



Interim Report: January - June 2001

Nocom AB (publ)

- Turnover increased 37 percent to SEK 144.0 M (105.4).
- Operating profit/loss before depreciation was SEK -45.4 M (-17.5).
- Profit/loss before tax was SEK -92.0 M (-24.2).
- Nonrecurrent costs burdened profit/loss with approximately SEK 42 M (-) of which SEK 12 M was within operating profit/loss.
- Goodwill write-down for the subsidiary Hera burdened profit/loss with SEK 20.8 M.
- Cash flow from current operations was SEK -18.3 M (1.5).
- Unappropriated liquid funds amounted to SEK 75.6 M as of June 30, 2001.

CEO Change in June

Stefan Skarin, vice president at Nocom AB and president of Nocom Communications, became Nocom's chief executive officer on June 11.

Company Restructuring has Negative Affect on Profit/Loss

The restructuring of the company, from a distributor of software to a more diversified IT provider, has taken longer than expected. Both the positive synergic effects from acquisitions and returns on investments were delayed due to, among other things, the current market situation.

Positioning of Company within IT Solutions

Nocom will focus its expertise on core operations within IT solutions.

Positive Development for Tradevision

Through a number of significant orders, collaborations and product launches, Tradevision has continued to show strong development. During the period, the company has established itself in Norway, Finland, Germany and the US.

Important Business during Second Quarter

- Utfors: General agreement for consulting services within, among other areas, strategy, project management and system development.
- Torget: Expansion of previous collaboration, primarily within content management
- A major contract for host computer access was signed in June. The order is worth approximately SEK 3.5 M.
- Birka Energi: A contract worth SEK 3.2 M for document management.

Report from the CEO

The market trend has generally been one of wait-and-see, characterized by distinct caution in IT investments. Nocom has shown growth, 37 percent during the first half of 2001, in spite of this, partly due to an increase in transaction-based revenues in Tradevision, and partly due to the stable customer platform the company has established during 16 years of operation, which has primarily resulted in an increase in software revenues with related services. In June, the company launched Nocom e-channel center, thus positioning the company well for further growth.

Company Restructuring Has Negative Affect on Profit/Loss

The restructuring of the company from a distributor of software to a more diversified IT provider has taken longer than expected. Because of the changed market situation, the positive synergic effects from acquisitions and returns on investments have been delayed.

Work entails a restructuring of sales resources, expertise development and integration of the operational sectors for consulting, software and other services. The changeover has caused increased costs in administration, a short-term drop in added value per employee within the sales force and lower degrees of utilization in consulting and service operations.

Positioning of Company for IT Solutions

Nocom will focus its expertise on core operations within IT solutions. For the past few years, the company has invested in expertise development. The product portfolio is now becoming more distinct and focused to quickly enable profitability for the company. This will be achieved in several steps over the coming two or three quarters. Streamlining the company also entails a number of cost reductions for the infrastructure, and through increased efficiency, within administration and sales as well. Investments will be made in marketing and sales. The company foresees no additional needs for acquisitions or investments in core operations.

Positive Development for Tradevision

Through a number of key orders, collaborations, product launches and set-ups abroad, Tradevision has continued to show strong development.

Outlook for Second Half of the Year¹

Through conscientious establishment of service operations, Nocom now has a good market position. The outlook for the future is estimated to be good but depends on continued trends in the IT market, which are presently difficult to foresee. The company expects to achieve profitability before goodwill during the next two to three quarters, depending on the effects of repositioning the company and of streamlining operations. Tradevision will continue to invest in market and product development during the second half of the year. No external financing should be needed to implement the present plans.

1) Previous forecasts for profitability before goodwill depreciation during the fourth quarter of 2001 have thus been partially revised.

Nocom: January - June 2001

Turnover and Net Income

Turnover increased by 37 (34) percent during the first six months of the year. Nocom Communications increased turnover by 13 (34) percent. The business unit Nocom Travelutions, which began operations during the first quarter of 2000, billed for SEK 5.3 M (0.4). Because Tradevision was formed in August 2000, comparative figures are lacking. The portion based on contract- and transaction-based income was SEK 69.7 M (38.8), which corresponds to 48 (37) percent of total turnover.

Unless otherwise stated, all amounts shown in the Interim Report are in millions of Swedish kronor (SEK M).

Turnover per business unit SEK M	2001 Jan-Jun	2000 Jan-Jun	2001 Apr-Jun	2000 Apr-Jun	2000 Full year
Nocom Communications 1)	118.2	105.3	59.9	57.3	215.7
Nocom Travelutions	5.3	0.4	2.8	0.4	2.4
Tradevision	24.0	-	11.4	-	15.8
Minus group turnover	-3.5	-0.3	-2.4	-0.3	-1.7
Total	144.0	105.4	71.7	57.4	232.2

1) Comparative figures adjusted to reflect revised accounting principles.

Growth during the first six months was primarily related to service and consulting operations, which increased by 66 percent and 39 percent, respectively, while software operations remained basically unchanged. The growth trend for service operations was even more pronounced in the second quarter.

Turnover per business unit SEK M	2001 Jan-Jun	2000 Jan-Jun	2001 Apr-Jun	2000 Apr-Jun	2000 Full year
Software	39.5	37.8	20.0	21.4	80.0
Consulting	30.8	22.1	14.0	15.1	53.2
Services 1)	77.2	45.8	40.1	21.2	100.7
Minus group turnover	-3.5	-0.3	-2.4	-0.3	-1.7
Total	144.0	105.4	71.7	57.4	232.2

1) Comparative figures adjusted to reflect revised accounting principles.

Net income before write-offs was burdened with nonrecurrent restructuring expenses of approximately SEK 12 M (-), of which SEK 6 M is for the second quarter. Included in net income from financial investments are write-offs of SEK 7.0 M for Pharma Interactive CGS AB, which were made on March 31, 2001.

During the spring, the subsidiary Hera experienced reduced degrees of utilization with some of its larger customers as a result of acquisitions or restructurings. A revised evaluation of the sector's profitability has entailed a drop in the value of companies in industrial market communications. The Board of Directors has, in a collective evaluation of the above, decided to write down goodwill for Hera to SEK 10.0 M, which burdens profit/loss by SEK 20.8 M.

	2001	2000	2001	2000	2000
Operating profit/loss and profit/loss before tax					
SEK M	Jan-Jun	Jan-Jun	Apr-Jun	Apr-Jun	Full year
Nocom Communications 1)	-33.9	-15.9	-18.6	-13.1	-31.0
Nocom Travelutions	-2.3	-1.6	-1.0	-1.0	-5.8
Tradevision	-7.5	-	-6.7	-	-8.8
Shares in associate companies' net income	-1.7	-	-0.9	-	-0.3
Operating profit/loss before write-offs	-45.4	-17.5	-27.2	-14.1	-45.9
Depreciation (tangible assets)	-12.4	-6.2	-7.2	-3.0	-15.3
Amortization (intangible assets)	-7.6	-2.6	-4.3	-1.8	-8.1
Write-down (intangible assets)	-20.8	-	-20.8	-	-
Profit/loss from financial investments	-5.8	2.1	0.8	1.6	4.4
Profit/loss before tax	-92.0	-24.2	-58.7	-17.3	-64.9

1) Comparative figures are adjusted to reflect revised accounting principles.

Nocom Communications

The total turnover of SEK 118.2 M (105.3) for Nocom Communications during the first six months of the year was distributed as follows: software, SEK 39.5 M (37.8); consulting services, SEK 25.5 M (21.7); and other services, SEK 53.2 M (45.8). Growth is primarily within the two service units, which corresponds well with ongoing operational adaptations.

The continuing restructuring of sales resources has affected the software unit negatively. However, strong growth is shown for ongoing, not yet completed orders. The portion of software with relatively lower margins has increased during the first half of 2001, compared with the corresponding period the previous year, which affects profitability.

Reduced demand for IT consultants has affected the degree of utilization in consulting operations on the whole and has had a negative effect on profit/loss. The drop in demand has not, however, affected content management solutions, which instead show an increase in demand. During the period, Nocom Communications has signed a number of general agreements with major clients for consulting services, which creates the conditions for higher degrees of utilization and improved profitability for the second half of the year.

In service operations, sales of software service agreements have developed well with strong profitability. The move in June to the newly opened e-channel center, however, has burdened profit/loss, both in the form of lower degrees of utilization and temporarily increased costs. By opening the e-channel center, the company now has the capacity to significantly increase volumes for business-critical hosting and ASP (Application Service Provisioning) at minimal expense.

Nocom Travelutions

The first half of the year has been devoted to expanding product offerings for the travel industry. With the acquisition of Aerohosting AB, a management consulting firm catering to the travel industry, expertise was strengthened considerably. This has resulted in new strategic contracts with Arlanda Express and Rikstrafiken, to mention a few examples.

Tradevision

Tradevision's turnover is transaction-based due to the company's services being provided in so-called ASP form. During the period, orders from several strategic customers have been received. As the result of an incorrect allocation of funds as of March 31, 2001, the reported turnover for the year's second quarter is lower than for the first quarter of the year. In reality, turnover is constantly increasing and is expected to continue to do so in coming quarters as well.

Tradevision is expanding internationally and now has customers in over 50 countries. To ensure continued sustained expansion, the organization has been strengthened in many ways, with new sales offices in Norway, Finland, Germany and the US, for example. These measures have entailed a short-term burden on net income. Further development has also been achieved for Tradevision's software solution during the period. These investments in development (to a considerable part, customer order-based) totaled SEK 11.4 M and have been capitalized on the balance sheet.

Financial Position

The consolidated equity/assets ratio was 63 (73) percent. Unappropriated liquid assets, including short-term placements and the unutilized overdraft facility totaled SEK 75.6 M on June 30, 2001. Interest-bearing liabilities amounted to SEK 14.0 M (20.0) and relate in full to financial leasing.

Cash Flow

Cash flow from current operations was SEK -18.3 M (1.5) for the first six months and SEK -17.3 M (- 8.4) for the second quarter. Cash flow during the first half of the year has been affected positively by improvements in operating capital of SEK 23.8 M (11.8). Cash flow was burdened by investments totaling SEK 46.2 M (23.2) for the six-month period and SEK 12.6 M (17.6) for the second quarter.

Investments

Investments of SEK 53.0 M (74.9) were made during the first six months of the year. Investments in tangible assets were SEK 14.9 M (16.5). Other investments are primarily related to outstanding minority shares (30 percent) in Nocom Travelutions AB (previously Mobile Commerce Solutions AB), all shares in Aerohosting AB and the development of Tradevision's software. During the second quarter, investments amounted to SEK 12.1 M and primarily pertain to tangible assets of SEK 5.8 M and Tradevision's software for SEK 5.5 M. The investment rate will continue to slow during the remainder of 2001.

Employees

The number of employees at the end of the period was 221 (198), distributed as follows: Communications, 182 (190); Tradevision, 26 (-); and Travelutions, 9 (4). Group functions have 4 (4) positions.

Parent Company

The parent company's turnover for the period amounted to SEK 27.9 M (11.7). Net profit/loss after net financial profit/loss was SEK -48.9 M (-24.2). Investments totaled SEK 3.0 M (1.8). Unappropriated liquid assets, including short-term placements and the unutilized overdraft facility totaled SEK 35.8 M (220.0) as of June 30, 2001. The number of employees at the parent company as of June 30, 2001 was 63 (45).

Nocom Shares

The Nocom's B shares have been noted on the Stockholm Stock Exchange O-list since January 4, 1999.

The share price has varied during the period January–June 2001 from a low of SEK 3.12 to a high of SEK 12.00. The share price was SEK 4.70 on June 30, 2001. Nocom's market value as of June 30, 2001 was SEK 133 M.

Change in the number of shares, January-June 2001

	A series	B series	Total
Total shares, March 31, 2000	3,718,130	22,933,250	26,651,380
Redeemed warrants		27,500	27,500
Directed new share issue, acquisition of Cyberink		609,624	609,624
Directed new share issue, acquisition of Aerohosting		1,000,000	1,000,000
Total shares, June 30, 2001	3,718,130	24,570,374	28,288,504

Next Report

Interim report January–September 2001 October 25, 2001

Uppsala, Sweden

August 17, 2001

The Board of Directors

We have reviewed this interim report in a summary manner in accordance with the standards issued by the Swedish Institute of Authorized Public Accountants (FAR). A summary examination is much more limited than an audit.

Nothing has come to light to indicate that the interim report does not fulfill the requirements of the Stock Exchange Act and the Annual Accounts Act.

Uppsala, Sweden

August 17, 2001

Ingvar Pramhäll
Authorized Public Accountant

Leonad Daun
Authorized Public Accountant

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.

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Accounting Principles

This interim report was prepared in accordance with FASC recommendation RR 20: Interim Accounts. With the exception of what is specified below, the same accounting principles and calculative methods are used as in the most recent annual report. Nocom does not report the value of deficit deductions as assets on the balance sheet. Total deductions for losses were approximately SEK 50 M as of December 31, 2000.

Revised Accounting Principles

As of January 1, 2001, in compliance with FASC recommendation RR 11, software maintenance income is now reported linearly throughout the contract period instead of as before, upon signing.

The revised accounting principle gives the following effects:

Profit/loss for the period SEK M	2000	2000	2000	1999	1998	1997	1996
	Jan-Jun	Apr-Jun	Full year	Full year	Full year	Full year	Full year
According to previous income statement	-25.0	-18.1	-56.4	-1.1	8.3	-5.2	-6.3
Adjustments							
Net Sales	-0.1	0.0	-9.8	-1.5	-12.2	-8.8	-5.0
Operating expenses	0.1	0.0	5.8	0.9	7.2	5.2	3.0
Tax	0.0	0.0	1.0	0.2	1.4	1.0	0.6
Total adjustments	0.0	0.0	-3.0	-0.4	-3.6	-2.6	-1.4
Period's net income adjusted in accordance with new accounting principle	-25.0	-18.1	-59.4	-1.5	4.7	-7.8	-7.7

Stockholders' equity (beginning of period) SEK M	2001	2000	2000	1999	1998	1997	1996
	Jan-Jun	Apr-Jun	Full year	Full year	Full year	Full year	Full year
According to previous income statement	291.7	327.7	67.1	56.8	12.7	9.1	15.4
Adjustments							
Reported income from software maintenance fees	-13.6	-10.6	-10.6	-10.2	-6.6	-4.0	-2.6
After revised accounting principles	278.1	317.1	56.5	46.6	6.1	5.1	12.8

Consolidated Income Statement¹

SEK M	2001	2000	2001	2000	12 months		2000	
					Jan-Jun	Jan-Jun		Apr-Jun
Net Sales	2)	144.0	105.4	71.7	57.4	270.8	212.3	232.2
Operating expenses	2)	-187.7	-122.9	-98.0	-71.5	-342.6	-227.5	-277.8
Depreciation (tangible assets)		-12.4	-6.2	-7.2	-3.0	-21.5	-10.5	-15.3
Amortization (intangible assets)		-7.6	-2.6	-4.3	-1.8	-13.1	-3.9	-8.1
Write-downs (intangible assets)		-20.8	-	-20.8	-	-20.8	-	-
Shares in associate companies' net income		-1.7	-	-0.9	-	-2.0	-	-0.3
Operating profit/loss		-86.2	-26.3	-59.5	-18.9	-129.2	-29.6	-69.3
Profit/loss from financial investments		-5.8	2.1	0.8	1.6	-3.5	1.8	4.4
Profit/loss before tax		-92.0	-24.2	-58.7	-17.3	-132.7	-27.8	-64.9
Tax	2)	-0.8	-1.3	-0.7	-1.1	1.5	-2.7	1.0
Minority share of period's profit/loss		2.4	0.5	-1.8	0.3	6.4	0.5	4.5
Profit/loss after tax		-90.4	-25.0	-57.6	-18.1	-124.8	-30.0	-59.4
Profit/loss per share, SEK, full tax (Based on average number of shares)		-3.22	-1.00	-2.04	-0.72	-4.55	-1.28	-2.29
Income in SEK per share, full tax and dilution (Based on average number of shares at full dilution.)		-3.00	-0.95	-1.90	-0.69	-4.24	-1.28	-2.16

1) To better reflect operations and to adapt to branch praxis, Nocom has chosen to switch to an income statement divided according to type of cost (natural costs).

2) Comparative figures adjusted to reflect revised accounting principles.

Turnover per geographic market ¹ SEK M	2001	2000	2001	2000	2000
	Jan-Jun	Jan-Jun	Apr-Jun	Apr-Jun	Full year
Sweden	106.8	91.1	50.5	47.8	181.4
Norway	12.5	9.4	8.9	6.3	24.3
Finland	2.7	4.9	1.4	3.3	8.7
Other markets	22.0	-	10.9	-	17.8
Total	144.0	105.4	71.7	57.4	232.2

1) Comparison figures adjusted due to revised accounting principles.

Consolidated Balance Sheet

SEK M	June 30, 2001	June 30, 2000	Dec. 31, 2000
ASSETS			
Fixed assets			
Intangible fixed			
Goodwill	103.5	81.7	105.1
Balanced development costs	11.4	-	-
Total intangible fixed assets	114.9	81.7	105.1
Tangible fixed assets	52.1	36.0	49.7
Financial fixed assets	15.7	8.8	23.9
Total fixed assets	182.7	126.5	178.7
Current assets			
Stock/inventory and work in progress	3.3	5.5	3.9
Other current assets	25.8	24.4	26.6
Accounts receivable	71.5	54.5	102.2
Short-term investments	0.1	149.0	27.7
Cash and bank accounts	55.5	71.3	91.1
Total current assets	156.2	304.7	251.5
TOTAL ASSETS	338.9	431.2	430.2
EQUITY AND LIABILITIES			
Total equity	200.1	315.3	278.1
Minority shareholdings	12.8	0.5	15.3
Long-term liabilities			
Interest-bearing liabilities	4.5	11.8	7.0
Total long-term liabilities	4.5	11.8	7.0
Current liabilities			
Accounts payable	33.9	29.7	45.6
Interest-bearing liabilities	9.5	8.2	9.4
Other current liabilities	78.1	65.7	74.8
Total current liabilities	121.5	103.6	129.8
TOTAL EQUITY, PROVISIONS AND LIABILITIES	338.9	431.2	430.2
Pledged assets	27.2	27.2	27.2
Contingent liabilities	-	-	-
Equity in SEK per share	7.07	11.85	10.44
Equity in SEK per share at full dilution	10.09	14.71	13.43

1) Comparative figures adjusted to reflect revised accounting principles.

Change to equity

SEK M	2001 Jan-Jun	2000 Jan-Jun	2000 Full year
Equity after revised accounting principles at beginning of period	278.1	56.5	56.5
New issues	12.3	282.2	280.5
Misc.	0.1	1.6	0.5
Profit/loss for the period	-90.4	-25.0	-59.4
Closing equity	200.1	315.3	278.1

Summary of Consolidated Cash Flow

SEK M	2001	2000	2001	2000	12 months	12 months	2000
	Jan-Jun	Jan-Jun	Apr-Jun	Apr-Jun	Jul 00- Jun 01	Jul 99- Jun 00	Full year
Cash receipts from customers	172.8	123.1	77.2	47.6	257.2	202.3	207.5
Payments to suppliers and employees	-192.1	-123.0	-93.3	-57.4	-327.0	-215.6	-257.9
Interest received	2.0	2.1	0.7	1.3	4.7	2.6	4.8
Interest paid	-0.6	-0.4	-0.2	0.0	-1.7	-1.0	-1.5
Income tax paid	-0.4	-0.3	-2.1	0.1	-0.2	-0.7	-0.1
Cash flow from current operations	-18.3	1.5	-17.7	-8.4	-67.0	-12.4	-47.2
Cash flow from investments	-46.2	-23.2	-12.6	-17.6	-95.5	-50.1	-72.5
Cash flow from financial items	1.3	229.7	0.0	1.1	-2.2	232.0	226.2
Cash flow for the period	-63.2	208.0	-30.3	-24.9	-164.7	169.5	106.5
Balance of liquid funds at beginning of period	118.8	12.3	85.9	245.2	220.3	50.8	12.3
Balance of liquid funds at close of period	55.6	220.3	55.6	220.3	55.6	220.3	118.8
Unused credit	20.0	19.1	20.0	19.1	20.0	19.1	20.4
Total unappropriated liquid funds	75.6	239.4	75.6	239.4	75.6	239.4	139.2

Interim accounts ¹

SEK M	Second quarter		First quarter		Fourth quarter		Third quarter	
	2001	(2000)	2001	(2000)	2000	(1999)	2000	(1999)
Turnover	71.7	(57.4)	72.3	(48.0)	76.9	(64.4)	49.9	(42.5)
Profit/loss before tax	-58.7	(-17.3)	-33.3	(-6.9)	-29.1	(-3.3)	-11.6	(-0.4)
Profit margin %	-81.9	(-30.1)	-46.1	(-14.4)	-37.8	(-5.1)	-23.2	(-0.9)

1) Periods before first quarter 2001 adjusted to reflect revised accounting principles.

Key Ratios ¹

	2001	2000	2001	2000	12 months	12 months	2000
	Jan-Jun	Jan-Jun	Apr-Jun	Apr-Jun	Jul 00- Jun 01	Jul 99- Jun 00	Full year
Gross margin, %	-31.5	-16.6	-37.9	-24.6	-27.3	-7.2	-19.8
Operating margin, %	-59.9	-25.0	-83.0	-32.7	-47.7	-13.9	-29.8
Profit margin, %	-63.9	-23.0	-81.9	-30.1	-49.0	-13.1	-28.0
Equity/asset ratio at close of period, %	62.8	73.2					68.2
Return on equity, %	-37.1	-13.4	-25.1	-5.7	-48.4	-16.4	-35.5
Return on capital employed, %	-33.2	-11.6	-24.0	-5.1	-45.1	-13.9	-34.1
Interest coverage ratio	-11.1	-79.7	-292.5	-172.0	-13.9	-29.9	-42.2
Capital employed at close of period	214.1	335.3					294.6
Net interest bearing liabilities at close of period, SEK M	-41.6	-200.3					-102.4
Net debt to equity ratio	-0.21	-0.64					-0.37
Number of employees at close of period	221	198					241
Average number of employees	232	167	226	183	235	154	194
Turnover per employee, SEK M	0.6	0.6	0.3	0.3	1.1	1.4	1.2
Value added per employee, SEK M	-0.03	0.15	-0.08	0.06	0.04	0.45	0.21
Number of shares at close of period, million	28.3	26.6					26.7
Number of shares at close of period, taking into account all outstanding subscription rights, million	30.3	28.6					28.6
Average number of shares, million	28.1	25.1	28.3	25.1	27.4	23.5	25.9
Average number of shares, adjusted for full utilization of outstanding subscription rights, million	30.1	26.4	30.3	26.4	29.4	23.5	27.5

1) In compliance with the Swedish Society of Financial Analysts' definitions.

2) A negative value means that interest-bearing assets exceed interest-bearing liabilities.

3) Adjusted for full utilization of outstanding subscription options equivalent to 1,965,500 B-shares, which upon full subscription increase equity by SEK 105.3 M. As of June 30, 2001, 1,085,800 options had been subscribed to but not called, which increases equity by SEK 63.0 M. The majority of non-subscribed options are from the options program of December 1999. Equity per share, adjusted for subscribed options, amounts to SEK 8.96.