

Stockholm, Wednesday, November 7, 2007

Nocom's interim report for the period January – September 2007:

## Streamlined Nocom raises operating margin target to 12%

Nocom delivered sustained positive development and a year-on-year increase in consolidated profit for the third quarter. The sale of the subsidiaries Nocom Security and Network Innovation during the third quarter has reduced the Distribution business area's share of group sales to around 10 percent. The sold units have failed to meet the Group's performance targets and continued this negative earnings trend in 2007. Nocom's profitability has clearly benefited from the streamlining process – operating margin in continuing operations for the nine-month period was 11.0 percent, compared to 5.8 percent including discontinued operations.

"Nocom is entering the final quarter of the year as a new group. The year's streamlining and positive business development have strengthened our financial position, reduced our risk exposure and enhanced our earning ability. Now that Nocom is no longer a distributor, this has highlighted the opportunities for growth and profitability in our remaining operations," says Stefan Ström, President and CEO of Nocom.

At the same time, Nocom is continuing its efforts to increase the share of proprietary products, which offer higher profitability and greater potential for growth. Costs related to the focus on proprietary products have been charged to profit in an amount of SEK 15 million since January. Despite this, operating profit in continuing operations rose from SEK 38.8 million to SEK 41.4 million for the nine-month period and from SEK 12.5 million to SEK 13.3 million for the third quarter.

"A vital ingredient in our successful business model is focus – this year we have focused on maximizing the potential of our own branded products through large-scale investments. We have also managed to steer the Group away from unprofitable distribution without damaging our profitability", says Stefan Skarin, Working Chairman of Nocom. "Now we are increasing the level of ambition and raising our operating margin target to 12 percent. In addition, our strong capital structure gives us the continuity to repurchase shares as part of a more ambitious acquisition strategy."

### Excerpts from the report – January-September 2007:

- **Net sales** in continuing operations amounted to SEK 377.6 million (345.0) for the nine-month period and SEK 121.9 million (112.1) for the third quarter
- **Operating margin** in continuing operations was 11.0 percent for the nine-month period, compared to 5.8 percent including discontinued operations.
- **Operating profit** in continuing operations was SEK 41.4 million (38.8) for the nine-month period and SEK 13.3 million (12.5) for the third quarter
- **Profit before amortization of intangible assets (EBITA)** in continuing operations was SEK 44.1 million (41.6) for the nine-month period and SEK 14.2 million (13.5) for the third quarter
- **Earnings per share** in continuing operations were SEK 0.28 (0.27) for the nine-month period and SEK 0.09 (0.09) for the third quarter.

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