

Q4

Nocom AB (publ) Year-end Report 2007

2007 was a year of streamlining and focus on proprietary products

- Net sales in continuing operations reached SEK 531.8 million (489.5) for the full year and SEK 154.2 million (144.5) for the fourth quarter
- Profit before amortization of intangible assets (EBITA) in continuing operations was SEK 54.9 million (63.6) for the full year and SEK 10.3 million (21.6) for the fourth quarter
- Profit after tax in continuing operations amounted to SEK 69.2 million (62.0) for the full year and SEK 36.9 million (34.6) for the fourth quarter
- Earnings per share in continuing operations were SEK 0.60 (0.60) for the full year and SEK 0.32 (0.32) for the fourth quarter
- The Board proposes a regular dividend of SEK 0.20 (0.20) per share

Subsequent events

- The Board proposes to the AGM on May 6, 2008, that the company's business focus and profile be changed to the acquisition, active ownership and divestment of IT companies. Stefan Skarin has been appointed as President and CEO to lead this change and the new Group, while Stefan Ström will be Chief Operating Officer (COO).

Key ratios	Full year		3 mths Oct–Dec	
	2007	2006	2007	2006
Continuing operations				
Net sales, SEK M	531.8	489.5	154.2	144.5
Profit (EBITA), SEK M	54.9	63.6	10.3	21.6
Margin (EBITA), %	10.3	13.0	6.7	14.9
Operating profit (EBIT), SEK M	50.5	59.7	9.1	20.9
Margin (EBIT), %	9.5	12.2	5.9	14.5
Profit after tax, SEK M	69.2	62.0	36.9	34.6
Earnings per share, SEK M	0.60	0.60	0.32	0.32
Cash flow from operating activities, SEK M	37.1	56.7	9.0	14.4
Total including discontinued operations				
Profit after tax, SEK M	59.3	53.4	36.9	29.7
Earnings per share, SEK M	0.51	0.52	0.32	0.27

nocom[™]

Nocom AB (publ) is an IT group that was founded in 1985 and listed on the stock exchange in 1999. Nocom's mission is to develop and distribute IT products and services through independent, profitable and growth-oriented subsidiaries. Business is conducted in subsidiaries operating under their own names and business concepts – Deltaco, IAR Systems, Northern, Nocom Software and Nocom Drift.

Comments from the CEO

2007 – a year of streamlining and investments

Much of our energy in 2007 was devoted to the Group's long-term strategic focus. We have increased the value of and sold off unprofitable subsidiaries in the distribution business area to instead concentrate on the subsidiaries we believe to have the greatest potential for growth and profitability. Nocom has been loyal to the IT sector since the start, but has shed its involvement in the less profitable distribution operations over the past few years. Nocom is no longer a distributor – Nocom's ambition today is to create autonomous and profitable subsidiaries.

Net sales in continuing operations rose by close to 9 percent to approximately SEK 532 million for the full year and around SEK 154 million for the fourth quarter. Last autumn's divestitures of the distribution companies Nocom Security and Network Innovation were the final step in Nocom's streamlining during 2007. Today the Group consists of five companies – IAR Systems, Northern, Deltaco, Nocom Software and Nocom Drift.

In 2007, ambitious investments were made in sales and marketing resources in IAR Systems and Northern, and in building a range of own-branded products in Deltaco.

IAR Systems is continuing to reap success in the ARM segment, the leading microprocessor architecture in 32-bit technology, and recorded its highest quarterly sales ever in this area.

Northern took several offensive steps during the year, including its largest product launch of all time, an acquisition in France and the opening of offices in England and Germany.

Deltaco's efforts to develop and market a range of products under its own brand have proceeded according to plan. At year-end there were some 700 proprietary products on the market, in retailer-specific packages, and their share of total sales has grown steadily throughout the year. In spite of this resource-intensive venture, which has led to increased capital tied up in inventory and development costs, Deltaco is showing stable and healthy profitability.

The Group's financial position remains strong and has provided scope for a sizeable share buyback in the fourth quarter. In 2007 Nocom repurchased a total of 4.8 million shares. The equity/assets ratio strengthened during the year and was 83 percent at December 31, 2007.

We have now laid a foundation for Nocom's next important step, a point we have reached through the past few years' strategic realignment, through acquisitions and divestitures, and through active development of our acquired companies.

Stockholm, Thursday, February 14, 2008

Stefan Ström
President and CEO, Nocom AB (publ)

Group

Stable operations and solid finances

Net sales in continuing operations rose by close to 9 percent to 531.8 million (489.5) for the full year and SEK 154.2 million (144.5) for the fourth quarter. Nocom Security, which accounted for the bulk of sales in the Distribution business area, and Network Innovation were both sold in September.

These divestitures represented the final step in the realignment of distribution operations, and have reduced the business area's share of total Group sales to around 10 percent. The process of change has been underway throughout the entire year, with a resulting impact on both sales and earnings. The sold companies have shown a negative earnings trend in 2007 compared to earlier years

After three quarters of stable earnings growth, profit for the fourth quarter was down somewhat. This also meant that profit for the full year was lower than in 2006. In continuing operations, profit after amortization of intangible assets was SEK 54.9 million (63.6) for the full year and SEK 10.3 million (21.6) for the fourth quarter. Operating margin was 9.5 percent (12.2) for the full year and 5.9 percent (14.5) for the fourth quarter. Profitability remains good in the subsidiaries IAR Systems and Deltaco, while fourth quarter earnings in Northern were negatively affected by weak sales. The remaining distribution operations in Nocom Software and Nocom Drift also performed well and the streamlining process has given the business area stronger profitability and an operating margin of 19 percent.

Profit for 2006 was positively affected by one-time items of SEK 3 million – a SEK 2 million gain on the first quarter sale of the stockholding in ContactorArete and additional purchase consideration of SEK 1 million for the sale of Arete and Arete Datastöd in the second quarter of 2006.

Cash flow from operating activities was SEK 37.1 million (56.7) for the full year and SEK 9.0 million (14.4) for the fourth quarter. In the fourth quarter Nocom repurchased 3,842,000 treasury shares for a combined price of SEK 18.0 million. Total share buy-backs during the thus amounted to 4,795,000 B class B shares for a combined price of SEK 23.8 million.

Together with the year's stockholder dividends for a total of SEK 35.1 million, these items were charged to cash flow and net cash in a total amount of SEK 59 million. Receivables from the sold subsidiaries were settled in the fourth quarter, strengthening net cash by approximately SEK 18.5 million. Net cash at December 31, 2007, was SEK 20.4 million (83.6).

The equity/assets ratio improved further during the period and amounted to 83 percent (73) at December 31, 2007.

GROUP SEK M	Full year		3 mths Oct-Dec	
	2007	2006	2007	2006
Continuing operations				
NET SALES				
IAR Systems	147.0	139.5	40.5	36.2
Northern	20.9	15.1	4.9	7.1
Deltaco	301.0	267.9	91.9	82.6
Distribution	62.9	67.0	16.9	18.6
Total net sales	531.8	489.5	154.2	144.5
PROFIT (EBITA)				
IAR Systems	24.9	29.6	6.7	9.2
Northern	0.6	2.5	-3.7	1.9
Deltaco	29.6	26.8	7.1	8.1
Distribution	12.4	14.4	3.5	5.6
Central	-12.6	-12.7	-3.3	-3.2
Other revenue	-	3.0	-	-
PROFIT (EBITA)	54.9	63.6	10.3	21.6
<i>Margin (EBITA), %</i>	<i>10.3</i>	<i>13.0</i>	<i>6.7</i>	<i>14.9</i>
Amortization of intangible assets	-4.4	-3.9	-1.2	-0.7
Operating profit	50.5	59.7	9.1	20.9
<i>Operating margin, %</i>	<i>9.5</i>	<i>12.2</i>	<i>5.9</i>	<i>14.5</i>
Result from financial investments	0.8	-1.1	0.1	0.3
Profit after financial items	51.3	58.6	9.2	21.2
Total including discontinued operations				
<i>Operating profit</i>	<i>40.5</i>	<i>54.6</i>	<i>9.1</i>	<i>19.5</i>
<i>Operating margin, %</i>	<i>5.8</i>	<i>7.1</i>	<i>5.9</i>	<i>8.5</i>
<i>Profit after financial items</i>	<i>41.4</i>	<i>53.9</i>	<i>9.2</i>	<i>19.9</i>

IAR Systems

A strong year with increased sales in the USA and in 32-bit technology

IAR Systems offers software and development tools for programming of microprocessors in embedded systems.

Net sales are reported at SEK 147.0 million (139.5) for the full year and SEK 40.5 million (36.2) for the fourth quarter.

License revenue continued to rise, reaching SEK 115.5 million (102.0) for the full year and SEK 33.0 million (26.1) for the fourth quarter. The increase in the fourth quarter is equal to 32 percent in local currency. Software in the market for wireless applications, which is largely built on 32-bit technology, accounted for more than half of total license sales. ARM technology is the leading chip architecture in the 32-bit segment and sales of ARM licenses are rising steadily. Fourth quarter ARM sales were the highest in IAR Systems' history.

Support revenues increased to SEK 25.9 million (23.3) for the full year and SEK 7.0 million (6.6) for the fourth quarter. IAR Systems' development revenue declined to SEK 0.5 million (3.5) in the fourth quarter, leading to a decrease of SEK 5.6 million (14.2) for the full year.

Profit before amortization of intangible assets was SEK 24.9 million (29.6) for the full year and SEK 6.7 (9.2) for the fourth quarter. Operating margin was 15.7 percent (19.9) for the full year and 15.1 percent (24.0) for the fourth quarter. More than 90 percent of IAR Systems' sales go the

international market and are denominated in local currency. North America and Europe are the largest markets, while Asia remains an important growth market. Compared to the preceding year, both sales and profit were negatively affected by exchange rate movements. Compared with the average rates in 2006, foreign exchange effects had an impact of SEK -5.6 million on sales and SEK -2.9 million on profit for the full year and SEK -1.5 million on sales SEK -0.9 million on profit for the fourth quarter.

SEK M	Full year		3 mths Oct-Dec	
	2007	2006	2007	2006
NET SALES				
License revenue	115.5	102.0	33.0	26.1
Support revenue	25.9	23.3	7.0	6.6
Development revenue	5.6	14.2	0.5	3.5
Total revenue	147.0	139.5	40.5	36.2
Operating expenses	-121.2	-109.2	-33.6	-26.9
Depreciation of tangible assets	-0.9	-0.7	-0.2	-0.1
Profit (EBITA)	24.9	29.6	6.7	9.2
Margin (EBITA), %	16.9	21.2	16.5	25.4
Amortization of intangible assets	-1.8	-1.8	-0.6	-0.5
Operating profit	23.1	27.8	6.1	8.7
Operating margin, %	15.7	19.9	15.1	24.0

Northern

Investments in sales resources and NAS platform

Northern is a leading provider of software solutions for Storage Resource Management (SRM). Northern's software products are sold through the company's own sales offices and a global network of distributors.

Net sales amounted to SEK 20.9 million (15.1) for the full year and SEK 4.9 million (7.1) for the fourth quarter.

Because Northern was acquired in April 2006, the comparative figures for the prior year refer to the period from April 6 to December 31.

In the past year Northern has worked determinedly and offensively to strengthen its international sales organization. On July 1, 2007, Northern established a subsidiary in France by acquiring the customer base and expertise of Copernet, which has served as a distributor of Northern's software for more than ten years. The company has a customer base of approximately 19,000 contacts. Copernet sells products from Northern for SEK 5 million annually, of which SEK 2 million consists of annual revenue from support and maintenance. The purchase price was SEK 2 million with a possible additional purchase price of not more than SEK 3 million to be paid in 2008.

During the autumn Northern opened sales offices in both England and Germany. In October Northern a new version of Northern Storage Suite. The new release, Version 8, is the most extensive update since the introduction of NSS in 2003. One important new feature is NSS:

Dashboard, an intelligent interface and e-mail reporting tool that combines in-depth analytics with warnings and recommended measures for proactive storage management.

Profit before amortization of intangible assets was SEK 0.6 million (2.5) for the full year and SEK -3.7 million (1.9) for the fourth quarter. Operating margin was -1.0 percent (13.2) for the full year and -79.6 percent (28.2) for the fourth quarter.

SEK M	Full year		3 mths Oct-Dec	
	2007	2006	2007	2006
NET SALES				
License revenue	12.1	8.6	2.5	3.7
Support revenue	8.8	6.5	2.4	3.4
Total revenue	20.9	15.1	4.9	7.1
Operating expenses	-20.1	-12.5	-8.6	-5.1
Depreciation of tangible assets	-0.2	-0.1	-0.0	-0.1
Profit (EBITA)	0.6	2.5	-3.7	1.9
Margin (EBITA), %	2.9	16.6	-75.5	26.8
Amortization of intangible assets	-0.8	-0.5	-0.2	0.1
Operating profit	-0.2	2.0	-3.9	2.0
Operating margin, %	-1.0	13.2	-79.6	28.2

Northern was acquired on April 6, 2006

Growth with sustained profitability and focus on own-branded products

Deltaco offers a wide range of computer accessories, cables, network products and multimedia products. The customers consist of resellers, independent computer retailers, industrial clients, PC builders and mail order companies.

Net sales increased in 2007, amounting to SEK 301.0 million (267.9) for the full year and SEK 91.9 million (82.6) for the fourth quarter.

Profit before amortization of intangible assets was SEK 29.6 million (26.8) for the full year and SEK 7.1 million (8.1) for the fourth quarter. Operating margin was 9.4 percent (9.6) for the full year and 7.4 percent (9.4) for the fourth quarter.

The computer accessories market is changing as customers increasingly buy large volumes and demand a more store-specific product range. Consequently, Deltaco is progressively increasing the number of products sold under its own brand with specially adapted packaging and a higher level of service. In order to meet rising demand, investments are being made in increased inventories to handle larger volumes and ensure fast delivery. This will give Deltaco opportunities to further strengthen its customer relationships and competitiveness.

Deltaco pursued its strategy to launch products under the company's own brand throughout the year and will continue in 2008. In this effort, Deltaco will be aided by its market-leading position in the Nordic region and long-term relationships with more than 5,000 resellers. In addition to

enhanced competitiveness, the brand strategy will give Deltaco increased control over its product offering, greater freedom and flexibility in pricing, and higher gross margins and profitability. At the end of the year, a total of around 700 own-branded products had been launched and now account for approximately 13 percent of sales.

This expansion and build-up of a retailer-specific product range under its own brand has placed heavy demands on storage capacity and during the autumn Deltaco worked with three different warehouse facilities. To enable more cost-effective and coordinated inventory management, the company acquired a property in southern Stockholm in the fourth quarter for a price of just over SEK 42 million, of which a down payment of SEK 4 million was made during the quarter. With the new facilities, which will be occupied in June 2008, it will be possible to significantly improve the company's inventory efficiency.

SEK M	Full year		3 mths Oct-Dec	
	2007	2006	2007	2006
NET SALES	301.0	267.9	91.9	82.6
Operating expenses	-269.9	-239.8	-84.5	-74.3
Depreciation of tangible assets	-1.5	-1.3	-0.3	-0.2
Profit (EBITA)	29.6	26.8	7.1	8.1
Margin (EBITA), %	9.8	10.0	7.7	9.8
Amortization of intangible assets	-1.2	-1.2	-0.3	-0.3
Operating profit	28.4	25.6	6.8	7.8
Operating margin, %	9.4	9.6	7.4	9.4

Distribution

Aggressive measures and streamlining – good profitability in remaining units

The Distribution business area has undergone major changes during the quarter. Following the sale of Nocom Security, a value added distributor of IT security solutions, and Network Innovation, a distributor of products for the professional graphics industry, in September, distribution operations consist of the subsidiaries Nocom Software and Nocom Drift. Nocom Software is active in distribution of software and IT products via resellers and partner in the Nordic region. Nocom Drift is a provider of operating and hosting services. The Distribution business area was dissolved at year-end and these subsidiaries will be reported as separate units in 2008.

Net sales are reported at SEK 62.9 million (67.0) for the full year and SEK 16.9 million (18.6) for the fourth quarter. After the sale of Nocom Security and Network Innovation, distribution operations account for around 10 percent of consolidated sales, compared to the earlier share of over 40 percent. The remaining companies have stable sales and significantly stronger profitability than was previously seen in the business area.

Profit before amortization of intangible assets in continuing operations was SEK 12.4 million (14.4) for the full year and SEK 3.5 million (5.6) million for the fourth quarter. Operating margin was 18.8 percent (20.6) for the full year and 20.1 percent (29.0) for the fourth quarter.

The process of change in distribution operations was completed during the fourth quarter. At the end of September, Nocom Security was sold to Infinigate Holding AG. On the date of sale, Nocom Security had 36 employees in Sweden, Norway and Denmark. Infinigate is one of Europe's leading value added distributors of IT security solutions. For 2006, the sold operations in Nocom Security reported net sales of SEK 188 million and a loss of SEK 8 million. In 2007 measures were taken to limit volume-related sales with low gross margins, causing the company's sales to fall to SEK 103 million (132) up to the date of sale.

Profitability deteriorated further during the nine-month period and resulted in an operating loss of SEK -9.3 million (-6.0). The sale was completed on September 28 and had no impact on consolidated profit.

On September 30, Network Innovation was sold to two senior executives in the company, Erik Näsman and Erik Pettersson. The sale is conditional on the approval of the Annual General Meeting. On the date of sale, the company had 19 employees on Sweden and Norway. For 2006 Network Innovation posted net sales of SEK 90 million and a profit of around SEK 2 million. In 2007 the share of volume-related sales has risen despite intensive efforts by the company to reduce volume distribution as a means for boosting profitability. Although net sales for the first nine months of 2007 increased to SEK 59 million (54), profitability was impacted by a growing share of volume-related sales and the company reported negative earnings of SEK -0.7 million (1.7) up to the date of sale.

As a result of these divestitures, Nocom Security, Network Innovation and Webcontrol, the latter of which was sold earlier in the year, are reported as "discontinued operations".

The remaining companies in the distribution area, Nocom Software and Nocom Drift, showed stable sales and healthy profitability in the fourth quarter.

MSEK	Full year		3 mths Oct-Dec	
	2007	2006	2007	2006
Continuing operation				
NET SALES	62.9	67.0	16.9	18.6
Operating expenses	-49.0	-51.6	-13.1	-12.8
Depreciation of tangible assets	-1.5	-1.0	-0.3	-0.2
Profit (EBITA)	12.4	14.4	3.5	5.6
Margin (EBITA), %	19.7	21.5	20.7	30.1
Amortization of intangible assets	-0.6	-0.6	-0.1	-0.1
Operating profit	11.8	13.8	3.4	5.4
Operating margin, %	18.8	20.6	20.1	29.0

Financial information

Cash flow, cash and cash equivalents

Net cash at December 31, 2007, was SEK 20.4 million (83.6). Added to this are 4,795,000 treasury shares.

Cash flow from operating activities was SEK 37.1 (56.7) for the full year and SEK 9.0 million (14.4) for the fourth quarter. Cash flow from operating activities was affected by sizeable investments in sales and marketing resources and an inventory buildup in Deltaco during the year.

Cash flow from investing activities was SEK -13.7 million (-18.0) for the full year and SEK -9.3 million (-1.2) for the fourth quarter. Cash flow from investing activities was negatively affected in the fourth quarter by an amount of SEK 3.6 million for settlement of the mandatory redemption of outstanding shares in TurnIT, and of SEK 4.1 million relating to Deltaco's property acquisition.

Cash flow from financing activities in continuing operations was SEK -57.7 million (1.1) for the full year and SEK -17.0 million (6.1) for the fourth quarter. In the second quarter, stockholder dividends were paid in an amount of SEK 0.30 per share, for a total of SEK 35.1 million. In 2007 Nocom repurchased a total of 4,795,000 treasury shares at an average price of SEK 4.97 each and a total purchase price of SEK 23.8 million, of which SEK 18.0 million in the fourth quarter.

Cash flow from discontinued operations was SEK -26.6 million (-21.2) for the full year and SEK 18.5 million (-8.7) for the fourth quarter. In connection with settlement of transaction-related items pertaining to Nocom Security, cash flow was positively affected by an amount of SEK 18.5 million in the fourth quarter of 2007.

At December 31, 2007, cash and cash equivalents totaled SEK 39.2 million (100.1) in addition to unutilized bank overdraft facilities of SEK 34.8 million (15.0). In connection with advance access to the shares in IAR Systems, an amount of SEK 4.7 million was correspondingly deposited in the prior year. The Group's total available cash and cash equivalents thus amounted to SEK 74.0 million (110.4).

SEK M	Full year		3 mths Oct-Dec	
	2007	2006	2007	2006
Cash flow from operating activities	37,1	56,7	9,0	14,4
Cash flow from investing activities	-13,7	-18,0	-9,3	-1,2
Cash flow from financing activities	-57,7	1,1	-17,0	6,1
Total cash flow from continuing operations	-34,3	39,8	-17,3	19,3
Total cash flow from discontinued operations	-26,6	-21,2	18,5	-8,7
Total cash flow	-60,9	18,6	1,2	10,6

Goodwill

The value of goodwill is attributable to profitability in the acquired operations and the expected synergy effects of the Group's acquisitions of TurnIT and IAR Systems in 2005, Northern in 2006 and Copernet in 2007. The acquisition analyses are based on estimates and assumptions made on the respective acquisition dates.

The acquisition analysis for Northern has been corrected with respect to the estimated fair value of coop commitments to Northern's distributors, whereby other current liabilities in the acquisition balance sheet have been adjusted upwards by SEK 3.0 million. Reported goodwill in the acquisition balance sheet has been adjusted upwards by a corresponding amount. In accordance with IAS 8, such correction of errors has affected the balance sheet items "other current liabilities" and "goodwill" for prior quarters. The correction has had no significant effect on profit for prior periods.

Goodwill at December 31, 2007, amounted to SEK 313.7 million.

Deferred tax assets

The deferred tax asset attributable to loss carryforwards is recognized only to the extent that it is probable that these loss carryforwards can be utilized against future taxable profits. At December 31, 2007, the Group had cumulative loss carryforwards of approximately SEK 422 million. In the balance sheet, the current estimated value of these losses is SEK 88.6 million (69.7). This item consists predominantly of capitalized temporary differences and acquired loss carryforwards.

In the fourth quarter, deferred tax income is recognized as a result of a new assessment of the Group's future earning ability and the assessed value of loss carryforwards increased by SEK 29.1 million. Profit for earlier quarters has been charged with a deferred tax expense of SEK 9.8 million, which is equal to 28 percent of profit after financial items. In the income statement for the full year, Nocom has recognized deferred tax income of SEK 19.3 million (7.7).

Mandatory redemption of TurnIT

A request for mandatory redemption of the outstanding shares in TurnIT was made on June 20, 2006. In July 2007, Nocom obtained advanced access to the shares in TurnIT. In September 2007 an arbitration decision was announced in the mandatory redemption process regarding shares held by the minority stockholders in TurnIT. The redemption amount was set at SEK 2.02 per share plus interest. The redemption amount was paid in the fourth quarter.

Investments and financing

Net expenditure on tangible assets for the year amounted to SEK 4.4 million (4.8). The equity/assets ratio improved further and was 83 percent (73) at December 31, 2007.

Pledged assets increased by SEK 28.0 million during the year and amounted to SEK 62.9 million (34.9) at December 31, 2007. No changes in reported contingent liabilities took place.

Employees

The number of employees in continuing operations at the end of the period was 219 (189).

Parent Company

The operations of the Parent Company consist of group management and PR/IR functions. The Parent Company's net sales are reported at SEK 9.9 million (12.1) for the full year and SEK 2.2 million (6.5) for the fourth quarter. Profit after financial items was SEK 52.1 million (90.7) for the full year and SEK 85.6 million (68.1) for the fourth quarter.

The sale of Nocom Security resulted in expenses of SEK 28.4 million that were charged against profit in the Parent Company. However, the sale is not expected to have any impact on consolidated profit based on the current assessment that the full additional purchase price will be paid. Changes were made in the Group structure during the second quarter of 2006 and second quarter profit in the Parent Company was positively affected by these intra-group share transfers.

Central reported an operating profit of SEK -12.6 million (-12.7) for the full year and SEK -3.3 million (-3.2) for the fourth quarter. Net expenditure on tangible assets amounted to SEK -0.7 million (3.0). Cash and cash equivalents at December 31, 2007, amounted to SEK 1.4 million (49.8) and unutilized overdraft facilities totaled SEK 30.0 (15.0). 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 during 2006. The Parent Company's available cash and cash equivalents thus amounted to SEK 31.4 million (60.1). The number of employees in the Parent Company at the end of the period was 4 (5).

Accounting policies

This consolidated interim report has been prepared in accordance with IAS 34, Interim Financial Reporting, which is consistent with the requirements in the Swedish Financial Accounting Standards Council's (FASC) recommendation RR31, 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. As of January 1, 2007, the Group changed its basis for segmentation, which according to IAS 8 constitutes a change of accounting standard. In light of this, all comparative financial information has been restated. The motive for the change is that the current segments more accurately reflect the Group's internal management and control of operations, partly due to the Group's increased focus on development of proprietary products.

Aside from changes within the segments, this has not had any impact on the Group's profit or financial position. Excluding the change of accounting standard, the accounting policies are the same as those applied in the most recent annual report.

In connection with the sale of all shares in Nocom Security, Network Innovation and Webcontrol, the Group has disposed of approximately 80 percent of its sales in the distribution segment. In view of their large share of consolidated sales, the divested companies have been reclassified as discontinued operations (mainly for reasons of information) despite the fact that this segment remains in the Group. In accordance with IFRS 5, the prior period comparative information has also been restated.

The following should be taken into account when making a comparison between years. The sales and profits of acquired companies are consolidated from their respective acquisition dates. Sold companies are reported as discontinued operations and are not included in net sales and operating profit. In cash flow for 2006 and 2007, sold companies are recognized in "Cash flow from discontinued operations". In the balance sheet at December 31, sold companies are recognized in egna items. The reported key ratios are based on continuing operations.

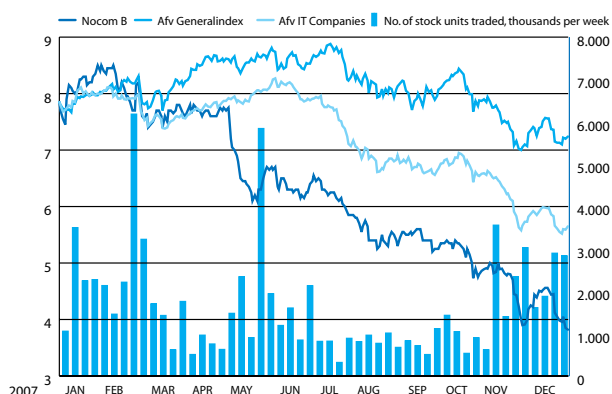
The Nocom share

Nocom's class B share is quoted on the Small Cap list of the OMX Nordic Stock Exchange. During the year, the share price has varied from a low of SEK 3.82 (6.95) SEK to a high of SEK 8.50 (11.60). The share price at December 31, 2007, was SEK 3.82 (7.90). Nocom's market capitalization on the same date was SEK 428 million (923).

The number of stockholders in Nocom at December 31, 2007, was 13,706 (17,646), of whom 750 (1,105) held more than 10,000 shares each. Foreign stockholders held around 20 percent (12) of the share capital and 24 percent (11) of the votes. The largest increase in foreign ownership is explained by the fact that Board Chairman Stefan Skarin transferred his holding, corresponding to 2.8 percent of the share capital and 9.7 percent of the votes, to his own company Boda Invest A/S, which is registered in Norway.

In 2007 Nocom repurchased a total of 4,795,000 class B treasury shares for a combined value of SEK 23.8 million. These shares are not included in the share data at December 31, 2007.

Nocom's issued share capital consists of 1,000,000 class A shares and 114,932,614 class B shares. Upon full exercise of the warrants subscribed to so far in series TO3B (see below), the number of class B shares in Nocom will amount to 112,254,114.



Warrant series TO3B

The 2006 Annual General Meeting 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. The warrant series Nocom TO3B was listed on the Stockholm Stock Exchange in July 2006. Remium was appointed as liquidity guarantor for the subscription warrant.

A total of 1,750,000 warrants were issued, of which 923,500 were exercised in June 2006. In March 2007, an additional 240,000 warrants were subscribed for by senior executives in the subsidiaries at a market-based premium. Each warrant of series TO3B grants the right to subscribe for one new Nocom class B share at a price of SEK 11.66 during May 2008. The number of outstanding warrants at December 31, 2007, was 586,500.

Dividend policy and proposed dividend for 2008

The Board intends to propose a yearly dividend, or other corresponding distribution, equal to 30-50 percent of profit after tax. Furthermore, the Board may propose an additional reallocation of capital to the stockholders provided that the Board deems this justifiable with consideration to anticipated future cash flows and the company's investment plans.

The Board proposes an dividend of SEK 0.20 per share. In 2007 Nocom paid an ordinary dividend of SEK 0.20 per share and an extra dividend of SEK 0.10 per share.

Future outlook

In 2007 Nocom has undergone major changes that have resulted in a sector shift from distribution of third-party products to the sale of proprietary products. As part of this process, two distribution companies were sold during the third quarter. Through these divestitures, the distribution share of consolidated sales has decreased from more than 40 to around 10 percent. Nocom's robust earnings, streamlining and strategic focus are also creating opportunities to evaluate acquisition-driven growth, ongoing investments and continuity in the buy-back of treasury shares.

Significant risks and uncertainties

Changes in the IT industry are often rapid, and future development forecasts are therefore associated with a higher degree of uncertainty for a corporate group like Nocom. The risks Nocom is exposed to vary with respect to the activities of the respective subsidiaries. Nocom's significant risks and uncertainties are described in the administration report section of the 2006 annual report under the heading "Business risks" on pages 18-19 and in Note 3 on pages 18-19 and in Note 3 on pages 37-38. The Group's business risks are assessed to have been reduced through the sale of Nocom Security and Network Innovation.

Subsequent events

The Board proposes to the AGM on May 6, 2008, that the company's business focus and profile be changed to the acquisition, active ownership and divestment of IT companies. Stefan Skarin has been appointed as President and CEO to lead this change and the new Group, with Stefan Ström as Chief Operating Officer (COO) and Trygve Angell as Board Chairman.

Stockholm, Thursday, February 14, 2008

Stefan Ström
President and CEO, Nocom AB (publ)

INCOME STATEMENTS, GROUP SEK M	Full year		3 months	Oct-Dec
	2007	2006	2007	2006
Continuing operations				
Net sales	531.8	489.5	154.2	144.5
Operating expenses	-471.9	-425.4	-142.7	-122.0
Depreciation of tangible assets	-5.0	-3.5	-1.2	-0.9
Amortization of intangible assets	-4.4	-3.9	-1.2	-0.7
Other income	-	3.0	-	-
Operating profit	50.5	59.7	9.1	20.9
Result from financial investments	0.8	-1.1	0.1	0.3
Profit after financial items	51.3	58.6	9.2	21.2
Income tax	17.9	3.4	27.7	13.4
Profit for the period in continuing operations	69.2	62.0	36.9	34.6
Profit for the period in discontinued operations	-9.9	-8.6	-	-4.9
Profit for the period	59.3	53.4	36.9	29.7
Profit for the period attributable to:				
Equity holders in the Parent Company	59.3	53.2	36.9	29.6
Minority interest	-	0.2	-	0.1
Earnings per share based on profit from continuing operations attributable to equity holders in the Parent Company during the period, SEK				
- before dilution	0.60	0.60	0.32	0.32
- after dilution	0.59	0.54	0.32	0.29
Earnings per share based on profit from discontinued operations attributable to equity holders in the Parent Company during the period, SEK				
- before dilution	-0.09	-0.08	-	-0.05
- after dilution	-0.08	-0.08	-	-0.05

BALANCE SHEETS, GROUP SEK M	Dec. 31, 2007		Dec. 31, 2006	
	ASSETS			
Fixed assets				
Goodwill			313.7	302.8
Other intangible assets			36.2	37.9
Tangible assets			36.8	37.4
Financial assets			111.6	74.1
Total fixed assets			498.3	452.2
Current assets				
Inventories			76.5	58.5
Other current assets			26.7	25.4
Accounts receivable			76.1	68.9
Cash and cash equivalents			39.2	100.1
Total current assets			218.5	252.9
Assets held for sale			-	102.6
TOTAL ASSETS			716.8	807.7
EQUITY AND LIABILITIES				
Total equity			592.7	592.3
Long-term liabilities				
Long-term interest-bearing liabilities			12.5	15.9
Provisions			10.5	12.3
Total long-term liabilities			23.0	28.2
Current liabilities				
Accounts payable			36.8	41.7
Interest-bearing liabilities			6.3	0.6
Provisions			3.8	5.4
Other current liabilities			54.2	71.9
Total current liabilities			101.1	119.6
Liabilities tied to assets held for sale			-	67.6
TOTAL EQUITY AND LIABILITIES			716.8	807.7
Pledged assets			62.9	34.9
Contingent liabilities			-	-
Equity per share, SEK			5.29	5.07
Equity per share adjusted for full exercise of warrants, SEK			5.29	5.07

CHANGES IN EQUITY, GROUP SEK M	Full year		3 months	Oct-Dec
	2007	2006	2007	2006
Equity at beginning of period	592.3	448.9	574.1	532.6
New stock issues	-	90.4	-	29.5
Repurchase of shares	-23.8	-	-18.0	-
Exchange rate differences	0.0	-0.4	-0.3	0.5
Dividends	-35.1	-	-	-
Profit for the period	59.3	53.4	36.9	29.7
Equity at end of period	592.7	592.3	592.7	592.3
- of which, minority interest in equity	-	1.1	-	1.1

CASH FLOWS, GROUP SEK M	Full year		3 months	Oct-Dec
	2007	2006	2007	2006
Incoming payments from customers	533.5	446.8	154.1	136.8
Outgoing payments to suppliers and employees	-490.4	-392.3	-147.1	-128.2
Interest received	1.8	1.1	0.5	0.6
Interest paid	-0.5	-2.2	0.1	-1.3
Income tax paid	-7.3	3.3	1.4	6.5
Cash flow from operating activities	37.1	56.7	9.0	14.4
Investments in tangible assets	-5.4	-1.6	-4.7	-1.2
Other	-8.3	-16.4	-4.6	-
Cash flow from investing activities	-13.7	-18.0	-9.3	-1.2
New stock issues	-	31.1	-	29.5
Repurchase of shares	-23.8	-	-18.0	-
Dividends	-35.1	-	-	-
Change in financial liabilities	1.2	-30.0	1.0	-23.4
Cash flow from financing activities	-57.7	1.1	-17.0	6.1
Cash flow for the period from continuing operations	-34.3	39.8	-17.3	19.3
Cash flow from discontinued operations				
Cash flow from operating activities	-11.9	-12.3	0.0	-5.9
Cash flow from investing activities	-14.7	-8.9	18.5	-2.8
Cash flow from financing activities	0.0	0.0	0.0	0.0
Cash flow for the period from discontinued operations	-26.6	-21.2	18.5	-8.7
Cash flow for the period	-60.9	18.6	1.2	10.6
Cash and cash equivalents at beginning of period	100.1	81.5	38.0	89.5
Cash and cash equivalents at end of period	39.2	100.1	39.2	100.1
Blocked bank accounts	-	-4.7	-	-4.7
Unutilized overdraft facilities	34.8	15.0	34.8	15.0
Total available cash and cash equivalents	74.0	110.4	74.0	110.4

KEY RATIOS, GROUP	Full year		3 months	Oct-Dec
	2007	2006	2007	2006
Gross margin, %	11.3	13.1	7.5	15.6
Operating margin, %	9.5	12.2	5.9	14.5
Profit margin, %	9.6	12.0	6.0	14.7
Cash flow, %	7.0	11.6	5.8	10.0
Equity/assets ratio, %	82.7	73.3		
Return on equity, %	10.0	10.3	6.3	5.3
Return on capital employed, %	8.6	10.3	1.6	4.0
Interest coverage ratio, times	46.9	26.5	22.0	82.2
Capital employed, SEK million	611.5	608.8		
Net interest-bearing liabilities, SEK million	-20.4	-83.6		
Net debt/equity ratio, times	-0.03	-0.14		
Number of employees at year-end	219	189		
Average number of employees	211	182	219	191
Sales per employee, SEK million	2.5	2.7	0.7	0.8

SHARE DATA	Full year		3 months	Oct-Dec
	2007	2006	2007	2006
Equity per share, SEK	5.29	5.07		
Equity per share adjusted for full exercise of outstanding warrants, SEK	5.29	5.07		
Number of shares at end of period, millions	112.1	116.9		
Number of shares at end of period adjusted for full exercise of outstanding warrants, millions	113.3	117.8		
Average number of shares, millions	116.0	103.4	114.0	106.9
Average number of shares adjusted for full exercise of outstanding warrants, millions	117.1	114.4	115.1	117.8
Cash flow from operating activities per share, SEK	0.32	0.55	0.08	0.13
Cash flow from operating activities per share adjusted for full exercise of outstanding warrants, SEK	0.32	0.50	0.08	0.12
Earnings per share, SEK	0.60	0.60	0.32	0.32
Earnings per share adjusted for full exercise of outstanding warrants, SEK	0.59	0.54	0.32	0.29

The 4,795,000 class B treasury shares repurchased by Nocom during the year are not included in the data above. The shares were repurchased during the second, third and fourth quarters at an average price of SEK 4.87 each. These repurchased shares correspond to an average number of approximately 920,000 during the year, and approximately 1,946,000 in the fourth quarter.

GROUP SEK M	Sales by quarter					Operating profit by quarter				
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Full year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Full year
2005	24.7	92.0	96.1	117.0	329.8	0.9	10.6	11.8	14.8	38.1
2006	122.6	110.3	112.1	144.5	489.5	16.5	9.8	12.5	20.9	59.7
2007	130.3	125.4	121.9	154.2	531.8	14.2	13.9	13.3	9.1	50.5

INCOME STATEMENTS, PARENT COMPANY MSEK	Full year	
	2007	2006
Net sales	9.9	12.1
Operating expenses	-19.2	-14.0
Depreciation tangible assets	-0.9	-0.7
Operating profit/loss	-10.2	-2.6
Result from financial investments	62.3	93.3
Profit/loss after financial items	52.1	90.7
Income tax	31.7	-2.4
Profit/loss for the period	83.8	88.3

BALANCE SHEETS, PARENT COMPANY MSEK	Dec 31, 2007		Dec 31, 2006	
ASSETS				
Fixed assets				
Tangible assets	2.2		3.8	
Shares in subsidiaries	414.4		459.3	
Other financial assets	56.3		15.4	
Total fixed assets	472.9		478.5	
Current assets				
Receivables from subsidiaries	53.9		16.7	
Other current assets	3.3		1.7	
Cash and cash equivalents	1.4		49.8	
Total current assets	58.6		68.2	
TOTAL ASSETS	531.5		546.7	
EQUITY AND LIABILITIES				
Total equity	524.0		498.3	
Long-term liabilities				
Interest-bearing liabilities	-		-	
Provisions	1.0		2.0	
Total long-term liabilities	1.0		2.0	
Current liabilities				
Interest-bearing liabilities	-		-	
Accounts payable	1.3		2.0	
Liabilities to subsidiaries	-		34.1	
Provisions	1.0		5.4	
Other current liabilities	4.2		4.9	
Total current liabilities	6.5		46.4	
TOTAL EQUITY AND LIABILITIES	531.5		546.7	

Review report

We have reviewed the year-end report for Nocom AB (publ) for the period from January 1 to December 31, 2007. The Board of Directors and CEO are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim financial information based on our review.

We conducted our review in accordance with the Standard on Review Engagements SÖG 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by FAR. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing in Sweden (RS) and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion based on an audit.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not, in all material aspects, prepared in accordance with IAS 34 and the Swedish Annual Accounts Act.

Stockholm, Thursday, February 14, 2008
Öhrlings PricewaterhouseCoopers

Leonard Daun Lars Kylberg

Financial calendar

Annual General Meeting on May 6, 2008

The Annual General Meeting will be held at 6:00 p.m. on May 6, 2008, at IVA, Grev Turegatan 16, in Stockholm. Starting in early April, Nocom's complete annual report will be available at the company's office in Kista Science Tower, Kista, Sweden.

Interim report January-March 2008	May 6, 2008
Semi-annual report January-July 2008	August 26, 2008
Interim report January-September 2008	November 5, 2008

Nocom AB (publ)

Corporate identification number 556400-7200
Kista Science Tower, SE-164 51 Kista, Sweden
Telephone +46 8-410 920 00
www.nocom.se

Stefan Ström, President and CEO Tel. +46 (0)708 65 10 68
Stefan Skarin, Chairman Tel. +46 (0)708 65 10 05

This report is available in Swedish and English. The English version is virtually identical to the Swedish report. In the event of discrepancies between the Swedish and English versions, the Swedish version takes precedence.

