



## Nolato AB (publ) six-month interim report 2013

## Strong earnings and high return on capital

## ■ Second quarter of 2013 in brief

- Sales rose by 11% to SEK 1,164 million (1,046)
- Operating profit (EBITA) rose by 37% to SEK 111 million (81)
- Net income stood at SEK 78 million (54)
- Earnings per share increased to SEK 2.97 (2.05)
- Cash flow after investments was SEK 120 million (56, excl. acquisitions)

## ■ First six months of 2013 in brief

- Sales rose to SEK 2,418 million (1,883)
- Operating profit (EBITA) increased to SEK 233 million (138)
- Earnings per share were SEK 6.20 (3.46)
- Cash flow after investments was SEK 136 million (24, excl. acquisitions)

## ■ Group highlights

	Note	Q2 2013	Q2 2012	Q1 - Q2 2013	Q1 - Q2 2012	Rolling 12 months	Full year 2012
SEK million unless otherwise specified							
Net sales		1,164	1,046	2,418	1,883	4,409	3,874
Operating profit (EBITDA) <sup>1)</sup>		147	117	304	208	540	444
Operating profit (EBITA) <sup>2)</sup>		111	81	233	138	398	303
EBITA margin, %		9.5	7.7	9.6	7.3	9.0	7.8
Profit after financial income and expense		105	74	218	125	365	272
Profit after tax		78	54	163	91	274	202
Earnings per share, basic and diluted, SEK*		2.97	2.05	6.20	3.46	10.42	7.68
Adjusted earnings per share, SEK <sup>3)</sup> *		3.07	2.17	6.42	3.61	10.94	8.13
Cash flow after investments, excl. acquisitions and disp.		120	56	136	24	431	317
Net investm. affecting cash flow, excl. acq. and disp.		37	39	61	87	131	159
Return on capital employed, %	1	23.0	15.9	23.0	15.9	23.0	19.4
Return on shareholders' equity, %	1	24.2	15.2	24.2	15.2	24.2	17.7
Equity/assets ratio, %	1	42	41	42	41	42	44
Net debt	1	128	406	128	406	128	114

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

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

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

3) Adjusted earnings per share: Profit after tax, excluding amortisation of intangible 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 latter shall prevail.

## Second quarter 2013

- Sales rose by 11% to SEK 1,164 million (1,046)
- High margins within all business areas
- Operating profit (EBITA) increased by 37% to SEK 111 million (81)
- High return on capital
- Strong cash flow and good financial position

### Sales

The Group's sales totalled SEK 1,164 million (1,046), representing an increase of 11% compared with the corresponding period during the previous year. Adjusted for currency, sales increased by 15%.

Nolato Medical saw sales rise by 3% to SEK 323 million (315), adjusted for currency, sales increased by 8%, well in line with the market's growth.

Nolato Telecom's sales rose by 28% to SEK 541 million (423), adjusted for currency, sales increased by 32%. The demand has continued to remain high, especially during the first part of the quarter.

Nolato Industrial's sales decreased by 3% to SEK 300 million (309), adjusted for currency, sales decreased by 1%. Following the general slowdown which occurred at the end of the third quarter of the previous year, volumes have been stable.

### Profit

The Group's operating income (EBITA) increased by 37% to SEK 111 million (81). The sales growth, together with the fact that all business areas have increased their margins during the quarter, has resulted in strong earnings growth for the Group.

Operating income (EBITA) for Nolato Medical increased to SEK 42 million (36), for Nolato Telecom earnings increased to SEK 43 million (21) and for Nolato Industrial earnings amounted to SEK 30 million (29).

The EBITA margin for Nolato Medical increased to 13.0% (11.4). The margin has been affected positively by a favourable product mix. The EBITA margin for Nolato Telecom amounted to 7.9% (5.0). The high capacity utilisation has had a positive effect on the margin. The EBITA margin for Nolato Industrial was a strong 10.0% (9.4). A reduced cost level and a favourable product mix have had a positive margin effect. All business areas increased their margins, which contributed to the Group's extremely strong EBITA margin of 9.5% (7.7).

Operating income (EBIT) increased to SEK 107 million (77).

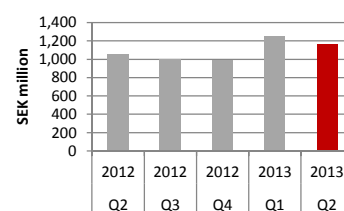
Income after financial items amounted to SEK 105 million (74). Net financial items included SEK 1 million (1) in currency exchange rate difference effects during the second quarter.

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

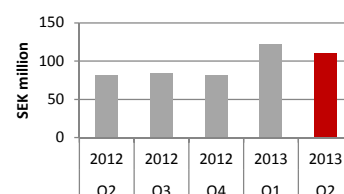
SEK million	Sales Q2/2013	Sales Q2/2012	Op. Profit EBITA Q2/2013	Op. Profit EBITA Q2/2012	EBITA margin Q2/2013	EBITA margin Q2/2012
Nolato Medical	323	315	42	36	13.0%	11.4%
Nolato Telecom	541	423	43	21	7.9%	5.0%
Nolato Industrial	300	309	30	29	10.0%	9.4%
Intra-Group adj., Parent Co	0	-1	-4	-5	—	—
<b>Group total</b>	<b>1,164</b>	<b>1,046</b>	<b>111</b>	<b>81</b>	<b>9.5%</b>	<b>7.7%</b>

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

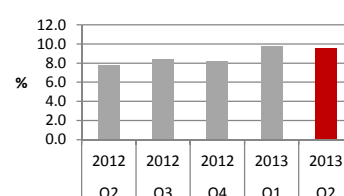
### Sales



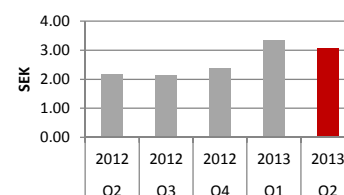
### Operating profit (EBITA)



### EBITA margin



### Adjusted earnings per share



Net income increased by 44% to SEK 78 million (54). Earnings per share, before and after dilution, were SEK 2.97 (2.05). Adjusted earnings per share excluding amortisation of intangible assets arising from acquisitions were SEK 3.07 (2.17).

## First six months 2013

### Sales and earnings

The Group's sales increased by 28% to SEK 2,418 million (1,883) during the first half of 2013. Adjusted for currency and acquisitions, sales increased by 29%.

Nolato Medical's sales rose by 16% to SEK 651 million (561), of which SEK 68 million is attributable to acquisitions. Nolato Telecom's sales rose by 64% to SEK 1,168 million (710), and Nolato Industrial's sales decreased by 2% to SEK 599 million (613).

The Group's operating income (EBITA) increased to SEK 233 million (138) and the EBITA margin was 9.6% (7.3). Operating income (EBIT) amounted to SEK 225 million (132).

Income after financial items amounted to SEK 218 million (125).

Net income was SEK 163 million (91). Earnings per share, both before and after dilution, increased by 79% to SEK 6.20 (3.46). Adjusted earnings per share excluding amortisation of intangible assets arising from acquisitions were SEK 6.42 (3.61). The effective tax rate was 25% (27).

The return on capital employed was 23.0% for the most recent 12-month period (19.4% for the 2012 calendar year). The return on shareholders' equity was 24.2% for the most recent 12-month period (17.7% for the 2012 calendar year).

### Nolato Medical

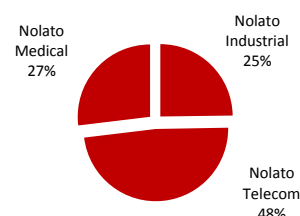
Sales and profit Q1-Q2 (SEK million)	2013	2012
Sales	651	561
Operating profit (EBITA)	85	67
EBITA margin (%)	13.1	11.9
Operating profit (EBIT)	78	62

Nolato Medical saw sales increase to SEK 651 million (561), which corresponds to a growth of 16%. Adjusted for currency and acquisitions, sales increased by 8%. The trend in volumes was good for most of the business area's customer segments.

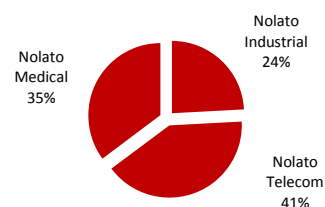
Operating income (EBITA) rose to SEK 85 million (67). The EBITA margin amounted to 13.1% (11.9). The margin has been affected positively by a favourable product mix.

As communicated, Nolato Medical is expanding its Chinese production plant with a further 2,200 m<sup>2</sup>, of which approximately 800 m<sup>2</sup> is cleanroom. China is the fastest growing market for pharmaceuticals and medical technology. The extension, which has space for approximately 30 injection moulds, is being conducted to fulfil the customers' future needs and to secure resources for growth in China.

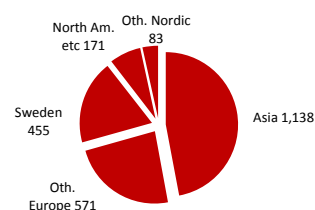
### Business areas' share of sales



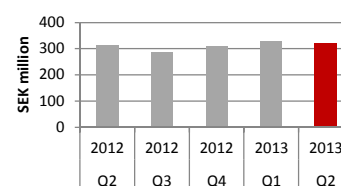
### Business areas' share of operating profit (EBITA)



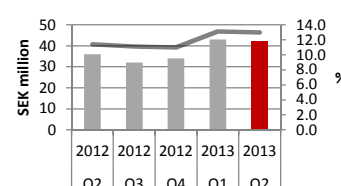
### Sales by geographic markets



### Nolato Medical sales



### Nolato Medical operating profit (EBITA) & EBITA margin %



## ■ Nolato Telecom

Sales and profit Q1-Q2 (SEK million)	2013	2012
Sales	1,168	710
Operating profit (EBITA)	100	28
EBITA margin (%)	8.6	3.9
Operating profit (EBIT)	100	28

Nolato Telecom's sales increased by an entire 65% to SEK 1,168 million (710). Adjusted for currency, sales increased by 70%. Volumes have been very high, especially during the first quarter and second quarter's first part, where several products have had a very strong demand. The start-up of new customer projects has been carried out as planned and gradually replaces the existing product portfolio.

Operating income (EBITA) rose to SEK 100 million (28). The EBITA margin was 8.6% (3.9). The margin was affected positively by the high capacity utilisation and a favourable product mix with a significant share of new products.

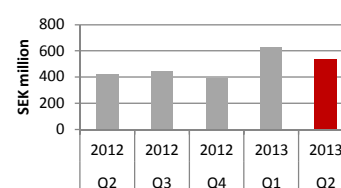
## ■ Nolato Industrial

Sales and profit Q1-Q2 (SEK million)	2013	2012
Sales	599	613
Operating profit (EBITA)	59	57
EBITA margin (%)	9.8	9.3
Operating profit (EBIT)	58	56

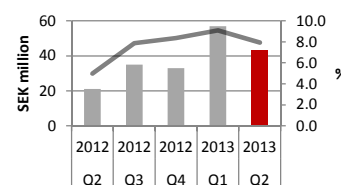
Nolato Industrial's sales decreased by 2% to SEK 599 million (613). Adjusted for currency, sales decreased by 1%. The economic anxiety that occurred during the end of the third quarter of last year has continued to affect demand. The volumes in the automotive segment has been reduced, while certain other segments such as hygiene has counteracted.

Operating profit (EBITA) amounted to SEK 59 million (57), with a strong EBITA margin of 9.8 percent (9.3). A reduced cost level and favourable product mix had a positive margin effect.

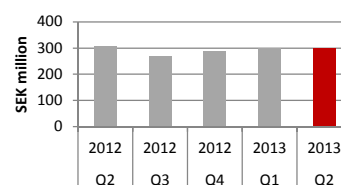
## ■ Nolato Telecom sales



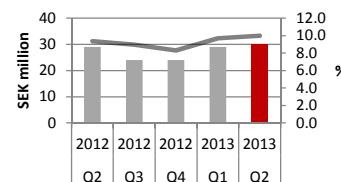
## ■ Nolato Telecom operating profit (EBITA) & EBITA margin %



## ■ Nolato Industrial sales



## ■ Nolato Industrial operating profit (EBITA) & EBITA margin %



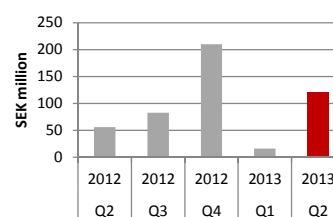
## Cash flow

The positive earnings trend has entailed that the cash flow before investments increased to SEK 197 million (111). Working capital has increased as a result of the increased sales. The change in working capital was a negative SEK 21 million (-56). Cash flow after investments was SEK 136 million (-154 including acquisitions, 24 excluding acquisitions). Net investments affecting cash flow totalled SEK 61 million (265, of which the acquisition of Cope Allman Jaycare constituted SEK 178 million).

## Financial position

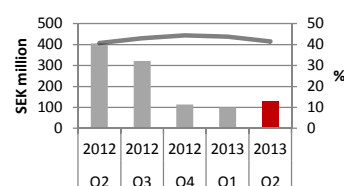
Interest-bearing assets totalled SEK 346 million (140) and interest-bearing liabilities and provisions totalled SEK 474 million (546). Net debt thus totalled SEK 128 million (406). Net debt has declined compared to the corresponding period of last year, as there was a higher financing requirement for the acquisition of Cope Allman Jaycare. Equity amounted to SEK 1,188 million (1,074). The equity/assets ratio was 42% (41). During the second quarter, dividends totalling SEK 158 million (132) were paid.

## Cash flow after investments



Excluding acquisitions and disposals

## Net debt & assets/equity ratio %



## Consolidated performance analysis

SEK million	Q2 2013	Q2 2012	Q1 - Q2 2013	Q1 - Q2 2012	Rolling 12 months	Full year 2012
Net sales	1,164	1,046	2,418	1,883	4,409	3,874
Gross profit excl. depreciation/amortisation	201	173	415	318	755	658
<i>As a percentage of net sales</i>	17.3	16.5	17.2	16.9	17.1	17.0
Costs	- 54	- 56	- 111	- 110	- 215	- 214
<i>As a percentage of net sales</i>	4.6	5.4	4.6	5.8	4.9	5.5
Operating profit (EBITDA)	147	117	304	208	540	444
<i>As a percentage of net sales</i>	12.6	11.2	12.6	11.0	12.2	11.5
Depreciation and amortisation	- 36	- 36	- 71	- 70	- 142	- 141
Operating profit (EBITA)	111	81	233	138	398	303
<i>As a percentage of net sales</i>	9.5	7.7	9.6	7.3	9.0	7.8
Amortisation of intang. assets arising from acquisitions	- 4	- 4	- 8	- 6	- 18	- 16
Operating profit (EBIT)	107	77	225	132	380	287
Financial income and expense	- 2	- 3	- 7	- 7	- 15	- 15
Profit after financial income and expense	105	74	218	125	365	272
Tax	- 27	- 20	- 55	- 34	- 91	- 70
<i>As a percentage of Profit after financial income and expense</i>	25.7	27.0	25.2	27.2	24.9	25.7
Profit after tax	78	54	163	91	274	202

## Financial position

SEK million	Note	30/06/2013	30/06/2012	31/12/2012
Interest-bearing liabilities, credit institutions		343	415	255
Interest-bearing pension liabilities		131	131	131
<b>Total borrowings</b>		<b>474</b>	<b>546</b>	<b>386</b>
Cash and bank		- 346	- 140	- 272
<b>Net debt</b>	1	<b>128</b>	<b>406</b>	<b>114</b>
Working capital		125	263	93
<i>As a percentage of sales (avg.) (%)</i>		4.4	5.9	3.4
Capital employed	1	1,662	1,619	1,556
<i>Return on capital employed (avg.) (%)</i>	1	23.0	15.9	19.4
Shareholders' equity	1	1,188	1,074	1,170
<i>Return on shareholders' equity (avg.) (%)</i>	1	24.2	15.2	17.7

## ■ Personnel

The average number of employees during the period was 10,827 (8,237). The increase in the number of employees is primarily attributable to Nolato Telecom in China and arose as a result of higher 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 2012 Annual Report on pages 35 – 37 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, where they are included under the Industrials sector.

The number of shareholders totalled 8,307 as of 30 June. The largest shareholders were the Jorlén family with 10%, the Boström family with 9%, the Paulsson family with 8%, Svolder with 5% and Odin Fonder with 4% of the share capital.

## ■ The Parent Company

In the parent company, which is not trading, sales amounted to SEK 13 million (12). Income after financial items amounted to SEK 3 million (-3). The improved earnings are 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 interim report has been prepared in accordance with IAS 34 (Interim Financial Reporting) and applicable provisions of the Swedish Annual Accounts Act. The Swedish Securities Market Act has been applied for publishing this interim report.

The consolidated accounts have been prepared in accordance with the same principles as the latest annual report, except for the change concerning the reporting of pension obligations and other comprehensive income. Pension obligations are recognized in accordance with the amended IAS 19, as stated in note 1, while other comprehensive income is recognized in accordance with the change of IAS 1 Presentation of financial statements.

The new or revised IFRS standards or IFRIC interpretations that entered into force on 1 January 2013 have not, with the exception concerning reporting of pension obligations, had any material effect on the Group's income statements or balance sheets.

The interim report for the parent company has been prepared in accordance with Chapter 9 of the Swedish Annual Accounts Act.

## ■ Financial information schedule

- Nine-month interim report 2013: 24 October 2013

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

Torekov 19 July 2013

*Fredrik Arp*  
*Chairman of the Board*

*Henrik Jorlén*  
*Board member*

*Erik Paulsson*  
*Board member*

*Sven Boström Svensson*  
*Board member*

*Lars-Åke Rydh*  
*Board member*

*Anna Malm Bernsten*  
*Board member*

*Hans Porat*  
*Board member*  
*President*

*Magnus Bergqvist*  
*Board member*  
*Employee representative*

*Eva Norrman*  
*Board member*  
*Employee representative*

*Björn Jacobsson*  
*Board member*  
*Employee representative*

## ■ Contact:

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- Per-Ola Holmström, CFO, tel. +46431 442293.

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*The information contained in this interim report is the information which Nolato is obliged to make public in accordance with the Swedish Securities Market Act and/or the Swedish Financial Instruments Trading Act. This information was made public on 19 July 2013 at 15:00.*

*This report has been reviewed by the Company's auditors.*

## ■ Review report

### Introduction

I have reviewed the summary interim financial information (interim report) for Nolato AB (publ) as at 30 June 2013 and the six-month period ending on that date. It is the Board of Directors and the President who are responsible for the preparation and accurate presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. My responsibility is to express a conclusion on this interim report based on my review.

### Focus and scope of review

I have conducted my review in accordance with the Standard on Review Engagements (SÖG) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is different in focus and considerably less far-reaching in focus and scope than an audit conducted in accordance with the Standards on Auditing in Sweden (RS) and other generally accepted auditing practices. The procedures performed in a review do not enable me to obtain a level of assurance that would make me aware of all significant circumstances that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

### Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the attached interim financial report has not been prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act in terms of the Group, and in accordance with the Swedish Annual Accounts Act in terms of the Parent Company.

Torekov 19 July 2013

*Alf Svensson*  
*Authorised public accountant*



## ■ Consolidated income statement (summary)

SEK million	Q2 2013	Q2 2012	Q1 - Q2 2013	Q1 - Q2 2012	Rolling 12 months	Full year 2012
Net sales	1,164	1,046	2,418	1,883	4,409	3,874
Cost of goods sold	- 996	- 905	- 2,072	- 1,628	- 3,797	- 3,353
<b>Gross profit</b>	<b>168</b>	<b>141</b>	<b>346</b>	<b>255</b>	<b>612</b>	<b>521</b>
Other operating income	3	1	5	1	15	11
Selling expenses	- 23	- 25	- 43	- 43	- 82	- 82
Administrative expenses	- 41	- 37	- 83	- 75	- 164	- 156
Other operating expenses	—	- 3	—	- 6	- 1	- 7
	- 61	- 64	- 121	- 123	- 232	- 234
<b>Operating profit</b>	<b>107</b>	<b>77</b>	<b>225</b>	<b>132</b>	<b>380</b>	<b>287</b>
Financial income and expense	- 2	- 3	- 7	- 7	- 15	- 15
<b>Profit after financial income and expense</b>	<b>105</b>	<b>74</b>	<b>218</b>	<b>125</b>	<b>365</b>	<b>272</b>
Tax	- 27	- 20	- 55	- 34	- 91	- 70
<b>Profit after tax</b>	<b>78</b>	<b>54</b>	<b>163</b>	<b>91</b>	<b>274</b>	<b>202</b>
All earnings are attrib. to the Parent Co.'s shareholders						
Depreciation/amortisation	40	40	79	76	160	157
Earnings per share, basic and diluted (SEK)	2.97	2.05	6.20	3.46	10.42	7.68
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

SEK million	Note	Q2 2013	Q2 2012	Q1 - Q2 2013	Q1 - Q2 2012	Rolling 12 months	Full year 2012
<b>Profit after tax</b>		<b>78</b>	<b>54</b>	<b>163</b>	<b>91</b>	<b>274</b>	<b>202</b>
<b>Other comprehensive income</b>							
<i>Items that can not be recycled to profit for the period</i>							
Revaluations of defined benefit pension plans	1	0	0	0	0	1	1
Tax attributable to items that can not be transferred to profit for the period	1	0	0	0	0	- 2	- 2
		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>- 1</b>	<b>- 1</b>
<i>Items that have been transferred or can be recycled to profit for the period</i>							
Translation differences for the period		21	8	14	- 2	- 1	- 17
Cash flow hedges	2	0	0	- 1	0	0	1
Tax attributable to cash flow hedges	2	0	0	0	0	0	0
		<b>21</b>	<b>8</b>	<b>13</b>	<b>- 2</b>	<b>- 1</b>	<b>- 16</b>
<b>Other comprehensive income, net of tax</b>		<b>21</b>	<b>8</b>	<b>13</b>	<b>- 2</b>	<b>- 2</b>	<b>- 17</b>
<b>Total comp. income for the period attributable to the Parent Co.'s shareholders</b>		<b>99</b>	<b>62</b>	<b>176</b>	<b>89</b>	<b>272</b>	<b>185</b>

## ■ Reconciliation of consolidated income before tax

SEK million	Q1 - Q2 2013	Q1 - Q2 2012	Rolling 12 months	Full year 2012
<b>Operating profit (EBIT)</b>				
Nolato Medical	78	62	136	120
Nolato Telecom	100	28	168	96
Nolato Industrial	58	56	104	102
Group adjustments, Parent Company	- 11	- 14	- 28	- 31
<b>Consolidated operating profit (EBIT)</b>	<b>225</b>	<b>132</b>	<b>380</b>	<b>287</b>
Financial income and expense (not distributed by business areas)	- 7	- 7	- 15	- 15
<b>Consolidated profit before tax</b>	<b>218</b>	<b>125</b>	<b>365</b>	<b>272</b>

## ■ Consolidated balance sheet (summary)

SEK million	Note	30/06/2013	30/06/2012	31/12/2012
<b>Assets</b>				
<b>Fixed assets</b>				
Intangible fixed assets		543	573	553
Property, plant and equipment		721	751	735
Other securities held as non-current assets		2	2	2
Other long-term receivables		2	1	2
Deferred tax assets		36	36	35
<b>Total fixed assets</b>		<b>1,304</b>	<b>1,363</b>	<b>1,327</b>
<b>Current assets</b>				
Inventories		300	273	288
Accounts receivable		815	763	682
Other current assets	2	93	91	65
Cash and bank		346	140	272
<b>Total current assets</b>		<b>1,554</b>	<b>1,267</b>	<b>1,307</b>
<b>Total assets</b>		<b>2,858</b>	<b>2,630</b>	<b>2,634</b>
<b>Shareholders' equity and liabilities</b>				
<b>Shareholders' equity</b>	1, 2	<b>1,188</b>	<b>1,074</b>	<b>1,170</b>
Long-term liabilities and provisions <sup>1)</sup>	1	164	162	164
Deferred tax liabilities <sup>1)</sup>	1	80	115	104
Current liabilities and provisions <sup>1)</sup>	2	1,426	1,279	1,196
<b>Total liabilities and provisions</b>		<b>1,670</b>	<b>1,556</b>	<b>1,464</b>
<b>Total shareholders' equity and liabilities</b>		<b>2,858</b>	<b>2,630</b>	<b>2,634</b>
<sup>1)</sup> Interest-bearing/non-interest-bearing liabilities and provisions:				
Interest-bearing liabilities and provisions		474	546	386
Non-interest-bearing liabilities and provisions		1,196	1,010	1,078
<b>Total liabilities and provisions</b>		<b>1,670</b>	<b>1,556</b>	<b>1,464</b>

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

SEK million	Note	Q1 - Q2 2013	Q1 - Q2 2012	Full year 2012
<b>Shareholders' equity at the beginning of the period</b>	1	<b>1,170</b>	<b>1,117</b>	<b>1,117</b>
Total comprehensive income for the period	1	176	89	185
Dividends		- 158	- 132	- 132
<b>Shareholders' equity at the end of period attrib. to Parent Co's shareholders</b>	1	<b>1,188</b>	<b>1,074</b>	<b>1,170</b>

In 2013, a dividend totalling SEK 158 million was paid to the Parent Company's shareholders, corresponding to an ordinary dividend of SEK 3.50 and extraordinary dividend of SEK 2.50, 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 million	Q2 2013	Q2 2012	Q1 - Q2 2013	Q1 - Q2 2012	Rolling 12 months	Full year 2012
Cash flow from op. activities bef. changes in work. cap.	106	94	218	167	438	387
Changes in working capital	51	1	- 21	- 56	124	89
<b>Cash flow from operating activities</b>	<b>157</b>	<b>95</b>	<b>197</b>	<b>111</b>	<b>562</b>	<b>476</b>
Cash flow from investment activities	- 37	- 217	- 61	- 265	- 131	- 335
<b>Cash flow before financing activities</b>	<b>120</b>	<b>- 122</b>	<b>136</b>	<b>- 154</b>	<b>431</b>	<b>141</b>
Cash flow from financing activities	- 21	166	- 69	170	- 227	12
<b>Cash flow for the period</b>	<b>99</b>	<b>44</b>	<b>67</b>	<b>16</b>	<b>204</b>	<b>153</b>
<b>Liquid assets at the beginning of the period</b>	<b>238</b>	<b>94</b>	<b>272</b>	<b>124</b>	<b>—</b>	<b>124</b>
Exchange rate difference in liquid assets	9	2	7	0	—	- 5
<b>Liquid assets at the end of the period</b>	<b>346</b>	<b>140</b>	<b>346</b>	<b>140</b>	<b>—</b>	<b>272</b>

## Earnings per share

SEK million	Q2 2013	Q2 2012	Q1 - Q2 2013	Q1 - Q2 2012	Rolling 12 months	Full year 2012
<b>Profit after tax</b>	<b>78</b>	<b>54</b>	<b>163</b>	<b>91</b>	<b>274</b>	<b>202</b>
Adjusted earnings:						
Amortisation of intangible assets arising from acquis.	4	4	8	6	18	16
Tax on amortisation	- 1	- 1	- 2	- 2	- 4	- 4
<b>Adjusted earnings</b>	<b>81</b>	<b>57</b>	<b>169</b>	<b>95</b>	<b>288</b>	<b>214</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, basic and diluted (SEK) *	2.97	2.05	6.20	3.46	10.42	7.68
Adjusted earnings per share (SEK) *	3.07	2.17	6.42	3.61	10.94	8.13

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

## Five-year overview

Note	2012	2011	2010	2009	2008
Net sales (SEK million)	3,874	2,977	3,375	2,602	2,824
Operating profit (EBITA) (SEK million)	303	199	262	166	240
EBITA margin (%)	7.8	6.7	7.8	6.4	8.5
Operating profit (EBIT) (SEK million)	287	190	253	158	232
Profit after financial income and expense (SEK million)	272	183	243	148	216
Profit after tax (SEK million)	202	132	187	123	178
Cash flow after investments, excl. acq. and disposals (SEK million)	317	112	230	139	296
Return on capital employed (%) *	19.4	13.9	18.4	12.1	18.4
Return on shareholders' equity (%) *	17.7	11.6	16.5	11.5	18.4
Net debt (SEK million) *	114	119	34	40	95
Equity/assets ratio (%) *	44	52	50	51	50
Earnings per share (SEK)	7.68	5.02	7.11	4.68	6.77
Adjusted earnings per share (SEK)	8.13	5.28	7.37	4.90	6.99
Dividend per share (SEK)	6.00	5.00	6.00	3.00	2.75
Average number of employees	8,421	5,496	7,563	4,308	4,531

\* The years 2008 - 2010 have not been restated for the amendment of pension provisions in IAS 19, which means that the corridor method to even out actuarial gains / losses no longer apply (see note 1).

## Quarterly data (summary)

	Note		Q1	Q2	Q3	Q4	Full year
Net sales (SEK million)		2013	1,254	1,164	—	—	—
		2012	837	1,046	999	992	3,874
		2011	759	766	718	734	2,977
Operating profit (EBITDA) (SEK million)		2013	157	147	—	—	—
		2012	91	117	118	118	444
		2011	79	88	111	82	360
Operating profit (EBITA) (SEK million)		2013	122	111	—	—	—
		2012	57	81	84	81	303
		2011	44	53	54	48	199
EBITA margin (%)		2013	9.7	9.5	—	—	—
		2012	6.8	7.7	8.4	8.2	7.8
		2011	5.8	6.9	7.5	6.5	6.7
Operating profit (EBIT) (SEK million)		2013	118	107	—	—	—
		2012	55	77	79	76	287
		2011	42	51	51	46	190
Profit after financial income and expense (SEK million)		2013	113	105	—	—	—
		2012	51	74	74	73	272
		2011	38	50	50	45	183
Profit after tax (SEK million)		2013	85	78	—	—	—
		2012	37	54	52	59	202
		2011	28	35	36	33	132
Cash flow after inv., excl. acq. and disp. (SEK million)		2013	16	120	—	—	—
		2012	– 32	56	83	210	317
		2011	111	– 36	48	– 11	112
Earnings per share, basic and diluted (SEK)		2013	3.23	2.97	—	—	—
		2012	1.41	2.05	1.98	2.24	7.68
		2011	1.06	1.33	1.37	1.25	5.02
Adjusted earnings per share (SEK)		2013	3.35	3.07	—	—	—
		2012	1.44	2.17	2.13	2.39	8.13
		2011	1.10	1.41	1.44	1.33	5.28
Shareholders' equity per share (SEK)	1	2013	47	45	—	—	—
		2012	43	41	42	44	44
		2011	44	39	41	42	42
Return on total capital (%)		2013	13.6	13.7	—	—	—
		2012	9.4	9.8	10.9	11.9	11.9
		2011	10.9	10.0	9.4	8.7	8.7
Return on capital employed (%) *	1	2013	23.3	23.0	—	—	—
		2012	15.2	15.9	17.8	19.4	19.4
		2011	17.6	16.4	15.0	13.9	13.9
Return on operating capital (%) *	1	2013	26.3	26.9	—	—	—
		2012	16.9	17.2	19.6	22.6	22.6
		2011	20.6	18.6	16.2	15.5	15.5
Return on shareholders' equity (%) *	1	2013	20.9	24.2	—	—	—
		2012	12.3	15.2	15.9	17.7	17.7
		2011	14.6	14.0	12.7	11.6	11.6

\* Q1 - Q3 for 2011 have not been restated for the amendment of pension provisions in IAS 19, which means that the corridor method to even out actuarial gains / losses no longer applies (see note 1).

## Quarterly data business areas

Net sales (SEK million)		Q1	Q2	Q3	Q4	Full year
Nolato Medical	2013	328	323	—	—	—
	2012	246	315	288	310	1,159
	2011	232	235	220	230	917
Nolato Telecom	2013	627	541	—	—	—
	2012	287	423	444	394	1,548
	2011	259	249	220	207	935
Nolato Industrial	2013	299	300	—	—	—
	2012	304	309	268	289	1,170
	2011	268	283	279	299	1,129
Group adjustments, Parent Company	2013	0	0	—	—	—
	2012	0	– 1	– 1	– 1	– 3
	2011	—	– 1	– 1	– 2	– 4
Group total	2013	1,254	1,164	—	—	—
	2012	837	1,046	999	992	3,874
	2011	759	766	718	734	2,977

Operating profit (EBITA) (SEK million)		Q1	Q2	Q3	Q4	Full year
Nolato Medical	2013	43	42	—	—	—
	EBITA margin (%)	13.1	13.0	—	—	—
	2012	31	36	32	34	133
	EBITA margin (%)	12.6	11.4	11.1	11.0	11.5
	2011	28	29	25	28	110
	EBITA margin (%)	12.1	12.3	11.4	12.2	12.0
Nolato Telecom	2013	57	43	—	—	—
	EBITA margin (%)	9.1	7.9	—	—	—
	2012	7	21	35	33	96
	EBITA margin (%)	2.4	5.0	7.9	8.4	6.2
	2011	– 4	4	7	4	11
	EBITA margin (%)	– 1.5	1.6	3.2	1.9	1.2
Nolato Industrial	2013	29	30	—	—	—
	EBITA margin (%)	9.7	10.0	—	—	—
	2012	28	29	24	24	105
	EBITA margin (%)	9.2	9.4	9.0	8.3	9.0
	2011	25	27	26	24	102
	EBITA margin (%)	9.3	9.5	9.3	8.0	9.0
Group adjustments, Parent Company	2013	– 7	– 4	—	—	—
	2012	– 9	– 5	– 7	– 10	– 31
	2011	– 5	– 7	– 4	– 8	– 24
Group total	2013	122	111	—	—	—
	EBITA margin (%)	9.7	9.5	—	—	—
	2012	57	81	84	81	303
	EBITA margin (%)	6.8	7.7	8.4	8.2	7.8
	2011	44	53	54	48	199
	EBITA margin (%)	5.8	6.9	7.5	6.5	6.7

Depreciation/amortisation (SEK million)		Q1	Q2	Q3	Q4	Full year
Nolato Medical	2013	18	20	—	—	—
	2012	15	18	19	20	72
	2011	14	16	14	15	59
Nolato Telecom	2013	10	10	—	—	—
	2012	10	10	10	11	41
	2011	13	10	35	10	68
Nolato Industrial	2013	11	10	—	—	—
	2012	11	12	10	11	44
	2011	10	11	11	11	43
Group total	2013	39	40	—	—	—
	2012	36	40	39	42	157
	2011	37	37	60	36	170

## ■ Group financial highlights

	Note	Q2 2013	Q2 2012	Q1 - Q2 2013	Q1 - Q2 2012	Rolling 12 months	Full year 2012
Net sales (SEK million)		1,164	1,046	2,418	1,883	4,409	3,874
Sales growth (%)		11	37	28	23	32	30
Percentage of sales outside Sweden (%)		80	76	81	74	82	75
Operating profit (EBITDA) (SEK million)		147	117	304	208	540	444
Operating profit (EBITA) (SEK million)		111	81	233	138	398	303
EBITA margin (%)		9.5	7.7	9.6	7.3	9.0	7.8
Profit after financial income and expense (SEK million)		105	74	218	125	365	272
Profit margin (%)		9.0	7.1	9.0	6.6	8.3	7.0
Profit after tax (SEK million)		78	54	163	91	274	202
Return on total capital (%)		13.7	9.8	13.7	9.8	13.7	11.9
Return on capital employed (%)	1	23.0	15.9	23.0	15.9	23.0	19.4
Return on operating capital (%)	1	26.9	17.2	26.9	17.2	26.9	22.6
Return on shareholders' equity (%)	1	24.2	15.2	24.2	15.2	24.2	17.7
Equity/assets ratio (%)	1	42	41	42	41	42	44
Debt/equity (%)	1	40	51	40	51	40	33
Interest coverage ratio (times)		37	23	36	22	37	23
Net investments affecting cash flow, excl. acq. and disposals (SEK million)		37	39	61	87	131	159
Cash flow after inv., excl. acq. and disp. (SEK million)		120	56	136	24	431	317
Net debt (SEK million)	1	128	406	128	406	128	114
Earnings per share, basic and diluted (SEK)		2.97	2.05	6.20	3.46	10.42	7.68
Adjusted earnings per share (SEK)		3.07	2.17	6.42	3.61	10.94	8.13
Cash flow per share, excl. acq. and disposals (SEK)		4.56	2.13	5.17	0.91	16.38	12.05
Shareholders' equity per share (SEK)	1	—	—	45	41	—	44
Average number of employees		—	—	10,827	8,237	—	8,421

## Definitions

### Return on total capital

Profit after financial income and expense, plus financial expenses as a percentage of average total capital in the balance sheet.

### Return on capital employed

Profit after financial income and expense, 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 profit 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

Profit after tax as a percentage of average shareholders' equity.

### EBITA margin

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

### Adjusted earnings per share

Profit after tax, 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

Profit after tax, divided by average number of shares.

### Interest coverage ratio

Profit after financial income and expense, plus financial expenses, divided by financial expenses.

### Operating profit (EBITDA)

Earnings before interest, taxes and depreciation/amortisation.

### Operating profit (EBITA)

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

### Operating profit (EBIT)

Earnings before interest and taxes.

### 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

Profit after financial income and expense as a percentage of net sales.

## ■ Parent Company income statement (summary)

SEK million	Q2 2013	Q2 2012	Q1 - Q2 2013	Q1 - Q2 2012	Rolling 12 months	Full year 2012
Net sales	6	6	13	12	20	19
Other operating income	1	—	2	—	2	—
Selling expenses	-2	-2	-4	-4	-7	-7
Administrative expenses	-11	-11	-23	-20	-45	-42
Other operating expenses	—	0	—	-1	-2	-3
<b>Operating profit</b>	<b>-6</b>	<b>-7</b>	<b>-12</b>	<b>-13</b>	<b>-32</b>	<b>-33</b>
Profit from participations in Group companies	6	4	7	4	54	51
Financial income	7	5	12	10	27	25
Financial expenses	2	2	-4	-4	-36	-36
<b>Profit after financial income and expense</b>	<b>9</b>	<b>4</b>	<b>3</b>	<b>-3</b>	<b>13</b>	<b>7</b>
Appropriations	—	—	—	—	149	149
Tax	2	0	-10	0	-49	-39
<b>Profit after tax</b>	<b>11</b>	<b>4</b>	<b>-7</b>	<b>-3</b>	<b>113</b>	<b>117</b>
Depreciation/amortisation	0	0	0	0	1	0

## ■ Parent Company balance sheet (summary)

SEK million	30/06/2013	30/06/2012	31/12/2012
<b>Assets</b>			
Intangible fixed assets	1	1	1
Property, plant and equipment	0	0	0
Financial assets	991	1,005	994
Deferred tax assets	8	7	4
<b>Total fixed assets</b>	<b>1,000</b>	<b>1,013</b>	<b>999</b>
Other receivables	272	438	472
Cash and bank	120	0	42
<b>Total current assets</b>	<b>392</b>	<b>438</b>	<b>514</b>
<b>Total assets</b>	<b>1,392</b>	<b>1,451</b>	<b>1,513</b>
<b>Shareholders' equity and liabilities</b>			
Shareholders' equity	733	779	899
Untaxed reserves	179	160	179
Other provisions	5	5	5
Long-term liabilities	0	17	17
Current liabilities	475	490	413
<b>Total shareholders' equity and liabilities</b>	<b>1,392</b>	<b>1,451</b>	<b>1,513</b>
Pledged assets	—	—	—
Contingent liabilities	107	202	110

### 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-Jun 2013	13	-2	11	0	7	694	107
Subsidiary	Jan-Jun 2012	12	-2	10	0	4	874	175

None of the company's Board members or senior executives currently have, or have 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.



## NOTES

**Note 1 Change in provisions for pensions in IAS 19 regarding defined benefit pension plans**

The amendment to IAS 19 regarding defined benefit pension plans applies to fiscal years starting on 1 January 2013 with retroactive application, and the previous application of the corridor method as an equalisation mechanism for actuarial gains/losses has thus been removed.

Effect of change in accounting principle SEK million	Adjusted opening bal. 01/01/2012	Adjusted profit 2012	Adjusted closing bal. 31/12/2012
<b>Impact on balance sheet</b>			
Provisions for pensions and similar obligations	37	- 1	36
Deferred tax liabilities	- 12	2	- 10
Other provisions	9	0	9
Shareholders' equity	- 34	- 1	- 35
<b>Impact on income statement</b>			
<b>Profit for the year</b>		—	
Other comprehensive income		1	
Tax on other comprehensive income		- 2	
<b>Total other comprehensive income</b>		- 1	

For Nolato, this has involved the recognised pension liability for PRI increasing by SEK 37 million at 31/12/2011 and by SEK 36 million at 31/12/2012.

Net debt has thus increased by the above amounts and the change is recognised retroactively in this report as of 31/12/2011.

Adding to the change in the pension liability itself is also a special employer's contribution liability, which is recognised under other provisions in the consolidated balance sheet. Furthermore, deferred tax is calculated on the change in pension liability, including the special employer's contribution recognised among deferred tax liabilities.

The total effect of the above is then recognised in other comprehensive income (equity) and has, at 31/12/2011, involved a reduction in equity of SEK 34 million and, at 31/12/2012, of SEK 35 million.

The change in closing balances between the years has been distributed linearly over the quarters.

Return on equity, the equity/assets ratio, debt/equity ratio and equity per share have been affected by the reduction in equity. Return on capital employed and operating capital have also been affected, but not materially.

All key ratios above have been retroactively restated in this report as of 31/12/2011.

**Note 2 Financial instruments**

Financial instruments are measured at fair value in the statement of financial position, pursuant to measurement hierarchy Level 2.

SEK million	30/06/2013	30/06/2012	31/12/2012
<b>Other receivables</b>			
Derivative assets	0	4	3
<b>Other liabilities</b>			
Derivative liabilities	3	3	1

No instruments have been offset in the statement of financial position, but have been recognised gross.

For a description of the valuation techniques and input data for the fair value measurement of financial instruments, please see Note 33 of the 2012 Annual Report. For other financial assets and liabilities in the Group, the carrying amounts are a reasonable approximation of their fair values. For a specification of such financial assets and liabilities, please see note 34 in the 2012 Annual Report.