



## Nolato AB (publ) three-month interim report 2012

# Positive development for all business areas

### ■ First quarter of 2012 in brief

- Sales increased by 10% to SEK 837 million (759)
- Operating income (EBITA) was SEK 57 million (44)
- Net income increased to SEK 37 million (28)
- Earnings per share rose to SEK 1.41 (1.06)
- Cash flow after investments was SEK -32 million (111)
- Acquisition of British company Cope Allman Jaycare, to be consolidated from 1 April

### ■ Group highlights

SEK millions unless otherwise specified	Q1 2012	Q1 2011	Rolling 12 months	Full year 2011
Net sales	837	759	3,055	2,977
Operating income (EBITDA) <sup>1)</sup>	91	79	372	360
Operating income (EBITA) <sup>2)</sup>	57	44	212	199
EBITA margin, %	6.8	5.8	6.9	6.7
Income after financial items	51	38	196	183
Net income	37	28	141	132
Earnings per share before and after dilution, SEK*	1.41	1.06	5.36	5.02
Adjusted earnings per share, SEK <sup>3)</sup> *	1.44	1.10	5.62	5.28
Cash flow after investments, excl. acquisitions and disposals	- 32	111	- 31	112
Net investments affecting cash flow, excl. acquisitions and disposals	48	24	158	134
Return on capital employed, %	15.2	17.6	—	13.9
Return on shareholders' equity, %	11.9	14.6	—	11.3
Equity/assets ratio, %	53	54	—	54
Net debt	112	- 80	—	82

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

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

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

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

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

## First quarter 2012

- Sales increased by 10% to SEK 837 million (759)
- Growth for all business areas
- Operating income (EBITA) increased to SEK 57 million (44)
- British acquisition concluded after end of report period

### Sales

The Group's sales totalled SEK 837 million (759), representing a 10% increase compared with the corresponding period during the previous year. Currency effects had a positive impact on sales of around 3%. Demand was good during the quarter within all business areas.

Nolato Medical saw sales increase by 6% to SEK 246 million (232).

Excluding currency conversion effects, sales increased by 5%.

Nolato Telecom's sales increased by 11% to SEK 287 million (259).

Excluding currency conversion effects, sales rose by 4%.

Nolato Industrial's sales rose by 13% to SEK 304 million (268). Excluding currency conversion effects, sales increased by 13%.

### Income

The Group's operating income (EBITA) increased by 30% to SEK 57 million (44). The increase in sales contributed to the improved result for the Group.

Nolato Medical's operating income (EBITA) increased to SEK 31 million (28), Nolato Telecom's increased to SEK 7 million (-4) and Nolato Industrial's increased to SEK 28 million (25).

Collectively, the Group's EBITA margin was 6.8% (5.8). Nolato Telecom's improved profitability in particular had a positive impact on the margin. Costs for the acquisition of Cope Allman Jaycare were charged to the result in the amount of SEK 3 million during the quarter.

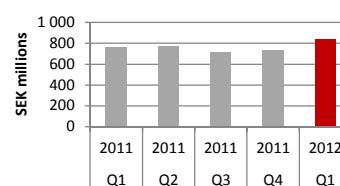
Operating income (EBIT) increased to SEK 55 million (42).

Income after financial items was SEK 51 million (38). Net financial items include currency exchange rate effects of SEK -2 million (-2).

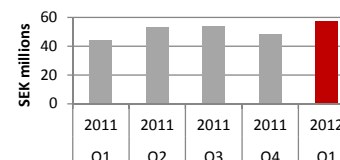
Net income increased to SEK 37 million (28). Earnings per share, both before and after dilution, were SEK 1.41 (1.06). Adjusted earnings per share excluding amortisation of intangible assets arising from acquisitions were SEK 1.44 (1.10). The effective tax rate was 27% (26).

The return on capital employed was 15.2% for the last twelve months (13.9% for the 2011 calendar year). The return on operating capital for the last twelve months was 11.9% (11.3% for the 2011 calendar year).

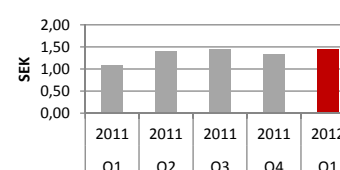
### Sales



### Operating income (EBITA)



### Adjusted earnings per share



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

SEK millions	Sales Q1/2012	Sales Q1/2011	Operating inc. EBITA Q1/2012	Operating inc. EBITA Q1/2011	EBITA margin Q1/2012	EBITA margin Q1/2011
Nolato Medical	246	232	31	28	12.6%	12.1%
Nolato Telecom	287	259	7	- 4	2.4%	- 1.5%
Nolato Industrial	304	268	28	25	9.2%	9.3%
Intra-Group adj., Parent Co	0	—	- 9	- 5	—	—
<b>Group total</b>	<b>837</b>	<b>759</b>	<b>57</b>	<b>44</b>	<b>6.8%</b>	<b>5.8%</b>

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

## ■ Nolato Medical

Sales and income Q1 (SEK millions)	2012	2011
Sales	246	232
Operating income (EBITA)	31	28
EBITA margin (%)	12.6	12.1
Operating income (EBIT)	30	27

Nolato Medical saw sales grow to SEK 246 million (232), which corresponds to a growth of 6%. Excluding currency conversion effects, sales rose by 5%. The trend in volumes was good for most of the business area's customer segments. Product sales developed well in line with the growth in the market during the quarter, while project-related sales remained lower. Nolato expects the low sales from project activity to continue during the forthcoming quarters.

Operating income (EBITA) rose to SEK 31 million (28). The EBITA margin was 12.6% (12.1). The margin was positively affected by a favourable product mix during the quarter.

The construction of the factory in Hungary, which was commenced last year, is progressing on schedule.

## ■ Nolato Telecom

Sales and income Q1 (SEK millions)	2012	2011
Sales	287	259
Operating income (EBITA)	7	-4
EBITA margin (%)	2.4	-1.5
Operating income (EBIT)	7	-4

Nolato Telecom's sales rose by 11% to SEK 287 million (259), which includes the resale of components (touch screens) of SEK 0 million (55). Excluding currency conversion effects, sales increased by 4%.

The start-up of new customer projects from March onwards is progressing as planned, which will gradually replace the older product portfolio.

Operating income (EBITA) increased to SEK 7 million (-4). The EBITA margin was 2.4% (-1.5).

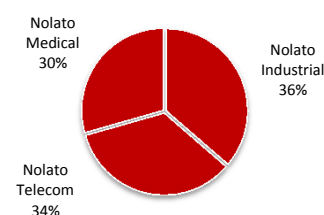
## ■ Nolato Industrial

Sales and income Q1 (SEK millions)	2012	2011
Sales	304	268
Operating income (EBITA)	28	25
EBITA margin (%)	9.2	9.3
Operating income (EBIT)	27	24

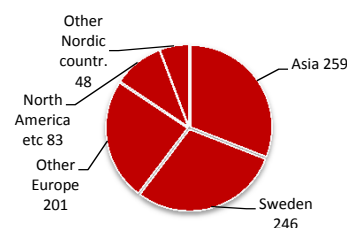
Nolato Industrial's sales, both before and after currency conversion effects, rose by 13% to SEK 304 million (268). Demand was stable, and new products, particularly within the area of hygiene, have experienced a positive development, which contributed to the increase in sales.

Operating income (EBITA) was SEK 28 million (25), with a strong EBITA margin of 9.2% (9.3). Capacity utilisation was high during the quarter.

## ■ Business areas' share of sales Q1 2012



## ■ Sales by geographic markets Q1 2012 (SEK millions)



## ■ Cash flow

Cash flow before investments totalled SEK 16 million (135). As a result of the increase in sales, particularly towards the end of the period, the requirement for working capital increased sharply. The change in working capital was negative at SEK 57 million (+75). Cash flow after investments was SEK -32 million (111). Net investments affecting cash flow totalled SEK 48 million (24).

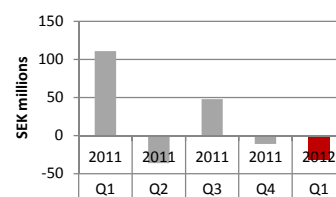
## ■ Financial position

Interest-bearing assets totalled SEK 94 million (254) and interest-bearing liabilities and provisions totalled SEK 206 million (174). Net debt thus totalled SEK 112 million (-80). Equity amounted to SEK 1,178 million (1,182). The equity/assets ratio was 53% (54). Adjusted for the proposed dividend of SEK 132 million, the equity/assets ratio was 50% (50).

## ■ Personnel

The average number of employees during the period was 6,577 (5,240). The increase in the number of employees is attributable to Nolato Telecom in China and arose as a result of higher volumes.

## ■ Cash flow after investments



Excluding acquisitions and disposals.

## Consolidated performance analysis

SEK millions	Q1 2012	Q1 2011	Full year 2011
Net sales	837	759	2,977
Gross income excl. depreciation/amortisation	145	127	525
<i>As a percentage of net sales</i>	<i>17.3</i>	<i>16.7</i>	<i>17.6</i>
Costs	- 54	- 48	- 165
<i>As a percentage of net sales</i>	<i>6.5</i>	<i>6.3</i>	<i>5.5</i>
Operating income (EBITDA)	91	79	360
<i>As a percentage of net sales</i>	<i>10.9</i>	<i>10.4</i>	<i>12.1</i>
Depreciation and amortisation	- 34	- 35	- 161
Operating income (EBITA)	57	44	199
<i>As a percentage of net sales</i>	<i>6.8</i>	<i>5.8</i>	<i>6.7</i>
Amortisation of intang. assets arising from acquisitions	- 2	- 2	- 9
Operating income (EBIT)	55	42	190
Financial items	- 4	- 4	- 7
Income after financial items	51	38	183
Tax	- 14	- 10	- 51
<i>As a percentage of income after financial items</i>	<i>27.5</i>	<i>26.3</i>	<i>27.9</i>
Net income	37	28	132

## Financial position

SEK millions	31/03/2012	31/03/2011	31/12/2011
Interest-bearing liabilities, credit institutions	112	82	113
Interest-bearing pension liabilities	94	92	93
<b>Total borrowings</b>	<b>206</b>	<b>174</b>	<b>206</b>
Cash and bank	- 94	- 254	- 124
<b>Net debt</b>	<b>112</b>	<b>- 80</b>	<b>82</b>
Working capital	242	64	169
<i>As a percentage of sales (avg.) (%)</i>	<i>5.0</i>	<i>3.9</i>	<i>5.3</i>
Capital employed	1,384	1,356	1,357
<i>Return on capital employed (avg.) (%)</i>	<i>15.2</i>	<i>17.6</i>	<i>13.9</i>
Shareholders' equity	1,178	1,182	1,151
<i>Return on shareholders' equity (avg.) (%)</i>	<i>11.9</i>	<i>14.6</i>	<i>11.3</i>

## Events after the balance sheet date

Nolato has acquired the company Cope Allman Jaycare, as part of the Nolato Group's strategic initiative within the field of medical technology and pharmaceuticals. The company is a British company within pharmaceutical packaging and provides a strong customer base and geographic expansion for Nolato Medical. The initial purchase sum amounted to SEK 179 million (debt-free company), in addition to an additional purchase sum based on the financial result through to the first quarter of 2014 inclusive. For 2012, the company is considered to have sales of approx. SEK 270 million, with a proforma EBITDA margin of approx. 14%. Cope Allman Jaycare, name change to Nolato Jaycare has 270 employees at the plants in Portsmouth and Newcastle in the UK. For more information on the acquisition, see page 13.

## 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 2011 Annual Report on pages 35 – 37, and in Note 4 on pages 49 – 50.

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.

## ■ 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 Mid Cap segment, where they are included under the Industrials sector.

The number of shareholders totalled 7,654 as of 31 March. The largest shareholders were the Paulsson family with 12%, Lannebo Fonder with 10%, the Jorlén family with 10%, the Boström family with 9%, Svolder with 7% and Skandia Fonder with 5% of the share capital.

## ■ The Parent Company

Sales totalled SEK 6 million (7). Income after financial items was SEK -7 million (42). The lower income was primarily due to lower dividends from subsidiaries.

## ■ Accounting and valuation principles

Nolato's consolidated accounts have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU.

The consolidated accounts have been prepared in accordance with the same principles as those applied to the Annual Report, which are described in the 2011 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 2012 have not had any material effect on the Group's income statements or balance sheets.

## ■ Financial information schedule

- Six-month interim report 2012: 20 July 2012
- Nine-month interim report 2012: 24 October 2012

Torekov, 24 April 2012

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 24 April 2012 at 14:00 pm.*

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

## ■ Consolidated income statement (summary)

SEK millions	Q1 2012	Q1 2011	Rolling 12 months	Full year 2011
Net sales	837	759	3,055	2,977
Cost of goods sold	- 723	- 665	- 2,668	- 2,610
<b>Gross profit</b>	<b>114</b>	<b>94</b>	<b>387</b>	<b>367</b>
Other operating income	0	2	37	39
Selling expenses	- 18	- 17	- 73	- 72
Administrative expenses	- 38	- 37	- 145	- 144
Other operating expenses	- 3	0	- 3	—
	- 59	- 52	- 184	- 177
<b>Operating income</b>	<b>55</b>	<b>42</b>	<b>203</b>	<b>190</b>
Financial items	- 4	- 4	- 7	- 7
<b>Income after financial items</b>	<b>51</b>	<b>38</b>	<b>196</b>	<b>183</b>
Tax	- 14	- 10	- 55	- 51
<b>Net income</b>	<b>37</b>	<b>28</b>	<b>141</b>	<b>132</b>
All earnings are attributable to the Parent Co.'s shareholders				
Depreciation/amortisation	36	37	169	170
Earnings per share before and after dilution (SEK)	1.41	1.06	5.36	5.02
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 (summary)

SEK millions	Q1 2012	Q1 2011	Rolling 12 months	Full year 2011
<b>Net income</b>	<b>37</b>	<b>28</b>	<b>141</b>	<b>132</b>
<b>Other comprehensive income</b>				
Translation differences for the period	- 10	- 27	17	0
Cash flow hedges	0	2	- 4	- 2
Tax attributable to cash flow hedges	0	0	0	0
<b>Other comprehensive income, net of tax</b>	<b>- 10</b>	<b>- 25</b>	<b>13</b>	<b>- 2</b>
<b>Total comp. income for the period attrib. to the Parent Co.'s shareholders</b>	<b>27</b>	<b>3</b>	<b>154</b>	<b>130</b>

## ■ Reconciliation of consolidated income before tax

SEK millions	Q1 2012	Q1 2011	Rolling 12 months	Full year 2011
<b>Operating income (EBIT)</b>				
Nolato Medical	30	27	107	104
Nolato Telecom	7	- 4	22	11
Nolato Industrial	27	24	102	99
Group adjustments, Parent Company	- 9	- 5	- 28	- 24
<b>Consolidated operating income (EBIT)</b>	<b>55</b>	<b>42</b>	<b>203</b>	<b>190</b>
Financial items (not distributed by business areas when no follow-up by management)	- 4	- 4	- 7	- 7
<b>Consolidated income before tax</b>	<b>51</b>	<b>38</b>	<b>196</b>	<b>183</b>

## ■ Consolidated balance sheet (summary)

SEK millions	31/03/2012	31/03/2011	31/12/2011
<b>Assets</b>			
<b>Fixed assets</b>			
Intangible fixed assets	428	433	434
Tangible fixed assets	699	684	706
Other securities held as fixed assets	2	2	2
Other long-term receivables	1	1	1
Deferred tax assets	38	29	40
<b>Total fixed assets</b>	<b>1,168</b>	<b>1,149</b>	<b>1,183</b>
<b>Current assets</b>			
Inventories	254	219	236
Accounts receivable	643	484	521
Other current assets	80	94	80
Cash and bank	94	254	124
<b>Total current assets</b>	<b>1,071</b>	<b>1,051</b>	<b>961</b>
<b>Total assets</b>	<b>2,239</b>	<b>2,200</b>	<b>2,144</b>
<b>Shareholders' equity and liabilities</b>			
<b>Shareholders' equity</b>	<b>1,178</b>	<b>1,182</b>	<b>1,151</b>
Long-term liabilities and provisions <sup>1)</sup>	98	95	97
Deferred tax liabilities <sup>1)</sup>	116	108	115
Short-term liabilities and provisions <sup>1)</sup>	847	815	781
<b>Total liabilities and provisions</b>	<b>1,061</b>	<b>1,018</b>	<b>993</b>
<b>Total shareholders' equity and liabilities</b>	<b>2,239</b>	<b>2,200</b>	<b>2,144</b>
<sup>1)</sup> Interest-bearing/non-interest-bearing liabilities and provisions:			
Interest-bearing liabilities and provisions	206	174	206
Non-interest-bearing liabilities and provisions	855	844	787
<b>Total liabilities and provisions</b>	<b>1,061</b>	<b>1,018</b>	<b>993</b>

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

SEK millions	Q1 2012	Q1 2011	Full year 2011
<b>Shareholders' equity at the beginning of the period</b>	<b>1,151</b>	<b>1,179</b>	<b>1,179</b>
Total comprehensive income for the period	27	3	130
Dividends	—	—	– 158
<b>Shareholders' equity at the end of period attrib. to Parent Co's shareholders</b>	<b>1,178</b>	<b>1,182</b>	<b>1,151</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 proposed dividend to be decided on at the Annual General Meeting on 24 April 2012 is SEK 132 million, corresponding to an ordinary of SEK 3.00 and extra of SEK 2.00, totalling SEK 5.00 per share. The Group does not have any incentive programmes resulting in a dilutive effect.



## ■ Consolidated cash flow statement (summary)

SEK millions	Q1 2012	Q1 2011	Rolling 12 months	Full year 2011
Cash flow from operating activities before changes in working capital	73	60	317	304
Changes in working capital	- 57	75	- 190	- 58
<b>Cash flow from operations</b>	<b>16</b>	<b>135</b>	<b>127</b>	<b>246</b>
Cash flow from investment activities	- 48	- 24	- 158	- 134
<b>Cash flow before financing activities</b>	<b>- 32</b>	<b>111</b>	<b>- 31</b>	<b>112</b>
Cash flow from financing activities	4	- 88	- 133	- 225
<b>Cash flow for the period</b>	<b>- 28</b>	<b>23</b>	<b>- 164</b>	<b>- 113</b>
<b>Liquid funds at the beginning of the period</b>	<b>124</b>	<b>239</b>	<b>—</b>	<b>239</b>
Exchange rate difference in liquid funds	- 2	- 8	—	- 2
<b>Liquid funds at the end of the period</b>	<b>94</b>	<b>254</b>	<b>—</b>	<b>124</b>

## ■ Earnings per share

SEK millions	Q1 2012	Q1 2011	Rolling 12 months	Full year 2011
<b>Net income</b>	<b>37</b>	<b>28</b>	<b>141</b>	<b>132</b>
Adjusted earnings:				
Amortisation of intangible assets arising from acquisitions	2	2	9	9
Tax on amortisation	- 1	- 1	- 2	- 2
<b>Adjusted earnings</b>	<b>38</b>	<b>29</b>	<b>148</b>	<b>139</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) *	1.41	1.06	5.36	5.02
Adjusted earnings per share (SEK) *	1.44	1.10	5.62	5.28

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

## ■ Five-year overview

	2011	2010	2009	2008	2007
Net sales (SEK millions)	2,977	3,375	2,602	2,824	2,421
Operating income (EBITA) (SEK millions)	199	262	166	240	197
EBITA margin (%)	6.7	7.8	6.4	8.5	8.1
Operating income (EBIT) (SEK millions)	190	253	158	232	190
Income after financial items (SEK millions)	183	243	148	216	171
Net income (SEK millions)	132	187	123	178	150
Cash flow after investments, excl. acq. and disposals (SEK millions)	112	230	139	296	227
Return on capital employed (%)	13.9	18.4	12.1	18.4	16.3
Return on shareholders' equity (%)	11.3	16.5	11.5	18.4	18.0
Net debt (SEK millions)	82	34	40	95	314
Equity/assets ratio (%)	54	50	51	50	46
Earnings per share (SEK)	5.02	7.11	4.68	6.77	5.70
Adjusted earnings per share (SEK)	5.28	7.37	4.90	6.99	5.32
Average number of employees	5,496	7,563	4,308	4,531	3,760

## Quarterly data (summary)

		Q1	Q2	Q3	Q4	Full year
Net sales (SEK millions)	2012	837	—	—	—	—
	2011	759	766	718	734	2,977
	2010	746	878	887	864	3,375
Operating income (EBITDA) (SEK millions)	2012	91	—	—	—	—
	2011	79	88	111	82	360
	2010	100	105	103	99	407
Operating income (EBITA) (SEK millions)	2012	57	—	—	—	—
	2011	44	53	54	48	199
	2010	63	69	67	63	262
EBITA margin (%)	2012	6.8	—	—	—	—
	2011	5.8	6.9	7.5	6.5	6.7
	2010	8.4	7.9	7.6	7.3	7.8
Operating income (EBIT) (SEK millions)	2012	55	—	—	—	—
	2011	42	51	51	46	190
	2010	61	67	65	60	253
Income after financial items (SEK millions)	2012	51	—	—	—	—
	2011	38	50	50	45	183
	2010	57	65	60	61	243
Net income (SEK millions)	2012	37	—	—	—	—
	2011	28	35	36	33	132
	2010	45	52	47	43	187
Cash flow after inv., excl. acq. and disp. (SEK millions)	2012	– 32	—	—	—	—
	2011	111	– 36	48	– 11	112
	2010	0	71	4	155	230
Earnings per share before and after dilution (SEK)	2012	1.41	—	—	—	—
	2011	1.06	1.33	1.37	1.25	5.02
	2010	1.71	1.98	1.78	1.64	7.11
Adjusted earnings per share (SEK)	2012	1.44	—	—	—	—
	2011	1.10	1.41	1.44	1.33	5.28
	2010	1.79	2.01	1.83	1.74	7.37
Shareholders' equity per share (SEK)	2012	45	—	—	—	—
	2011	45	40	42	44	44
	2010	43	43	43	45	45
Return on total capital (%)	2012	9.4	—	—	—	—
	2011	10.9	10.0	9.4	8.7	8.7
	2010	10.2	11.3	11.5	11.3	11.3
Return on capital employed (%)	2012	15.2	—	—	—	—
	2011	17.6	16.4	15.0	13.9	13.9
	2010	16.1	18.4	18.6	18.4	18.4
Return on operating capital (%)	2012	17.0	—	—	—	—
	2011	20.6	18.6	16.2	15.5	15.5
	2010	18.0	20.8	20.5	21.6	21.6
Return on shareholders' equity (%)	2012	11.9	—	—	—	—
	2011	14.6	14.0	12.7	11.3	11.3
	2010	14.9	17.5	18.6	16.5	16.5

## Quarterly data business areas

Net sales (SEK millions)		Q1	Q2	Q3	Q4	Full year
Nolato Medical	2012	246	—	—	—	—
	2011	232	235	220	230	917
	2010	186	185	202	235	808
Nolato Telecom	2012	287	—	—	—	—
	2011	259	249	220	207	935
	2010	320	434	444	377	1,575
Nolato Industrial	2012	304	—	—	—	—
	2011	268	283	279	299	1,129
	2010	241	259	241	253	994
Group adjustments, Parent Company	2012	0	—	—	—	—
	2011	—	– 1	– 1	– 2	– 4
	2010	– 1	—	—	– 1	– 2
Group total	2012	837	—	—	—	—
	2011	759	766	718	734	2,977
	2010	746	878	887	864	3,375

Operating income (EBITA) (SEK millions)		Q1	Q2	Q3	Q4	Full year
Nolato Medical	2012	31	—	—	—	—
	EBITA margin (%)	12.6	—	—	—	—
	2011	28	29	25	28	110
	EBITA margin (%)	12.1	12.3	11.4	12.2	12.0
	2010	23	24	25	28	100
	EBITA margin (%)	12.4	13.0	12.4	11.9	12.4
Nolato Telecom	2012	7	—	—	—	—
	EBITA margin (%)	2.4	—	—	—	—
	2011	– 4	4	7	4	11
	EBITA margin (%)	– 1.5	1.6	3.2	1.9	1.2
	2010	32	34	32	24	122
	EBITA margin (%)	10.0	7.8	7.2	6.4	7.7
Nolato Industrial	2012	28	—	—	—	—
	EBITA margin (%)	9.2	—	—	—	—
	2011	25	27	26	24	102
	EBITA margin (%)	9.3	9.5	9.3	8.0	9.0
	2010	17	23	21	18	79
	EBITA margin (%)	7.1	8.9	8.7	7.1	7.9
Group adjustments, Parent Company	2012	– 9	—	—	—	—
	2011	– 5	– 7	– 4	– 8	– 24
	2010	– 9	– 12	– 11	– 7	– 39
Group total	2012	57	—	—	—	—
	EBITA margin (%)	6.8	—	—	—	—
	2011	44	53	54	48	199
	EBITA margin (%)	5.8	6.9	7.5	6.5	6.7
	2010	63	69	67	63	262
	EBITA margin (%)	8.4	7.9	7.6	7.3	7.8

Depreciation/amortisation (SEK millions)		Q1	Q2	Q3	Q4	Full year
Nolato Medical	2012	15	—	—	—	—
	2011	14	16	14	15	59
	2010	12	12	13	16	53
Nolato Telecom	2012	10	—	—	—	—
	2011	13	10	35	10	68
	2010	16	14	14	13	57
Nolato Industrial	2012	11	—	—	—	—
	2011	10	11	11	11	43
	2010	11	12	11	10	44
Group total	2012	36	—	—	—	—
	2011	37	37	60	36	170
	2010	39	38	38	39	154

## ■ Group financial highlights

	Q1 2012	Q1 2011	Rolling 12 months	Full year 2011
Net sales (SEK millions)	837	759	3,055	2,977
Sales growth (%)	10	2	- 10	- 12
Percentage of sales outside Sweden (%)	71	72	70	70
Operating income (EBITDA) (SEK millions)	91	79	372	360
Operating income (EBITA) (SEK millions)	57	44	212	199
EBITA margin (%)	6.8	5.8	6.9	6.7
Income after financial items (SEK millions)	51	38	196	183
Profit margin (%)	6.1	5.0	6.4	6.1
Net income (SEK millions)	37	28	141	132
Return on total capital (%)	9.4	10.9	—	8.7
Return on capital employed (%)	15.2	17.6	—	13.9
Return on operating capital (%)	17.0	20.6	—	15.5
Return on shareholders' equity (%)	11.9	14.6	—	11.3
Equity/assets ratio (%)	53	54	—	54
Debt/equity (%)	17	15	—	18
Interest coverage ratio (times)	21	19	17	16
Net investments affecting cash flow, excl. acq. and disposals (SEK millions)	48	24	158	134
Cash flow after investments, excl. acq. and disposals (SEK millions)	- 32	111	- 31	112
Net debt (SEK millions)	112	- 80	—	82
Earnings per share before and after dilution (SEK)	1.41	1.06	5.36	5.02
Adjusted earnings per share (SEK)	1.44	1.10	5.62	5.28
Cash flow per share, excl. acq. and disposals (SEK)	- 1.22	4.22	- 1.18	4.26
Shareholders' equity per share (SEK)	45	45	—	44
Average number of employees	6,577	5,240	—	5,496

## 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 before financing activities, 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.

## ■ Acquisition of Cope Allman Jaycare Ltd

### Description of the acquisition

Since the balance sheet date, Nolato has acquired the company Cope Allman Jaycare, as part of the Nolato Group's strategic initiative within the field of medical technology and pharmaceuticals. The company is a British company within pharmaceutical packaging and produces a strong customer base and geographic expansion for Nolato Medical. The initial purchase sum amounted to SEK 179 million (debt-free company). For 2012, the company is considered to have sales of approx. SEK 270 million, with a proforma EBITDA margin of approx. 14%. The company has 270 employees at the plants in Portsmouth and Newcastle in the UK. The company will form part of the Nolato Medical business area.

Nolato has acquired all of the shares in Cope Allman Jaycare Ltd and gained a determining influence. The company was acquired at 10 April and is consolidated by Nolato from 1 April inclusive. An additional purchase sum may be payable based on the development of results from the time of the take-over until the first quarter of 2014 inclusive. Profit above current levels is paid with the same multiple as the initial purchase sum. In its acquisition analysis, Nolato concluded that an additional purchase sum of SEK 8 million will be payable. The acquisition has been recognised in accordance with the acquisition method, according to which the total purchase sum is distributed between the assets acquired and the liabilities taken over based on their respective fair values. Fair value has been determined using generally recognised principles and methods. The purchase sum consists of a cash payment regarding the initial purchase sum and additional purchase sum. If the acquisition had taken place as of 1 January 2012, it would have contributed SEK 68 million to the Nolato Group's income and made a positive contribution to the Group's earnings per share. The acquisition analysis of the company in its entirety is still provisional and may be amended in accordance with IFRS regulations.

### Acquisition value, goodwill and cash flow effects (provisional)

#### Acquisition value

Purchase sum	202
Deduction of fair value of acquired net assets (in accordance with itemisation below)	– 106
<b>Goodwill</b>	<b>96</b>

Goodwill that has arisen in connection with the transaction consists of synergies which are expected to be achieved primarily as a result of increased sales volumes for the Nolato Group to customers in the UK and to customers of the acquired company from other companies within the Nolato Group, but also to some extent through lower costs as a result of better purchase terms and conditions from external suppliers and other effects at various levels within the Nolato Medical business area. The goodwill is not allowable against tax under the applicable tax rules in the UK.

Net assets	Balance sheet at time of acquisition	Adjustment to fair value	Fair value
Intangible fixed assets	—	41	41
Tangible fixed assets	33	—	33
Deferred tax assets	3	—	3
Current assets	70	2	72
Liquid funds	23	—	23
Provisions	– 10	—	– 10
Deferred tax liabilities	—	– 10	– 10
Current liabilities	– 46	—	– 46
<b>Acquired net assets</b>	<b>73</b>	<b>33</b>	<b>106</b>

Intangible fixed assets in the form of customer relations have been estimated at SEK 41 million and will for accounting purposes be amortised over the anticipated economic lifetime of 6 years. Gross value, fair value and value which is expected to be regulated for the balance sheet item 'accounts receivable', amounts in all cases to SEK 44 million. Acquisition expenses of SEK 4 million have been expensed as 'other operating expenses', of which SEK 3 million will be expensed during 2012.

#### Cash flow effects

Cash paid acquisition value	194
Deduction of acquired liquid funds	– 23
<b>Net cash flow from the acquisition</b>	<b>171</b>

## ■ Parent Company income statement (summary)

SEK millions	Q1 2012	Q1 2011	Rolling 12 months	Full year 2011
Net sales	6	7	18	19
Other operating income	—	2	3	5
Selling expenses	-2	-2	-9	-9
Administrative expenses	-9	-10	-36	-37
Other operating expenses	-1	—	-1	—
<b>Operating income</b>	<b>-6</b>	<b>-3</b>	<b>-25</b>	<b>-22</b>
Result from shares in Group companies	—	48	279	327
Financial income	5	2	21	18
Financial expenses	-6	-5	-22	-21
<b>Income after financial items</b>	<b>-7</b>	<b>42</b>	<b>253</b>	<b>302</b>
Appropriations	—	—	-35	-35
Tax	0	1	-30	-29
<b>Net income</b>	<b>-7</b>	<b>43</b>	<b>188</b>	<b>238</b>
Depreciation/amortisation	0	0	0	0

## ■ Parent Company balance sheet (summary)

SEK millions	31/03/2012	31/03/2011	31/12/2011
<b>Assets</b>			
Intangible fixed assets	1	—	1
Tangible fixed assets	0	0	0
Financial fixed assets	800	951	794
Deferred tax assets	6	7	6
<b>Total fixed assets</b>	<b>807</b>	<b>958</b>	<b>801</b>
Other receivables	419	244	420
Cash and bank	21	80	39
<b>Total current assets</b>	<b>440</b>	<b>324</b>	<b>459</b>
<b>Total assets</b>	<b>1,247</b>	<b>1,282</b>	<b>1,260</b>
<b>Shareholders' equity and liabilities</b>			
Shareholders' equity	908	879	915
Untaxed reserves	160	125	160
Other provisions	4	3	4
Long-term liabilities	17	17	17
Current liabilities	157	258	164
<b>Total shareholders' equity and liabilities</b>	<b>1,246</b>	<b>1,282</b>	<b>1,260</b>
Collateral pledged	—	—	—
Contingent liabilities	225	92	225

### 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	Q1 2012	6	-1	3	0	—	726	162
Subsidiary	Q1 2011	7	-2	2	0	48	687	251

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.

