 2010	Full year 2010
<b>Shareholders' equity at the beginning of the period</b>			
<b>Shareholders' equity at the beginning of the period</b>	<b>1,179</b>	<b>1,086</b>	<b>1,086</b>
Total comprehensive income for the period	97	126	172
Dividends	- 158	- 79	- 79
<b>Shareholders' equity at the end of period attrib. to Parent Co's shareholders</b>	<b>1,118</b>	<b>1,133</b>	<b>1,179</b>

During 2011, a dividend totalling SEK 158 million was paid to the Parent Company's shareholders, corresponding to an ordinary of SEK 3.00 and extra of SEK 3.00, totalling SEK 6.00 per share. The Group does not have any incentive programmes resulting in a dilutive effect.

## ■ Consolidated cash flow statement (summary)

SEK millions	Q3 2011	Q3 2010	Q1 - Q3 2011	Q1 - Q3 2010	Rolling 12 months	Full year 2010
Cash flow from op. activities bef. changes in work. cap.	100	75	221	241	320	340
Changes in working capital	- 20	- 43	- 11	- 69	88	30
<b>Cash flow from operations</b>	<b>80</b>	<b>32</b>	<b>210</b>	<b>172</b>	<b>408</b>	<b>370</b>
Cash flow from investment activities	- 32	- 192	- 87	- 261	- 112	- 286
<b>Cash flow before financing activities</b>	<b>48</b>	<b>- 160</b>	<b>123</b>	<b>- 89</b>	<b>296</b>	<b>84</b>
Cash flow from financing activities	- 39	116	- 209	53	- 272	- 10
<b>Cash flow for the period</b>	<b>9</b>	<b>- 44</b>	<b>- 86</b>	<b>- 36</b>	<b>24</b>	<b>74</b>
 <b>Liquid funds at the beginning of the period</b>	 <b>139</b>	 <b>186</b>	 <b>239</b>	 <b>172</b>	 <b>—</b>	 <b>172</b>
Exchange rate difference in liquid funds	5	- 11	0	- 5	—	- 7
<b>Liquid funds at the end of the period</b>	<b>153</b>	<b>131</b>	<b>153</b>	<b>131</b>	<b>—</b>	<b>239</b>

## ■ Earnings per share

SEK millions	Q3 2011	Q3 2010	Q1 - Q3 2011	Q1 - Q3 2010	Rolling 12 months	Full year 2010
<b>Net income</b>	<b>36</b>	<b>47</b>	<b>99</b>	<b>144</b>	<b>142</b>	<b>187</b>
 Adjusted earnings:						
Amortisation of intangible assets arising from acquis.	3	2	7	6	10	9
Tax on amortisation	- 1	- 1	- 2	- 2	- 2	- 2
<b>Adjusted earnings</b>	<b>38</b>	<b>48</b>	<b>104</b>	<b>148</b>	<b>150</b>	<b>194</b>
Average number of shares *	26,307,408	26,307,408	26,307,408	26,307,408	26,307,408	26,307,408
Earnings per share before and after dilution (SEK) *	1.37	1.78	3.76	5.47	5.40	7.11
Adjusted earnings per share (SEK) *	1.44	1.83	3.95	5.63	5.69	7.37

\* 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
Cash flow after investments, excl. acq. and disposals (SEK millions)	230	139	296	227	142
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
Net debt (SEK millions)	34	40	95	314	162
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
Average number of employees	7,563	4,308	4,531	3,760	4,144

## ■ Quarterly data (summary)

		Q1	Q2	Q3	Q4	Full year
Net sales (SEK millions)	2011	759	766	718	—	—
	2010	746	878	887	864	3,375
	2009	606	557	653	786	2,602
Operating income (EBITDA) (SEK millions)	2011	79	88	111	—	—
	2010	100	105	103	99	407
	2009	56	77	84	126	343
Operating income (EBITA) (SEK millions)	2011	44	53	54	—	—
	2010	63	69	67	63	262
	2009	16	39	48	63	166
EBITA margin (%)	2011	5.8	6.9	7.5	—	—
	2010	8.4	7.9	7.6	7.3	7.8
	2009	2.6	7.0	7.4	8.0	6.4
Operating income (EBIT) (SEK millions)	2011	42	51	51	—	—
	2010	61	67	65	60	253
	2009	14	37	46	61	158
Income after financial items (SEK millions)	2011	38	50	50	—	—
	2010	57	65	60	61	243
	2009	6	42	42	58	148
Net income (SEK millions)	2011	28	35	36	—	—
	2010	45	52	47	43	187
	2009	4	29	33	57	123
Cash flow after inv., excl. acq. and disp. (SEK millions)	2011	111	- 36	48	—	—
	2010	0	71	4	155	230
	2009	56	35	- 31	79	139
Earnings per share before and after dilution (SEK)	2011	1.06	1.33	1.37	—	—
	2010	1.71	1.98	1.78	1.64	7.11
	2009	0.15	1.10	1.26	2.17	4.68
Adjusted earnings per share (SEK)	2011	1.10	1.41	1.44	—	—
	2010	1.79	2.01	1.83	1.74	7.37
	2009	0.23	1.14	1.29	2.24	4.90
Shareholders' equity per share (SEK)	2011	45	40	42	—	—
	2010	43	43	43	45	45
	2009	41	39	39	41	41
Return on total capital (%)	2011	10.9	10.0	9.4	—	—
	2010	10.2	11.3	11.5	11.3	11.3
	2009	9.4	8.8	7.1	7.5	7.5
Return on capital employed (%)	2011	17.6	16.4	15.0	—	—
	2010	16.1	18.4	18.6	18.4	18.4
	2009	14.7	13.7	11.3	12.1	12.1
Return on operating capital (%)	2011	20.6	18.6	16.2	—	—
	2010	18.0	20.8	20.5	21.6	21.6
	2009	16.5	14.4	12.7	13.9	13.9
Return on shareholders' equity (%)	2011	14.6	14.0	12.7	—	—
	2010	14.9	17.5	18.6	16.5	16.5
	2009	14.2	13.0	11.2	11.5	11.5

## ■ Quarterly data business areas

<b>Net sales (SEK millions)</b>	Q1	Q2	Q3	Q4	Full year
Nolato Medical	2011 232	235	220	—	—
	2010 186	185	202	235	808
	2009 178	177	159	178	692
Nolato Telecom	2011 259	249	220	—	—
	2010 320	434	444	377	1,575
	2009 226	183	309	372	1,090
Nolato Industrial	2011 268	283	279	—	—
	2010 241	259	241	253	994
	2009 206	197	185	236	824
Group adjustments, Parent Company	2011 —	— 1	— 1	—	—
	2010 — 1	—	—	— 1	— 2
	2009 — 4	—	—	—	— 4
Group total	2011 759	766	718	—	—
	2010 746	878	887	864	3,375
	2009 606	557	653	786	2,602
<b>Operating income (EBITA) (SEK millions)</b>	Q1	Q2	Q3	Q4	Full year
Nolato Medical	2011 28	29	25	—	—
	EBITA-margin (%) 12.1	12.3	11.4	—	—
	2010 23	24	25	28	100
	EBITA-margin (%) 12.4	13.0	12.4	11.9	12.4
	2009 24	23	20	22	89
	EBITA-margin (%) 13.5	13.0	12.6	12.4	12.9
Nolato Telecom	2011 — 4	4	7	—	—
	EBITA-margin (%) — 1.5	1.6	3.2	—	—
	2010 32	34	32	24	122
	EBITA-margin (%) 10.0	7.8	7.2	6.4	7.7
	2009 0	32	24	30	86
	EBITA-margin (%) 0.0	17.5	7.8	8.1	7.9
Nolato Industrial	2011 25	27	26	—	—
	EBITA-margin (%) 9.3	9.5	9.3	—	—
	2010 17	23	21	18	79
	EBITA-margin (%) 7.1	8.9	8.7	7.1	7.9
	2009 — 1	— 7	9	18	19
	EBITA-margin (%) — 0.5	— 3.6	4.9	7.6	2.3
Group adjustments, Parent Company	2011 — 5	— 7	— 4	—	—
	2010 — 9	— 12	— 11	— 7	— 39
	2009 — 7	— 9	— 5	— 7	— 28
Group total	2011 44	53	54	—	—
	EBITA-margin (%) 5.8	6.9	7.5	—	—
	2010 63	69	67	63	262
	EBITA-margin (%) 8.4	7.9	7.6	7.3	7.8
	2009 16	39	48	63	166
	EBITA-margin (%) 2.6	7.0	7.4	8.0	6.4
<b>Depreciation/amortisation (SEK millions)</b>	Q1	Q2	Q3	Q4	Full year
Nolato Medical	2011 14	16	14	—	—
	2010 12	12	13	16	53
	2009 11	11	11	12	45
Nolato Telecom	2011 13	10	35	—	—
	2010 16	14	14	13	57
	2009 18	16	15	40	89
Nolato Industrial	2011 10	11	11	—	—
	2010 11	12	11	10	44
	2009 13	13	12	13	51
Group total	2011 37	37	60	—	—
	2010 39	38	38	39	154
	2009 42	40	38	65	185

## ■ Group financial highlights

	Q3 2011	Q3 2010	Q1 - Q3 2011	Q1 - Q3 2010	Rolling 12 months	Full year 2010
Net sales (SEK millions)	718	887	2,243	2,511	3,107	3,375
Sales growth (%)	-19	36	-11	38	-6	30
Percentage of sales outside Sweden (%)	74	80	73	77	72	76
Operating income (EBITDA) (SEK millions)	111	103	278	308	377	407
Operating income (EBITA) (SEK millions)	54	67	151	199	214	262
EBITA margin (%)	7.5	7.6	6.7	7.9	6.9	7.8
Income after financial items (SEK millions)	50	60	138	182	199	243
Profit margin (%)	7.0	6.8	6.2	7.2	6.4	7.2
Net income (SEK millions)	36	47	99	144	142	187
Return on total capital (%)	—	—	10.0	11.5	10.0	11.3
Return on capital employed (%)	—	—	16.4	18.6	16.4	18.4
Return on operating capital (%)	—	—	18.6	20.5	18.6	21.6
Return on shareholders' equity (%)	—	—	14.0	18.6	14.0	16.5
Equity/assets ratio (%)	—	—	52	48	—	50
Debt/equity (%)	—	—	20	29	—	23
Interest coverage ratio (times)	17	21	17	24	18	25
Net investments affecting cash flow, excl. acq. and disposals (SEK millions)	32	28	87	97	130	140
Cash flow after investments, excl. acq. and disposals (SEK millions)	48	4	123	75	278	230
Net debt (SEK millions)	—	—	66	199	—	34
Earnings per share before and after dilution (SEK)	1.37	1.78	3.76	5.47	5.40	7.11
Adjusted earnings per share (SEK)	1.44	1.83	3.95	5.63	5.69	7.37
Cash flow per share, excl. acq. and disposals (SEK)	1.82	0.15	4.68	2.85	10.57	8.74
Shareholders' equity per share (SEK)	—	—	42	43	—	45
Average number of employees	—	—	5,684	7,616	—	7,563

### Definitions

#### 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.

#### EBITA margin

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

#### 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 from operations, divided by average number of shares.

#### Net debt

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

#### Earnings per share

Net income, divided by average number of shares.

#### Interest coverage ratio

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

#### 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.

#### Debt/equity ratio

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

#### Equity/assets ratio

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

#### Profit margin

Income after financial items as a percentage of net sales.

## ■ Parent Company income statement (summary)

SEK millions	Q3 2011	Q3 2010	Q1 - Q3 2011	Q1 - Q3 2010	Rolling 12 months	Full year 2010
Net sales	7	6	20	18	25	23
Other operating income	1	0	5	0	9	4
Selling expenses	-2	-3	-7	-9	-13	-15
Administrative expenses	-8	-10	-29	-37	-35	-43
<b>Operating income</b>	<b>-2</b>	<b>-7</b>	<b>-11</b>	<b>-28</b>	<b>-14</b>	<b>-31</b>
Result from shares in Group companies	28	53	153	74	178	99
Financial income	4	3	9	7	11	9
Financial expenses	-4	-6	-6	-9	-1	-4
<b>Income after financial items</b>	<b>26</b>	<b>43</b>	<b>145</b>	<b>44</b>	<b>174</b>	<b>73</b>
Appropriations	—	—	—	—	-32	-32
Tax	2	3	4	9	9	14
<b>Net income</b>	<b>28</b>	<b>46</b>	<b>149</b>	<b>53</b>	<b>151</b>	<b>55</b>
Depreciation/amortisation	0	0	0	0	0	0

## ■ Parent Company balance sheet (summary)

SEK millions	30/09/2011	30/09/2010	31/12/2010
<b>Assets</b>			
Tangible fixed assets	1	0	0
Financial fixed assets	792	943	877
Deferred tax assets	10	5	6
<b>Total fixed assets</b>	<b>803</b>	<b>948</b>	<b>883</b>
Other receivables	362	89	251
Cash and bank	37	7	105
<b>Total current assets</b>	<b>399</b>	<b>96</b>	<b>356</b>
<b>Total assets</b>	<b>1,202</b>	<b>1,044</b>	<b>1,239</b>
<b>Shareholders' equity and liabilities</b>			
Shareholders' equity	826	733	837
Untaxed reserves	125	93	125
Other provisions	4	5	2
Long-term liabilities	17	17	17
Current liabilities	230	196	258
<b>Total shareholders' equity and liabilities</b>	<b>1,202</b>	<b>1,044</b>	<b>1,239</b>
Collateral pledged	—	—	—
Contingent liabilities	99	92	92

### Transactions with related parties:

Related party	Period	Services sold	Services bought	Interest income	Interest expenses	Res. from shares in Group comp.	Rec. fr. rel. part. on bal. sh. date	Liab. to rel. part. on bal. sh. date
Subsidiary	Jan-Sep 2011	20	-8	7	-1	153	632	177
Subsidiary	Jan-Sep 2010	18	-11	7	0	74	270	133

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.

