

- The Software business area delivered its best-ever quarterly earnings.
- Operating profit doubled in the first nine months of the year.
- The positive earnings trend led to a dramatically improved cash flow.

### JANUARY - SEPTEMBER 2006

- Net sales amounted to SEK 559.3 (401.6) million.
- Operating profit reached SEK 34.8 (16.1) million.
- Operating margin was 6.2 (4.0) percent.
- Profit after financial items was SEK 33.7 (15.2) million.
- Profit after tax totaled SEK 23.7 (11.1) million.
- Earnings per share were SEK 0.21 (0.10).
- Cash flow from operating activities was SEK 35.9 (-8.1) million.
- Available cash and cash equivalents amounted to SEK 127.0 (103.6) million.
- Equity at September 30 was reported at SEK 532.6 (399.8) million.
- Equity per share at September 30 was SEK 4.98 (4.03).

### THIRD QUARTER 2006

- Net sales amounted to SEK 169.4 (164.4) million.
- Operating profit reached SEK 11.1 (10.3) million.
- Operating margin was 6.6 (6.3) percent.
- Profit after financial items was SEK 11.3 (10.3) million.
- Profit after tax totaled SEK 8.2 (7.1) million.
- Earnings per share were SEK 0.07 (0.05).
- Cash flow from operating activities was SEK 13.0 (3.7) million.
- In July Northern signed a strategic collaboration agreement with EMC Corporation to facilitate interoperability of Northern Storage Suite with EMC's storage systems.
- In August IAR Systems won an order from an international medico-technical group. The order includes a development contract, support services and software licenses for a period of three years. The total order value is estimated at between SEK 9 and SEK 12 million, of which SEK 2.4 million in the third quarter.

## COMMENTS FROM THE CEO

*"In the first nine months of 2006, operating profit doubled over the year-earlier level."*

Nocom has sustained its profitable growth trend and saw improvement in both operating profit and operating margin compared with the successful third quarter of 2005. In the first nine months of the year we doubled our operating profit and grew by 40 percent.

Software continued to stand out in the past quarter as the business area with the fastest growth and the highest operating margin. IAR Systems achieved additional sales successes and Northern reached profitability in the third quarter according to plan. I see tremendous potential in both companies and Software is gaining an increasingly central role in the Group. By stepping up our investments, we will expand our market shares and accelerate growth in this business area.

Our top priority in the Distribution business area has been to boost profitability, and a large part of these operations will reach our ten percent operating margin target for 2006. Deltaco has enlarged its market share in distribution of IT products and Nocom Software reported increased sales of systems integration software to major customers. In the past year Nocom Security has taken a number of profitability enhancement measures, but will fall short of our operating margin target for 2006 since a large share of sales consist

of volume-related products with tight margins. Peter Strand will now take over as Nordic President of Nocom Security AB with a focus on strengthening margins. His sales experience, established partner and supplier relationships and high level of technological competency in IT security will provide excellent conditions for Nocom Security's future development.

We are financially sound and the period's positive earnings trend led to a dramatic improvement in operating cash flow. The next quarter is the seasonally strongest for Distribution. Profitability in Distribution will give us scope to gear up our investments in Software, which is continuing to perform impressively.

Stockholm, Wednesday, 8 November 2006



Stefan Ström  
Chief Executive Officer  
Nocom AB (publ)

## GROUP

*"Software posted its best-ever quarterly results and Distribution delivered stable earnings."*

All business areas reported a positive operating profit in the third quarter. Software further improved its operating profit and in the third quarter posted the best earnings in the business area's history, thanks to increased license sales, new development contracts in IAR Systems and Northern's return to profitability after recording a loss for the second quarter. The third quarter saw rising demand in the Group's key markets, the USA and Germany.

Distribution showed a stable operating profit compared with the preceding year, when the business area had an unusually strong third quarter. Deltaco and Nocom Software performed well in the third quarter, delivering both growth and profitability. Together with Webcontrol and Network Innovation, they achieved an operating margin of 9.8 percent for the quarter and over 10 percent for the nine-month period. Despite taking a number of profitability enhancement measures during the year, Nocom Security posted a drop in sales compared with the third quarter of last year.

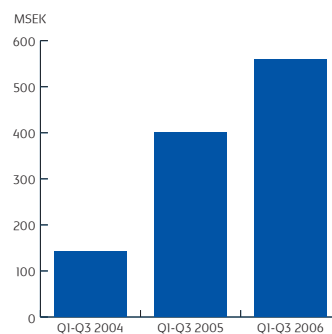
The Services business area accounted for five percent of consolidated sales and was profitable for the quarter, although operating profit for the nine-month period was negative.

Over the 12-month period from October 2005 to September 2006, sales rose from just under SEK 500 million to approximately SEK 800 million. Growth was both acquisition-driven and organic. The strongest organic growth is found in IAR Systems, which reported higher sales of software for chips built on ARM technology, and in Deltaco, which increased its sales to prioritized major customers.

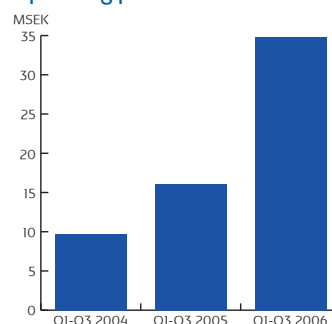
SEK M	9 mths Jan-Sep		3 mths Jul-Sep		12 mths Oct-Sep		Full year
	2006	2005	2006	2005	2006	2005	
<b>Sales</b>							
Software	111.3	64.1	37.7	29.4	141.1	64.1	93.9
Distribution	422.5	314.5	123.2	125.0	617.7	382.7	509.7
Services	25.5	23.0	8.5	10.0	34.5	26.9	32.0
<b>Group</b>	<b>559.3</b>	<b>401.6</b>	<b>169.4</b>	<b>164.4</b>	<b>793.3</b>	<b>473.7</b>	<b>635.6</b>
<b>Profit</b>							
Software	19.1	8.8	6.9	4.9	23.3	8.8	13.0
Distribution	22.9	12.3	7.0	7.4	36.7	19.1	26.1
Services	-0.6	-2.0	0.2	0.5	-0.5	-2.8	-1.9
Central	-6.6	-3.0	-3.0	-2.5	-6.0	-4.8	-2.4
<b>Group</b>	<b>34.8</b>	<b>16.1</b>	<b>11.1</b>	<b>10.3</b>	<b>53.5</b>	<b>20.3</b>	<b>34.8</b>
Operating margin, %	6.2	4.0	6.6	6.3	6.7	4.3	5.5

Sales for the first nine months amounted to SEK 559.3 (401.6) million and operating profit was SEK 34.8 (16.1) million. Operating margin rose by more than two percentage points, from 4.0 to 6.2 percent, compared with the first nine months of 2005.

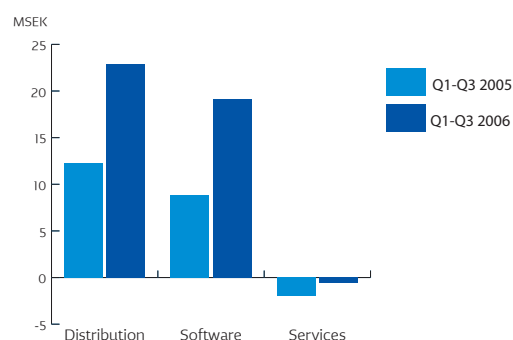
Sales 2004-2006



Operating profit 2004-2006



Operating profit by business area



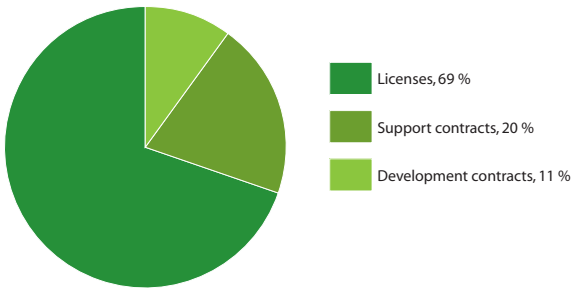
# SOFTWARE

## "Northern is profitable and IAR Systems has further strengthened its operating margin."

The Software business area consists of IAR Systems and, since April 6, 2006, also Northern. IAR Systems is specialized in development tools for programming of microprocessors in embedded systems. Northern is active in Storage Resource Management (SRM).

Software is growing with enhanced profitability and delivered its strongest quarterly earnings this year, thanks to a general increase in demand and the successful business model used in these operations. The software companies sell licenses, support services and development contracts. All license sales have a high gross profit and the related support contracts provide stable revenue streams in following years. Development contracts generate revenue during the development period and opportunities for additional license sales. During the year, IAR Systems has increased the share of development contracts.

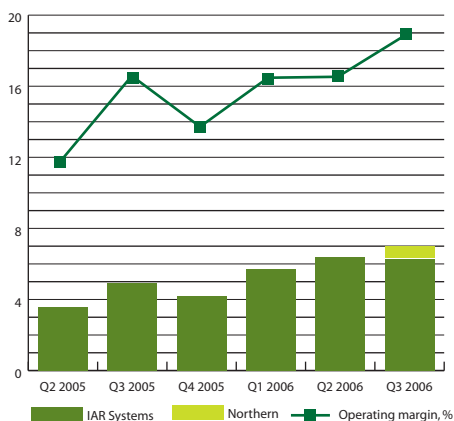
### Sales in the third quarter of 2006



SEK M	9 mths Jan-Sep		3 mths Jul-Sep		12 mths Oct-Sep		Full year
	2006	2005	2006	2005	2006	2005	
<b>Sales</b>	<b>111.3</b>	<b>64.1</b>	<b>37.7</b>	<b>29.4</b>	<b>141.1</b>	<b>64.1</b>	<b>93.9</b>
Operating expenses	-89.6	-53.9	-29.8	-23.9	-114.4	-53.9	-78.7
Depreciation of tangible assets	-0.6	-0.6	-0.2	-0.2	-0.9	-0.6	-0.9
Amortization of intangible assets	-2.0	-0.8	-0.8	-0.4	-2.5	-0.8	-1.3
<b>Operating profit</b>	<b>19.1</b>	<b>8.8</b>	<b>6.9</b>	<b>4.9</b>	<b>23.3</b>	<b>8.8</b>	<b>13.0</b>
Operating margin, %	17.2	13.7	18.3	16.7	16.5	13.7	13.8

The business area's sales grew by 74 percent in the first nine months of 2006 and reached SEK 111.3 (64.1) million. Operating profit for the first nine months more than doubled to SEK 19.1 (8.8) million. Operating margin for the business area was 17.2 (13.7) percent for the nine-month period and 18.3 (16.7) percent for the third quarter.

### Operating profit and operating margin by quarter



IAR Systems was acquired in March 2005 and Northern in April 2006.

### IAR Systems

IAR Systems showed continued positive development, with sales of SEK 103.3 (64.1) million and an operating profit of SEK 19.1 (8.8) million for the nine-month period. Operating margin for the first nine months was 18.4 (13.7) percent. For the third quarter the company posted sales of SEK 33.5 (29.4) million and an operating profit of SEK 6.3 (4.9) million. Third quarter operating margin was 18.9 (16.6) percent.

The margin impact of increased sales in IAR Systems is considerable, causing operating profit to increase by a higher percentage than sales.

Sales of software for chips built on ARM technology remained strong an ARM accounted for 25 percent of all licenses sold. Sales in IAR Systems' largest markets, the USA and Germany, increased and accounted for nearly half of third quarter sales. Ongoing consolidation in the market for embedded systems has opened new opportunities for IAR Systems to capture market shares, primarily in the 8-bit chip segment.

In August IAR Systems signed a major contract with an international medico-technical group. The order includes development contracts, license sales and support services, and is a good example of Software's successful business model. The total order value during the three-year contract period is estimated at between SEK 9 and SEK 12 million, of which SEK 2.4 million was recognized in the third quarter.

### Northern

Northern, acquired in April 2006, showed profitability according to plan. Third quarter sales amounted to SEK 4.2 million and operating profit was SEK 0.6 million, equal to an operating margin of 14.3 percent.

Northern's sales successes in the North American market, the company's largest, continued during the third quarter. In July Northern signed a strategic collaborative agreement with EMC Corporation to facilitate interoperability of Northern Storage Suite with EMC's storage systems. In August, Northern signed a major contract with the U.S. Armed Forces. The contract, valued at around SEK 0.7 million, covers license sales and support services.

During the autumn Nocom Software took over the Nordic distribution rights to Northern's software. Parallel to this, efforts are being made to increase Northern's presence and sales in the rest of the EMEA area (Europe, Middle East and Africa), where the growth potential is considerable. These measures are expected to have a gradual positive impact on Northern's sales over the next few quarters.

After the end of the period, in October, Northern won its largest individual order of all time from one of the USA's largest wireless network operators. The contract, valued at close to SEK 1.2 million, covers new licenses, upgrade licenses and support services.

## DISTRIBUTION

*"Deltaco and Nocom Software are growing, and together with Network Innovation and Webcontrol achieved an operating margin of 9.8 percent."*

The Distribution business area is made up of Deltaco, Network Innovation, Nocom Security, Nocom Software and Webcontrol, and is focused on distribution of IT products via resellers and partners in the Nordic and Baltic countries.

Deltaco and Nocom Software succeeded in uniting their growth with robust profitability, and together with Network Innovation and Webcontrol achieved an operating margin of 9.8 percent in the third quarter.

Deltaco showed solid profitability and grew by around 25 percent in the first nine months of the year. Demand for IT accessories has risen, particularly among the company's large, prioritized customers, who have continuously increased their sales volumes.

Nocom Software increased its sales of systems integration software during the quarter. New ventures in the Systems Management product area, which includes Northern's software, were launched during the autumn and are expected to have major growth potential. At the beginning of the fourth quarter, Nocom Software reinforced its Nordic sales organization and appointed a sales manager.

Sales in Nocom Security declined during the quarter. Nocom Security accounts for just under one third of the business area's total sales, and did not meet the operating margin target of 10 percent. This is mainly due recent year's sharp rise in the share of volume-related products with low margins. Nonetheless, these products are a necessary part of the portfolio in order to serve the market as a comprehensive distributor of information security solutions.

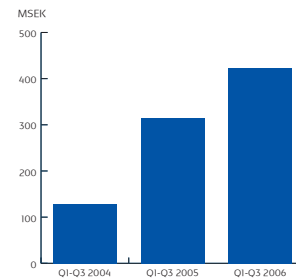
In the past year Nocom Security has taken a number of measures to improve profitability. Volume products demand cost-effective distribution and Nocom Security has streamlined its organization and business processes, for example through the deployment of a new ERP system during the autumn. At the beginning of the fourth quarter, the company formed a new Nordic management led by Peter Strand, who was formerly responsible for the company's Swedish operations. His sales experience, established partner and supplier relationships and high level of technological competency in IT security will provide excellent conditions for Nocom Security's future development. The new management will focus on boosting sales, broadening the product offering and formulating a long-term product strategy for the Nordic and Baltic markets. Two top priorities are to increase the share of high-margin products in the product portfolio and to strengthen margins in the volume segment.

SEK M	9 mths Jan-Sep		3 mths Jul-Sep		12 mths Oct-Sep		Full year 2005
	2006	2005	2006	2005	2006	2005	
<b>Sales</b>	<b>422.5</b>	<b>314.5</b>	<b>123.2</b>	<b>125.0</b>	<b>617.7</b>	<b>382.7</b>	<b>509.7</b>
Operating expenses	-395.7	-298.7	-114.7	-116.0	-575.8	-359.6	-478.8
Depreciation of tangible assets	-2.7	-2.6	-1.0	-1.1	-3.7	-3.0	-3.6
Amortization of intangible assets	-1.2	-0.9	-0.5	-0.5	-1.5	-1.0	-1.2
<b>Operating profit</b>	<b>22.9</b>	<b>12.3</b>	<b>7.0</b>	<b>7.4</b>	<b>36.7</b>	<b>19.1</b>	<b>26.1</b>
Operating margin, %	5.4	3.9	5.7	5.9	5.9	5.0	5.1

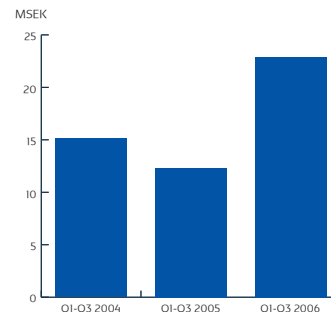
Sales for the first nine months of 2006 are reported at SEK 422.5 (314.5) million. Third quarter sales were stable compared with the previous year and amounted to SEK 123.2 (125.0) million.

Operating profit for the nine-month period was 22.9 (12.3) million, of which SEK 7.0 (7.4) million referred to the third quarter. Operating margin in the business area was 5.4 (3.9) percent for the first nine months and 5.7 (5.9) percent for the third quarter.

### Sales in Distribution, 2004-2006



### Operating profit in Distribution, 2004-2006



## TJÄNSTER

*"Services had a challenging third quarter with declining demand but somewhat higher profitability."*

The Services business area consists of Nocom Drift and Nocom Networks with the subsidiary UNC Systems. The market offering includes advanced IT hosting services and a wide range of communication solutions, such as IP telephony and web portal solutions.

Services accounts for around five percent of consolidated sales. The business area had a challenging third quarter with declining demand but somewhat higher profitability. Nocom Networks is focused on communication solutions and IP telephony, a segment exposed to continued aggressive competition and price pressure. The structural changes taking place in the industry have made it difficult for a small player like Nocom Networks to create scope for the growth required for profitability.

SEK M	9 mths Jan-Sep		3 mths Jul-Sep		12 mths Oct-Sep		Full year 2005
	2006	2005	2006	2005	2006	2005	
<b>Sales</b>	<b>25.5</b>	<b>23.0</b>	<b>8.5</b>	<b>10.0</b>	<b>34.5</b>	<b>26.9</b>	<b>32.0</b>
Operating expenses	-23.2	-22.5	-7.4	-8.4	-31.2	-26.8	-30.5
Depreciation of tangible assets	-2.5	-2.4	-0.8	-1.0	-3.2	-2.8	-3.1
Amortization of intangible assets	-0.4	-0.1	-0.1	-0.1	-0.6	-0.1	-0.3
<b>Operating profit</b>	<b>-0.6</b>	<b>-2.0</b>	<b>0.2</b>	<b>0.5</b>	<b>-0.5</b>	<b>-2.8</b>	<b>-1.9</b>
Operating margin, %	-2.4	-8.7	2.4	5.0	-1.4	-10.4	-5.9

Sales for the first nine months improved somewhat and reached SEK 25.5 (23.0) million, of which SEK 8.5 (10.0) million referred to the third quarter. The business area an operating profit of SEK 0.2 (0.5) million for the third quarter, but was not profitable for the interim period as a whole and recorded an operating loss of SEK 0.6 (2.0) million for the nine months ended September 30, 2006.

# FINANSIELL INFORMATION

## Cash flow, cash and cash equivalents

SEK M	9 mths Jan-Sep		3 mths Jul-Sep		12 mths Oct-Sep		Full year
	2006	2005	2006	2005	2006	2005	2005
Cash flow from operating activities	35,9	-8,1	13,0	3,7	51,4	-2,4	7,4
Cash flow from investing activities	-22,9	35,6	-4,4	-6,4	-25,6	35,0	32,9
Cash flow from financing activities	-5,0	33,5	2,5	-0,3	-3,0	33,5	35,5
<b>Total cash flow</b>	<b>8,0</b>	<b>61,0</b>	<b>11,1</b>	<b>-3,0</b>	<b>22,8</b>	<b>66,1</b>	<b>75,8</b>
Total available cash and cash equivalents	127,0	103,6	127,0	103,6	127,0	103,6	119,1

The Group's financial position was improved in the first nine months of the year. Net cash at September 30 was SEK 58.6 (28.8) million, an increase of SEK 18.7 million since year-end 2005 despite the utilization of SEK 11.2 million to fund the acquisition of Northern in the second quarter.

The robust earnings trend, primarily in Deltaco and IAR Systems, has significantly strengthened cash flow for both the third quarter and the first nine months of the year. Cash flow from operating activities rose by SEK 44.0 million to SEK 35.9 (-8.1) million during the nine-month period, of which SEK 13.0 (3.7) million in the third quarter.

Upon full exercise of the 10,030,144 outstanding warrants in series TO2B, Nocom will raise additional equity of SEK 30.1 million by December 20, 2006, at the latest.

Cash and cash equivalents at the end of the period totaled SEK 97.5 (74.7) million, in addition to unutilized bank overdraft facilities of SEK 34.2 (30.0) million. In connection with advance access to the shares in IAR Systems, an amount of SEK 4.7 million was deposited in a blocked bank account. The Group's available cash and cash equivalents thus amounted to SEK 127.0 (103.6) million at September 30.

### Goodwill

Goodwill is attributable to profitability in the acquired operations and the expected synergy effects of the Group's acquisitions of TurnIT, IAR Systems, UNC Systems and Mtrust in 2005 and Northern in 2006.

Acquisition analyses are based on assessments made at the respective acquisition dates. According to IFRS, a preliminary acquisition analysis may be adjusted during the twelve months following acquisition if the assessments made at the time of acquisition prove to be incorrect. All acquisition analyses in respect of the past year's acquisitions have now been finalized and no future corrections will be made.

Goodwill rose by SEK 76.1 million in the first nine months of the year and amounted to SEK 303.7 million at September 30, 2006. The increase in goodwill is mainly due to the acceptance of Nocom's offer by stockholders representing an additional 13.1 percent of the shares in TurnIT since year-end, as well as the acquisition of Northern.

### Deferred tax assets

Deferred tax assets attributable to loss carryforwards are recognized only to the extent that it is probable that these can be offset against future taxable profits. At September 30, 2006, the Group had cumulative loss carryforwards of approximately SEK 484 million. In the balance sheet, the current estimated value of these losses is SEK 51.1 (33.2) million. This item consists of capitalized temporary differences and acquired loss carryforwards.

### Minority interest

In June 2006, Nocom's public offer to the stockholders in TurnIT was completed. At the end of the extended acceptance period, Nocom's offer had been accepted by stockholders representing approximately 99.5 percent of the share capital and around 99.6 percent of the votes. Minority interest in TurnIT at September 30, 2006, thus amounted to 0.5 percent of the share capital and 0.4 percent of the votes.

Total minority interest at September 30, 2006, was SEK 0.9 million and is recognized in equity.

In connection with compulsory redemption of the remaining shares in IAR Systems, the arbitration board ruled in January 2006 that Nocom had the right to redeem the shares in IAR Systems not currently held

by Nocom. Furthermore, the arbitration board approved the collateral furnished for future redemption amounts. Subsequent to approval of this collateral, Nocom has been registered as the holder of the outstanding shares.

### Investments and financing

Net investments in tangible assets during the first nine months of the year amounted to SEK 7.3 (42.1) million. At the central level, investments have been made in a joint IT platform for future coordination and rationalization of administrative routines.

The equity/assets ratio improved further during the third quarter and was 72 (65) percent at September 30.

The consolidated value of shares in the subsidiaries has increased with respect to the profits generated by the companies. Shares in subsidiaries have been pledged as security for the Group's loans. Pledged assets thus increased by SEK 34.2 million during the nine-month period and amounted to SEK 103.9 (62.7) million at September 30, 2006. No changes in reported contingent liabilities have taken place.

### Personnel

The number of employees at the end of the period was 276 (246), of whom 22 were added through the acquisition of Northern in April.

### Parent Company

The operations of the Parent Company consist of group management and PR/IR functions. The Parent Company's net sales for the period January-September are reported at SEK 5.6 (1.4) million. Profit after financial items was SEK 22.6 (-7.5) million. Earnings reflect a number of changes made in the Group structure during the second quarter, when the Parent Company's holdings in IAR Systems, Northern and Nocom Drift were sold to TurnIT. As payment, the Parent Company received newly issued shares in TurnIT. At the same time, a setoff issue was carried out with the aim of enhancing the Group's financial structure. Profit in the Parent Company has been positively affected by these intra-group share transfers.

Central reported an operating profit of SEK -6.6 (-3.0) million for the first nine months of the year, of which SEK -3.0 (-2.5) million in the third quarter, which corresponds to profit in the Parent Company adjusted for the above intra-group share transfers.

Investments in tangible assets totaled SEK 2.3 (0.1) million. Cash and cash equivalents at September 30, 2006, amounted to SEK 9.2 (26.1) million and unutilized bank overdraft facilities to SEK 15.0 (15.0) million. In connection with advance access to the shares in IAR Systems, a sum of SEK 4.7 million was deposited in a blocked bank account. The Parent Company's available cash and cash equivalents thus amounted to SEK 19.5 (41.1) million. The number of employees in the Parent Company at the end of the period was 6 (3).

At the end of September Nocom relocated its head office to the Kista area of Stockholm.

### Subsequent events

In October Northern was awarded a contract by one of the USA's largest wireless network operators. The contract covers new licenses for Northern Storage Suite as well as upgrades and a service contract. The order is valued at close to SEK 1.2 million.

On October 25, Peter Strand was appointed President of Nocom Security, with responsibility for operations in the Nordic and Baltic markets.

### Review report

This interim report has not been subject to examination by the company's auditors.

## THE NOCOM SHARE

Nocom's class B share is quoted on the Stockholm Stock Exchange, since October on the OMX Nordic Small Cap list. In the first nine months of the year, the share price has varied from a low of SEK 7.00 (3.73) to a high of SEK 11.60 (5.45). The share price on September 30, 2006, was SEK 8.35 (5.35). Nocom's market capitalization was SEK 893 (530) million, including the 442,477 paid-up subscribed shares (BTA) issued in connection with the redemption of warrant series 2B. Conversion of these paid-up subscribed shares took place in October.

The number of stockholders in Nocom at September 30, 2006, was 19,326 (18,938), of whom 1,427 (1,128) held more than 10,000 shares each. Foreign stockholders held around 10 (16) percent of the share capital and 9 (14) percent of the votes.

The number of shares in Nocom amounts to 1,000,000 class A shares and 105,955,127 class B shares. Upon full exercise of all remaining warrants in series TO2B and the warrants subscribed to so far in series TO3B, the number of class B shares in Nocom will amount to 116,902,250.

### Subscription warrants TO2B and TO3B

The warrant series TO2B was originally issued in connection with the acquisition of TurnIT in the spring of 2005. The warrant series grants the right to exercise one warrant for subscription to one new class B share in Nocom for a price of SEK 3.00 by December 20, 2006, at the latest. The total number of warrants issued under TO2B was 10,985,522, of which 955,378 had been exercised as of September 30, 2006. The last trading day for the warrant on the Stockholm Stock Exchange is December 15, 2006, and the final exercise date is Dec 20, 2006. Warrants unexercised after this date become void.

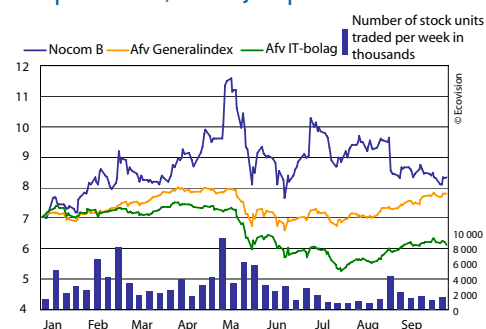
The Annual General Meeting on May 3, 2006, authorized the implementation of a share-based incentive scheme. The offer to

acquire subscription warrants at a market premium was directed to all employees in the Nocom Group. A total of 1,750,000 subscription warrants were issued, of which 923,500 were exercised in June. Each warrant grants the right to subscribe for one new Nocom B share at a price of SEK 11.66 in May 2008. The warrant series Nocom TO3B was listed on the Stockholm Stock Exchange in July.

### Mandatory redemption of IAR Systems and TurnIT

Nocom called for mandatory redemption of the outstanding shares in IAR Systems on March 29, 2005. The redemption process is expected to be completed at the end of 2006, after which payment of the redemption price is expected to take place in the first quarter of 2007. A request for mandatory redemption of the outstanding shares in TurnIT was made on June 20, 2006. This arbitration procedure was recently started and is expected to be completed in the spring of 2007 at the earliest. Nocom has also requested advance access to the shares in TurnIT, which is expected to be dealt with by an arbitration board before the end of 2006.

### Stock price trend, January-September 2006



## FUTURE OUTLOOK

### "Nocom is actively pursuing strategic development to grow its software business with uninterrupted profitability."

Nocom's focus is on leveraging the potential available in the different business areas, where stable profitability in Distribution is providing opportunities for expansion in Software.

The Software business area was expanded in the first half of the year and now consists of IAR Systems and Northern. IAR Systems will continue to grow and work according to a business model based on a mix of software sales, support services and development contracts. At the same time, IAR Systems will exploit the opportunities to grow in existing and new markets and to expand with the fast-growing demand for products based on ARM. For Northern, investments in sales and marketing are expected to yield results in the form of increased sales and improved profitability. The goal for IAR Systems is to grow with an operating margin of between 15 and 20 percent. For Northern, the ambition is to grow faster and with a higher operating margin than IAR Systems. A new financial target for the entire Software business area will be formulated for the new year.

Increased profitability is the foremost objective for the Distribution business area. The goal for distribution operations in 2006 is to deliver an operating margin of at least 10 percent, depending on Nocom Security and the sales trend for volume-related products. These have a lower margin than other products in business area and account for

periodically high sales. To increase profitability, ventures and being launched in new products, customer segments and geographical markets.

The Services business area operates in a fiercely competitive market characterized by tight margins and ongoing structural changes. The goal for service operations is to attain an operating margin of 5-7 percent by the end of the year, an undertaking that will require additional synergies on both the cost and income sides.

Today Nocom is a strong and stable IT group. Our top priority now is to step up the pace of the Group's strategic development. We do not focus on individual quarters, with regard to sales or profit, but on the Group's long-term performance. The stability of our business, financial position and earnings gives us a solid platform on which to actively pursue the Group's strategic development and grow with uninterrupted profitability.

Stockholm, Wednesday, November 8, 2006

Stefan Ström

President and CEO

Nocom AB (publ)

### Financial calendar

Year-end report 2006	February 14, 2007
Interim report January-March 2007	May 3, 2007
Interim report January-June 2007	August 21, 2007
Interim report January-September 2007	November 7, 2007

### Annual General Meeting

Annual General Meeting May 3, 2007

### Nocom AB (publ)

Corporate registration number 556400-7200  
Kista Science Tower, SE-164 51 Kista, Sweden  
Telephone: +46 8-705 18 00

Stefan Ström, President and CEO Tel. +46 708-65 10 68  
Stefan Skarin, Chairman Tel. +46 708-65 10 05

INCOME STATEMENTS, GROUP							
SEK M	9 mths Jan-Sep		3 mths Jul-Sep		12 mths Oct-Sep		Full year
	2006	2005	2006	2005	2006	2005	2005
<b>Continuing operations</b>							
Net sales	559.3	401.6	169.4	164.4	793.3	473.7	635.6
Operating expenses	-518.0	-383.1	-154.8	-151.0	-733.7	-450.0	-598.8
Depreciation of tangible assets	-5.9	-5.6	-2.1	-2.1	-7.9	-6.5	-7.6
Amortization of intangible assets	-3.6	-1.8	-1.4	-1.0	-4.6	-1.9	-2.8
Other income	3.0	5.0	-	-	6.4	5.0	8.4
<b>Operating profit</b>	<b>34.8</b>	<b>16.1</b>	<b>11.1</b>	<b>10.3</b>	<b>53.5</b>	<b>20.3</b>	<b>34.8</b>
Result from financial investments	-1.1	-0.9	0.2	0.0	-1.0	-1.2	-0.8
<b>Profit after financial items</b>	<b>33.7</b>	<b>15.2</b>	<b>11.3</b>	<b>10.3</b>	<b>52.5</b>	<b>19.1</b>	<b>34.0</b>
Taxes	-10.0	-4.8	-3.1	-3.2	17.1	10.3	22.3
Profit for the period from continuing operations	<b>23.7</b>	<b>10.4</b>	<b>8.2</b>	<b>7.1</b>	<b>69.6</b>	<b>29.4</b>	<b>56.3</b>
Profit for the period from discontinued operations	-	0.7	-	-	-	0.7	0.7
<b>Profit for the period</b>	<b>23.7</b>	<b>11.1</b>	<b>8.2</b>	<b>7.1</b>	<b>69.6</b>	<b>30.1</b>	<b>57.0</b>
<b>Profit for the period attributable to:</b>							
Equity holders in the Parent Company	23.6	8.6	8.2	5.8	69.4	27.6	51.4
Minority interest	0.1	2.5	0.0	1.3	0.2	2.5	5.6
<b>Earnings per share based on profit from continuing operations attributable to equity holders in the Parent Company during the period, SEK</b>							
- before dilution	0.23	0.11	0.08	0.06	0.68	0.42	0.63
- after dilution	0.21	0.10	0.07	0.05	0.62	0.39	0.54
<b>Earnings per share based on profit from discontinued operations attributable to equity holders in the Parent Company during the period, SEK</b>							
- before dilution	-	0.01	-	0.01	-	0.01	0.01
- after dilution	-	0.01	-	0.01	-	0.01	0.01

SALES BY SEGMENT, GROUP							
SEK M	9 mths Jan-Sep		3 mths Jul-Sep		12 mths Oct-Sep		Full year
	2006	2005	2006	2005	2006	2005	2005
Distribution	111.3	64.1	37.7	29.4	141.1	64.1	93.9
Software	422.5	314.5	123.2	125.0	617.7	382.7	509.7
Services	25.5	23.0	8.5	10.0	34.5	26.9	32.0
<b>Total</b>	<b>559.3</b>	<b>401.6</b>	<b>169.4</b>	<b>164.4</b>	<b>793.3</b>	<b>473.7</b>	<b>635.6</b>

BALANCE SHEETS, GROUP			
SEK M	September 30, 2006		September 30, 2005
			December 31, 2005
<b>ASSETS</b>			
<b>Fixed assets</b>			
Goodwill	303.7		223.4
Other intangible assets	42.8		39.1
Tangible assets	48.1		46.3
Financial assets	51.4		37.1
<b>Total fixed assets</b>	<b>446.0</b>		<b>345.9</b>
<b>Current assets</b>			
Inventories	56.4		48.7
Other current assets	32.0		27.5
Accounts receivable	109.6		121.1
Cash and bank balances	97.5		74.7
<b>Total current assets</b>	<b>295.5</b>		<b>333.9</b>
<b>TOTAL ASSETS</b>	<b>741.5</b>		<b>679.8</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Total equity</b>	<b>532.6</b>		<b>399.8</b>
<b>Long-term liabilities</b>			
Long-term interest-bearing liabilities	24.0		35.4
Provisions	13.3		18.7
Other long-term liabilities	-		-
<b>Total long-term liabilities</b>	<b>37.3</b>		<b>54.1</b>
<b>Current liabilities</b>			
Accounts payable	53.1		36.9
Interest-bearing liabilities	14.9		10.5
Provisions	8.2		5.8
Other current liabilities	95.4		110.8
<b>Total current liabilities</b>	<b>171.6</b>		<b>211.7</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>741.5</b>		<b>679.8</b>
<b>Pledged assets</b>	<b>103.9</b>		<b>62.7</b>
<b>Contingent liabilities</b>	<b>-</b>		<b>-</b>
Equity per share, SEK	4.98		4.03
Equity per share adjusted for full exercise of warrants, SEK	4.86		3.97

CHANGES IN EQUITY, GROUP							
SEK M	9 mths Jan-Sep		3 mths Jul-Sep		12 mths Oct-Sep		Full year
	2006	2005	2006	2005	2006	2005	2005
Equity at beginning of period	448.9	65.7	523.4	392.8	399.8	46.6	65.7
New stock issues	60.9	322.9	1.3	0.8	64.0	322.9	326.0
Exchange rate differences	-0.9	0.1	-0.3	-0.9	-0.8	0.2	0.2
Profit for the period	23.7	11.1	8.2	7.1	69.6	30.1	57.0
Equity at end of period	<b>532.6</b>	<b>399.8</b>	<b>532.6</b>	<b>399.8</b>	<b>532.6</b>	<b>399.8</b>	<b>448.9</b>
- of which, minority interest in equity	0.9	12.3	0.9	12.3	0.9	12.3	14.0

CASH FLOWS, GROUP							
SEK M	9 mths Jan-Sep		3 mths Jul-Sep		12 mths Oct-Sep		Full year
	2006	2005	2006	2005	2006	2005	2005
Payments from customers	609.8	433.4	160.3	145.6	815.6	480.5	639.2
Payments to suppliers and employees	-570.5	-437.2	-146.2	-140.6	-764.3	-478.3	-631.0
Interest received	1.1	0.7	0.3	0.5	1.3	0.9	0.9
Interest paid	-1.2	-1.6	-0.1	-0.5	-1.4	-2.0	-1.8
Income tax paid	-3.3	-3.4	-1.3	-1.3	0.2	-3.5	0.1
<b>Cash flow from operating activities</b>	<b>35.9</b>	<b>-8.1</b>	<b>13.0</b>	<b>3.7</b>	<b>51.4</b>	<b>-2.4</b>	<b>7.4</b>
<b>Cash flow from investing activities</b>	<b>-22.9</b>	<b>35.6</b>	<b>-4.4</b>	<b>-6.4</b>	<b>-25.6</b>	<b>35.0</b>	<b>32.9</b>
<b>Cash flow from financing activities</b>	<b>-5.0</b>	<b>33.5</b>	<b>2.5</b>	<b>-0.3</b>	<b>-3.0</b>	<b>33.5</b>	<b>35.5</b>
<b>Cash flow for the period</b>	<b>8.0</b>	<b>61.0</b>	<b>11.1</b>	<b>-3.0</b>	<b>22.8</b>	<b>66.1</b>	<b>75.8</b>
Liquid assets at beginning of period	89.5	13.7	86.4	77.7	74.7	8.6	13.7
Liquid assets at end of period	97.5	74.7	97.5	74.7	97.5	74.7	89.5
Blocked bank accounts	-4.7	-1.1	-4.7	-1.1	-4.7	-1.1	-
Unutilized overdraft facilities	34.2	30.0	34.2	30.0	34.2	30.0	29.6
Total available cash and cash equivalents	<b>127.0</b>	<b>103.6</b>	<b>127.0</b>	<b>103.6</b>	<b>127.0</b>	<b>103.6</b>	<b>119.1</b>

KEY RATIOS, GROUP							
	9 mths Jan-Sep		3 mths Jul-Sep		12 mths Oct-Sep		Full year
	2006	2005	2006	2005	2006	2005	2005
Gross margin, %	7.4	4.6	8.6	8.2	7.5	5.0	5.8
Operating margin, %	6.2	4.0	6.6	6.3	6.7	4.3	5.5
Profit margin, %	6.0	3.8	6.7	6.3	6.6	4.0	5.3
Cash flow, %	6.4	-2.0	7.7	2.3	6.4	-0.5	1.2
Equity/assets ratio, %	71.8	64.7					63.3
Return on equity, %	4.8	4.8	1.6	1.8	14.9	13.5	22.2
Return on capital employed, %	6.7	6.5	2.2	2.5	10.8	8.5	12.6
Interest coverage ratio	16.5	10.3	11.7	22.9	23.8	10.4	20.0
Capital employed, SEK million	571.5	445.7					498.5
Net interest-bearing liabilities, SEK million	-58.6	-28.8					-39.9
Net debt/equity ratio	-0.11	-0.07					-0.09
Number of employees at year-end	276	246					250
Average number of employees	278	200	276	245	271	172	212
Sales per employee, SEK million	2.0	2.0	0.6	0.7	2.9	2.8	3.0

SHARE DATA							
	9 mths Jan-Sep		3 mths Jul-Sep		12 mths Oct-Sep		Full year
	2006	2005	2006	2005	2006	2005	2005
Equity per share, SEK	4.98	4.03					4.50
Equity per share adjusted for outstanding warrants, SEK	4.86	3.93					4.35
Equity per share adjusted for full exercise of outstanding offers and warrants, SEK	4.90	3.97					4.41
Number of shares at end of period, millions	106.9	99.1					99.8
Number of shares at end of period adjusted for outstanding warrants, millions	117.9	110.0					110.5
Number of shares at end of period adjusted for full exercise of outstanding offers and warrants, millions	118.8	117.4					117.4
Average number of shares, millions	102.2	74.3	106.5	99.0	101.6	63.8	80.6
Average number of shares adjusted for outstanding warrants, millions	113.2	82.1	117.9	110.0	112.4	69.6	89.0
Average number of shares adjusted for full exercise of outstanding offers and warrants, millions	118.1	87.2	118.8	117.3	117.8	73.4	94.3
Cash flow from operating activities per share, SEK	0.35	-0.11	0.12	0.04	0.51	-0.04	0.09
Cash flow from operating activities per share adjusted for full exercise of outstanding offers and warrants, SEK	0.30	-0.09	0.11	0.03	0.44	-0.03	0.08
Earnings per share, SEK	0.23	0.11	0.08	0.06	0.68	0.42	0.63
Earnings per share adjusted for outstanding warrants, SEK	0.21	0.10	0.07	0.05	0.62	0.39	0.57
Earnings per share adjusted for full exercise of outstanding offers and warrants, SEK	0.20	0.09	0.07	0.05	0.59	0.37	0.60

GROUP SEK M	Sales by quarter					Operating profit by quarter				
	Q I	Q II	Q III	Q IV	Full year	Q I	Q II	Q III	Q IV	Full year
2004	51.5	49.8	40.8	72.1	<b>214.2</b>	4.7	3.1	1.9	4.2	<b>13.9</b>
2005	60.5	176.7	164.4	234.0	<b>635.6</b>	-3.0	8.8	10.3	18.7	<b>34.8</b>
2006	211.8	178.1	169.4			15.4	8.3	11.1		

## Accounting principles

This consolidated interim report has been prepared according to IAS 34, Interim Financial Reporting, which is consistent with the requirements in the Swedish Financial Accounting Standards Council's (FASC) recommendation RR 31, Interim Reporting for Groups. The consolidated accounts are presented in accordance with the accounting standards endorsed by the European Commission for application in the EU.

The accounts of the Parent Company are presented in accordance with RR 32. The same accounting principles have been applied as in the most recent annual report.

The following should be taken into account when making a comparison between years. The figures for 2005 do not include the TurnIT companies Arete and Arete Datastöd or operations in Arete Affärssystem, all of which were sold in the second quarter of 2005. The sales and profits of other acquired companies are included from their respective acquisition dates - TurnIT and IAR Systems were consolidated on March 22, 2005, UNC Systems on July 1, 2005, Mtrust Solutions on August 23, 2005, and Northern on April 6, 2006.