

Nolato AB (publ) six-month interim report 2010

Very strong first six months

■ Second quarter of 2010 in brief

- Sales rose by 58% to SEK 878 million (557)
- Operating income (EBITA) rose to SEK 69 million (39)
- Net income was SEK 52 million (29)
- Earnings per share were SEK 1.98 (1.10)
- Cash flow after investments was SEK 71 million (35)

■ First six months of 2010 in brief

- Sales rose by 40% to SEK 1,624 million (1,163)
- Operating income (EBITA) was SEK 132 million (55)
- Earnings per share were SEK 3.69 (1.25)
- Good financial position

■ Group highlights

SEK millions unless otherwise specified	Q2 2010	Q2 2009	Q1-Q2 2010	Q1-Q2 2009	Rolling 12 months	Full year 2009
Net sales	878	557	1,624	1,163	3,063	2,602
Operating income (EBITDA) ¹⁾	105	77	205	133	415	343
Operating income (EBITA) ²⁾	69	39	132	55	243	166
EBITA margin, %	7.9	7.0	8.1	4.7	7.9	6.4
Income after financial items	65	42	122	48	222	148
Net income	52	29	97	33	187	123
Earnings per share before and after dilution, SEK*	1.98	1.10	3.69	1.25	7.12	4.68
Adjusted earnings per share, SEK* ³⁾	2.01	1.14	3.80	1.37	7.33	4.90
Cash flow after investments, excl. acquisitions and disposals	71	35	71	91	119	139
Net investments affecting cash flow, excl. acquisitions and disposals	45	14	69	31	156	118
Return on capital employed, %	—	—	—	—	18.4	12.1
Return on shareholders' equity, %	—	—	—	—	17.5	11.5
Equity/assets ratio, %	—	—	49	56	—	51
Net debt	—	—	43	72	—	40

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

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

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

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

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.

Second quarter 2010

- Sales rose by 58% to SEK 878 million (557)
- Operating income (EBITA) was SEK 69 million (39)
- Growth and higher earnings within all business areas

■ Sales

The Group's sales totalled SEK 878 million (557), representing an increase of 58% compared with the corresponding period during the previous year. Currency exchange rate differences had an adverse impact on sales of around 6%.

Nolato Medical's sales rose by 5% to SEK 185 million (177). Excluding currency conversion effects, sales rose by 8%. Changes in volumes were in line with market growth.

Nolato Telecom's sales rose by 137% to SEK 434 million (183). Excluding currency conversion effects, sales rose by 151%. Volumes were high as a result of customers building up stocks in connection with product launches. Onward sales of components (touchscreens) also contributed approximately SEK 50 million in additional sales.

Nolato Industrial's sales rose by 31% to SEK 259 million (197). Demand has risen within most customer segments, albeit from very low levels in the corresponding period during the previous year. This rise in demand, combined with new products, has contributed towards strong sales growth.

■ Income

The Group's operating income (EBITA) was SEK 69 million (39).

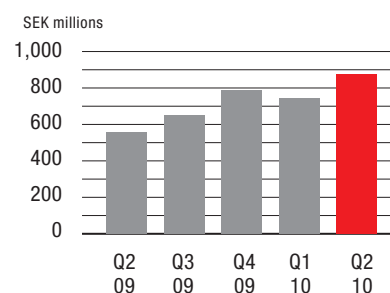
Nolato Medical's operating income (EBITA) was SEK 24 million (23), Nolato Telecom's was SEK 34 million (32) and Nolato Industrial's was SEK 23 million (-7).

Nolato Medical's EBITA margin was 13.0% (13.0).

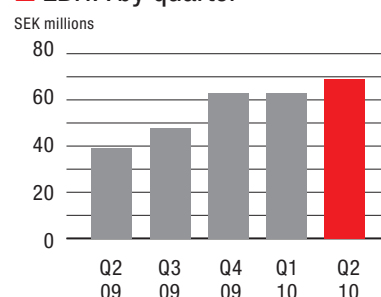
Nolato Telecom's EBITA margin was 7.8% (-1.6 excluding non-recurring items). Including the bankruptcy payment from BenQ of SEK 35 million, the margin for the previous year stood at 17.5%. An almost entirely new product mix and high levels of capacity utilisation have had a positive impact on the margin, which has been countered to some degree by a higher proportion of components.

The EBITA margin for Nolato Industrial was a strong 8.9% (2.5 excluding non-recurring items). Including costs relating to staff cut-backs totalling

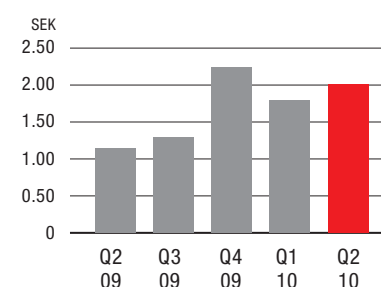
■ Sales by quarter



■ EBITA by quarter



■ Adjusted earnings per share by quarter



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

SEK millions	Sales Q2/2010	Sales Q2/2009	Op. income (EBITA) Q2/2010	Op. income (EBITA) Q2/2009	EBITA margin Q2/2010	EBITA margin Q2/2009
Nolato Medical	185	177	24	23	13.0%	13.0%
Nolato Telecom	434	183	34	32	7.8%	17.5%
Nolato Industrial	259	197	23	-7	8.9%	-3.6%
Intra-Group adj., Parent Co	0	0	-12	-9	—	—
Group total	878	557	69	39	7.9%	7.0%

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

SEK 12 million, the margin for the previous year was -3.6%. High levels of capacity utilisation, new products and lower costs had a positive impact on the margin.

Overall, the Group's EBITA margin rose to 7.9% (3.4 excluding and 7.0 including non-recurring items). Currency effects had a negative impact of around SEK -1 million (-2). These currency effects consist of transaction effects charged to the income statement at SEK 0 million and negative currency conversion effects of SEK -1 million compared with the corresponding period during the previous year.

Operating income (EBIT) was SEK 67 million (37).

Income after net financial items was SEK 65 million (42). These net financial items include currency exchange rate effects of SEK 0 million (6) during the second quarter.

Net income was SEK 52 million (29). Earnings per share before and after dilution stood at SEK 1.98 (1.10). Adjusted earnings per share excluding amortisation of intangible assets arising from acquisitions were SEK 2.01 (1.14). The effective tax rate was 20% (31).

First six months 2010

■ Sales and earnings

The Group's sales totalled SEK 1,624 million (1,163) during the first six months of 2010, representing an increase of 40% compared with the corresponding period during the previous year. Currency effects had a negative impact on sales of -7%.

Nolato Medical's sales rose by 5% to SEK 371 million (355), Nolato Telecom's sales rose by 84% to SEK 754 million (409) and Nolato Industrial's sales rose by 24% to SEK 500 million (403).

The Group's operating income (EBITA) was thus SEK 132 million (55), with an EBITA margin of 8.1% (3.0 excluding and 4.7 including non-recurring items).

Operating income (EBIT) was SEK 128 million (51).

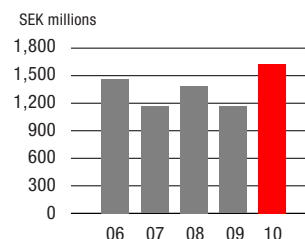
Income after net financial items was SEK 122 million (48). Net financial items included SEK -1 million (0) in currency exchange rate difference effects.

Net income was SEK 97 million (33). Earnings per share before and after dilution stood at SEK 3.69 (1.25). Adjusted earnings per share excluding amortisation of intangible assets arising from acquisitions were SEK 3.80 (1.37). The effective tax rate was 20% (31).

The return on capital employed was 18.4% for the last twelve months (12.1% for the 2009 calendar year). The return on operating capital was 20.8% for the last twelve months (13.9% for the 2009 calendar year).

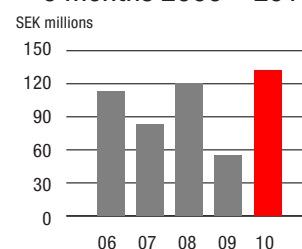
■ Sales

6 months 2006 – 2010



■ EBITA

6 months 2006 – 2010



■ Nolato Medical

Sales and income Q1–Q2 (SEK millions)	2010	2009
Sales	371	355
Operating income (EBITA)	47	47
EBITA margin (%)	12.7	13.2
Operating income (EBIT)	44	44

Nolato Medical saw sales rise to SEK 371 million (355), corresponding to growth of 5%. Excluding currency conversion effects, sales rose by 8%. Changes in volumes were in line with market growth.

Operating income (EBITA) stood at SEK 47 million (47). The EBITA margin was 12.7% (13.2). This margin was affected by continued investments in project resources and technical resources.

As previously announced, capacity is being increased in Hörby by 3,700 m² in order to create the optimum production structure. This work is running according to plan. The premises are rented from the municipal property company Hörby Industrifastigheter, which is also responsible for the enlargement work.

■ Nolato Telecom

Sales and income Q1–Q2 (SEK millions)	2010	2009
Sales	754	409
Operating income (EBITA)	66	32
EBITA margin (%)	8.8	7.8
Operating income (EBIT)	66	32

Nolato Telecom's sales rose by 84% to SEK 754 million (409). Excluding currency conversion effects, sales rose by 98%. Volumes were high as a result of customers building up stocks in connection with product launches. This has meant that the normal seasonal variation, involving a weaker first six months, does not apply for the current year. A higher proportion of components (touchscreens) has also resulted in sales rising by approximately SEK 50 million during the second quarter.

Operating income (EBITA) increased to SEK 66 million (–3 excluding and 32 including non-recurring items). The EBITA margin was 8.8% (0.7 excluding non-recurring items). An almost entirely new product mix and high levels of capacity utilisation have had a positive impact on the margin.

Nolato Lovepac Converting moved its operations in southern China to new, more suitable production premises during the second quarter.

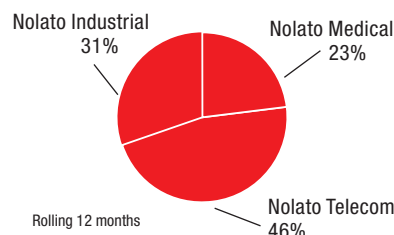
■ Nolato Industrial

Sales and income Q1–Q2 (SEK millions)	2010	2009
Sales	500	403
Operating income (EBITA)	40	–8
EBITA margin (%)	8.0	–2.0
Operating income (EBIT)	39	–9

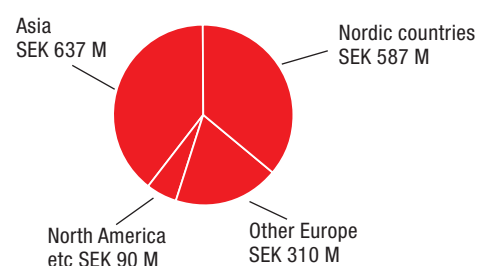
Nolato Industrial's sales rose by 24% to SEK 500 million (403). Demand has risen within most customer segments, albeit from very low levels in the corresponding period during the previous year. At the same time, new products have led to a rise in sales.

Operating income (EBITA) was SEK 40 million (4 excluding and –8 including non-recurring items), with an EBITA margin of 8.0% (1.0 excluding non-recurring items). High levels of capacity utilisation, new products and

■ Business areas' share of sales



■ Sales by geographic markets Q1–Q2 2010



the full effect of earlier restructuring measures had a positive impact on the margin.

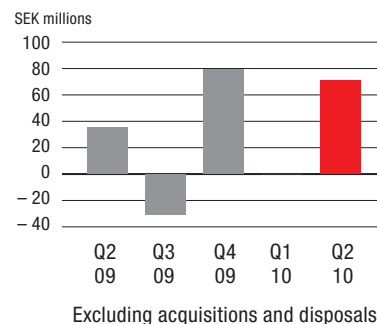
■ Cash flow

Cash flow before investments totalled SEK 140 million (122). The change in working capital was a negative SEK -26 million (36). A sharp rise in sales during the first six months of 2010 resulted in higher levels of working capital. Cash flow after investments was SEK 71 million (91). Net investments affecting cash flow totalled SEK 69 million (31).

■ Financial position

Interest-bearing assets totalled SEK 186 million (75), and interest-bearing liabilities and provisions totalled SEK 229 million (147). Net debt thus totalled SEK 43 million (72). Shareholders' equity stood at SEK 1,125 million (1,019). The equity/assets ratio was 49% (56). During the second quarter, dividends totalling SEK 79 million were paid to shareholders.

■ Cash flow after investments per quarter



■ Consolidated performance analysis

SEK millions	Q2 2010	Q2 2009	Q1-Q2 2010	Q1-Q2 2009	Rolling 12 months	Full year 2009
Net sales	878	557	1,624	1,163	3,063	2,602
Gross income excl. depreciation/amortisation	165	92	320	205	616	501
<i>As a percentage of net sales</i>	18.8	16.5	19.7	17.6	20.1	19.3
Costs	-60	-15	-115	-72	-201	-158
<i>As a percentage of net sales</i>	6.8	2.7	7.1	6.2	6.6	6.1
Operating income (EBITDA)	105	77	205	133	415	343
<i>As a percentage of net sales</i>	12.0	13.8	12.6	11.4	13.5	13.2
Depreciation and amortisation	-36	-38	-73	-78	-172	-177
Operating income (EBITA)	69	39	132	55	243	166
<i>As a percentage of net sales</i>	7.9	7.0	8.1	4.7	7.9	6.4
Amortisation of intang. assets arising from acquisitions	-2	-2	-4	-4	-8	-8
Operating income (EBIT)	67	37	128	51	235	158
Financial items	-2	5	-6	-3	-13	-10
Income after financial items	65	42	122	48	222	148
Tax	-13	-13	-25	-15	-35	-25
<i>As a percentage of income after financial items</i>	20.0	31.0	20.5	31.3	15.8	16.9
Net income	52	29	97	33	187	123

■ Financial position

SEK millions	30/06/2010	30/06/2009	31/12/2009
Interest-bearing liabilities, credit institutions	136	57	120
Interest-bearing pension liabilities	93	90	92
Total borrowings	229	147	212
Cash and bank	-186	-75	-172
Net debt	43	72	40
Working capital	176	91	133
<i>As a percentage of sales (avg.) (%)</i>	4.4	5.8	4.5
Capital employed	1,354	1,166	1,298
<i>Return on capital employed (avg.) (%)</i>	18.4	13.7	12.1
Shareholders' equity	1,125	1,019	1,086
<i>Return on shareholders' equity (avg.) (%)</i>	17.5	13.0	11.5

■ Personnel

The average number of employees during the period was 7,855 (3,292). The significant increase is due mainly to high demand for staff in connection with mobile phone project start-ups in China.

■ Significant risks and uncertainty factors

The business risks and risk management of the Group and the Parent Company, along with the management of financial risks, are described in the 2009 Annual Report on pages 32–33, and in Note 4 on pages 50–51.

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

■ Events after the balance sheet date

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

■ 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 OMX Nordic Exchange in the Stockholm Small Cap segment, where they are included in the information technology sector.

The number of shareholders rose by 17% during the first six months, totalling 7,712 on 30 June 2010. The largest shareholders were the Paulsson family with 12% of the share capital, the Jorlén family with 10%, and the Boström family with 9%. The ten largest shareholders include financial institutions which own an additional 28% of the share capital, with Lannebo Fonder, Svolder and IF Skadeförsäkring being the largest. The ten largest shareholders hold 59% of the share capital and 79% of the votes.

■ The Parent Company

Sales totalled SEK 12 million (13). The drop in sales is a result of lower costs levied on subsidiaries. Income after financial items was SEK 1 million (52). This drop is mainly 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 2009 Annual Report on pages 45–49.

The consolidated interim 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 interim report has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Securities Market Act, in line with the provisions of RFR 2.2, Accounting for Legal Entities.

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

■ Financial calendar

- Nine-month interim report 2010:
26 October 2010

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 2010

Fredrik Arp
Chairman of the Board

Gun Boström
Board member

Henrik Jorlén
Board member

Erik Paulsson
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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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 21 July 2010 at 2:00 pm.

The report has been reviewed by the company's auditor.

■ Review report

Introduction

I have reviewed the summary interim financial information (interim report) for Nolato AB (publ) as at 30 June 2010 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 21 July 2010

Alf Svensson
Authorised public accountant

■ Consolidated income statement (summary)

SEK millions	Q2 2010	Q2 2009	Q1–Q2 2010	Q1–Q2 2009	Rolling 12 months	Full year 2009
Net sales	878	557	1,624	1,163	3,063	2,602
Cost of goods sold	– 748	– 502	– 1,375	– 1,034	– 2,614	– 2,273
Gross profit	130	55	249	129	449	329
Other operating income	1	36	1	36	6	41
Selling expenses	– 19	– 21	– 37	– 41	– 67	– 71
Administrative expenses	– 44	– 31	– 82	– 65	– 149	– 132
Other operating expenses	– 1	– 2	– 3	– 8	– 4	– 9
	– 63	– 18	– 121	– 78	– 214	– 171
Operating income	67	37	128	51	235	158
Financial items	– 2	5	– 6	– 3	– 13	– 10
Income after financial items	65	42	122	48	222	148
Tax	– 13	– 13	– 25	– 15	– 35	– 25
Net income	52	29	97	33	187	123
All earnings are attrib. to the Parent Co.'s shareholders						
Depreciation/amortisation/writedowns	38	40	77	82	180	185
Earnings per share before and after dilution (SEK)	1.98	1.10	3.69	1.25	7.12	4.68
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 millions	Q2 2010	Q2 2009	Q1–Q2 2010	Q1–Q2 2009	Rolling 12 months	Full year 2009
Net income	52	29	97	33	187	123
Other comprehensive income						
Translation differences for the period	23	– 14	21	– 1	– 3	– 25
Cash flow hedges	0	1	0	1	2	3
Tax attributable to cash flow hedges	0	0	0	0	– 1	– 1
Other comprehensive income, net of tax	23	– 13	21	0	– 2	– 23
Total comp. inc. for the period attrib. to the Parent Co.'s shareholders	75	16	118	33	185	100

■ Consolidated balance sheet (summary)

SEK millions	30/06/2010	30/06/2009	31/12/2009
Assets			
Fixed assets			
Intangible fixed assets	370	374	373
Tangible fixed assets	693	714	702
Other securities held as fixed assets	2	2	2
Other long-term receivables	1	1	1
Deferred tax assets	34	18	25
Total fixed assets	1,100	1,109	1,103
Current assets			
Inventories	254	211	215
Accounts receivable	680	375	573
Other current assets	74	48	50
Cash and bank	186	75	172
Total current assets	1,194	709	1,010
Total assets	2,294	1,818	2,113
Shareholders' equity and liabilities			
Shareholders' equity	1,125	1,019	1,086
Long-term liabilities and provisions ¹⁾	194	200	202
Short-term liabilities and provisions ¹⁾	975	599	825
Total liabilities and provisions	1,169	799	1,027
Total shareholders' equity and liabilities	2,294	1,818	2,113
¹⁾ Interest-bearing/non-interest-bearing liabilities and provisions:			
Interest-bearing liabilities and provisions	229	147	212
Non-interest-bearing liabilities and provisions	940	652	815
Total liabilities and provisions	1,169	799	1,027

■ Changes in consolidated shareholders' equity

SEK millions	Q1–Q2 2010	Q1–Q2 2009	Full year 2009
Shareholders' equity at the beginning of the period	1,086	1,058	1,058
Total comprehensive income for the period	118	33	100
Dividends	– 79	– 72	– 72
Shareholders' equity at end of period attrib. to Parent Co's shareholders	1,125	1,019	1,086

During 2010 a dividend totalling SEK 79 million (72), was paid to the Parent Company's shareholders, corresponding to SEK 3.00 per share (2.75). The Group does not have any incentive programmes resulting in a dilutive effect.

■ Consolidated cash flow statement (summary)

SEK millions	Q2 2010	Q2 2009	Q1–Q2 2010	Q1–Q2 2009	Rolling 12 months	Full year 2009
Cash flow from op. activities before changes in working cap.	90	62	166	86	344	264
Changes in working capital	26	– 13	– 26	36	– 69	– 7
Cash flow from operations	116	49	140	122	275	257
Cash flow from investment activities	– 45	– 14	– 69	– 31	– 156	– 118
Cash flow before financing activities	71	35	71	91	119	139
Cash flow from financing activities	– 16	– 142	– 63	– 184	– 9	– 130
Cash flow for the period	55	– 107	8	– 93	110	9
Liquid funds at the beginning of the period	124	189	172	168	—	168
Exchange rate difference in liquid funds	7	– 7	6	0	—	– 5
Liquid funds at the end of the period	186	75	186	75	—	172

■ Earnings per share

SEK millions	Q2 2010	Q2 2009	Q1–Q2 2010	Q1–Q2 2009	Rolling 12 months	Full year 2009
Net income	52	29	97	33	187	123
Adjusted earnings:						
Amortisation of intangible assets arising from acquisitions	2	2	4	4	8	8
Tax on amortisation	– 1	– 1	– 1	– 1	– 2	– 2
Adjusted earnings	53	30	100	36	193	129
Average number of shares*	26,307,408	26,307,408	26,307,408	26,307,408	26,307,408	26,307,408
Earnings per share before and after dilution (SEK)*	1.98	1.10	3.69	1.25	7.12	4.68
Adjusted earnings per share (SEK)*	2.01	1.14	3.80	1.37	7.33	4.90

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

■ Five-year overview

	2009	2008	2007	2006	2005
Net sales (SEK millions)	2,602	2,824	2,421	2,702	2,256
Operating income (EBITA) (SEK millions)	166	240	197	79	221
EBITA margin (%)	6.4	8.5	8.1	2.9	9.8
Operating income (EBIT) (SEK millions)	158	232	190	78	221
Income after financial items (SEK millions)	148	216	171	69	208
Net income (SEK millions)	123	178	150	48	181
Return on capital employed (%)	12.1	18.4	16.3	7.4	21.0
Return on shareholders' equity (%)	11.5	18.4	18.0	5.9	24.2
Equity/assets ratio (%)	51	50	46	46	50
Earnings per share (SEK)	4.68	6.77	5.70	1.82	6.88
Adjusted earnings per share (SEK)	4.90	6.99	5.32	6.08	6.31

■ Quarterly data (summary)

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

■ Quarterly data business areas

Net sales (SEK millions)		Q1	Q2	Q3	Q4	Full year
Nolato Medical	2010	186	185			
	2009	178	177	159	178	692
	2008	147	158	156	171	632
Nolato Telecom	2010	320	434			
	2009	226	183	309	372	1,090
	2008	284	277	318	364	1,243
Nolato Industrial	2010	241	259			
	2009	206	197	185	236	824
	2008	260	259	219	212	950
Group adjustments, Parent Company	2010	-1	0			
	2009	-4	0	0	0	-4
	2008	-1	0	0	0	-1
Group total	2010	746	878			
	2009	606	557	653	786	2,602
	2008	690	694	693	747	2,824

Operating income (EBITA) (SEK millions)		Q1	Q2	Q3	Q4	Full year
Nolato Medical	2010	23	24			
	<i>EBITA margin (%)</i>	12.4	13.0			
	2009	24	23	20	22	89
Nolato Telecom	2010	32	34			
	<i>EBITA margin (%)</i>	10.0	7.8			
	2009	0	32	24	30	86
Nolato Industrial	2010	17	23			
	<i>EBITA margin (%)</i>	7.1	8.9			
	2009	-1	-7	9	18	19
Group adjustments, Parent Company	2010	-9	-12			
	2009	-7	-9	-5	-7	-28
	2008	-6	-3	-6	-3	-18
Group total	2010	63	69			
	<i>EBITA margin (%)</i>	8.4	7.9			
	2009	16	39	48	63	166
Nolato Medical	2010	12	12			
	2009	11	11	11	12	45
	2008	10	10	10	11	41
Nolato Telecom	2010	16	14			
	2009	18	16	15	40	89
	2008	19	20	16	17	72
Nolato Industrial	2010	11	12			
	2009	13	13	12	13	51
	2008	14	14	13	13	54
Group total	2010	39	38			
	2009	42	40	38	65	185
	2008	43	44	39	41	167

Depreciation/amortisation (SEK millions)		Q1	Q2	Q3	Q4	Full year
Nolato Medical	2010	12	12			
	2009	11	11	11	12	45
	2008	10	10	10	11	41
Nolato Telecom	2010	16	14			
	2009	18	16	15	40	89
	2008	19	20	16	17	72
Nolato Industrial	2010	11	12			
	2009	13	13	12	13	51
	2008	14	14	13	13	54
Group total	2010	39	38			
	2009	42	40	38	65	185
	2008	43	44	39	41	167

■ Group financial highlights

	Q2 2010	Q2 2009	Q1–Q2 2010	Q1–Q2 2009	Rolling 12 months	Full year 2009
Net sales (SEK millions)	878	557	1,624	1,163	3,063	2,602
Sales growth (%)	58	– 20	40	– 16	18	– 8
Percentage of sales outside Sweden (%)	77	68	75	69	76	73
Operating income (EBITDA) (SEK millions)	105	77	205	133	415	343
Operating income (EBITA) (SEK millions)	69	39	132	55	243	166
EBITA margin (%)	7.9	7.0	8.1	4.7	7.9	6.4
Income after financial items (SEK millions)	65	42	122	48	222	148
Profit margin (%)	7.4	7.5	7.5	4.1	7.2	5.7
Net income (SEK millions)	52	29	97	33	187	123
Return on total capital (%)	—	—	—	—	11.3	7.5
Return on capital employed (%)	—	—	—	—	18.4	12.1
Return on operating capital (%)	—	—	—	—	20.8	13.9
Return on shareholders' equity (%)	—	—	—	—	17.5	11.5
Equity/assets ratio (%)	—	—	49	56	—	51
Debt/equity ratio (%)	—	—	20	14	—	20
Interest coverage ratio (times)	22	18	24	9	23	14
Net investm. affecting cash flow, excl. acq. and disposals (SEK millions)	45	14	69	31	156	118
Cash flow after investments, excl. acq. and disposals (SEK millions)	71	35	71	91	119	139
Net debt (SEK millions)	—	—	43	72	—	40
Earnings per share before and after dilution (SEK)	1.98	1.10	3.69	1.25	7.12	4.68
Adjusted earnings per share (SEK)	2.01	1.14	3.80	1.37	7.33	4.90
Cash flow per share (SEK)	2.70	1.33	2.70	3.46	4.52	5.28
Shareholders' equity per share (SEK)	—	—	43	39	—	41
Average number of employees	—	—	7,855	3,292	—	4,308

Definitions

Adjusted earnings per share

Net income, excluding amortisation of intangible assets arising from acquisitions, divided by the average number of shares.

Cash flow per share

Cash flow before financing activities, divided by average number of shares.

Debt/equity ratio

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

EBITA margin

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

Earnings per share

Net income, divided by average number of shares.

Equity/assets ratio

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

Interest coverage ratio

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

Net debt

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

Operating income (EBITDA)

Earnings before interest, taxes and depreciation/amortisation.

Operating income (EBITA)

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

Operating income (EBIT)

Income before tax, financial income and expenses.

Profit margin

Income after financial items as a percentage of net sales.

Return on total capital

Income after financial items plus financial expenses as a percentage of average total capital in the balance sheet.

Return on capital employed

Income after financial items plus financial expenses as a percentage of average capital employed. Capital employed consists of total capital less non-interest-bearing liabilities and provisions.

Return on operating capital

Operating income as a percentage of average operating capital. Operating capital consists of total capital less non-interest-bearing liabilities and provisions, less interest-bearing assets.

Return on shareholders' equity

Net income as a percentage of average shareholders' equity.

■ Parent Company income statement

SEK millions	Q2 2010	Q2 2009	Q1-Q2 2010	Q1-Q2 2009	Rolling 12 months	Full year 2009
Net sales	7	3	12	13	20	21
Other operating income	0	-1	0	0	0	0
Selling expenses	-3	-3	-6	-6	-11	-11
Administrative expenses	-16	-9	-27	-18	-51	-42
Other operating expenses	-	-4	-	-4	-20	-24
Operating income	-12	-14	-21	-15	-62	-56
Result from shares in Group companies	1	62	21	66	34	79
Financial income	1	1	4	3	8	7
Financial expenses	-2	4	-3	-2	-5	-4
Income after financial items	-12	53	1	52	-25	26
Appropriations	—	—	—	—	-21	-21
Tax	4	4	6	4	21	19
Net income	-8	57	7	56	-25	24
Depreciation/amortisation	0	0	0	0	0	0

■ Parent Company balance sheet (summary)

SEK millions	30/06/2010	30/06/2009	31/12/2009
Assets			
Financial fixed assets	946	827	949
Deferred tax assets	4	3	4
Total fixed assets	950	830	953
Other receivables	107	291	201
Cash and bank	3	15	74
Total current assets	110	306	275
Total assets	1,060	1,136	1,228
Shareholders' equity and liabilities			
Shareholders' equity	686	696	759
Untaxed reserves	93	72	93
Other provisions	5	2	2
Long-term liabilities	17	20	18
Current liabilities	259	346	356
Total shareholders' equity and liabilities	1,060	1,136	1,228
Collateral pledged	—	—	—
Contingent liabilities	92	95	99

Transactions with related parties:

Related party	Period	Services sold	Services purchased	Interest income	Interest expenses	Result from shares in Group companies	Rec. from related parties on the bal. sheet date	Liab. to related parties on the bal. sheet date
Subsidiary	Jan-June 2010	12	-7	4	—	21	308	131
Subsidiary	Jan-June 2010	13	-8	3	0	66	403	286

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.

