

Q3

Nocom AB (publ) Interim report January–September 2007

Streamlined Nocom improves profitability and raises ambitions

- Sale of Nocom Security and Network Innovation – significant improvement in the Group's earning ability.
- The streamlining process has enhanced Nocom's profitability – operating margin in continuing operations for the first nine months was 11.0 percent, compared to 5.8 percent including discontinued operations.
- Nocom has raised its operating margin target to 12 percent over a business cycle.
- Investments to expand sales and marketing resources were charged to consolidated profit in an amount of around SEK 15 million for the first nine months of 2007 and SEK 5 million for the third quarter.
- The strong financial position provides opportunities for continued investments and share buy-backs.
- Net sales in continuing operations are reported at SEK 377.6 million (345.0) for the nine-month period and SEK 121.9 million (112.1) 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
- Profit after tax in continuing operations amounted to SEK 32.3 million (27.4) for the nine-month period and SEK 10.6 million (9.4) 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.

Key ratios	9 mths Jan-Sept		3 mths July-Sept		Full year
	2007	2006	2007	2006	2006
Continuing operations					
Net sales, SEK M	377.6	345.0	121.9	112.1	489.5
Profit (EBITA), SEK M	44.1	41.6	14.2	13.5	63.0
Margin (EBITA), %	11.7	12.1	11.6	12.0	12.9
Operating profit (EBIT), SEK M	41.4	38.8	13.3	12.5	59.7
Margin (EBIT), %	11.0	11.2	10.9	11.2	12.2
Profit after tax, SEK M	32.3	27.4	10.6	9.4	62.0
Earnings per share, SEK M	0.28	0.27	0.09	0.09	0.60
Cash flow from operating activities, SEK M	20.1	42.3	14.8	16.9	56.7
Total including discontinued operations					
Profit after tax, SEK M	22.4	23.7	6.9	8.2	53.4
Earnings per share, SEK M	0.20	0.23	0.06	0.07	0.52

nocomTM

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

“The new Nocom is taking shape with a stronger and more focused business”

In the third quarter we were able to see the results of the year's work to realize our strategic focus – both the ambitious investments in proprietary products and the realignment of our distribution business. A look back at the first nine months of 2007 shows that we have made considerable progress – we have successfully streamlined our distribution operations and our past investments are starting to have effect. The new Nocom Group is taking shape – with a smaller share of distribution and a higher share of proprietary products.

Nocom is no longer a distributor. With these divestments in the third quarter, we have completed the past year's process of steering the Group's away from traditional distribution and towards proprietary products with higher profitability and growth potential. In pace with a growing share of volume distribution in certain subsidiaries, margins have come under pressure and profitability has suffered. We have therefore taken decisive action to reduce the share of volume-related distribution, change the organizational structure of the companies and withdraw from unprofitable markets. A final step was taken in September with the sale of our subsidiaries Nocom Security and Network Innovation, through which we have left our old role as distributor – and by doing so have significantly strengthened the Group's profitability and financial position. At the same time, the sold companies have been given better conditions for development in their respective markets – Nocom Security by becoming part of a large, specialized IT security group with obvious potential for synergies and scale economies.

In a single quarter, the distribution share of consolidated sales has fallen from more than 40 to around 10 percent. Although the divestitures have naturally led to a sharp drop in sales, shedding of these units has had an immediate positive

impact on earnings. No less importantly, total risk exposure in the Group has been significantly reduced.

Nocom's strategic course – to shift the company's focus from third-party distribution to sales of proprietary products – has also required sizeable investments during the year. The motive for the change has been to come closer to the customers and own the products as a means for maximizing growth and profitability. IAR Systems' investments in international sales and marketing resources generated increased license revenue during the third quarter. Northern has acquired the distributor Copernet in order to accelerate growth in France. In a continuation of its offensive strategy, Northern launched a new and enhanced version of Northern Storage Suite after the end of the period. Deltaco is continuing to build a range of products under its own brand – a total of 600 proprietary products have been launched so far this year and now account for 11 percent of the company's sales.

Nocom is entering the important fourth quarter of the year as a strong and focused group. The far-reaching process of change in our distribution business is now completed and the other companies are growing with sustained healthy profitability. Our investments in sales, marketing and proprietary products are starting to pay off and our financial position has been strengthened by the year's divestitures and positive business development. This gives us scope for ongoing investment and continuity in our share buy-backs – as part of a more ambitious acquisition strategy.

Stockholm, Wednesday, November 7, 2007

Stefan Ström, President and CEO, Nocom AB (publ)

Group

“Streamlining of the Group completed – significant improvement in earning ability”

Net sales in continuing operations rose by more than 9 percent to SEK 377.6 million (345.0) for the first nine months of the year and to SEK 121.9 million (112.1) for the third 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 have decreased consolidated sales since the beginning of the year by SEK 162 million, of which around SEK 39 million in the third quarter.

This represented the final step in the realignment of distribution operations, and has 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. Continuing operations, on the other hand, posted growth of around 9 percent for both the nine-month period and the third quarter.

Profit before amortization of intangible assets increased in the third quarter. In continuing operations, profit after amortization of intangible assets was SEK 44.1 million (41.6) for the first nine months and SEK 14.2 million (13.5) for the third quarter. Operating margin was 11.0 percent (11.2) for the nine-month period and 10.9 percent (11.2) for the third quarter. The subsidiaries IAR Systems, Northern and Deltaco showed stable and strong profitability. 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 18 percent for the first nine months of the year. Through the sale of the two loss-making units, Nocom has substantially improved its future earning ability.

The Group's investments in sales and marketing resources were charged to nine-month profit in an amount of SEK 15 million, of which SEK 5 million in the third quarter.

Profit for the first nine months of 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 20.1 million (42.3) for the first nine months and SEK 14.8 million (16.9) for the third quarter.

In the third quarter Nocom repurchased 514,000 treasury shares for a combined price of SEK 2.9 million. Total share buy-backs during the nine-month period thus amounted to 953,000 class B shares for a combined SEK 5.8 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 41 million. Net cash at September 30, 2007, was SEK 19.5 million (58.6). In the fourth quarter, settlement of receivables from the divested companies will strengthen net cash by approximately SEK 21 million.

The equity/assets ratio improved further during the period and amounted to 83 percent (72) at September 30, 2007.

GROUP SEK M	9 mths Jan-Sept 2007	2006	3 mths July-Sept 2007	2006	Full year 2006
Continuing operations					
NET SALES					
IAR Systems	106.5	103.3	35.3	33.5	139.5
Northern	16.0	8.0	5.5	4.2	15.1
Deltaco	209.1	185.3	69.6	62.9	267.9
Distribution	46.0	48.4	11.5	11.5	67.0
Total net sales	377.6	345.0	121.9	112.1	489.5
PROFIT (EBITA)					
IAR Systems	18.2	20.4	6.6	6.8	29.6
Northern	4.3	0.6	1.0	0.8	2.5
Deltaco	22.5	18.7	7.0	6.3	26.8
Distribution	8.3	8.4	2.4	2.6	13.8
Central	-9.2	-9.5	-2.8	-3.0	-12.7
Other revenue	-	3.0	-	-	3.0
EBITA	44.1	41.6	14.2	13.5	63.0
Margin (EBITA), %	11.7	12.1	11.6	12.0	12.9
Amortization of intangible assets	-2.7	-2.8	-0.9	-1.0	-3.3
Operating profit	41.4	38.8	13.3	12.5	59.7
Operating margin, %	11.0	11.2	10.9	11.2	12.2
Result from financial investments	0.7	-1.4	0.2	0.0	-1.1
Profit after financial items	42.1	37.4	13.5	12.5	58.6
Total, including discontinued operations					
Operating profit	31.4	35.1	9.6	11.1	54.6
Operating margin, %	5.8	6.5	6.0	6.8	7.1
Profit after financial items	31.5	34.0	9.8	11.3	53.9

IAR Systems

“Continued positive development for 32-bit technology is generating increased license sales”

IAR Systems is specialized in software and development tools for programming of microprocessors in embedded systems. Its customers include several of the world's leading manufacturers of automobiles, industrial robots, medico-technical equipment and cellular telephones.

Net sales are reported at SEK 106.5 (103.3) for the first nine months of the year and SEK 35.3 million (33.5) for the second quarter.

License revenue rose to SEK 82.5 million (75.9) for the nine-month period and SEK 27.9 million (23.6) for the third quarter. The increase in the third quarter is equal to 23 percent in local currency, and is a result of the company's marketing and sales investments. Software in the market for wireless applications, which is largely built on 32-bit technology, accounted for nearly 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. Third quarter ARM sales surpassed those for the successful second quarter and reached a new record level for IAR Systems.

Support revenues rose to SEK 18.9 million (16.7) for the nine-month period and SEK 6.2 (5.8) for the third quarter. IAR Systems' development revenue declined to SEK 1.2 million (4.1) for the third quarter and SEK 5.1 million (10.7) for the first nine months. The sharp decrease is partly due to final delivery on certain development contracts and partly to consolidation effects in the industry. Development revenue is expected to remain stable in the fourth quarter. Three major development contracts have been completed during the year, one per quarter. All refer to 32-bit technology, where the market potential is deemed greatest. This is consistent with IAR Systems' strategy in recent years to mainly pursue development contracts with potential for subsequent license sales.

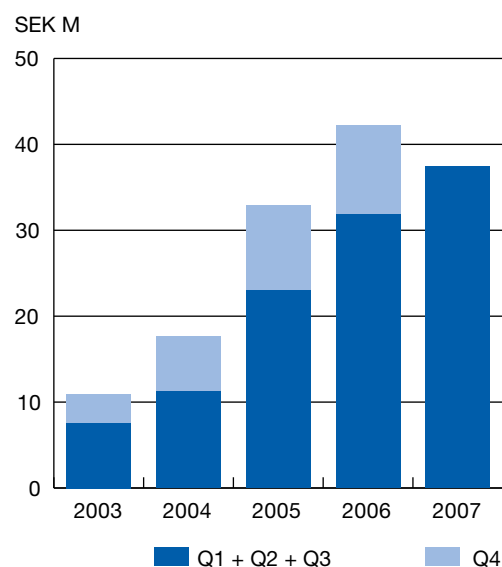
Profit before amortization of intangible assets was SEK 18.2 million (20.4) for the first nine months and SEK 6.6 million (6.8) for the third quarter. Operating margin was 16.0 (18.5) for the nine-month period and 17.6 percent (18.8) for the third quarter. The year's investments of SEK 10 million, primarily in international sales and marketing resources, have been charged to profit for the period.

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. Foreign exchange effects had an impact of SEK -4.1 million on sales and SEK -2.0 million on profit for the first nine months, and of SEK -1.2 million on sales and SEK -0.6 million on profit for the third quarter.

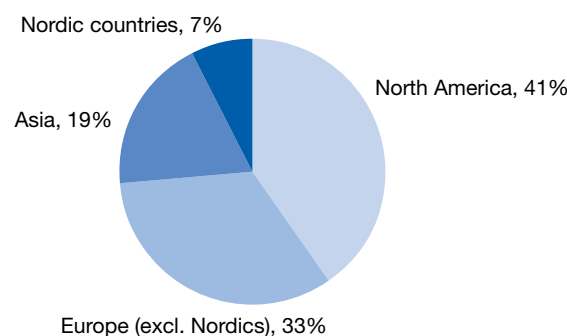
SEK M	9 mths Jan-Sept		3 mths July-Sept		Full year
	2007	2006	2007	2006	2006
NET SALES					
License revenue	82.5	75.9	27.9	23.6	102.0
Support revenue	18.9	16.7	6.2	5.8	23.3
Development revenue	5.1	10.7	1.2	4.1	14.2
Total revenue	106.5	103.3	35.3	33.5	139.5
Operating expenses	-87.6	-82.3	-28.4	-26.5	-109.2
Depreciation of tangible assets	-0.7	-0.6	-0.3	-0.2	-0.7
Profit (EBITA)	18.2	20.4	6.6	6.8	29.6
Margin (EBITA), %	17.1	19.7	18.7	20.3	21.2
Amortization of intangible assets	-1.2	-1.3	-0.4	-0.5	-1.8
Operating profit	17.0	19.1	6.2	6.3	27.8
Operating margin, %	16.0	18.5	17.6	18.8	19.9

License sales for 32-bit technology

2003-2007



Sales by geographical area



“Sustained growth and improved profitability”

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 16.0 million (8.0) for the first nine months of the year and SEK 5.5 million (4.2) for the third quarter.

Because Northern was acquired in April 2006, the comparative figures for the prior year refer to the period from April 6 to June 30. Both license and support revenue increased during the third quarter.

The past year's determined efforts to strengthen the international sales organization are starting to have visible effect and are expected to result in additional sales growth ahead. Northern has intensified its partnership with the global hardware supplier NetApps and Northern's software has been adapted to NetApps' storage platform. In the third quarter, Northern's new license sales in the US for NAS devices (Network Attached Storage) outpaced those for the Windows market.

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 one year.

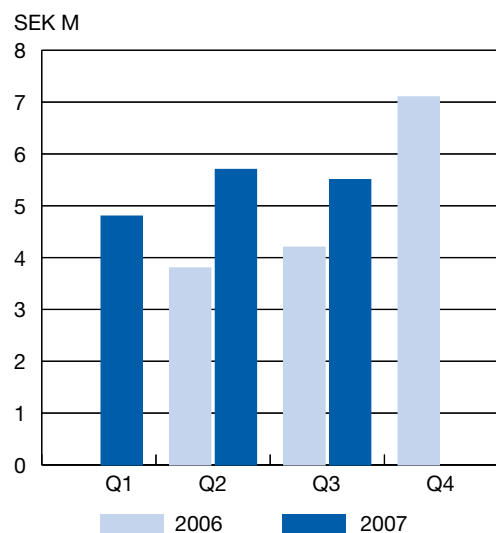
After the end of the period, Northern launched a new version of its successful software solution Northern Storage Suite. The new release, Version 8, is the most extensive update since the introduction of NSS in 2003. One important new feature is NSS:Dashboard, an intelligent interface and e-mail reporting tool that combines in-depth analytics with warnings and recommended measures for proactive storage management.

Profit before amortization of intangible assets was SEK 4.3 (0.6) for the first nine months of the year and SEK 1.0 million (0.8) for the third quarter. Operating margin was 23.1 percent (0.0) for the nine-month period and 14.5 percent (14.3) for the third quarter.

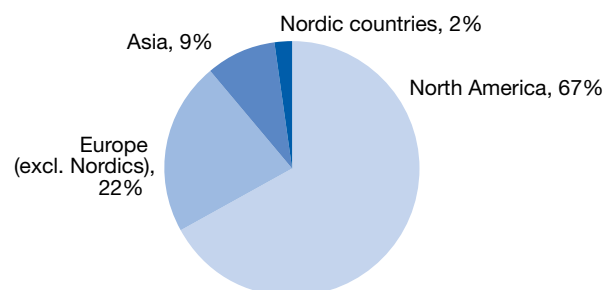
SEK M	9 mths Jan-Sept		3 mths July-Sept		Full year
	2007	2006	2007	2006	2006
NET SALES					
License revenue	9.6	4.9	3.3	2.4	8.6
Support revenue	6.4	3.1	2.2	1.8	6.5
Total revenue	16.0	8.0	5.5	4.2	15.1
Operating expenses	-11.5	-7.4	-4.4	-3.4	-12.5
Depreciation of tangible assets	-0.2	-0.0	-0.1	-0.0	-0.1
Profit (EBITA)	4.3	0.6	1.0	0.8	2.5
Margin (EBITA), %	26.9	7.5	18.2	19.0	16.6
Amortization of intangible assets	-0.6	-0.6	-0.2	-0.2	-0.5
Operating profit	3.7	0.0	0.8	0.6	2.0
Operating margin, %	23.1	0.0	14.5	14.3	13.2

Northern was acquired on April 6, 2006

Sales by quarter



Sales by geographical area



Deltaco

“Growing sales of products under the company’s own brand name.”

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 continued to rise, reaching SEK 209.1 million (185.3) for the first nine months and SEK 69.6 million (62.9) for the third quarter.

Profit before amortization of intangible assets was SEK 22.5 million (18.7) for the first nine months and SEK 7.0 (6.3) for the third quarter. Operating margin was 10.3 percent (9.6) or the nine-month period and 9.6 percent (9.5) for the third 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.

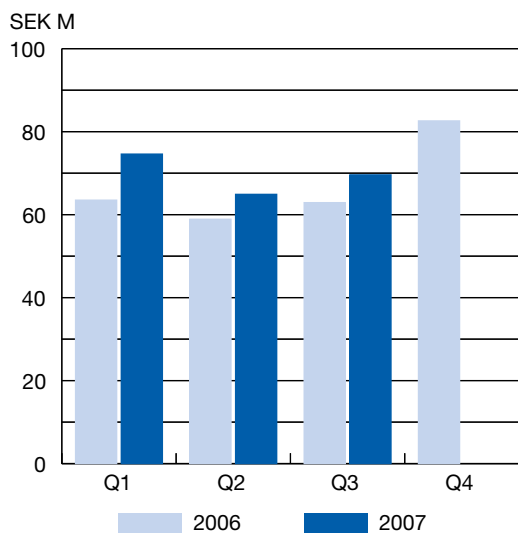
Deltaco is continuing its strategy to launch products under its own brand. In this effort, Deltaco will be aided by its market-leading position in the

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 third quarter, some 600 own-branded products had been launched and now account for approximately 11 percent of sales.

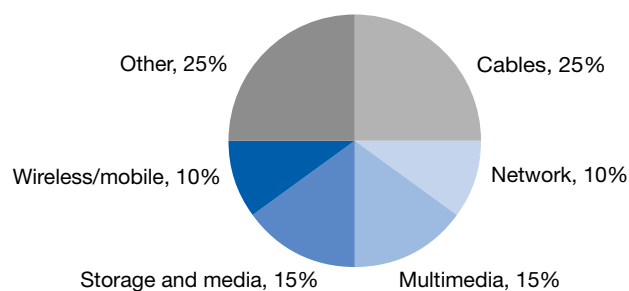
In the third quarter, Deltaco entered a partnership with the US-based Walt Disney for a new range of computer accessories under the Disney brand. The range includes products from European and Asian manufacturers. The products will be sold both through the company’s existing sales channels and through new resellers. The license agreement has given Deltaco sales rights for the Nordic region.

SEK M	9 mths Jan-Sept		3 mths July-Sept		Full year
	2007	2006	2007	2006	2006
Net sales	209.1	185.3	69.6	62.9	267.9
Operating expenses	-185.4	-165.5	-62.2	-56.2	-239.8
Depreciation of tangible assets	-1.2	-1.1	-0.4	-0.4	-1.3
Profit (EBITA)	22.5	18.7	7.0	6.3	26.8
Margin (EBITA), %	10.8	10.1	10.1	10.0	10.0
Amortization of intangible assets	-0.9	-0.9	-0.3	-0.3	-1.2
Operating profit	21.6	17.8	6.7	6.0	25.6
Operating margin, %	10.3	9.6	9.6	9.5	9.6

Sales by quarter



Sales by product category



Distribution

“Solid profitability after streamlining – now accounts for 10 percent of consolidated sales”

The Distribution business area has undergone major changes during the year. 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 will be dissolved at the coming year-end, after which the subsidiaries will be reported as separate units.

Net sales are reported at SEK 46.0 million (48.4) for the first nine months of the year and SEK 11.5 million (11.5) for the third 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 8.3 million (8.4) for the first nine months and SEK 2.4 million (2.6) for the third quarter. Operating margin was 18.0 percent (17.4) for the nine-month period and 20.9 percent (22.6) for the third quarter.

The process of change in distribution operations was completed during the third quarter. At the end of September, Nocom Security was sold to Infinigate Holding AG, one of Europe's leading value added distributors of IT security solutions. On the date of sale, Nocom Security had 36 employees in Sweden, Norway and Denmark. For 2006, Nocom Security reported net sales of SEK 188 million and a loss of SEK 8 million. In 2007 measures have been taken to limit volume-related sales with low gross margins, causing the company's sales to fall to SEK 103 million (132) for the first nine months of the year. Efforts to replace volume-related sales with an expanded range of advanced security and storage solutions has not led to any improvement in profitability, which 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 is not expected to have any impact on consolidated profit.

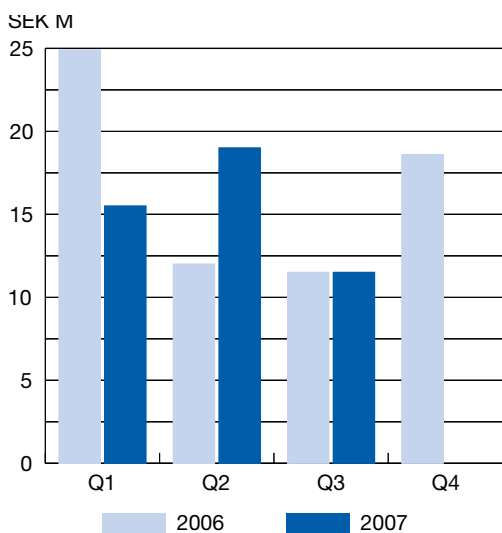
On September 30, Network Innovation was sold to two senior executives in the company, Erik Näsman and Erik Pettersson. The sale is conditional on the approval of the Annual General Meeting. On the date of sale, the company had 19 employees on Sweden and Norway. For 2006 Network Innovation posted net 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. Net sales for the first nine months of 2007 increased to SEK 59 million (54). Profitability has been impacted by a growing share of volume-related sales and the company reported a loss of SEK 0.7 million (+1.7) for the first nine months of 2007.

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”.

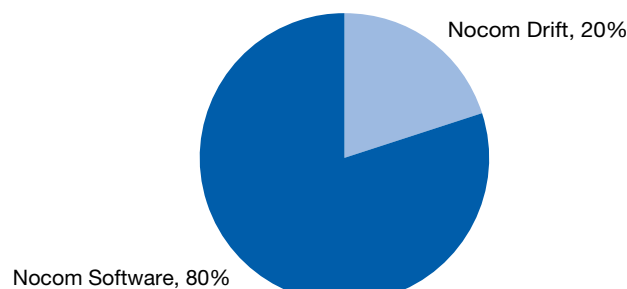
The remaining companies in the distribution area, Nocom Software and Nocom Drift, showed stable sales and healthy profitability in the third quarter.

SEK M	9 mths Jan-Sept		3 mths July-Sept		Full year
	2007	2006	2007	2006	2006
Continuing operations					
Net sales	46.0	48.4	11.5	11.5	67.0
Operating expenses	-36.7	-39.2	-8.8	-8.7	-52.2
Depreciation of tangible assets	-1.0	-0.8	-0.3	-0.2	-1.0
Profit (EBITA)	8.3	8.4	2.4	2.6	13.8
Margin (EBITA), %	18.0	17.4	20.9	22.6	20.6
Amortization of intangible assets	-	-	-	-	-
Operating profit	8.3	8.4	2.4	2.6	13.8
Operating margin, %	18.0	17.4	20.9	22.6	20.6
Discontinued operations					
Net sales	162.0	197.5	39.3	51.5	282.0
Operating profit/loss	-10.0	-3.7	-3.7	-1.4	-5.1

Sales by quarter



Sales by subsidiary



Financial information

Cash flow, cash and cash equivalents

SEK M	9 mths Jan-Sept		3 mths July-Sept		Full year
	2007	2006	2007	2006	2006
Cash flow from operating activities	20.1	42.3	14.8	16.9	56.7
Cash flow from investing activities	-19.7	-16.8	-6.2	-1.6	-18.0
Cash flow from financing activities	-40.7	-5.0	2.0	2.5	1.1
Total cash flow from continuing operations	-40.3	20.5	10.6	17.8	39.8
Total cash flow from discontinued operations	-29.8	-12.5	-22.1	-6.7	-21.2
Total cash flow	-70.1	8.0	-11.5	11.1	18.6

Net cash at September 30, 2007, was SEK 19.5 million (58.6). In the fourth quarter, net cash will be strengthened by an amount of approximately SEK 21 million when receivables from the sold companies are settled.

Cash flow from operating activities was SEK 20.1 million (42.3) for the first nine months and SEK 14.8 (16.9) for the third 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 -19.7 million (-16.8) for the first nine months and SEK -6.2 million (-1.6) for the third quarter. Cash flow from investing activities was negatively affected by an additional cash payment of SEK 5.0 million on the acquisition of Northern in the second quarter of 2007, and by SEK 2.0 million in connection with Northern's acquisition of Copernet in the third quarter.

Cash flow from financing activities in continuing operations was SEK -40.7 million (-5.0) for the first nine months and SEK 2.0 million (2.5) for the third 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. During the first nine months of the year, Nocom repurchased a total of 953,000 treasury shares at an average price of SEK 6.05 each and a total purchase price of SEK 5.8 million. The share buy-back has continued after the end of the period. Since October 1, an additional 690,000 shares have been repurchased.

Cash flow from financing activities in discontinued operations was SEK -29.8 million (-12.5) for the first nine months of the year and SEK -22.1 million (-6.7) for the third quarter. In the fourth quarter, cash flow will be positively affected by an amount of approximately SEK 21 million when receivables from the sold companies are settled.

Cash and cash equivalents at the end of the period totaled SEK 38.0 million (97.5) in addition to unutilized bank overdraft facilities of SEK 20.0 million (34.2). In connection with advance access to the shares in TurnIT, an amount of SEK 3.6 million has been deposited in a blocked bank account during 2007. 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 at September 30, 2007, thus amounted to SEK 54.4 million (127.0).

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.

In the second quarter, the acquisition analysis for Northern was 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 effect on profit for prior periods.

Goodwill at September 30, 2007, amounted to SEK 304.1 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 September 30, 2007, the Group had cumulative loss carryforwards of approximately SEK 459 million. In the balance sheet, the current estimated value of these losses is SEK 59.9 million (51.1). This item consists of capitalized temporary differences and acquired loss carryforwards.

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. Provided that no party contests the arbitration decision, the redemption amount plus interest will be disbursed by NCSD (the Nordic Central Securities Depository, formerly VPC) in November 2007. The portion of the redemption amount that has been uncontested by the parties, amounting to SEK 1.10 per share plus interest, was paid at the beginning of October 2007.

Investments and financing

Net expenditure on tangible assets in the first nine months amounted to SEK 3.4 million (7.3). The equity/assets ratio improved further and was 83 percent (72) at September 30, 2007.

Pledged assets increased by SEK 3.5 million during the first nine months and amounted to SEK 36.2 million (103.9) at September 30, 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 (196).

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 7.7 million (5.6) for the first nine months and SEK 2.5 million (0.3) for the third quarter. Profit after financial items was SEK -33.5 million (22.6) for the nine-month period and SEK -31.2 million (-2.7) for the third quarter.

The sale of Nocom Security resulted in costs 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 -9.2 million (-6.5) for the first nine months and SEK -2.8 million (-3.0) for the third quarter. Net expenditure on tangible assets amounted to SEK 0.1 million (2.3). Cash and cash equivalents at September 30, 2007, amounted to SEK 3.6 million (9.2) and unutilized overdraft facilities totaled SEK 12.2 million (15.0). In connection with advance access to the shares in TurnIT, an amount of SEK 3.6 million was deposited in a blocked bank account during 2007. For advance access to the shares in IAR Systems, an amount of SEK 4.7 million was correspondingly deposited in the prior year. The Parent Company's available cash and cash equivalents thus amounted to SEK 12.2 million (19.5). The number of employees in the Parent Company at the end of the period was 5 (6).

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 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.

The Nocom share

Nocom's class B share is quoted on the Small Cap list of the OMX Nordic Stock Exchange. The share price during the first six months of the year varied from a low of SEK 5.20 (7.00) to a high of SEK 8.50 (11.60). The share price at September 30, 2007, was SEK 5.35 (10.30). Nocom's market capitalization on the same date was SEK 615 million (893).

The number of stockholders in Nocom at September 30, 2007, was 14,588 (19,326), of whom 795 (1,427) held more than 10,000 shares each. Foreign stockholders held around 19 percent (10) of the share capital and 25 percent (14) 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 the first nine months of the year, Nocom repurchased a total of 953,000 class B treasury shares for a combined value of SEK 5.8 million. These shares are not included in the share data at September 30, 2007. After the end of the period under review, an additional 590,000 shares were repurchased. The total number of shares repurchased so far in 2007 thus amounts to 1,643,000.

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 116,096,114.

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 September 30, 2007, was 586,500.

Future outlook

Nocom expects a continued positive climate for IT investments in 2007, providing the Group with a strong market position and momentum for sustained positive development. The Group's long-term goal is to grow faster than the IT market in general, which will be achieved by stepping up its investments in sales resources, product development and global presence

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 at the same time that profitability has improved in the remaining operations. 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.

The financial priorities for the Group are to maintain stable long-term profitability with an operating margin of at least 12 percent over a business cycle. The fourth quarter is traditionally the company's strongest, which further supports a positive outlook for the full year.

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 37-38. The Group's business risks are assessed to have been reduced through the sale of Nocom Security and Network Innovation.

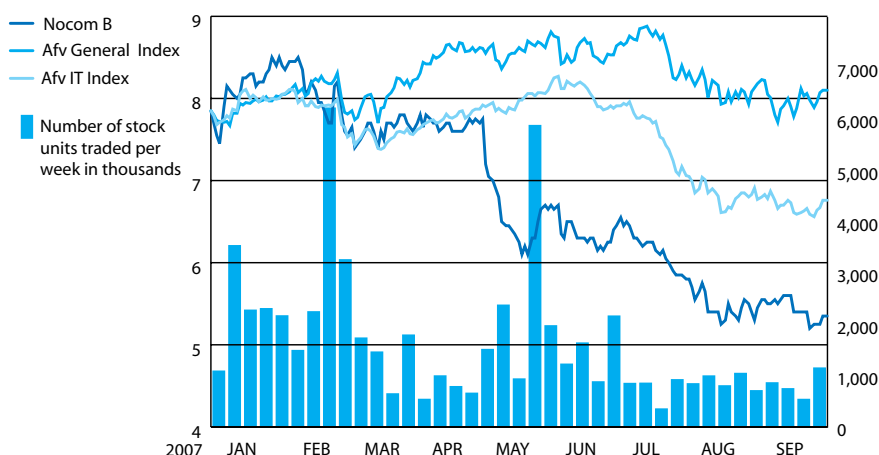
Stockholm, Wednesday, November 7, 2007

Stefan Ström, President and CEO, Nocom AB (publ)

Review report

This interim report has not been reviewed by the company's auditors.

Share price development, January-September 2007



INCOME STATEMENTS, GROUP		9 mths Jan-Sept		3 mths July-Sept		12 mths Oct-Sept		Full year
SEK M	2007	2006	2007	2006	06/07	05/06	2006	
Continuing operations								
Net sales	377.6	345.0	121.9	112.1	522.1	462.0	489.5	
Operating expenses	-329.7	-303.8	-106.3	-97.6	-451.9	-407.8	-426.0	
Depreciation of tangible assets	-3.8	-2.6	-1.4	-1.0	-4.7	-3.5	-3.5	
Amortization of intangible assets	-2.7	-2.8	-0.9	-1.0	-3.2	-3.5	-3.3	
Other income	-	3.0	-	-	-	6.4	3.0	
Operating profit	41.4	38.8	13.3	12.5	62.3	53.6	59.7	
Result from financial investments	0.7	-1.4	0.2	-0.0	1.0	-1.3	-1.1	
Profit after financial items	42.1	37.4	13.5	12.5	63.3	52.3	58.6	
Income tax	-9.8	-10.0	-2.9	-3.1	3.6	17.1	3.4	
Profit for the period in continuing operations	32.3	27.4	10.6	9.4	66.9	69.4	62.0	
Profit for the period in discontinued operations	-9.9	-3.7	-3.7	-1.2	-14.8	0.2	-8.6	
Profit for the period	22.4	23.7	6.9	8.2	52.1	69.6	53.4	

Profit for the period attributable to:
Equity holders in the Parent Company
Minority interest

	22.4	23.6	6.9	8.2	52.1	69.4	53.2	
	-	0.1	-	-	-	0.2	0.2	
Earnings per share based on profit from continuing operations attributable to equity holders in the Parent Company during the period, SEK								
- before dilution	0.28	0.27	0.09	0.09	0.59	0.69	0.60	
- after dilution	0.28	0.25	0.09	0.08	0.57	0.62	0.54	
Earnings per share based on profit from discontinued operations attributable to equity holders in the Parent Company during the period, SEK								
- before dilution	-0.08	-0.04	-0.03	-0.01	-0.13	0.00	-0.08	
- after dilution	-0.08	-0.03	-0.03	-0.01	-0.13	0.00	-0.08	

BALANCE SHEETS, GROUP

SEK M	Sept 30, 2007	Sept 30, 2007	Dec 31, 2006
ASSETS			
Fixed assets			
Goodwill		304.1	303.7
Other intangible assets		32.9	42.8
Tangible assets		38.7	48.1
Financial assets		82.5	51.4
Total fixed assets		458.2	446.0
Current assets			
Inventories		66.8	56.4
Other current assets		58.1	32.0
Accounts receivable		72.0	109.6
Cash and cash equivalents		38.0	97.5
Total current assets		234.9	295.5
TOTAL ASSETS		693.1	741.5
EQUITY AND LIABILITIES			
Total equity		574.1	532.6
Long-term liabilities			
Long-term interest-bearing liabilities		17.6	24.0
Provisions		12.4	13.3
Total long-term liabilities		30.0	37.3
Current liabilities			
Accounts payable		31.7	53.1
Interest-bearing liabilities		0.9	14.9
Provisions		2.0	8.2
Other current liabilities		54.4	95.4
Total current liabilities		89.0	171.6
TOTAL EQUITY AND LIABILITIES		693.1	741.5
Pledged assets		36.2	103.9
Contingent liabilities		-	-
Equity per share, SEK		4.95	4.98
Equity per share adjusted for full exercise of warrants, SEK		4.95	4.86

SEK M	9 mths Jan-Sept		3 mths July-Sept		12 mths Oct-Sept		Full year
2007	2006	2007	2006	06/07	05/06	2006	
Equity at beginning of period	592.3	448.9	569.8	523.4	532.6	399.8	448.9
New stock issues	0.0	60.9	0.0	1.3	29.5	64.0	90.4
Repurchase of shares	-5.8	-	-2.9	-	-5.8	-	-
Exchange rate differences	0.3	-0.9	0.3	-0.3	0.8	-0.8	-0.4
Dividends	-35.1	-	-	-	-35.1	-	-
Profit for the period	22.4	23.7	6.9	8.2	52.1	69.6	53.4
Equity at end of period	574.1	532.6	574.1	532.6	574.1	532.6	592.3
- of which, minority interest in equity	-	0.9	-	0.9	-	0.9	1.1

CASH FLOWS, GROUP SEK M	9 mths Jan-Sept		3 mths July-Sept		12 mths Oct-Sept		Full year 2006
	2007	2006	2007	2006	06/07	05/06	
Income payments from customers	379.4	310.0	110.9	97.6	516.2	399.3	446.8
Outgoing payments to suppliers and employees	-351.3	-264.1	-93.4	-79.8	-479.5	-350.0	-392.3
Interest received	1.3	0.5	0.1	0.2	1.9	0.6	1.1
Interest paid	-0.6	-0.9	0.0	-0.2	-1.9	-1.1	-2.2
Income tax paid	-8.7	-3.2	-2.8	-0.9	-2.2	0.5	3.3
Cash flow from operating activities	20.1	42.3	14.8	16.9	34.5	49.3	56.7
Cash flow from investing activities	-19.7	-16.8	-6.2	-1.6	-20.9	-19.0	-18.0
Cash flow from financing activities	-40.7	-5.0	2.0	2.5	-34.6	-3.0	1.1
Cash flow for the period from continuing operations	-40.3	20.5	10.6	17.8	-21.0	27.3	39.8
Cash flow from discontinued operations							
Cash flow from operating activities	-11.9	-6.4	-5.1	-3.9	-17.8	2.1	-12.3
Cash flow from investing activities	-17.9	-6.1	-17.0	-2.8	-20.7	-6.6	-8.9
Cash flow from financing activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow for the period from discontinued operations	-29.8	-12.5	-22.1	-6.7	-38.5	-4.5	-21.2
Cash flow for the period	-70.1	8.0	-11.5	11.1	-59.5	22.8	18.6
Liquid assets at beginning of period	108.1	89.5	49.5	86.4	97.5	74.7	89.5
Liquid assets at end of period	38.0	97.5	38.0	97.5	38.0	97.5	108.1
Blocked bank accounts	-3.6	-4.7	-3.6	-4.7	-3.6	-4.7	-4.7
Unutilized overdraft facilities	20.0	34.2	20.0	34.2	20.0	34.2	15.0
Total available cash and cash equivalents	54.4	127.0	54.4	127.0	54.4	127.0	118.4

KEY RATIOS, GROUP	9 mths Jan-Sept		3 mths July-Sept		12 mths Oct-Sept		Full year 2006
	2007	2006	2007	2006	06/07	05/06	
Gross margin, %	12.7	11.9	12.8	13.4	13.4	11.7	13.0
Operating margin, %	11.0	11.2	10.9	11.2	11.9	11.6	12.2
Profit margin, %	11.1	10.8	11.1	11.2	12.1	11.3	12.0
Cash flow, %	5.3	12.3	12.1	15.1	6.6	10.7	11.6
Equity/assets ratio, %	82.8	71.8					73.6
Return on equity, %	3.8	4.8	1.2	1.6	9.4	14.9	10.3
Return on capital employed, %	7.1	7.4	2.3	2.2	11.0	10.7	11.0
Interest coverage ratio	71.5	19.3	48.5	59.7	74.8	24.7	26.5
Capital employed, SEK million	592.6	571.5					611.2
Net interest-bearing liabilities, SEK million	-34.0	-58.6					-89.2
Net debt/equity ratio	-0.06	-0.11					-0.15
Number of employees at year-end	219	196					189
Average number of employees	208	179	218	196	204	174	182
Sales per employee, SEK million	1.8	1.9	0.6	0.6	2.6	2.7	2.7

SHARE DATA	9 mths Jan-Sept		3 mths July-Sept		12 mths Oct-Sept		Full year 2006
	2007	2006	2007	2006	06/07	05/06	
Equity per share, SEK	4.95	4.91					5.07
Equity per share adjusted for full exercise of outstanding warrants, SEK	4.95	4.80					5.07
Number of shares at end of period, millions	115.9	106.5					116.9
Number of shares at end of period adjusted for full exercise of outstanding warrants, millions	117.1	117.9					117.8
Average number of shares, millions	116.6	100.1	116.3	100.4	114.2	99.7	103.4
Average number of shares adjusted for full exercise of outstanding warrants, millions	117.0	110.8	117.1	111.2	117.2	110.5	114.4
Cash flow from operating activities per share, SEK	0.17	0.42	0.13	0.17	0.30	0.49	0.55
Cash flow from operating activities per share adjusted for full exercise of outstanding warrants, SEK	0.17	0.38	0.13	0.15	0.29	0.45	0.50
Earnings per share, SEK	0.28	0.27	0.09	0.09	0.59	0.69	0.60
Earnings per share adjusted for full exercise of outstanding warrants, SEK	0.28	0.25	0.09	0.08	0.57	0.64	0.54

The 953,000 class B treasury shares repurchased by Nocom during the year are not included in the data above. The shares were repurchased during the second and third quarters at an average price of SEK 6.05 each. These repurchased shares correspond to an average number of approximately 288,000 during the first nine months and approximately 612,000 during the third quarter.

GROUP MSEK	Sales by quarter					Full year	Operating profit by quarter					Full year
	Q I	Q II	Q III	Q IV	Q I		Q II	Q III	Q IV			
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			14.2	13.9	13.3				

INCOME STATEMENT, PARENT COMPANY SEK M	9 mths Jan-Sept		Full year 2006
	2007	2006	
Net sales	7.7	5.6	12.1
Operating expenses	-11.9	-10.3	-14.0
Depreciation tangible assets	-0.7	-0.5	-0.7
Operating profit/loss	-4.9	-5.2	-2.6
Result from financial investments	-28.6	27.8	93.3
Profit/loss after financial items	-33.5	22.6	90.7
Income tax	-	-	-2.4
Profit/loss for the period	-33.5	22.6	88.3

BALANCE SHEETS, PARENT COMPANY SEK M	Sept 30, 2007		Sept 30, 2006	Dec 31, 2006
	ASSETS			
ASSETS				
Fixed assets				
Tangible assets	3.2	3.3		3.8
Shares in subsidiaries	411.1	458.5		459.3
Other financial assets	24.6	0.1		15.4
Total fixed assets	438.9	461.9		478.5
Current assets				
Receivables from subsidiaries	17.8	15.2		16.7
Other current assets	18.7	1.7		1.7
Cash and cash equivalents	3.6	9.2		49.8
Total current assets	40.1	26.1		68.2
TOTAL ASSETS	479.0	488.0		546.7
EQUITY AND LIABILITIES				
Total equity	423.9	449.1		498.3
Long-term liabilities				
Interest-bearing liabilities	-	7.5		-
Provisions	1.0	2.0		2.0
Total long-term liabilities	1.0	9.5		2.0
Current liabilities				
Interest-bearing liabilities	2.8	12.5		-
Accounts payable	0.5	0.7		2.0
Liabilities to subsidiaries	47.4	5.4		34.1
Provisions	1.0	5.4		5.4
Other current liabilities	2.4	5.4		4.9
Total current liabilities	54.1	29.4		46.4
TOTAL EQUITY AND LIABILITIES	479.0	488.0		546.7

Financial calendar

Year-end report 2007
Annual General Meeting

February 13, 2008
May 6, 2008

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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.

