

Stockholm, Wednesday, 8 November 2006

Nocom's interim report for the period January – September 2006:

## **Software delivers best-ever quarter and Group doubles operating profit during nine-month period**

Nocom is growing with sustained profitability and reported net sales of nearly SEK 560 million, up by 40 percent over the first three quarter of 2005. Operating profit for January-September doubled over the corresponding period of 2005 and reached SEK 34.8 million. In terms of both sales and profit, the third quarter surpassed the successful year-earlier period of 2005. The gradual improvement in operating margin has continued.

All business areas were profitable in the third quarter. The Software business area, made up of IAR Systems and Northern, continued to perform impressively and increased its operating profit to SEK 6.9 (4.9) million.

"Third quarter earnings were the year's best in the expansive Software business area. Alongside stable profitability in the Distribution area, this is providing a strong financial platform and valuable investment opportunities," says Stefan Ström, President and CEO of Nocom. "We still see considerable potential in both IAR Systems and Northern and expect them to achieve additional profitability gains. Their importance to the Group has increased during the year and we will now step up our investments to accelerate growth."

The positive financial trend is continuing – operating cash flow for the first nine months strengthened by SEK 44 million compared with the same period of 2005. Finances are strong and the Group's cash and cash equivalents at 30 September totaled SEK 97.5 million.

"Nocom has focused intensively on strategic development in the past year and will further boost growth in its Software business during 2007," says Stefan Skarin, Working Chairman of Nocom.

"We see tremendous potential in this area, and with Distribution as a stable profit engine we have excellent scope to capitalize on the available business opportunities and ensure exciting, long-term development."

### **Excerpts from the report – January - September 2006:**

- Net sales amounted to SEK 559.3 (401.6) million, of which SEK 169.4 (164.4) million in the third quarter.
- Operating profit reached SEK 34.8 (16.1) million, of which SEK 11.1 (10.3) million in the third quarter.
- Operating margin was 6.2 (4.0) percent, of which 6.6 (6.3) percent in the third quarter.
- Cash flow from operating activities was SEK 35.9 (-8.1) million.
- Equity at September 30 is reported at SEK 532.6 (399.8) million.
- Equity per share at September 30 was SEK 4.98 (4.03).

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