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## 2007 a year of streamlining and focus on proprietary products

In 2007 Nocom completed its streamlining process and sold off most of the traditional and largely unprofitable distribution business. At the same time, ambitious investments were made in subsidiaries with proprietary products.

Net sales in continuing operations for the full year rose by close to 9 percent to approximately SEK 532 million, of which SEK 154 million was generated in the fourth quarter. After three quarters of stable earnings growth, profit for the fourth quarter was down somewhat and led to an overall drop in profit for the full year compared to 2006. Profit in continuing operations amounted to around SEK 55 million for the full year and over SEK 10 million for the fourth quarter. Substantial investments were made during the year and are expected to have gradual effect in 2008.

Profitability remains good in the subsidiaries IAR Systems and Deltaco, both of which invested heavily in marketing and sales during the year. However, the subsidiary Northern ended the year with a weak fourth quarter when both sales and profit were lower than anticipated. The remaining distribution operations in Nocom Software and Nocom Drift performed well with stable profitability during the year.

The Group's financial position remains strong and provided scope for a sizeable share buyback in the fourth quarter. In 2007 Nocom repurchased a total of 4.8 million shares, of which 3.8 million in the fourth quarter. The equity/assets ratio strengthened during the year and was 83 percent at December 31, 2007.

"2007 was an eventful year when our focus was on streamlining the Group, parallel to substantial investments in own-branded products. We have shed our involvement in the unprofitable distribution operations and strengthened our sales and marketing resources in the subsidiaries," says Stefan Ström, President and CEO of Nocom. "Now we have 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."

### **Excerpts from the report – January – December 2007:**

- **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.
- **Operating profit** in continuing operations was SEK 50.5 million (59.7) for the full year and SEK 9.1 million (20.9) 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.
- **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.

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