



Nocoms Interim Report for the Quarter January March 2005

Acquisitions and integration of TurnIT and IAR Systems implemented - Fine-tuning and a strong financial position provide good profitability and growth potential in the new Nocom.

Sales amounted to MSEK 60.5, an increase of MSEK 9 compared with the first quarter 2004. The growth of 17 percent that is reported in the first quarter is a direct result of the acquisitions of TurnIT and IAR Systems that were consolidated March 22. As anticipated, the year began profit-wise weaker than 2004, with a profit/loss after financial items of MSEK -3.1, compared with MSEK 4.7 for the corresponding period the previous year. This was primarily due to reduced sales figures in Nocom Sweden. A large order in the field of IT security was postponed from the first to the second quarter, which had an impact on sales figures and profits.

In the coming quarters, the acquired companies will have an entirely different impact on Nocom's sales and profits. A fine-tuning process is underway in the acquired TurnIT companies and the bulk of Arete's operations have been sold during the month of May. The issuance of shares in Nocom and TurnIT has strengthened the Group's cash position during 2005 by approximately MSEK 46. In addition, the sales of the Arete companies will generate a further MSEK 24 in cash during the second quarter.

"I am very pleased with the situation that we are in, in that in a brief period we have progressed so far with the acquisitions, their integration and fine-tuning in the Group. We can now, with all of our resources, focus on the new Nocom and the development of its businesses," commented Stefan Skarin, CEO of Nocom.

"We see good profitability and growth potential in the new Nocom Group companies. The distribution companies from TurnIT and IAR Systems have had a positive beginning for the year. In addition, our strong cash position gives us both security and freedom of movement."

Extracts from the Interim Report:

- Sales totaled MSEK 60.5 (51.5).
- Profit/loss after financial items amounted to MSEK -3.1 (4.7).
- Profit/loss after tax was MSEK -3.2 (3.4).
- Equity amounted to MSEK 327.5 (26.4).
- Equity per share amounted to SEK 3.82 (0.94).
- The original calculations pointed to annual cost savings in the range of MSEK 12-15, but already the Group has identified savings of MSEK 20.1 (on annual basis): Parent company and Group management MSEK 7.3 Board of directors, stock exchange listings, IR/PR MSEK 6.1 Credit costs MSEK 3.0 Other, for instance shared premises of business operations MSEK 3.7

- The quarter's positive cash flow of MSEK 47.4 (- 5.4) is due to investment and financing activities in connection with the acquisitions of TurnIT and IAR Systems.
- The issuance of shares in Nocom and TurnIT, and the sales of business operations resulted in a liquidity boost of approximately MSEK 70. Subscription warrants may generate an additional approximately MSEK 38 in July.

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