

Nolato AB (publ) six-month interim report 2014

Strengthened margins within all business areas

■ Second quarter of 2014 in brief

- Sales stood at SEK 965 million (1,164)
- Operating profit (EBITA) was SEK 100 million (111)
- Strong EBITA margin of 10.4% (9.5)
- Net income rose to SEK 81 million (78)
- Earnings per share were SEK 3.08 (2.97)
- Cash flow after investments was SEK 33 million (120)

■ First six months of 2014 in brief

- Sales stood at SEK 1,897 million (2,418)
- Operating profit (EBITA) was SEK 194 million (233)
- Earnings per share were SEK 5.63 (6.20)
- Cash flow after investments was SEK 50 million (136)

■ Group highlights

SEK million unless otherwise specified	Q2 2014	Q2 2013	Q1 - Q2 2014	Q1 - Q2 2013	Rolling 12 months	Full year 2013
Net sales	965	1,164	1,897	2,418	4,001	4,522
Operating profit (EBITDA) ¹⁾	135	147	264	304	528	568
Operating profit (EBITA) ²⁾	100	111	194	233	388	427
EBITA margin, %	10.4	9.5	10.2	9.6	9.7	9.4
Operating profit (EBIT) ³⁾	96	107	186	225	372	411
Profit after financial income and expense ⁴⁾	104	105	192	218	377	403
Profit after tax ⁴⁾	81	78	148	163	299	314
Earnings per share, basic and diluted, SEK ^{5) 6)*}	3.08	2.97	5.63	6.20	11.37	11.94
Adjusted earnings per share, SEK ^{5) 6)*}	3.19	3.07	5.85	6.42	11.82	12.39
Cash flow after investments, excl. acquisitions and disp.	33	120	50	136	276	362
Net investm. affecting cash flow, excl. acq. and disp.	59	37	103	61	192	150
Cash conversion, % ⁷⁾	—	—	—	—	67	82
Return on capital employed, %	24.1	23.0	24.1	23.0	24.1	26.7
Return on shareholders' equity, %	24.0	24.2	24.0	24.2	24.0	24.9
Equity/assets ratio, %	51	42	51	42	51	52
Net financial liabilities (-) / assets (+)	-37	-128	-37	-128	-37	122

*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⁾ Operating profit (EBIT): Earnings before interest and taxes.

⁴⁾ Including non-recurring items of 8 SEKm (0) in current year and rolling 12 months.

⁵⁾ Including non-recurring items of 0.30 SEK (0) in current year and rolling 12 months.

⁶⁾ Adjusted earnings per share: Profit after tax, excluding amortisation of intangible assets arising from acquisitions, divided by the average number of shares.

⁷⁾ Cash conversion: Cash flow after investments, excl. acquisitions and disposals, divided with operating profit (EBIT). Cash flow and operating profit have been adjusted with non-recurring items.

Second quarter 2014

- Sales decreased by 16% adjusted for currency and sale of companies, and amounted to SEK 965 million (1,164)
- Strengthened margins within all business areas
- Operating income (EBITA) amounted to SEK 100 million (111)
- Positive non-recurring item of SEK 8 million impacts net financial items and profit after tax
- Start-up of EMC unit in Malaysia

Sales

The Group's sales amounted to SEK 965 million (1,164). Adjusted for currency and sale of companies, sales decreased by 16%.

Nolato Medical's sales amounted to SEK 343 million (323), adjusted for currency, sales increased by 3%.

Nolato Telecom's sales amounted to SEK 344 million (541), adjusted for currency, sales decreased by 36%. The decline can be explained by the very high demand in the consumer market for a number of models, which contributed to the very high sales in 2013. Sequentially, compared to the first quarter of the year, sales increased. Operations within the EMC area, electromagnetic shielding, are continuing to develop positively.

Nolato Industrial's sales amounted to SEK 279 million (300), adjusted for currency and sale of companies, sales increased by 4%. Demand in the automotive industry has continued to be strong during the quarter.

Profit

The Group's operating income (EBITA) amounted to SEK 100 million (111). The decrease in sales has resulted in lower earnings while the strengthened margin has had a positive impact.

Operating income (EBITA) for Nolato Medical increased to SEK 46 million (42), for Nolato Telecom earnings decreased to SEK 30 million (43) and for Nolato Industrial earnings were unchanged at SEK 30 million (30).

Overall, the Group's EBITA margin was 10.4% (9.5). Strengthened margins for all business areas contributed to the Group's strong margin. High efficiency within Nolato Medical and Nolato Industrial has resulted in strong margins. At the same time, the flexible cost structure in Asia along with the strong trend within the EMC area have entailed a continued strong margin for Nolato Telecom, despite lower volumes.

Operating income (EBIT) declined to SEK 96 million (107).

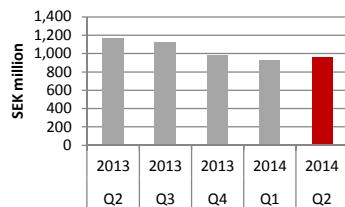
Income after financial items amounted to SEK 104 million (105). Net financial items have been affected positively by SEK 8 million (0) by a non-recurring item. The item comprises reversal of previously recorded liabilities for the acquisition in England. Net financial items included SEK 1 million (1) in currency exchange rate difference effects during the second quarter.

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

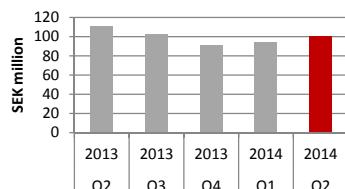
SEK million	Sales Q2/2014	Sales Q2/2013	Op. Profit EBITA Q2/2014	Op. Profit EBITA Q2/2013	EBITA margin Q2/2014	EBITA margin Q2/2013
Nolato Medical	343	323	46	42	13.4%	13.0%
Nolato Telecom	344	541	30	43	8.7%	7.9%
Nolato Industrial	279	300	30	30	10.8%	10.0%
Intra-Group adj., Parent Co	- 1	—	- 6	- 4	—	—
Group total	965	1,164	100	111	10.4%	9.5%

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

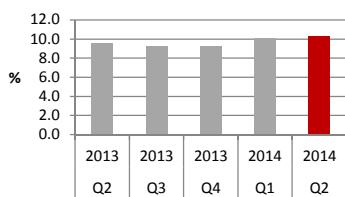
Sales



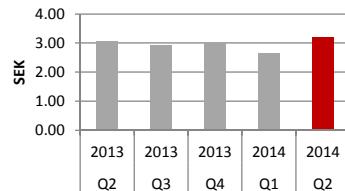
Operating profit (EBITA)



EBITA margin



Adjusted earnings per share



Profit after tax was SEK 81 million (78). Excluding the non-recurring item, earnings amounted to SEK 73 million (78). Earnings per share, both before and after dilution, were SEK 3.08 (2.97). Excluding the non-recurring item, earnings per share amounted to SEK 2.78 (2.97). Adjusted earnings per share, excluding amortisation of intangible assets arising from acquisitions were SEK 3.19 (3.07). Excluding the non-recurring item, adjusted earnings per share amounted to SEK 2.89 (3.07).

First six months 2014

Sales and earnings

The Group's sales amounted to SEK 1,897 million (2,418) during the first half of 2014. Adjusted for currency and sale of companies, sales declined by 21%.

Nolato Medical's sales increased by 3% to SEK 669 million (651).

Nolato Telecom's sales decreased by 43% to SEK 664 million (1,168) and Nolato Industrial's sales increased by 6% to SEK 565 million (533), adjusted for sale of companies.

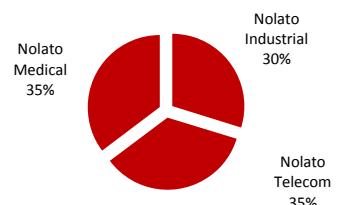
The Group's operating income (EBITA) amounted to SEK 194 million (233) and the EBITA margin was 10.2% (9.6). Operating income (EBIT) was SEK 186 million (225).

Income after financial items decreased to SEK 192 million (218). Net financial items include a positive non-recurring item of SEK 8 million (0).

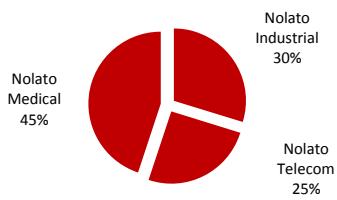
Profit after tax was SEK 148 million (163). Excluding the non-recurring item, earnings amounted to SEK 140 million (163). Earnings per share, both before and after dilution, were SEK 5.63 (6.20). Excluding the non-recurring item, earnings per share amounted to SEK 5.33 (6.20). Adjusted earnings per share, excluding amortisation of intangible assets arising from acquisitions were SEK 5.85 (6.42). Excluding the non-recurrent effect, adjusted earnings per share amounted to SEK 5.55 (6.42). The effective tax rate was 23% (25).

The return on capital employed was 24.1% for the most recent 12-month period (26.7% for the 2013 calendar year). The return on shareholders' equity was 24% for the most recent 12-month period (24.9% for the 2013 calendar year). Cash conversion for the most recent 12-month period amounted to 67% (82% for the calendar year 2013).

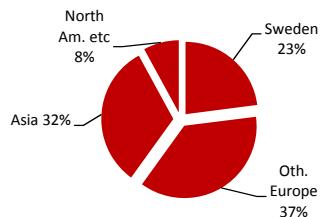
Business areas' share of sales



Business areas' share of operating profit (EBITA)



Sales by geographic markets



■ Nolato Medical

Sales and profit Q1-Q2 (SEK million)

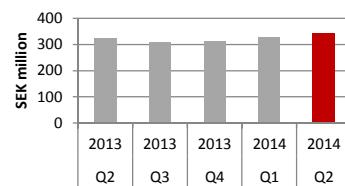
	2014	2013
Sales	669	651
Operating profit (EBITA)	91	85
EBITA margin (%)	13.6	13.1
Operating profit (EBIT)	84	78

Nolato Medical's sales amounted to SEK 669 million (651), adjusted for currency, sales were unchanged. Volumes were low during the beginning of the year and increased during the second quarter.

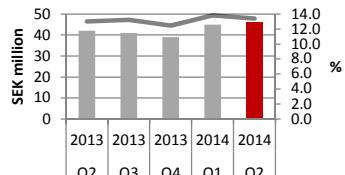
Operating income (EBITA) rose to SEK 91 million (85). The EBITA margin amounted to a strong 13.6% (13.1). The margin was impacted positively by high productivity and a favourable product mix.

The extension of the Chinese factory is complete and work on the Hungarian factory is proceeding according to plan.

■ Nolato Medical sales



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



■ Nolato Telecom

Sales and profit Q1-Q2 (SEK million)

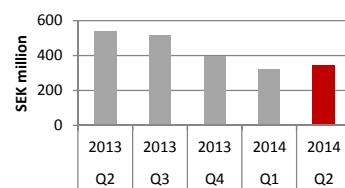
	2014	2013
Sales	664	1,168
Operating profit (EBITA)	53	100
EBITA margin (%)	8.0	8.6
Operating profit (EBIT)	53	100

Nolato Telecom's sales amounted to SEK 664 million (1,168), adjusted for currency, sales decreased by 44%. As communicated in the year-end report, the very high demand in the consumer market for a number of models which contributed to the very high sales in 2013, has not repeated in the current half-year. At the same time the business area has been impacted negatively by the trend of a North American customer. Operations within the EMC area, electromagnetic shielding, are developing positively.

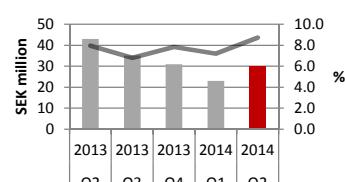
Operating income (EBITA) declined to SEK 53 million (100). The EBITA margin was 8.0% (8.6). By means of the flexible cost structure in Asia and through an increased share of EMC, it has been possible to retain the margin at a good level despite the lower sales.

During the quarter a production unit within EMC was started in Malaysia.

■ Nolato Telecom sales



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



■ Nolato Industrial

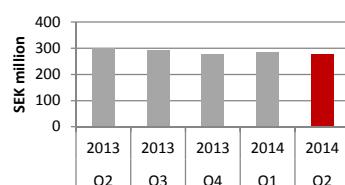
Sales and profit Q1-Q2 (SEK million)

	2014	2013
Sales	565	599
Operating profit (EBITA)	61	59
EBITA margin (%)	10.8	9.8
Operating profit (EBIT)	60	58

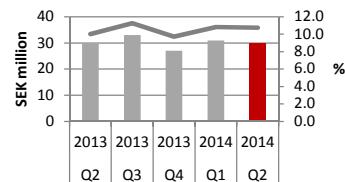
Nolato Industrial's sales amounted to SEK 565 million (599), adjusted for currency and sale of companies, sales increased by 5%. Demand in the automotive segment has been good while increased market shares have had a positive effect.

Operating income (EBITA) increased to SEK 61 million (59), with a strong EBITA margin of 10.8% (9.8). Successful lean work and a favourable product mix have had a positive margin effect.

■ Nolato Industrial sales



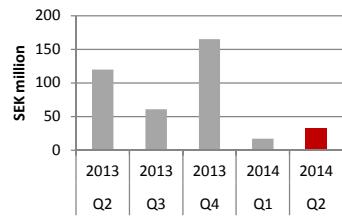
■ Nolato Industrial operating profit (EBITA) & EBITA margin %



■ Cash flow

Increased sales and activity during the first half of the year compared to the end of 2013, which was impacted by the long Christmas vacation, have entailed a greater need of working capital. Together with higher investments compared to the same period last year, this has resulted in the cash flow after investments declining to SEK 50 million (136). The change in working capital was negative by SEK 62 million (-21). Investments affecting cash flow increased to SEK 103 million (61). Payments of expansion in China, Hungary and Malaysia, together with greater investments in the machine capacity entail higher investments.

■ Cash flow after investments

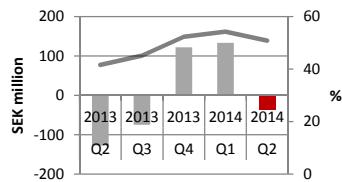


Excluding acquisitions and disposals

■ Financial position

Interest-bearing assets totalled SEK 212 million (346) and interest-bearing liabilities and provisions totalled SEK 249 million (474). Net financial liabilities thus totalled SEK 37 million (128). Shareholders' equity amounted to SEK 1,301 million (1,188). The equity/assets ratio was 51% (42). During the second quarter, dividends totalling SEK 210 million (158) were paid.

■ Net financial liabilities (-) assets (+) & assets/equity ratio



■ Consolidated performance analysis

SEK million	Q2 2014	Q2 2013	Q1 - Q2 2014	Q1 - Q2 2013	Rolling 12 months	Full year 2013
Net sales	965	1,164	1,897	2,418	4,001	4,522
Gross profit excl. depreciation/amortisation	188	201	382	415	757	790
As a percentage of net sales	19.5	17.3	20.1	17.2	18.9	17.5
Costs	-53	-54	-118	-111	-229	-222
As a percentage of net sales	5.5	4.6	6.2	4.6	5.7	4.9
Operating profit (EBITDA)	135	147	264	304	528	568
As a percentage of net sales	14.0	12.6	13.9	12.6	13.2	12.6
Depreciation and amortisation	-35	-36	-70	-71	-140	-141
Operating profit (EBITA)	100	111	194	233	388	427
As a percentage of net sales	10.4	9.5	10.2	9.6	9.7	9.4
Amortisation of intang. assets arising from acquisitions	-4	-4	-8	-8	-16	-16
Operating profit (EBIT)	96	107	186	225	372	411
Financial income and expense	8	-2	6	-7	5	-8
Profit after financial income and expense	104	105	192	218	377	403
Tax	-23	-27	-44	-55	-78	-89
As a percentage of Profit after financial income and expense	22.1	25.7	22.9	25.2	20.7	22.1
Profit after tax	81	78	148	163	299	314

■ Financial position

SEK million	30/06/2014	30/06/2013	31/12/2013
Interest-bearing liabilities, credit institutions	-138	-343	-85
Interest-bearing pension liabilities	-111	-131	-111
Total borrowings	-249	-474	-196
Cash and bank	212	346	318
Net financial liabilities (-) / assets (+)	-37	-128	122
Working capital	55	125	29
As a percentage of sales (avg.) (%)	2.2	4.4	1.3
Capital employed	1,550	1,662	1,544
Return on capital employed (avg.) (%)	24.1	23.0	26.7
Shareholders' equity	1,301	1,188	1,348
Return on shareholders' equity (avg.) (%)	24.0	24.2	24.9

■ Personnel

The average number of employees during the period was 6,152 (10,827). The decrease in the number of employees is primarily 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 2013 Annual Report on pages 14, 48 – 49, and in Note 4 on pages 59 – 60.

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

■ Events after the balance sheet date

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

■ 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 8,909 as of 30 June. The largest shareholders were the Jorlén family with 10%, the Boström family with 9%, Odin Fonder with 4%, Skandia Fonder with 4%, Svolder with 3% and the Paulsson family with 3% of the share capital.

■ The Parent Company

In the parent company, which is not trading, sales amounted to SEK 15 million (13). Income after financial items amounted to SEK 26 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 year-end report has been prepared in accordance with IAS 34 (Interim Financial Reporting) and the applicable provisions of the Swedish Annual Accounts Act. The Swedish Securities Market Act has been applied in relation to publication of this interim report.

The consolidated accounts have been prepared in accordance with the same principles as those applied in the most recent Annual Report, which are described in the 2013 Annual Report on pages 56 – 58.

The new or revised IFRS standards or IFRIC interpretations, which came into effect on 1 January 2014, have not had any material effect on the consolidated income statement or balance sheet.

The interim report for the Parent Company was prepared in accordance with Chapter 9 of the Swedish Annual Accounts Act.

■ Financial information schedule

- Nine-month interim report 2014: 28 October 2014

■ Contact:

- Hans Porat, President and CEO, tel. +46705 517550.
- Per-Ola Holmström, CFO, tel. +46705 763340.

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

Torekov 21 July 2014

Fredrik Arp
Chairman of the Board

Henrik Jorlén
Board member

Lars-Åke Rydh
Board member

Sven Boström Svensson
Board member

Dag Andersson
Board member

Åsa Hedin
Board member

Hans Porat
Board member
President

Ingegerd Andersson
Board member
Employee representative

Håkan Svensson
Board member
Employee representative

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 21 July 2014 at 14:30.

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 2014 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 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 (ISRE) 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 ISA 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 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 21 July 2014

Alf Svensson
Authorised public accountant

■ Consolidated income statement (summary)

SEK million	Q2 2014	Q2 2013	Q1 - Q2 2014	Q1 - Q2 2013	Rolling 12 months	Full year 2013
Net sales	965	1,164	1,897	2,418	4,001	4,522
Cost of goods sold	- 810	- 996	- 1,583	- 2,072	- 3,379	- 3,868
Gross profit	155	168	314	346	622	654
Other operating income	3	3	5	5	19	19
Selling expenses	- 22	- 23	- 50	- 43	- 96	- 89
Administrative expenses	- 40	- 41	- 83	- 83	- 165	- 165
Other operating expenses	—	—	—	—	- 8	- 8
	- 59	- 61	- 128	- 121	- 250	- 243
Operating profit	96	107	186	225	372	411
Financial income and expense	8	- 2	6	- 7	5	- 8
Profit after financial income and expense	104	105	192	218	377	403
Tax	- 23	- 27	- 44	- 55	- 78	- 89
Profit after tax	81	78	148	163	299	314
All earnings are attrib. to the Parent Co.'s shareholders						
Depreciation/amortisation	39	40	78	79	156	157
Earnings per share, basic and diluted (SEK)	3.08	2.97	5.63	6.20	11.37	11.94
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 2014	Q2 2013	Q1 - Q2 2014	Q1 - Q2 2013	Rolling 12 months	Full year 2013
Profit after tax		81	78	148	163	299	314
Other comprehensive income							
<i>Items that cannot be transferred to profit for the period</i>							
Revaluations of defined benefit pension plans		—	—	—	—	9	9
Tax attributable to items that cannot be transferred to profit for the period		—	—	—	—	- 2	- 2
		—	—	—	—	7	7
<i>Items that have been converted or can be converted into profit for the period</i>							
Translation differences for the period on transl. of foreign oper.		23	21	16	14	17	15
Changes in the fair value of cash flow hedges for the per.	1	—	—	- 1	- 1	—	—
		23	21	15	13	17	15
Other comprehensive income, net of tax		23	21	15	13	24	22
Total comp. income for the period attributable to the Parent Co.'s shareholders		104	99	163	176	323	336

■ Reconciliation of consolidated income before tax

SEK million	Q1 - Q2 2014	Q1 - Q2 2013	Rolling 12 months	Full year 2013
Operating profit (EBIT)				
Nolato Medical	84	78	158	152
Nolato Telecom	53	100	119	166
Nolato Industrial	60	58	118	116
Group adjustments, Parent Company	- 11	- 11	- 23	- 23
Consolidated operating profit (EBIT)	186	225	372	411
Financial income and expense (not distributed by business areas)	6	- 7	5	- 8
Consolidated profit before tax	192	218	377	403

■ Consolidated balance sheet (summary)

SEK million	Note	30/06/2014	30/06/2013	31/12/2013
Assets				
Non-current assets				
Intangible non-current assets		540	543	538
Property, plant and equipment		802	721	733
Non-current financial assets		2	2	2
Other non-current receivables		2	2	2
Deferred tax assets		33	36	36
Total fixed assets		1,379	1,304	1,311
Current assets				
Inventories		267	300	259
Accounts receivable		589	815	598
Other current assets	1	114	93	87
Cash and bank		212	346	318
Total current assets		1,182	1,554	1,262
Total assets		2,561	2,858	2,573
Shareholders' equity and liabilities				
Shareholders' equity		1,301	1,188	1,348
Long-term liabilities and provisions ¹⁾		137	164	141
Deferred tax liabilities ¹⁾		70	80	84
Current liabilities and provisions ¹⁾	1	1,053	1,426	1,000
Total liabilities and provisions		1,260	1,670	1,225
Total shareholders' equity and liabilities		2,561	2,858	2,573
¹⁾ Interest-bearing/non-interest-bearing liabilities and provisions:				
Interest-bearing liabilities and provisions		249	474	196
Non-interest-bearing liabilities and provisions		1,011	1,196	1,029
Total liabilities and provisions		1,260	1,670	1,225

■ Changes in consolidated shareholders' equity (summary)

SEK million	Q1 - Q2 2014	Q1 - Q2 2013	Full year 2013
Shareholders' equity at the beginning of the period	1,348	1,170	1,170
Total comprehensive income for the period	163	176	336
Dividends	- 210	- 158	- 158
Shareholders' equity at the end of period attrib. to Parent Co's shareholders	1,301	1,188	1,348

In 2014, a dividend totalling SEK 210 million was paid to the Parent Company's shareholders, corresponding to an ordinary dividend of SEK 4.00 and extraordinary dividend of SEK 4.00, totalling SEK 8.00 per share. The Group does not have any incentive programmes resulting in a dilutive effect in the number of shares.

■ Consolidated cash flow statement (summary)

SEK million	Q2 2014	Q2 2013	Q1 - Q2 2014	Q1 - Q2 2013	Rolling 12 months	Full year 2013
Cash flow from op. activities bef. changes in work. cap.	110	106	215	218	448	451
Changes in working capital	- 18	51	- 62	- 21	20	61
Cash flow from operating activities	92	157	153	197	468	512
Cash flow from investment activities	- 59	- 37	- 103	- 61	- 186	- 144
Cash flow before financing activities	33	120	50	136	282	368
Cash flow from financing activities	- 111	- 21	- 157	- 69	- 415	- 327
Cash flow for the period	- 78	99	- 107	67	- 133	41
Liquid assets at the beginning of the period	283	238	318	272	—	272
Exchange rate difference in liquid assets	7	9	1	7	—	5
Liquid assets at the end of the period	212	346	212	346	—	318

■ Earnings per share

SEK million	Q2 2014	Q2 2013	Q1 - Q2 2014	Q1 - Q2 2013	Rolling 12 months	Full year 2013
Profit after tax	81	78	148	163	299	314
Adjusted earnings:						
Amortisation of intangible assets arising from acquis.	4	4	8	8	16	16
Tax on amortisation	- 1	- 1	- 2	- 2	- 4	- 4
Adjusted earnings	84	81	154	169	311	326
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) *	3.08	2.97	5.63	6.20	11.37	11.94
Adjusted earnings per share (SEK) *	3.19	3.07	5.85	6.42	11.82	12.39

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

■ Five-year overview

	2013	2012	2011	2010	2009
Net sales (SEK million)	4,522	3,874	2,977	3,375	2,602
Operating profit (EBITA) (SEK million)	427	303	199	262	166
EBITA margin (%)	9.4	7.8	6.7	7.8	6.4
Operating profit (EBIT) (SEK million)	411	287	190	253	158
Profit after financial income and expense (SEK million)	403	272	183	243	148
Profit after tax (SEK million)	314	202	132	187	123
Cash flow after investments, excl. acq. and disposals (SEK million)	362	317	112	230	139
Return on capital employed (%) *	26.7	19.4	13.9	18.4	12.1
Return on shareholders' equity (%) *	24.9	17.7	11.6	16.5	11.5
Net financial assets (+) liabilities (-) (SEK million) *	122	- 113	- 119	- 34	- 40
Equity/assets ratio (%) *	52	44	52	50	51
Earnings per share (SEK)	11.94	7.68	5.02	7.11	4.68
Adjusted earnings per share (SEK)	12.39	8.13	5.28	7.37	4.90
Dividend per share (SEK)	8.00	6.00	5.00	6.00	3.00
Average number of employees	9,357	8,421	5,496	7,563	4,308

* The years 2009 - 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 applies.

■ Quarterly data (summary)

		Q1	Q2	Q3	Q4	Full year
Net sales (SEK million)	2014	932	965	—	—	—
	2013	1,254	1,164	1,119	985	4,522
	2012	837	1,046	999	992	3,874
Operating profit (EBITDA) (SEK million)	2014	129	135	—	—	—
	2013	157	147	136	128	568
	2012	91	117	118	118	444
Operating profit (EBITA) (SEK million)	2014	94	100	—	—	—
	2013	122	111	103	91	427
	2012	57	81	84	81	303
EBITA margin (%)	2014	10.1	10.4	—	—	—
	2013	9.7	9.5	9.2	9.2	9.4
	2012	6.8	7.7	8.4	8.2	7.8
Operating profit (EBIT) (SEK million)	2014	90	96	—	—	—
	2013	118	107	99	87	411
	2012	55	77	79	76	287
Profit after financial income and expense (SEK million)	2014	88	104	—	—	—
	2013	113	105	97	88	403
	2012	51	74	74	73	272
Profit after tax (SEK million)	2014	67	81	—	—	—
	2013	85	78	74	77	314
	2012	37	54	52	59	202
Cash flow after inv., excl. acq. and disp. (SEK million)	2014	17	33	—	—	—
	2013	16	120	61	165	362
	2012	– 32	56	83	210	317
Earnings per share, basic and diluted (SEK)	2014	2.55	3.08	—	—	—
	2013	3.23	2.97	2.81	2.93	11.94
	2012	1.41	2.05	1.98	2.24	7.68
Adjusted earnings per share (SEK)	2014	2.66	3.19	—	—	—
	2013	3.35	3.07	2.93	3.04	12.39
	2012	1.44	2.17	2.13	2.39	8.13
Shareholders' equity per share (SEK)	2014	53	49	—	—	—
	2013	47	45	48	51	51
	2012	43	41	42	44	44
Return on total capital (%)	2014	14.3	14.3	—	—	—
	2013	13.6	13.7	15.0	15.9	15.9
	2012	9.4	9.8	10.9	11.9	11.9
Return on capital employed (%) *	2014	24.7	24.1	—	—	—
	2013	23.3	23.0	25.5	26.7	26.7
	2012	15.2	15.9	17.8	19.4	19.4
Return on operating capital (%) *	2014	29.1	28.0	—	—	—
	2013	26.3	26.9	28.8	32.6	32.6
	2012	16.9	17.2	19.6	22.6	22.6
Return on shareholders' equity (%) *	2014	22.3	24.0	—	—	—
	2013	20.9	24.2	25.2	24.9	24.9
	2012	12.3	15.2	15.9	17.7	17.7

■ Quarterly data business areas

Net sales (SEK million)	Q1	Q2	Q3	Q4	Full year
Nolato Medical	2014 326	343	—	—	—
	2013 328	323	310	313	1,274
	2012 246	315	288	310	1,159
Nolato Telecom	2014 320	344	—	—	—
	2013 627	541	516	395	2,079
	2012 287	423	444	394	1,548
Nolato Industrial	2014 286	279	—	—	—
	2013 299	300	293	278	1,170
	2012 304	309	268	289	1,170
Group adjustments, Parent Company	2014 —	-1	—	—	—
	2013 —	—	—	-1	-1
	2012 —	-1	-1	-1	-3
Group total	2014 932	965	—	—	—
	2013 1,254	1,164	1,119	985	4,522
	2012 837	1,046	999	992	3,874
Operating profit (EBITA) (SEK million)	Q1	Q2	Q3	Q4	Full year
Nolato Medical	2014 45	46	—	—	—
	EBITA margin (%) 13.8	13.4	—	—	—
	2013 43	42	41	39	165
	EBITA margin (%) 13.1	13.0	13.2	12.5	13.0
	2012 31	36	32	34	133
	EBITA margin (%) 12.6	11.4	11.1	11.0	11.5
Nolato Telecom	2014 23	30	—	—	—
	EBITA margin (%) 7.2	8.7	—	—	—
	2013 57	43	35	31	166
	EBITA margin (%) 9.1	7.9	6.8	7.8	8.0
	2012 7	21	35	33	96
	EBITA margin (%) 2.4	5.0	7.9	8.4	6.2
Nolato Industrial	2014 31	30	—	—	—
	EBITA margin (%) 10.8	10.8	—	—	—
	2013 29	30	33	27	119
	EBITA margin (%) 9.7	10.0	11.3	9.7	10.2
	2012 28	29	24	24	105
	EBITA margin (%) 9.2	9.4	9.0	8.3	9.0
Group adjustments, Parent Company	2014 -5	-6	—	—	—
	2013 -7	-4	-6	-6	-23
	2012 -9	-5	-7	-10	-31
Group total	2014 94	100	—	—	—
	EBITA margin (%) 10.1	10.4	—	—	—
	2013 122	111	103	91	427
	EBITA margin (%) 9.7	9.5	9.2	9.2	9.4
	2012 57	81	84	81	303
	EBITA margin (%) 6.8	7.7	8.4	8.2	7.8
Depreciation/amortisation (SEK million)	Q1	Q2	Q3	Q4	Full year
Nolato Medical	2014 18	19	—	—	—
	2013 18	20	18	19	75
	2012 15	18	19	20	72
Nolato Telecom	2014 10	10	—	—	—
	2013 10	10	9	10	39
	2012 10	10	10	11	41
Nolato Industrial	2014 11	10	—	—	—
	2013 11	10	10	12	43
	2012 11	12	10	11	44
Group total	2014 39	39	—	—	—
	2013 39	40	37	41	157
	2012 36	40	39	42	157

■ Group financial highlights

	Q2 2014	Q2 2013	Q1 - Q2 2014	Q1 - Q2 2013	Rolling 12 months	Full year 2013
Net sales (SEK million)	965	1,164	1,897	2,418	4,001	4,522
Sales growth (%)	- 17	11	- 22	28	- 9	17
Percentage of sales outside Sweden (%)	78	80	77	81	76	80
Operating profit (EBITDA) (SEK million)	135	147	264	304	528	568
Operating profit (EBITA) (SEK million)	100	111	194	233	388	427
EBITA margin (%)	10.4	9.5	10.2	9.6	9.7	9.4
Profit after financial income and expense (SEK million)	104	105	192	218	377	403
Profit margin (%)	10.8	9.0	10.1	9.0	9.4	8.9
Profit after tax (SEK million)	81	78	148	163	299	314
Return on total capital (%)	14.3	13.7	14.3	13.7	14.3	15.9
Return on capital employed (%)	24.1	23.0	24.1	23.0	24.1	26.7
Return on operating capital (%)	28.0	26.9	28.0	26.9	28.0	32.6
Return on shareholders' equity (%)	24.0	24.2	24.0	24.2	24.0	24.9
Equity/assets ratio (%)	51	42	51	42	51	52
Debt/equity (%)	19	40	19	40	19	15
Interest coverage ratio (times)	41	37	42	36	43	37
Net investments affecting cash flow, excl. acq. and disposals (SEK million)	59	37	103	61	192	150
Cash flow after inv., excl. acq. and disp. (SEK million)	33	120	50	136	276	362
Cash conversion (%)	—	—	—	—	67	82
Net financial liabilities (-) / assets (+) (SEK million)	- 37	- 128	- 37	- 128	- 37	122
Earnings per share, basic and diluted (SEK)	3.08	2.97	5.63	6.20	11.37	11.94
Adjusted earnings per share (SEK)	3.19	3.07	5.85	6.42	11.82	12.39
Cash flow per share, excl. acq. and disposals (SEK)	1.25	4.56	1.90	5.17	10.49	13.76
Shareholders' equity per share (SEK)	—	—	49	45	—	51
Average number of employees	—	—	6,152	10,827	—	9,357

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.

Cash conversion

Cash flow after investments, excl. acquisitions and disposals, divided with operating profit (EBIT). Cash flow and operating profit have been adjusted with non-recurring items.

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 2014	Q2 2013	Q1 - Q2 2014	Q1 - Q2 2013	Rolling 12 months	Full year 2013
Net sales	7	6	15	13	25	23
Other operating income	1	1	1	2	1	2
Selling expenses	-3	-2	-5	-4	-9	-8
Administrative expenses	-13	-11	-24	-23	-49	-48
Operating profit	-8	-6	-13	-12	-32	-31
Profit from participations in Group companies	17	6	17	7	123	113
Financial income	19	7	24	12	34	22
Financial expenses	—	2	-2	-4	-17	-19
Profit after financial income and expense	28	9	26	3	108	85
Appropriations	—	—	—	—	157	157
Tax	—	2	1	-10	-37	-48
Profit after tax	28	11	27	-7	228	194
Depreciation/amortisation	—	—	—	—	—	—

■ Parent Company balance sheet (summary)

SEK million	30/06/2014	30/06/2013	31/12/2013
Assets			
Intangible fixed assets	—	1	1
Property, plant and equipment	1	—	—
Financial assets	1,002	991	1,030
Deferred tax assets	10	8	4
Total fixed assets	1,013	1,000	1,035
Other receivables	183	272	349
Cash and bank	29	120	40
Total current assets	212	392	389
Total assets	1,225	1,392	1,424
Shareholders' equity and liabilities			
Shareholders' equity	752	733	935
Untaxed reserves	181	179	181
Other provisions	8	5	6
Current liabilities	284	475	302
Total shareholders' equity and liabilities	1,225	1,392	1,424
Pledged assets	—	—	—
Contingent liabilities	130	107	98

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 2014	15	-2	10	—	17	549	137
Subsidiary	Jan-Jun 2013	13	-2	11	—	7	694	107

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 Financial instruments

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

SEK million	30/06/2014	30/06/2013	31/12/2013
Other receivables			
Derivative assets	—	—	3
Other liabilities			
Derivative liabilities	11	3	—