



Interim Report January - June

- Continued result improvement despite weak market
The loss after financial items totaled SEK -51.2 (-92.0) million
- Cash flow improved during the second quarter
- Important deal with SEB concerning advanced search services for all websites run by the bank
- Weak consulting market leads to goodwill write-down
- Weak IT market trend demands operational changes

The First Six Months of 2002

Nocom reports continued result improvement for the second quarter. Despite reduced sales, the Company reports a loss after financial items that has improved by more than 40 percent compared to the second quarter last year. The loss after financial items for the second quarter totaled SEK -33.3 (-58.7) million. The result improvement is primarily due to the changes made to operations during the fall of 2001 – through streamlining, cost-saving measures, and divestments. Cash flow from current operations also improved, and totaled SEK -0.2 (-17.7) million for the second quarter.

Market development for the IT sector is, however, still negative, with weak demand, some over-establishment, and lower prices. In particular, demand for larger IT projects has lessened and there are no obvious signs of a turnaround. Uncertainty in the market is great and it is therefore difficult to judge when the turning point will come. The depressed market situation is expected to remain; not just for the rest of the year, but also for the greater part of 2003.

Nocom has been active since 1985 and has a strength in the customer relations that have been built up over the years. These stable, long-term customer relations are important in times of stiff competition and reduced IT investments. It is mostly operations within integration products – supplying software and services such as support, maintenance, professional services, and training – that can benefit from this strong customer base even when sales fall. Hosting operations in the Nocom e-channel center and the consultant-intensive operations within integration solutions, on the other hand, have been hit harder by the hesitant IT market.

Some Important Deals during the Quarter

In April, a general agreement was signed with Bredbandsbolaget – B2 Bredband AB (publ) – concerning qualified consulting services within integration solutions. This agreement is an expansion of previous collaboration and encompasses “on call” consulting services within BPM (Business Process Management), system integration, and project management. Bredbandsbolaget has chosen TIBCO’s solution as its standard platform for all integration. TIBCO, which is one of the world’s leading software suppliers within advanced business integration, has been a close collaborative partner to Nocom since the fall of 2001.

In June, a major contract was signed with SEB, concerning the delivery of Verity’s software for advanced search services for the bank’s Intranet and about 50 external websites. In addition to licenses, the deal includes support services. The contract covers the entire SEB group, which has 630 offices and about 20,000 employees in 16 countries.

During the second quarter, two different systems were brought online for Stockholm County Council (*Stockholms Läns Landsting, SLL*), as a part of the contract signed in March concerning, among other items, the Internet portal *Vårdguiden (The Healthcare Guide)*.

Sales

Sales have been affected by the generally depressed market. Sales for first six months of the year totaled SEK 83.2 (144.0) million. This decrease is due in part to divested business segments, SEK 34.4 million, and in part to lower sales in other operations, SEK 26.4 million.

Net sales, per business unit:

Net sales SEK millions	Jan-Jun 2002	Jan-Jun 2001	Apr-Jun 2002	Apr-Jun 2001	Year 2001
Nocom	58,4	91,3	28,8	45,8	180,5
Nocom Partner Network	24,8	21,8	13,7	12,0	43,9
Avyttrade verksamhetsdelar	-	34,4	-	16,3	61,3
Avgär koncernintern omsättning	-	-3,5	-	-2,4	-5,3
Koncern	83,2	144,0	42,5	71,7	280,4

Nocom

Nocom’s sales, excluding distribution operations in the subsidiary Nocom Partner Network, totaled SEK 58.4 million for the first half of 2002.

Integration Products

This business area is judged to possess good development prospects due to the Company’s strong customer base, long-term collaborations with leading suppliers, and an attractive product portfolio within selected market segments. Demand within support and maintenance continues to be stable.

Integration Solutions

During the second quarter, this business area was burdened by the prevailing market conditions, with low demand for consulting services and declining hourly rates as a consequence. Demand within this sector, especially for larger IT projects, is expected to continue to be low throughout the next twelve months.

Nocom Partner Network

For the first six months of the year, the subsidiary Nocom Partner Network reports an increase in sales and an improved result compared to the previous year. Sales totaled SEK 24.8 million for the first half of the year.

In April, a distribution agreement was signed with AppDancer Networks, concerning sales and marketing via partners and retailers in Sweden, Norway, and Finland. This agreement strengthens the Company’s product portfolio within monitoring solutions.

The market is still weak, however, which is evident in both the limited amount of activity in the retail stage and the lower prices and lower margins in the distribution stage.

Net Loss

The result improvement that began during the first quarter of the year continued during the second quarter. The operating profit/loss before depreciation for the second quarter totaled SEK -7.0 (-27.2) million. With profitability as the overall, governing goal, the focus on cost-saving measures and efficiency improvements remains.

The loss after financial items for the second quarter totaled SEK -33.3 (-58.7) million and is charged with a goodwill write-down of SEK 19.1 million, attributable to consulting operations. The goodwill write-down is an adaptation to the prevailing market conditions and the general revaluation of the entire IT sector. After the write-down, the Group’s total goodwill amounts to SEK 14.5 million.

The Group’s loss after financial items for first half of 2002 totaled SEK -92.0 million, an improvement of SEK 40.8 million. The operating loss before depreciation for the period totaled SEK -16.8 (-45.4) million.

Operating profit and profit after financial items, per business unit:

Operating profit and profit after financial, items per business unit:	Jan-Jun 2002	Jan-Jun 2001	Apr-Jun 2002	Apr-Jun 2001	Year 2001
Nocom	-15,4	-36,1	-7,0	-18,9	-43,2
Nocom Partner Network	0,1	-1,1	0,6	-0,8	-6,9
Profit/loss from participations in associated companies	-1,3	-1,7	-0,6	-0,9	-2,9
Divested business segments	-	-6,5	-	-6,6	-22,8
Profit/loss before depreciation	-16,8	-45,4	-7,0	-27,2	-75,8
Depreciation of tangible assets	-10,2	-11,7	-5,1	-6,8	-23,8
Amortization of intangible assets	-5,2	-3,8	-2,6	-2,3	-7,2
Write-downs of intangible assets	-19,1	-	-19,1	-	-24,4
Profit/loss from financial investments	0,1	-5,8	0,5	0,8	-5,4
Divested business segments	-	-25,3	-	-23,2	-51,3
Profit/loss after financial items	-51,2	-92,0	-33,3	-58,7	-187,9

Investments and Financing

Investment needs within the Group continue to be low. Investments of SEK -0.8 (53.0) million net were made during the first half of the year. During 2001, considerable sums were invested in, among other things, software development in Tradevision (now divested) and the establishment of the Nocom e-channel center hosting operations in Solna. The focus is now on better utilizing available capacity.

Interest-bearing liabilities as of June 30, 2002 totaled SEK 7.5 (14.0) million, all of which concern financial leasing.

Solidity at the end of the period was 42 (63) percent. During the second quarter, pledged assets decreased by SEK 3 million. No changes were seen in contingent liabilities during the period (see latest annual report).

Cash Flows and Liquid Assets

A focus on profitability and working capital, as well as normal seasonal variations, improved cash flow during the second quarter. Cash flow from current operations totaled SEK -0.2 (-17.7) million for the second quarter and was affected positively by an improvement of SEK 2.8 (23.8) million in working capital.

Cash flow from investment activities stems primarily from financial leasing.

At the end of the period, available liquid assets totaled SEK 47.3 (72.8) million, including unutilized bank advances of SEK 17.0 (20.0) million.

Personnel

The number of employees within the Group at the end of the period was 137 (221). The decrease is primarily a result of the divestments and personnel reductions implemented in conjunction with the streamlining of operations during 2001.

The Future

The persistent, weak IT market trend and doubts concerning a turnaround entail new conditions for the overall profitability goal being reached, in both the short-term and the long-term. As a result, during the third quarter the Company will intensify work to secure the long-term financial goals. This will be achieved through an adaptation of the Company's organization and focus to the prevailing market conditions.

The long-term assessment of the market is characterized by uncertainty and the general revaluation of the sector. This can result in the need for additional financing.

Nocom's Long-term Financial Goals

Operating Margin

Profitability is the overall, governing goal. Expressed as operating profit, the goal is a minimum of ten percent. The operating margin for the first half of the year was negative. This goal is anticipated to be reached in 2003 at the earliest.

Cash Flow

The Group's goal with regard to cash flow from current operations is that it shall equal a minimum of eight percent of sales. Cash flow during the first half of 2002 was negative. This goal is anticipated to be reached in 2003 at the earliest.

Solidity

The Group's solidity goal is set at 40 percent, but should not drop below 30 percent during recessions. Solidity as of June 30, 2002 was 42 percent.

Long-term financial goals	1999	2000	2001	jan-jun 2002	apr-jun 2002	Goals
Operating margin, %	0	-30	-65	-62	-79	10
Cash flow, %	-6	-20	-15	-11	-0	8
Solidity, %	36	68	51		42	30-40

Parent Company

The Parent Company's sales for the period totaled SEK 13.4 (27.9) million.

The loss after financial items was SEK -66.4 (-48.9) million.

Investments in tangible fixed assets totaled SEK 0.0 (3.0) million. As of June 30, 2002, available liquid assets, including unutilized bank advances, totaled SEK 30.9 (35.8) million.

The number of employees within the Parent Company at the end of the period was 35 (63).

New Board Member

At the annual general meeting in April, Monica Caneman was elected to Nocom's board of directors. Monica Caneman has broad experience from Swedish trade and industry, in part from a number of top managerial positions within Finans Skandic and SEB, in part from positions on the boards of SJ, Scandic Hotels, Eurocard, SEB, and others.

Nocom Stock

Nocom's Series B stock is quoted on the Stockholm Stock Exchange O-list. During the first six months of the year, the stock unit price varied from a low of SEK 1.40 to a high of SEK 3.60. The stock price as of June 30 was SEK 1.70. Nocom's market value, as of June 30, 2002, was SEK 48 million.

Accounting Principles

This interim report was prepared in accordance with FASC's recommendation RR 20 regarding interim reports and the accounting principles are unchanged in comparison with the previous year. Nocom does not report the value of deficit deductions as assets on the balance sheet. As of June 30, 2002, accumulated deficit deductions totaled approximately SEK 185 million (see latest annual report).

Uppsala, Sweden, Tuesday, August 27, 2002

Nocom AB (publ)

Stefan Skarin

CEO

Audit

We have conducted a review of this interim report in accordance with the recommendations of the Swedish Institute of Authorized Public Accountants (FAR). A review is substantially limited in comparison to an audit.

We have not found anything to indicate that the interim report does not fulfill the requirements of the Swedish Stock Exchange Act or the Swedish Annual Accounts Act.

Uppsala, Sweden, Tuesday, August 27, 2002

Ingvar Pramhäll

Authorized Public Accountant

Leonard Daun

Authorized Public Accountant

Ingvar Pramhäll

Auktoriserad revisor

Leonard Daun

Auktoriserad revisor

This report is available in Swedish and English. The English version is virtually the same as the Swedish report. If deviations between the Swedish and the English version occur, the Swedish version should apply.

INCOME STATEMENTS, GROUP							
SEK millions	6 months, Jan-Jun		3 months, Apr-Jun		12 months, Jul-Jun		Year
	2002	2001	2002	2001	01/02	00/01	2001
Net sales	83,2	144,0	42,5	71,7	219,6	270,8	280,4
Operating costs	-98,7	-187,7	-48,9	-98,0	-264,3	-342,6	-353,3
Depreciation of tangible assets	-10,2	-12,4	-5,1	-7,2	-23,0	-21,5	-25,2
Amortization of intangible assets	-5,2	-7,6	-2,6	-4,3	-12,2	-13,1	-14,6
Items affecting comparability	-19,1	-20,8	-19,1	-20,8	-65,5	-20,8	-67,2
Profit/loss from participations in associated companies	-1,3	-1,7	-0,6	-0,9	-2,5	-2,0	-2,9
Operating profit	-51,3	-86,2	-33,8	-59,5	-147,9	-129,2	-182,8
Profit/loss from financial investments	0,1	-5,8	0,5	0,8	0,8	-3,5	-5,1
Profit/loss after financial items	-51,2	-92,0	-33,3	-58,7	-147,1	-132,7	-187,9
Taxes	-0,2	-0,8	-0,3	-0,7	1,0	1,5	0,4
Minority share of period's profit/loss	-	2,4	-	1,8	3,7	6,4	6,1
Profit/loss for the period	-51,4	-90,4	-33,6	-57,6	-142,4	-124,8	-181,4
Earnings per share, SEK	-1,82	-3,22	-1,19	-2,04	-5,03	-4,55	-6,41
Earnings per share, SEK (with full dilution)	-1,82	-3,22	-1,19	-2,04	-5,03	-4,55	-6,41

SALES PER GEOGRAPHIC MARKET, GROUP							
SEK millions	6 months, Jan-Jun		3 months, Apr-Jun		12 months, Jul-Jun		Year
	2002	2001	2002	2001	01/02	00/01	2001
Sweden	69,4	106,8	36,2	50,5	191,9	197,1	229,3
Norway	12,4	12,5	5,7	8,9	21,2	27,4	21,3
Finland	1,4	2,7	0,6	1,4	4,4	6,5	5,7
Other markets	-	22,0	-	10,9	2,1	39,8	24,1
Total	83,2	144,0	42,5	71,7	219,6	270,8	280,4

BALANCE SHEETS, GROUP			
SEK millions	020630	010630	011231
ASSETS			
Fixed assets			
Goodwill	14,5	103,5	38,8
Other intangible fixed assets	-	11,4	-
Total intangible fixed assets	14,5	114,9	38,8
Tangible fixed assets	28,6	52,1	39,6
Financial fixed assets	14,2	15,7	15,7
Total fixed assets	57,3	182,7	94,1
Current assets			
Stock/inventories	2,2	3,3	3,1
Other current assets	13,8	25,8	12,7
Accounts receivable	29,4	71,5	56,3
Cash and bank balances	33,1	55,6	47,2
Total current assets	78,5	156,2	119,3
TOTAL ASSETS	135,8	338,9	213,4

EQUITY, PROVISIONS, AND LIABILITIES			
Total equity	57,7	200,1	108,9
Minority interests	-	12,8	-
Long-term interest-bearing liabilities	2,0	4,5	4,5
Current liabilities			
Accounts payable	18,0	33,9	22,9
Interest-bearing liabilities	5,5	9,5	7,9
Other short-term liabilities	52,6	78,1	69,2
Total short-term liabilities	76,1	121,5	100,0
TOTAL EQUITY, PROVISIONS AND LIABILITIES	135,8	338,9	213,4
Pledged assets	22,4	27,2	25,4
Contingent liabilities	-	-	-
Equity per share, SEK	2,04	7,07	3,85
Equity per share, SEK at full dilution	2,23	7,07	3,93

CHANGE IN EQUITY, GROUP							
SEK millions	6 months, Jan-Jun		3 months, Apr-Jun		12 months, Jul-Jun		Year
	2002	2001	2002	2001	01/02	00/01	2001
Equity at opening of period	108,9	278,1	91,3	258,0	200,1	315,3	278,1
Stock issues	-	12,3	-	-	0,2	10,6	12,5
Exchange rate differences	0,2	0,1	0,0	-0,3	-0,2	-1,0	-0,3
Profit/loss for the period	-51,4	-90,4	-33,6	-57,6	-142,4	-124,8	-181,4
Equity at close of period	57,7	200,1	57,7	200,1	57,7	200,1	108,9

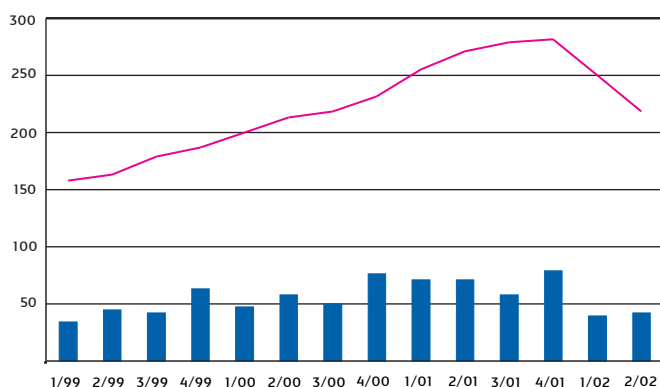
CASH FLOW, GROUP							
SEK millions	6 months, Jan-Jun		3 months, Apr-Jun		12 months, Jul-Jun		Year
	2002	2001	2002	2001	01/02	00/01	2001
Payments from customers	107,5	172,8	48,9	77,2	257,7	257,2	323,0
Payments to suppliers and employees	-116,4	-192,1	-49,6	-93,3	-291,2	-327,0	-366,9
Interest received	0,5	2,0	0,1	0,7	3,1	4,7	4,6
Interest paid	-0,4	-0,6	0,4	-0,2	-1,3	-1,7	-1,5
Income tax paid	-0,0	-0,4	-0,0	-2,1	-0,2	-0,2	-0,6
Cash flow from current operations	-8,8	-18,3	-0,2	-17,7	-31,9	-67,0	-41,4
Cash flow from investment activities	-5,3	-46,2	-3,5	-12,6	9,2	-95,5	-31,7
Cash flow from financing activities	0,0	1,3	0,0	0,0	0,2	-2,2	1,5
Cash flow for the period	-14,1	-63,2	-3,7	-30,3	-22,5	-164,7	-71,6
Liquid assets at opening of period	47,2	118,8	36,8	85,9	55,6	220,3	118,8
Liquid assets at close of period	33,1	55,6	33,1	55,6	33,1	55,6	47,2
Frozen bank funds	-2,8	-2,8	-2,8	-2,8	-2,8	-2,8	-2,8
Unutilized bank advances	17,0	20,0	17,0	20,0	17,0	20,0	18,5
Total available liquid assets	47,3	72,8	47,3	72,8	47,3	72,8	62,9

KEY RATIOS, GROUP	6 months, Jan-Jun			3 months, Apr-Jun			12 months, Jul-Jun			Year
	2002	2001	2000	2002	2001	2000	01/02	00/01	99/00	2001
Gross margin, %	-20,2	-31,5	-16,6	-16,5	-37,9	-24,6	-21,5	-27,3	-7,2	-26,4
Operating margin, %	-61,7	-59,9	-25,0	-78,6	-83,0	-32,7	-67,3	-47,7	-13,9	-65,2
Profit margin, %	-61,8	-63,9	-23,0	-79,1	-81,9	-30,1	-64,8	-49,0	-13,1	-67,0
Cash flow, %	-10,6	-12,7	1,4	-0,5	-24,7	-11,7	-14,5	-24,7	-5,8	-14,8
Solidity %	42,5	62,8	73,2							51,0
Return on equity, %	-61,7	-37,1	-13,4	-45,1	-25,1	-5,7	-110,5	-48,4	-16,4	-93,7
Return on capital employed, %	-50,2	-33,2	-11,6	-35,7	-24,0	-5,1	-99,5	-45,1	-13,9	-83,3
Interest coverage ratio	-127,3	-11,1	-79,7	85,4	-292,5	-172,0	-115,4	-13,9	-29,9	-140,3
Capital employed, SEK millions	65,2	214,1	335,3							121,3
Net interest-bearing liabilities, SEK millions	-25,6	-41,6	-200,3							-34,8
Net debt/equity ration	-0,44	-0,21	-0,64							-0,32
Number of employees at close of period	137	221	198							155
Average number of employees	141	232	167	138	226	183	184	235	154	229
Sales per employee, SEK millions	0,6	0,6	0,6	0,3	0,3	0,3	1,2	1,1	1,4	1,2
Value added per employee, SEK millions	-0,05	-0,03	0,15	-0,08	-0,08	0,06	-0,21	0,04	0,45	-0,16

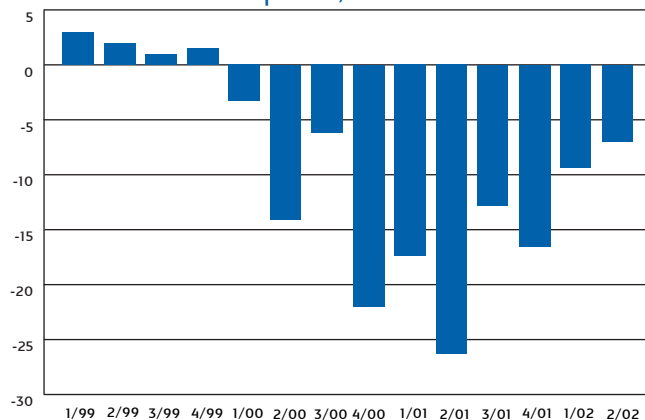
STOCK DATA	6 months, Jan-Jun			3 months, Apr-Jun			12 months, Jul-Jun			Year
	2002	2001	2000	2002	2001	2000	01/02	00/01	99/00	2001
Equity per share, SEK	2,71	7,07	11,85							3,85
Equity per share adjusted for full utilization of outstanding options, SEK	2,87	7,07	11,85							3,93
Number of shares at close of period, millions	28,3	28,3	26,6							28,3
Number of shares at close of period adjusted for full utilization of outstanding options, millions	29,7	28,3	26,6							29,7
Average number of shares, millions	28,3	28,1	25,1	28,3	28,3	25,1	28,3	27,4	23,5	28,2
Average number of shares adjusted for full utilization of outstanding options, millions	29,7	28,1	25,1	29,7	28,3	25,1	29,0	27,4	23,5	28,2
Cash flow from current operations per share, SEK (based on average number of shares adjusted for full utilization of outstanding options)	-0,30	-0,65	0,06	-0,01	-0,63	-0,33	-1,10	-2,45	-0,53	-1,47
Profit/loss per share, SEK (based on the average number of shares adjusted for full utilization of outstanding options)	-1,14	-3,22	-1,00	-0,51	-2,04	-0,72	-4,36	-4,55	-1,28	-6,41

GROUP SALES SEK millions	Net sales per quarter				Operating profit before depreciation per quarter					
	Kv1	Kv2	Kv3	Kv4	Year	Kv1	Kv2	Kv3	Kv4	Year
1999	34,5	44,4	42,5	64,4	185,0	3,0	2,0	1,0	1,5	7,5
2000	48,0	57,4	49,9	76,8	232,1	-3,3	-14,1	-6,2	-22,3	-45,9
2001	72,3	71,1	57,3	79,1	280,4	-18,2	-27,2	-13,4	-17,0	-75,8
2002	40,7	42,5				-9,8	-7,0			

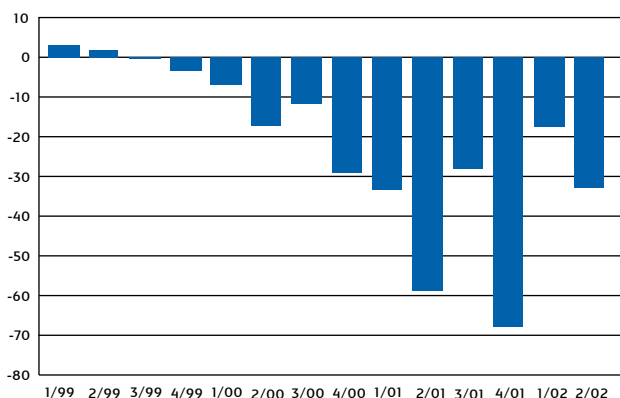
Sales per quarter and rolling 12-month period, SEK millions



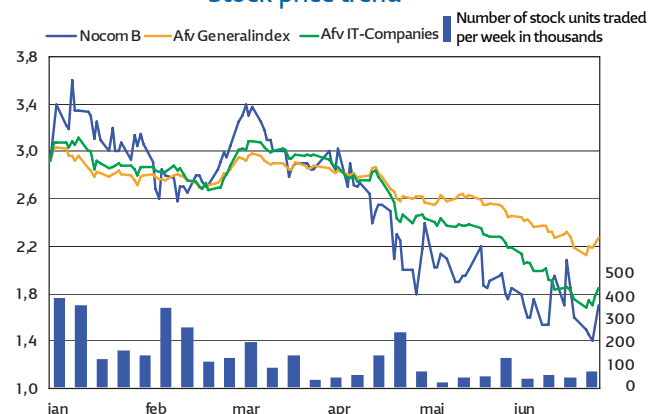
Operating profit before depreciation per quarter, SEK millions



Profit/loss after financial items per quarter, SEK millions



Stock price trend



For further
information,
please contact

Stefan Skarin
CEO
telephone: +46 (0)708 65
10 05

Stefan Ström
CFO
telephone: +46 (0)708 65
10 68

Nocom AB (publ)
corporate identity number
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Next financial
report
November 5
Interim Report
January - September
2002

Nocom AB (publ) is an innovative Swedish IT company, providing solutions for the integration of business-critical information. Our product portfolio is based on selected standard software from market-leading suppliers. Closely linked to these products are consulting services for IT strategy, systems design, systems development and project management. Our consultants are experts both in advanced information management and the products that Nocom provides. Nocom also offers support, professional services, training and maintenance services. Our hosting facility – e-channel center – complements our product and service offerings with advanced solutions for our clients' business-critical systems, all with the highest accessibility, security and confidentiality. Nocom's clients are primarily large and midsize Scandinavian companies within industry, telecom, commerce, and banking and finance. The group has approximately 135 employees and is represented in Sweden, Norway and Finland. Nocom was founded in 1985 and has been listed on the Stockholm Stock Exchange O List (NOCM-B) since 1999. For more information, please visit our Web site at www.nocom.com

Nocom AB (publ), Kristallen, 754 51 Uppsala
telefon: 018 65 55 00 fax 018 65 55 55 www.nocom.se

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