

# Q2

## Nocom AB (publ)

Interim report January – June 2006

### *Improved operating profit in all units, strong finances and high growth in software business*

- All business areas delivered increased earnings and operating margins.
- Powerful expansion in Software business area – successful sales in IAR Systems and acquisition of Northern.
- Strong finances and dramatically improved cash flow from operating activities.

#### First half 2006

- Net sales amounted to SEK 389.9 (237.2) million.
- Operating profit reached SEK 23.7 (5.8) million.
- Operating margin was SEK 6.1 (2.4) percent.
- Profit after financial items was SEK 22.4 (4.9) million.
- Profit after tax totaled SEK 15.5 (4.0) million.
- Earnings per share were SEK 0.14 (0.03).
- Cash flow from operating activities was SEK 22.9 (-11.8) million.
- Available cash and cash equivalents amounted to SEK 115.9 (108.2) million.
- Equity at June 30 is reported at SEK 523.4 (392.8) million.
- Equity per share at June 30 was SEK 4.91 (3.97) million.

#### Second quarter of 2006

- Net sales amounted to SEK 178.1 (176.7) million.
- Operating profit reached SEK 8.3 (8.8) million.
- Operating margin was SEK 4.7 (5.0) percent.
- Profit after financial items was SEK 7.1 (8.0) million.
- Profit after tax totaled SEK 4.8 (7.2) million.
- Earnings per share were SEK 0.04 (0.05).
- Cash flow from operating activities was SEK 5.0 (-8.9) million.

- Former CFO Stefan Ström took up the post of CEO on May 3. He succeeded Stefan Skarin, who was elected Chairman by the Annual General Meeting.
- At the beginning of April Nocom acquired Northern, a leading provider of proprietary software for Storage Resource Management (SRM). Northern has annual sales of approximately SEK 20 million and 22 employees, of whom seven are based in the USA. The total purchase consideration of SEK 25.4 million includes of sum of SEK 7 million to be paid over a period of three years.

#### Subsequent events

- In July Northern signed a strategic collaboration agreement with EMC Corporation to facilitate interoperability of Northern Storage Suite with EMC's storage systems. The collaboration will enable Nocom to build solutions integrated with EMC's storage platforms.

# COMMENTS FROM THE CEO

*“Sales have surged by 65 percent and operating profit quadrupled over the first half of 2006. Now the goal is to accelerate the pace of our long-term strategic development.”*

After a few months as CEO it is time for me to sum up a successful first half of 2006. Nocom is continuing to grow – both organically and through acquisitions – with unbroken profitability. The Group reported net sales of SEK 390 million for the first six months of the year, an increase of nearly 65 percent. At the same time, profitability was strengthened and operating profit reached SEK 23.7 million, a quadrupling compared with the first half of 2005. All units have improved their financial performance over the previous year – in both the first and second quarter – and cash flow from operating activities rose dramatically. After a stable second quarter we are now stepping up the pace of the Group's development, where the priorities are to further grow our software business and boost profitability in the distribution area.

In May I took up the post of CEO of Nocom. I have been with the company since the IPO in 1999 and the IT boom of the late 90s, through uninhibited growth and the heavy losses of the early 2000s. In 2001 I became Chief Financial Officer, the same year that Stefan Skarin was appointed CEO. The past five years have been marked by Nocom's tough but successful journey from loss-making company to expanding and profitable IT group. With the past year's major acquisitions now behind us and bolstered by our strong finances and stable profitability, we have a whole new freedom to shape the Group's future.

In the spring we launched an initiative to accelerate the Group's long-term strategic development. In connection with this, Stefan Skarin left the CEO post to take over as Working Chairman. In this capacity, he will be able to focus his energy on realizing the growth potential found in the Group. As CEO, I will concentrate on the Group's long-term profitability, financial structure and ongoing improvements in operating efficiency. This means that we will continue working in close collaboration, albeit in new roles.

In the second quarter the Software business area showed especially impressive performance driven mainly by fantastic sales and profitability growth in IAR Systems, which has confirmed and strengthened its position as a leading global supplier of development tools for embedded systems. The first half of 2006 was marked by increased sales of both proprietary software and support contracts, extended collaboration with strategically important business partners around the world, interesting development projects and ventures in the fast-growing ARM technology. Amid rising profitability and powerful expansion, IAR Systems has also created excellent scope for future profitability gains and growth. In short, IAR Systems is on a solid growth trajectory – and its future potential is enormous. We have therefore raised the company's operating margin target to 15-20 percent.

The Software business area was also enlarged through the April acquisition of Northern, a Swedish provider of proprietary software for Storage Resource Management (SRM). Northern operates as an independent subsidiary in the Nocom Group and is now collaborating with Distribution operations in the Nordic market, which is expected to generate tangible synergies already this autumn. Northern currently derives around half of its sales from the USA and efforts are being made to increase distribution and sales primarily in Europe, in line with our expressed strategy for the year – to maximize growth in the Software business area.

In the Distribution business area, where the foremost goal is not growth but increased profitability, we are also starting to see the results of our efforts. Operating profit for the first half of 2006 more than tripled over the year-earlier period to SEK 15.9 million. The spring's

profitability enhancement measures expected to bear fruit in the second half of the year. In Nocom Security, where the earnings trend has not been satisfactory, a number of changes were introduced during the spring. The company's President resigned in June, investments are being made in a new ERP system that will streamline the sales process, the product mix is being looked over and the Norwegian customer base for Utimaco's software was acquired from Buysec AS at the end of the second quarter – all to improve efficiency and boost earnings.

It has also been a good half year from a financial perspective, since we were able to complete the offer to TurnIT's stockholders. Operations in both TurnIT and IAR Systems were successfully integrated already last year and although this process was carried out swiftly, it is satisfying to formally complete the acquisition. It is also positive that holders of a full 99.5 percent of all shares in TurnIT have chosen to accept our offer, which was unchanged throughout the offer period, so that the redemption of all remaining TurnIT shares can begin. Thanks to the nearly 100% acceptance rate the upcoming mandatory redemption will have only a marginal impact on the company's finances, which is good for Nocom our 20,000 stockholders.

We look forward to continued robust development throughout the remainder of 2006 and will continue to prioritize long-term profitability and growth. In the autumn we will step up our development efforts – to boost earnings in Distribution and achieve additional growth in Software.

Stockholm, Wednesday, August 23, 2006



Stefan Ström  
Chief Executive Officer  
Nocom AB (publ)



# SALES

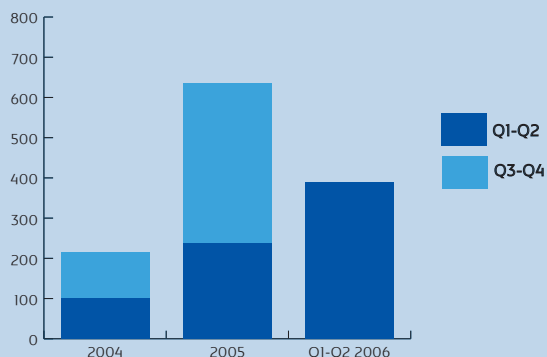
## After powerful growth for IAR Systems and the acquisition of Northern, the Software business area now accounts for 22 percent of Group sales.

Sales for the first six months of 2006 rose by nearly 65 percent to SEK 389.9 (237.2) million, of which SEK 178.1 (176.7) million was generated in the second quarter. The Software business area's share of total consolidated sales increased to around 22 percent in the second quarter, thanks to powerful growth in IAR Systems and the acquisition of Northern in early April. The bulk of sales were attributable to the Distribution business area, with close to 75 percent, and the remainder of nearly 5 percent to the Services business area.

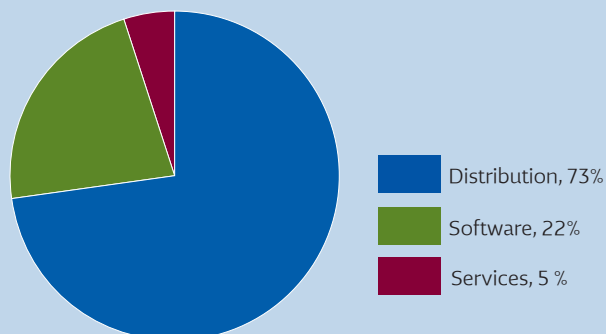
Reported sales by business area

Sales SEK M	Jan-June 2006		April-June 2006		Full year 2005
	2006	2005	2006	2005	
Distribution	299.3	189.5	130.6	136.4	509.7
Software	73.6	34.7	39.4	31.6	93.9
Services	17.0	13.0	8.1	8.7	32.0
<b>GROUP</b>	<b>389.9</b>	<b>237.2</b>	<b>178.1</b>	<b>176.7</b>	<b>635.6</b>

### Consolidated sales 2004-2006



### Second quarter sales 2006 by business area



### Distribution

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

First-half sales for 2006 reached SEK 299.3 (189.5) million, of which SEK 130.6 (136.4) million related to the second quarter. This represents organic growth of 19 percent in the first half of the year, compared with pro forma for the same period of 2005 (see Accounting principles, page 8, for an explanation of the 2005 pro forma figures). Measured over the past 12-month period, organic growth was 23 percent.

In the first quarter of 2006 Nocom Distribution was divided into three separate companies – Nocom Security, Nocom Software and Webcontrol. The division has enabled greater specialization and a clearer profile in the market. Sales in Nocom Security fluctuate sharply between quarters as a result of sensitivity to large orders booked late in the quarter. In order to obtain relevant comparative figures it is therefore necessary to measure longer periods, both for the Distribution business area as a whole and for the individual subsidiaries.

Although the second quarter started with weak demand, sales picked towards the end of the period. Deltaco's successful penetration of new market segments led to growth in sales during first six months of the year.

In June Webcontrol signed a three-year agreement with Nordic-based Fritidsreseguppen, which is part of TUI AG, Europe's leading provider of tourism and travel-related services. Webcontrol will deliver products and services for web analytics to the tour operator's ten Nordic websites, including Fritidsresor's. The contract covers software from WebTrends, training and consulting services.

### Software

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

The business area's sales for the first six months of the year amounted to SEK 73.6 (34.7) million, of which SEK 39.4 (31.6) million referred to the second quarter.

IAR Systems continued its upward trend with sales of SEK 69.8 (34.7) million for the first half and SEK 35.6 (31.6) million for the second quarter. The company is consolidated as of March 22, 2005, and pro forma sales for the first half of 2005 amounted to SEK 54.7 million (see Accounting principles, page 8, for an explanation of the 2005 pro forma figures). Measured over the past 12-month period, organic growth was 25 percent.

The period's growth is mainly due to the streamlining process that was started by IAR Systems in 2004 and has resulted in increased software revenue, both in absolute terms and as a percentage of sales. The business model that has taken shape over the past year will yield growth in the short and long term, with focus is on sales of proprietary software. In a longer perspective this will also lead to a rising number of running support contracts that generate stable revenue streams. Aside from the revenue produced by these contracts during the actual development period, there is valuable scope for higher software sales in coming years. By forging close development partnerships with leading global vendors, IAR Systems has strengthened its position in the market.

In the first half of 2006 IAR Systems boosted its software revenue by close to 30 percent. Last year's successful sales resulted in a 15-

## IAR Systems has grown by more than 25 percent in the past year.

percent increase in support revenue for the first half of the year. Finally, strategically significant development contracts multiplied revenue for development of new compilers during the period.

Sales in the USA, IAR Systems' largest market, rose during the six-month period. The strongest growth was noted in Germany, Japan and the Nordic region. IAR Systems' sales of software for chips built on ARM technology were up by around 30 percent year-on-year and ARM now accounts for the largest share of IAR Systems' software sales. At the beginning of April the company won a significant development contract from a customer in Japan, a world-leading supplier of microprocessors for whom IAR Systems will develop a compiler for the company's new 32-bit chip architecture. The contract is an extension of a longstanding partnership between the companies and is valued at approximately SEK 3.5 million. The three largest markets in the USA, Germany and Japan, accounted for over 50 percent of first-half revenue.

In April Northern acquired Northern, a global provider of flexible, easy-to-administer, Windows-based software for Storage Resource Management (SRM). The company reported annual sales of around SEK 20 million in 2005 and has 22 employees, of whom seven are based in the USA. Northern's largest markets are the USA and Japan, which account for close to 70 percent of sales.

At the same time that Northern is a valuable addition to the Group's software business, Nocom will provide the company with resources

primarily in the sales area. In a first and important step, Nocom has taken over the Nordic distribution rights for Northern's software, giving Northern immediate access to an extensive network of qualified resellers in the Nordic and Baltic markets. Nocom has over 20 years of experience and know-how in software distribution, knowledge that will now benefit Northern through efforts to develop and strengthen the company's channel strategy and sales model. These measures have been started and are expected to have a positive impact on Northern's sales in the third quarter of 2006, with a rising trend in the fourth quarter and the coming year.

In April the company signed a major contract with The U.S. Army Accessions Command at Fort Knox. This strategically important contract covers the purchase of multiple licenses for deployment of Northern Storage Suite for efficient and secure management of enterprise storage resources.

Sales SEK M	6 months, Jan-June		3 months, April-June		Full year
	2006	2005	2006	2005	2005
IAR	69.8	34.7	35.6	31.6	93.9
Northern	3.8	-	3.8	-	-
<b>Total</b>	<b>73.6</b>	<b>34.7</b>	<b>39.4</b>	<b>31.6</b>	<b>93.9</b>

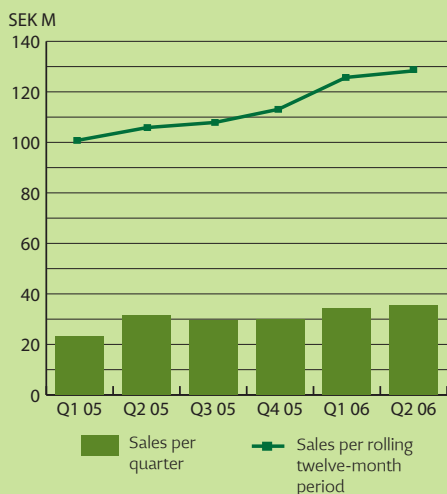
### Services

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

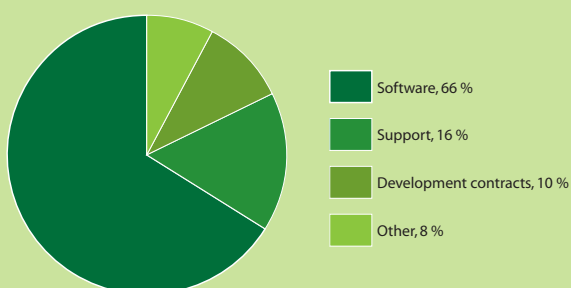
Sales for the first six months of the year totaled SEK 17.0 (13.0) million, of which SEK 8.1 (8.7) million referred to the second quarter. The increase is a direct consequence of the previous year's acquisitions of Nocom Networks (formerly Arete Internet) and UNC Systems.

Over the past year the three original offerings – Nocom Drift, Nocom Networks and UNC Systems – have moved towards increasing business integration under joint management. However, the companies operate in different markets, all of which are exposed to aggressive competition and price pressure. Although demand for hosting solutions was satisfactory in the first half of 2006, there is still considerable potential to increase the number of hosting contracts with the existing staff and facilities. UNC Systems, a provider of web portal solutions, enjoyed stable demand during the period. Sales in Nocom Networks have suffered as a direct result of accelerating competition from major players in the market and ongoing consolidation in the industry.

### Sales for IAR Systems 2005-2006



### Revenue breakdown for IAR Systems, first halv 2006



# OPERATING PROFIT

## All units have improved their financial performance over the previous year and have strengthened their operating margins.

Operating profit for the first half of 2006 was SEK 23.7 (5.8) million, of which SEK 8.3 (8.8) million related to the second quarter. First-half earnings thus grew by SEK 18.9 million over the pro forma figure for the same period of 2005 (see Accounting principles, page 8, for an explanation of the 2005 pro forma figures).

Compared with the same periods of last year, all operations showed improvement in operating profit for both the first half and second quarter. However, the Services business area posted an operating loss for the second quarter which meant that the mid-year result was also negative.

For the business areas alone, operating profit improved by close to 50 percent in the second quarter. However, second quarter operating profit for the Central unit declined by SEK 4 million from the year-earlier period. This is explained by a collaboration initiated by Nocom's management in the second quarter of 2005 to pursue an earlier TurnIT dispute. As part of the agreement Nocom received a sum of SEK 5 million from its partner, which had a direct positive profit effect of SEK 5 million.

Operating margin was 6.1 (2.4) percent for the first half of the year and 4.7 (5.0) percent for the second quarter.

Reported operating profit by business area:

Operating profit SEK M	6 months, Jan-June		3 months, April-June		Full year 2005
	2006	2005	2006	2005	
Distribution	15.9	4.9	5.1	4.9	26.1
Software	12.2	3.9	6.5	3.6	13.0
Services	-0.8	-2.5	-0.9	-1.3	-1.9
Central	-3.6	-0.5	-2.4	1.6	-2.4
<b>Group</b>	<b>23.7</b>	<b>5.8</b>	<b>8.3</b>	<b>8.8</b>	<b>34.8</b>
Operating margin, %	6.1	2.4	4.7	5.0	5.5

### Distribution

Operating profit for the first half of 2006 is reported at SEK 15.9 (4.9) million, including SEK 5.1 (4.9) million for the second quarter. Earnings in the first half of 2006 were up by SEK 3.7 million compared with the pro forma accounts for the same period of 2005 (see Accounting principles, page 8, for an explanation of the 2005 pro forma figures).

Operating margin for the business area has progressively strengthened and amounted to SEK 5.3 (2.6) million for the six-month period. For the second quarter, operating margin was 3.9 (3.6) percent.

At the beginning of 2006 Nocom Distribution was divided into three independent companies – Nocom Security, Nocom Software and Webcontrol – to achieve greater specialization and clarity. This was one of the first important steps in a program to improve profitability in the Distribution business area. The earnings trend in Nocom Security has not been satisfactory and several measures have been taken to improve it. The market for information security solutions is growing, but is also subject to aggressive competition and tight margins. With its leading software, in-depth expertise and wide Nordic presence, Nocom Security has excellent potential to achieve a dominant position in the market. However, the attainment of profitability demands strong leadership, a clearly defined product strategy and an efficient sales process. Nocom Security's President resigned in June. At the end of June, Nocom Security carried out a net asset acquisition in Norway, where the customer base for Utimaco's security solutions was acquired from Buysec A/S. Because Nocom Security already has the necessary product know-how and distribution network, the acquisition is expected to yield immediate profitability gains.

Efforts to streamline the business flow will continue this autumn, at which time Nocom Security, Nocom Software and Webcontrol will deploy a new accounting and ERP system for more rational routines and processes. Deltaco and Network Innovation, whose accounting systems are built on the same platform, will also upgrade their systems for increased efficiency.

In the second quarter Nocom Software expanded its product portfolio with software from the newly acquired Northern, which is expected to bring additional profitability improvement during the autumn.

SEK M	6 months Jan-June		3 months April-June		Full year 2005
	2006	2005	2006	2005	
<b>Sales</b>	<b>299.3</b>	<b>189.5</b>	<b>130.6</b>	<b>136.4</b>	<b>509.7</b>
Operating expenses	-281.0	-182.7	-124.2	-130.3	-478.8
Depreciation of tangible assets	-1.7	-1.5	-0.9	-0.9	-3.6
Amortization of intangible assets	-0.7	-0.4	-0.4	-0.3	-1.2
<b>Operating profit</b>	<b>15.9</b>	<b>4.9</b>	<b>5.1</b>	<b>4.9</b>	<b>26.1</b>
Operating margin, %	5.3	2.6	3.9	3.6	5.1

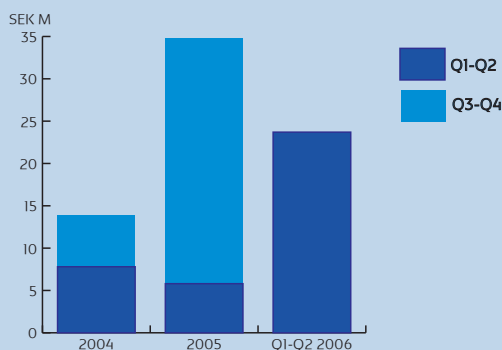
### Software

Operating profit for the first half of 2006 rose sharply to SEK 12.2 (3.9) million, of which SEK 6.5 (3.6) million was attributable to the second quarter. Operating margin for the six-month period was 16.6 percent. Measured on a pro forma basis, the increase in the first half of 2006 was SEK 10.4 million (see Accounting principles, page 8, for an explanation of the 2005 pro forma figures).

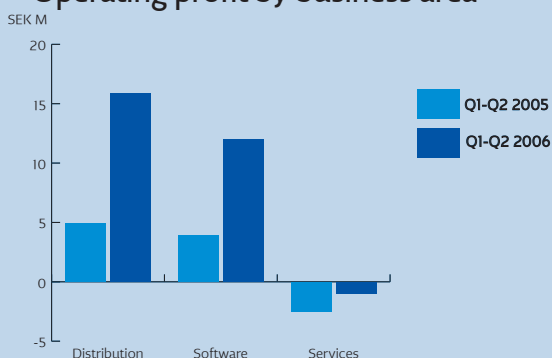
Because IAR Systems and Northern derive more than 90 percent of their sales outside Sweden, second quarter profit was negatively affected by the falling dollar rate. In the third quarter of the year, measures will be taken to reduce this currency sensitivity.

IAR Systems' successful focus on software sales, which have a generally higher margin, fueled significant earnings growth in the first six months of the year. The company is a world-leader in its field, was

## Consolidated operating profit 2004 -2006



## Operating profit by business area





early to identify the potential of new technologies and has succeeded in creating a profitable mix of development contracts and pure software sales. Increased software licenses sales and support revenue are generating high and stable profitability. At the same time, the development contracts signed in the first half of 2006 vouch for new revenue from both the actual development work and future software sales. For the first half of 2006 IAR Systems reported an operating profit of SEK 12.8 million, equal to an operating margin of 18.3 percent. Operating margin for the second quarter nearly doubled over the year-earlier period and amounted to 19.9 percent.

Investments in the fast-growing ARM technology, which are targeted to take effect in 2007 but are already having a positive impact on profitability, are concentrated in the marketing area rather than technology. Among other things, the close collaboration with UK-based ARM has resulted in the joint website Seven and Nines ([www.sevensandnines.com](http://www.sevensandnines.com)), a user community and resource site for ARM developers.

Northern, which was acquired on April 6, posted an operating loss in the second quarter but is expected to return to profitability in the second half of the year. Ongoing investments will be made to boost sales and profitability, primarily in Europe.

Operating profit SEK M	6 months, Jan-June		3 months, April-June		Full year 2005
	2006	2005	2006	2005	
IAR Systems	12.8	3.9	7.1	3.6	13.0
Northern	-0.6	-	-0.6	-	-
<b>Total</b>	<b>12.2</b>	<b>3.9</b>	<b>6.5</b>	<b>3.6</b>	<b>13.0</b>

SEK M	6 months, Jan-June		3 months, April-June		Full year 2005
	2006	2005	2006	2005	
<b>Sales</b>	<b>73.6</b>	<b>34.7</b>	<b>39.4</b>	<b>31.6</b>	<b>93.9</b>
Operating expenses	-59.8	-30.0	-31.9	-27.3	-78.7
Depreciation of tangible assets	-0.4	-0.4	-0.2	-0.3	-0.9
Amortization of intangible assets	-1.2	-0.4	-0.8	-0.4	-1.3
<b>Operating profit</b>	<b>12.2</b>	<b>3.9</b>	<b>6.5</b>	<b>3.6</b>	<b>13.0</b>
Operating margin, percent	16.6	11.2	16.5	11.4	13.8

### Services

Operating profit for the first six months of 2006 totaled SEK -0.8 (-2.5) million, of which SEK -0.9 (-1.3) million referred to the second quarter. The period's increase of SEK 1.9 million over the pro forma figure for 2005 is a direct result of the cost synergies achieved through co-location of companies in the business area (see Accounting principles, page 8, for an explanation of the 2005 pro forma figures).

Despite solid earnings growth, the business area posted an operating loss for both the second quarter and six-month period. The three

service companies are moving towards increasing business integration, but continue to work under different market and competitive conditions. Nocom Drift is seeing price stabilization and rising demand, which will improve the future opportunities to attain profitability. UNC Systems has stable and satisfactory profitability. Nocom Networks is focused on communication solutions and IP telephony, where prices are starting to stabilize but competition remains fierce. The structural changes now taking place in the industry are making it difficult for small players like Nocom Networks to create the growth needed to achieve profitability.

SEK M	6 months, Jan-June		3 months, April-June		Full year 2005
	2006	2005	2006	2005	
<b>Sales</b>	<b>17.0</b>	<b>13.0</b>	<b>8.1</b>	<b>8.7</b>	<b>32.0</b>
Operating expenses	-15.8	-14.1	-7.9	-8.9	-30.5
Depreciation of tangible assets	-1.7	-1.4	-0.9	-1.1	-3.1
Amortization of intangible assets	-0.3	-	-0.2	-	-0.3
<b>Operating loss</b>	<b>-0.8</b>	<b>-2.5</b>	<b>-0.9</b>	<b>-1.3</b>	<b>-1.9</b>
Operating margin, %	-4.7	-19.2	-11.1	-14.9	-5.9

### Central

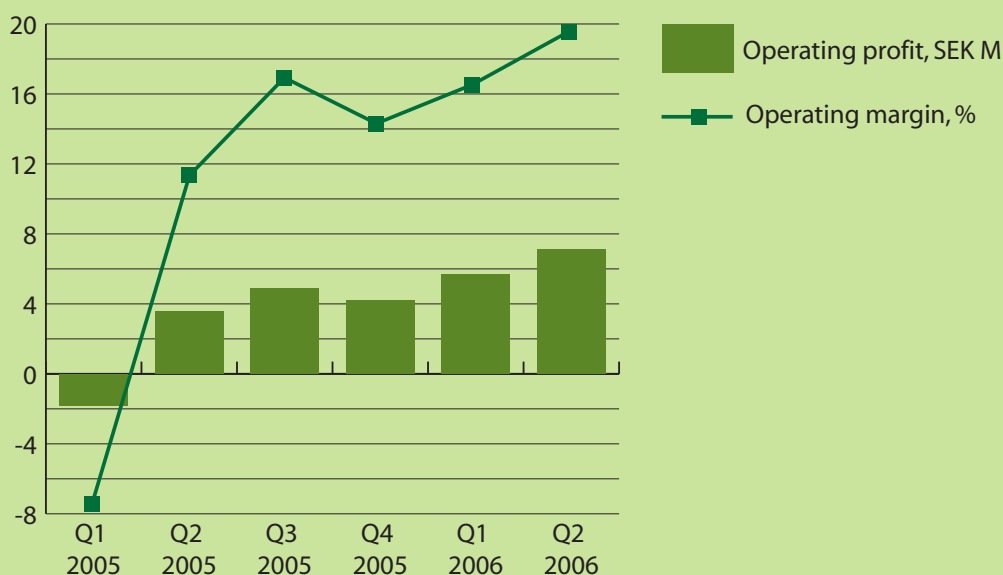
Central includes costs for the Executive Management, the Board of Directors, IR/PR and market listing. Operating profit for the first half of 2006 was SEK -3.6 (-0.5) million, of which SEK -2.4 (1.6) million was related to the second quarter. This represents an improvement of SEK 2.9 million over the pro forma figure for the corresponding period of 2005 (see Accounting principles, page 8, for an explanation of the 2005 pro forma figures).

Reported operating profit for the Group's central unit varies sharply between quarters due to a small number of transactions with a large effect on operating profit. These items, which can also have a major impact on consolidated profit, are not tied to operations but are primarily related to acquisitions and divestitures.

In February the shareholding in Contactor Arete Gruppen AB was sold for a price of SEK 3 million. The sale had a positive effect of SEK 2 million on operating profit. The TurnIT companies Arete and Arete Datastöd were sold in May 2005 and additional purchase consideration of SEK 1 million fell due for payment in May this year, generating a positive effect of SEK 1 million on operating profit for the second quarter.

In the second quarter of 2005 Nocom's management initiated a collaboration to pursue an earlier dispute in TurnIT. As part of the agreement Nocom received a sum of SEK 5 million from its partner, which had a direct positive profit effect of SEK 5 million in the second quarter.

Profit trend, IAR Systems



# FINANCIAL INFORMATION

## Acquisition of Northern

Nocom has acquired 100 percent of the Swedish software company Northern Parklife AB (Northern). The acquisition, which was carried out on April 6, was financed with an initial cash payment and the issuance of 546,125 new class B shares in Nocom AB. Furthermore, additional cash consideration of SEK 7 million is payable over a period of three years.

The total acquisition cost is estimated at SEK 25.4, where the cost been calculated based on the number of issued shares in Nocom, the fair value of these and the cash consideration and expenses associated with the acquisition. The acquisition cost of the shares is estimated at SEK 9.25.

Northern contributed net sales of SEK 3.8 million and a net loss of SEK -1.0 million for the period April 6 to June 30, 2006. If the acquisition had taken place on January 1, 2006, consolidated sales would have amounted to SEK 395.7 million and net profit for the period to SEK 22.5 million.

### Acquired net assets and goodwill:

Purchase consideration, SEK M	
- direct acquisition expenses	0.7
- purchase consideration at acquisition date	12.6
- additional purchase consideration, 2007 - 2009	7.0
- fair value of issued shares	5.1
Total purchase consideration	25.4
Fair value of acquired net assets	(5.0)
Goodwill	20.4

Goodwill is attributable to profitability in the acquired operations and the expected synergy effects of the Group's acquisition of Northern. The fair value of issued shares is based on their quoted market prices.

The following assets and liabilities were included in the acquisition:

SEK M	Fair value	Acquired book value
Cash and cash equivalents	2.1	2.1
Tangible assets	0.1	0.1
Brands	1.2	-
Customer relationships	2.0	-
Developed software	2.7	-
Receivables	4.2	4.2
Liabilities	(5.7)	(5.7)
Deferred tax assets, net	(1.6)	-
<b>Net assets</b>	<b>5.0</b>	<b>0.7</b>
Acquired net assets	5.0	
Acquisition expenses		(0.7)
Purchase consideration settled in cash		(12.6)
Cash and cash equivalents in acquired subsidiaries		2.1
<b>Change in the Group's cash and cash equivalents on acquisition</b>		<b>(11.2)</b>

## Goodwill on consolidation

On the acquisition of Northern, intangible assets were identified in the form of brands, customer contracts and developed software with a total value of SEK 5.9 million. The remaining excess of fair value over the cost of acquired net assets has been taken to goodwill, which amounted to SEK 20.4 million at June 30, 2006. Brands are amortized over a period of ten years, customer relationships over three years and developed software over five years.

## Goodwill

The acquisition analyses prepared in conjunction with Nocom's acquisitions of TurnIT and IAR Systems (March 22), UNC Systems (July 1) and Mtrust Solutions (August 23) were based on assessments at the respective acquisition dates. According to IFRS, a preliminary acquisition analysis may be adjusted during the twelve months following acquisition if the assessments made at the time of acquisition prove to be incorrect. More than a year has now passed since the acquisitions of TurnIT, IAR Systems and UNC Systems, which means that these acquisition analyses have been finalized and that no future corrections are possible.

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

The fair value of issued shares and warrants is based on their quoted market prices. In cases where no quoted warrant price was available at the time of issue, the change in fair value of Nocom stock was used as a basis for calculating historical cost until the date on which a quoted price became available.

Goodwill rose by SEK 76.0 million during the six-month period and amounted to SEK 303.6 million at June 30, 2006. The increase in goodwill is mainly due to the acceptance of Nocom's offer by stockholders representing an additional 13.1 percent of the shares in TurnIT since year-end, as well as the acquisition of Northern.

## Deferred tax assets

Deferred tax assets attributable to loss carryforwards are recognized only to the extent that it is probable that these can be offset against future taxable profits. At June 30, 2006, the Group had cumulative loss carryforwards of approximately SEK 484 million. In the balance sheet, the current estimated value of these losses is SEK 54.3 (36.4) million. This item consists of capitalized temporary differences and acquired loss carryforwards.

## Minority interest

On June 22, 2006, Nocom's public offer to the stockholders in TurnIT was completed and mandatory redemption was called for. At the end of the extended acceptance period, Nocom's offer had been accepted by stockholders representing approximately 99.5 percent of the share capital and around 99.6 percent of the votes.

In connection with compulsory redemption of the remaining shares in IAR Systems, the arbitration board ruled in January 2006 that Nocom had the right to redeem the shares in IAR Systems not currently held by Nocom. Furthermore, the arbitration board approved the collateral furnished for future redemption amounts through pledged deposits of SEK 4.7 million on account in Swedish commercial banks. Subsequent to approval of this collateral, Nocom has been registered as the holder of the outstanding shares.

Minority interest in TurnIT at June 30, 2006, was 0.5 percent of the share capital and 0.4 percent of the votes.

Minority interest at June 30, 2006, amounted to SEK 0.8 million and is recognized in equity.

## Investments and financing

Net investments in tangible assets during the first six months of the year amounted to SEK 5.4 (40.3) million. At the central level, investments have been made in a joint IT platform for future coordination and rationalization of administrative routines in the Group.

Investments in fixed assets	6 months, Jan-June		3 months, April-June		Full year
SEK M	2006	2005	2006	2005	2005
Distribution	1.5	31.0	1.2	0.5	32.9
Software	0.9	2.5	0.6	0.2	2.7
Services	1.2	6.7	0.6	0.7	7.2
Central	1.8	0.1	1.1	0.1	1.3
<b>Total</b>	<b>5.4</b>	<b>40.3</b>	<b>3.5</b>	<b>1.5</b>	<b>44.1</b>

The equity/assets ratio improved during the period and was 72 (68) percent at June 30.

The consolidated value of the shares in the subsidiaries has increased with respect to the profits generated by the companies. Shares in subsidiaries have been pledged as security for the Group's loans. Pledged assets were thus increased by SEK 28.4 in the first half of 2006 and amounted to SEK 98.1 (52.2) million at June 30, 2006.

No changes in reported contingent liabilities have taken place.

## Cash flow, cash and cash equivalents

SEK M	6 months, Jan-June		3 months, April-June		Full year 2005
	2006	2005	2006	2005	
Cash flow from operating activities	22.9	-11.8	5.0	-8.9	7.4
Cash flow from investing activities	-18.5	42.0	-18.4	22.7	32.9
Cash flow from financing activities	-7.5	33.8	-0.4	2.8	35.5
<b>Total cash flow</b>	<b>-3.1</b>	<b>64.0</b>	<b>-13.8</b>	<b>16.6</b>	<b>75.8</b>
Total available cash and cash equivalents	115.9	108.2	115.9	108.2	119.1

The Group's financial position was further strengthened in the first six months of the year. First-half cash flow from operating activities was stably positive and improved by more than SEK 34 million over the same period of last year. Interest-bearing liabilities decreased by SEK 10 million during the six-month period and amounted to SEK 34.8 million at June 30. Net cash at mid-year is reported at SEK 51.6 million, up by SEK 11.6 million since year-end 2005 despite the utilization of SEK 11.2 million to fund the acquisition of Northern in the second quarter.

When Nocom's offer to the stockholders in TurnIT expired at the end of the second quarter it had been accepted by stockholders representing 99.5 of the share capital in TurnIT and mandatory redemption was called for. The high rate of acceptance means that the upcoming redemption procedure will not have any major impact on Nocom's net cash in the future. With an acceptance rate of only 90 percent, mandatory redemption could have burdened the company's liquidity with an amount in the range of SEK 25-30 million.

Upon full exercise of the 10,472,666 outstanding warrants in series TO2B, Nocom will raise additional capital of approximately SEK 31.4 million by December 20, 2006, at the latest.

**Cash flow from operating activities** for the first half of the year improved dramatically to SEK 22.9 (-11.8) million, of which SEK 5.0 (-8.9) million was generated in the second quarter. The Group's powerful earnings growth also boosted cash flow for both the six-month period and the second quarter. First quarter cash flow was positively affected by one-time items of SEK 4 million.

Capital tied up in inventories and accounts receivable decreased by more than SEK 55 million during the six-month period. At the same time, financing of operations via supplier credits was reduced by a corresponding amount. These movements follow a normal seasonal pattern. The net effect of these changes had a marginal impact on cash flow for the period.

**Cash flow from investing activities** for the first six months of the year totaled SEK -18.5 (42.0) million, of which SEK -18.4 (22.7) million was attributable to the second quarter. This item relates mainly to the acquisition of Northern in April. In the second quarter, additional purchase consideration was paid with respect to last year's acquisition of UNC Systems. Thanks to the Group's strong financial position, these acquisitions were entirely self-financed.

**Cash flow from financing activities** for the first six months was SEK -7.5 (33.8) million, including -0.4 (2.8) million for the second quarter, where the change is mainly due to reduced utilization of bank overdraft facilities and amortization of property loans.

Cash and cash equivalents at the end of the period totaled SEK 86.4 (77.7) million, in addition to unutilized bank overdraft facilities of SEK 34.2 (30.5) million. In connection with advance access to the shares in IAR Systems, an amount of SEK 4.7 million has been deposited in a blocked bank account. The Group's available cash and cash equivalents thus amounted to SEK 115.9 (108.2) million.

## Personnel

The number of employees at the end of the period was 278 (244), of whom 22 were added through the acquisition of Northern. The central organization was strengthened with new personnel in accounting and investor relations.

No. of employees	June 30, 2006	June 30, 2005
Distribution	135	133
Software	117	87
Services	20	20
Central	6	4
<b>Total</b>	<b>278</b>	<b>244</b>

## Annual General Meeting on May 3

The Annual General Meeting on May 3 re-elected sitting board members Trygve Angell, Alexander Oker-Blom and Stefan Skarin. As

a new board member the AGM elected Lisbeth Gustafsson, former director of sales for Posten Sverige AB. Lisbeth also has extensive experience from the IT industry after 13 years at Digital Equipment, the last four years as CEO.

The AGM appointed Stefan Skarin Chairman of the Board. Alexander Oker-Blom (Alted), Ulf Strömsten, (Catella), and Stefan Skarin (Nocom) were appointed to the Nominating Committee.

The Board was given renewed authorization to decide on:

- New stock issues comprising class B shares with preferential rights for the existing stockholders.
- New stock issues comprising a maximum of 8,500,000 class B shares for payment in cash, in the form of capital contributed in kind r through offsetting of receivables against the Company or through offsetting of receivables against the Company or otherwise according to specific conditions with deviation from the stockholders' preferential rights. The authorization can be used in conjunction with corporate acquisitions or in directed stock issues in the capital market in order to raise capital for the company.

The AGM resolved to approve the issue of subscription warrants and the adoption of an incentive scheme. The company will issue a total of 1,750,000 warrants to be offered to the employees in the Nocom Group. Furthermore, the AGM resolved to amend the Articles of Association in order to adapt these to the requirements in the new Swedish Companies Act.

At the statutory board meeting following the AGM, former CFO Stefan Ström was appointed as the new CEO of Nocom.

## Parent Company

Operations in the Parent Company consist of group management and PR/IR functions.

The Parent Company's net sales for the period January-June are reported at SEK 5.5 (0.7) million. Profit after financial items was SEK 28.0 (-5.5) million. Improvements were made in Group structure during the second quarter. In connection with this the Parent Company's holdings in IAR Systems, Northern and Nocom Drift were sold to TurnIT, in return for which the Parent Company received new issued TurnIT shares. At the same time, a setoff issue was carried out with the aim of enhancing the Group's financial structure. Profit in the Parent Company has been positively affected by these intra-group share transfers.

Investments in tangible fixed assets totaled SEK 1.8 (0.1) million. Cash and cash equivalents at June 30, 2006, amounted to SEK 10.0 (43.3) million and unutilized bank overdraft facilities to SEK 15.0 (15.0) million. In connection with advance access to the shares in IAR Systems, a sum of SEK 4.7 million has been deposited in a blocked bank account. The Parent Company's available cash and cash equivalents thus amounted to SEK 20.3 (58.3) million.

The number of employees in the Parent Company at the end of the period was 6 (3). Eva Rising was appointed as CFO at the end of June to succeed Stefan Ström, who took up the CEO post in May. Eva Rising comes most recently from Fotoquick where she held a similar position.

## Accounting principles

This consolidated interim report has been prepared according to IAS 34, Interim Financial Reporting, which is consistent with the requirements in the Swedish Financial Accounting Standards Council's (FASC) recommendation RR 31, Interim Reporting for Groups. The same accounting principles have been applied as in the most recent annual report.

The pro forma figures for 2005 are based on the assumption that the previous year's acquisitions all took place on January 1, 2005. TurnIT and IAR Systems were consolidated on March 22, UNC Systems on July 1 and Mtrust Solutions on August 23. However, the TurnIT companies Arete and Arete Datastöd and operations in Arete Affärssystem are not included since these operations were sold in the second quarter of 2005.

## Subsequent events

In July Northern signed a strategic collaborative agreement with EMC Corporation to facilitate interoperability of Northern Storage Suite with EMC's storage systems. The collaboration will enable Nocom to build solutions integrated with EMC's storage platforms. EMC is the world-leader in products, services and solutions for information management and storage.



# THE NOCOM SHARE

**Nocom's market capitalization at June 30, 2006, was SEK 1,098 (447) million.**

Nocom's Class B share is quoted on Attract 40 – the Stockholm Stock Exchange's segment for the most actively traded shares on the O list. In the first six months of the year, the share price has varied from a low of SEK 7.00 (3.73) to a high of SEK 11.60 (4.79). The share price on June 30 was SEK 10.30 (4.52). Nocom's market capitalization at June 30, 2006, was SEK 1,098 (447) million, including the 6,101,612 shares issued when Nocom reached 99.5 percent acceptance of its offer for TurnIT in June.

The number of stockholders in Nocom at June 30, 2006, was 19,582 (5,883), of whom 1,476 (949) held more than 10,000 shares each. Foreign stockholders held around 12 9.3 (17) percent of the share capital and 8.6 (15) percent of the votes.

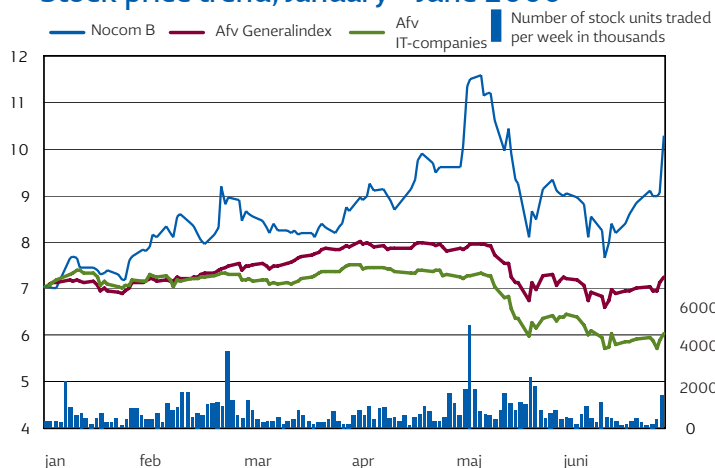
The number of shares in Nocom amounts to 1,000,000 class A shares and 105,512,650 class B shares. All shares grant equal rights to the company's assets and profits. Class A shares carry ten votes each and class B shares one vote each at general stockholder meetings, where each holder of voting stock is entitled to exercise the full number of votes held directly or by proxy without restriction.

Upon full exercise of the 10,472,666 outstanding warrants in series TO2B by December 20, 2006, Nocom will issue a corresponding number of class B shares. These warrants were issued in connection with the offer to the warrantholders in TurnIT in the spring of 2005.

The Annual General Meeting on May 3, 2006, resolved to approve 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 employees, who were divided into four main categories according to position, were offered the opportunity to purchase between 2,000 and 200,000 warrants each. A total of 1,750,000 subscription warrants were issued, of which 923,500 were exercised in June. The market premium, calculated according to the Black-Scholes model, was priced at SEK 1.21 per warrant. Each warrant grants the right to subscribe for one new Nocom B share at a price of SEK 11.66 in May 2008. The exercise price equals 130 percent of the volume-weighted average trading price for Nocom's B share during the period May 22 – June 2, 2006. The warrant series Nocom TO3B was listed on the Stockholm Stock Exchange in July. Remium has been appointed as liquidity guarantor for the warrant. The warrant program is not open to the Board of Directors or the CEO.

Upon full exercise of all remaining warrants in series TO2B and the previously exercised warrants in series TO3B, the number of shares in Nocom will amount to 1,000,000 class A shares and 116,908,816 class B shares.

## Stock price trend, January - June 2006



## 10 largest stockholders, June 30, 2006

Owners	No. of A shares	No. of B shares	% of share capital	% of votes
Catella Case		7 067 000	6,63	6,12
Skarin Stefan	1 000 000	2 250 000	3,05	10,60
AMF Pensionsförsäkring AB		2 722 000	2,56	2,36
Purpose AB		2 050 000	1,92	1,77
Länsförsäkringar småbolagsfond		1 748 400	1,64	1,51
AMF Pension aktiefond småbolag		1 676 000	1,57	1,45
Alted AB		1 292 805	1,21	1,12
Nordea LUX		1 169 882	1,10	1,01
Kaupthing time		1 130 000	1,06	0,98
Småbolagsfond Sverige, Roburs		1 072 000	1,01	0,93
<b>Total 10 largest shareholders</b>	<b>1 000 000</b>	<b>22 178 087</b>	<b>21,76</b>	<b>27,86</b>
Others		77 232 951	72,51	66,86
Shares under registration		6 101 612	5,73	5,28
<b>Total</b>	<b>1 000 000</b>	<b>105 512 650</b>	<b>100,00</b>	<b>100,00</b>

# FUTURE OUTLOOK

*The focus is on leveraging the potential still available in the different business areas, primarily to boost earnings in Distribution and continue our expansion in Software.*

Increased profitability is the foremost goal for the Distribution business area. The goal for distribution operations in 2006 is to deliver an operating margin of at least 10 percent, depending on the trend for sales of volume-related products. These have a lower margin than other products in business area and account for periodically high sales. During the autumn the companies will continue working towards clearer focusing, more distinctive market offerings and stronger product strategies. The increase profitability the companies may launch ventures in new products, customer segments and geographical markets. The deployment of a new accounting and ERP system in September will enable streamlining of business processes and administrative routines. Additional cost-cutting measures may be taken throughout the remainder of the year.

*Increased profitability is the foremost goal for the Distribution business area. During the autumn the companies will continue working towards clearer focusing, more distinctive market offerings and stronger product strategies.*

The Software business area was expanded in the first half of the year and now consists of IAR Systems and Northern. IAR Systems will continue to grow and work according to a business model based on a mix of software sales, support services and development contracts. At the same time, IAR Systems will exploit the opportunities to grow in existing and new markets and to expand with the fast-growing demand for products based on ARM. The goal for IAR Systems is

to report continued growth. Because the company is expected to sustain its positive earnings trend from the first half of the year, we have chosen to raise the company's operating margin target by five percentage points to 15-20 percent. For Northern, investments in sales and marketing are expected to yield results through the end of 2006 and in 2007 – in the form of increased sales and improved profitability.

*IAR Systems' is expected to sustain the positive earnings trend from the first half of the year. The company's operating margin target has therefore been raised by five percentage points to 15-20 percent.*

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

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

**Stockholm, Wednesday, August 23, 2006**

Stefan Ström  
Chief Executive Officer

INCOME STATEMENTS, GROUP		6 months, Jan-June		3 months, April-June		12 months, July-June		Full year
SEK M	2006	2005	2006	2005	05/06	05/04	2005	
<b>Continuing operations</b>								
Net sales	389.9	237.2	178.1	176.7	788.3	350.1	635.6	
Operating expenses	-363.2	-232.1	-167.4	-170.0	-729.9	-336.8	-598.8	
Depreciation of tangible assets	-3.8	-3.5	-2.0	-2.2	-7.9	-5.4	-7.6	
Amortization of intangible assets	-2.2	-0.8	-1.4	-0.7	-4.2	-1.0	-2.8	
Other income	3.0	5.0	1.0	5.0	6.4	5.0	8.4	
<b>Operating profit</b>	<b>23.7</b>	<b>5.8</b>	<b>8.3</b>	<b>8.8</b>	<b>52.7</b>	<b>11.9</b>	<b>34.8</b>	
Result from financial investments	-1.3	-0.9	-1.2	-0.8	-1.2	-1.3	-0.8	
<b>Profit after financial items</b>	<b>22.4</b>	<b>4.9</b>	<b>7.1</b>	<b>8.0</b>	<b>51.5</b>	<b>10.6</b>	<b>34.0</b>	
Taxes	-6.9	-1.6	-2.3	-1.6	17.0	13.0	22.3	
Profit for the period from continuing operations	<b>15.5</b>	<b>3.3</b>	<b>4.8</b>	<b>6.4</b>	<b>68.5</b>	<b>23.6</b>	<b>56.3</b>	
Profit for the period from discontinued operations	-	0.7	-	0.8	-	0.7	0.7	
<b>Profit for the period</b>	<b>15.5</b>	<b>4.0</b>	<b>4.8</b>	<b>7.2</b>	<b>68.5</b>	<b>24.3</b>	<b>57.0</b>	
<b>Profit for the period attributable to:</b>								
Equity holders in the Parent Company	15.4	2.8	4.8	6.0	68.2	23.1	51.4	
Minority interest	0.1	1.2	0.0	1.2	0.3	1.2	5.6	
<b>Earnings per share based on profit from continuing operations attributable to</b>								
equity holders in the Parent Company during the period, SEK								
- before dilution	0.15	0.04	0.05	0.06	0.68	0.22	0.63	
- after dilution	0.14	0.03	0.04	0.05	0.62	0.20	0.54	
<b>Earnings per share based on profit from discontinued operations attributable to</b>								
equity holders in the Parent Company during the period, SEK								
- before dilution	-	0.01	-	0.01	-	0.01	0.01	
- after dilution	-	0.01	-	0.01	-	0.01	0.01	

SALES BY SEGMENT,		6 months, Jan-June		3 months, April-June		12 months, July-June		Full year
SEK M	2006	2005	2006	2005	05/06	04/05	2005	
Distribution	299.3	189.5	130.6	136.4	618.9	294.4	509.7	
Software	73.6	34.7	39.4	31.6	133.4	34.7	93.9	
Services	17.0	13.0	8.1	8.7	36.0	21.0	32.0	
<b>Total</b>	<b>389.9</b>	<b>237.2</b>	<b>178.1</b>	<b>176.7</b>	<b>788.3</b>	<b>350.1</b>	<b>635.6</b>	

BALANCE SHEETS, GROUP		June 30, 2006		June 30, 2005		Dec. 31, 2006
SEK M						
<b>ASSETS</b>						
<b>Fixed assets</b>						
Goodwill		303.6		208.4		227.6
Other intangible assets		41.9		37.4		38.3
Tangible assets		48.3		46.6		46.3
Financial assets		54.6		40.3		63.3
<b>Total fixed assets</b>		<b>448.4</b>		<b>332.7</b>		<b>375.5</b>
<b>Current assets</b>						
Inventories		58.6		43.7		66.7
Other current assets		31.6		28.2		27.3
Accounts receivable		101.8		99.3		150.4
Cash and bank balances		86.4		77.7		89.5
<b>Total current assets</b>		<b>278.4</b>		<b>248.9</b>		<b>333.9</b>
<b>TOTAL ASSETS</b>		<b>726.8</b>		<b>581.6</b>		<b>709.4</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Total equity</b>		<b>523.4</b>		<b>392.8</b>		<b>448.9</b>
<b>Long-term liabilities</b>						
Long-term interest-bearing liabilities		22.7		36.6		32.2
Provisions		13.6		12.5		16.6
Other long-term liabilities		-		-		-
<b>Total long-term liabilities</b>		<b>36.3</b>		<b>49.1</b>		<b>48.8</b>
<b>Current liabilities</b>						
Accounts payable		51.4		49.7		81.1
Interest-bearing liabilities		12.1		11.1		17.4
Provisions		8.7		5.5		2.4
Other current liabilities		94.9		73.4		110.8
<b>Total current liabilities</b>		<b>167.1</b>		<b>139.7</b>		<b>211.7</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>726.8</b>		<b>581.6</b>		<b>709.4</b>
<b>Pledged assets</b>		<b>98.1</b>		<b>52.2</b>		<b>69.7</b>
<b>Contingent liabilities</b>		<b>-</b>		<b>-</b>		<b>-</b>
Equity per share, SEK		4.91		3.97		4.50
Equity per share adjusted for full exercise of warrants, SEK		4.80		3.87		4.35

CHANGES IN EQUITY, GROUP SEK M	6 months, Jan-June		3 months, April-June		12 months, July-June		Full year 2005
	2006	2005	2006	2005	05/06	04/05	
Equity at beginning of period	448.9	65.7	460.1	327.5	392.8	45.4	65.7
New stock issues	59.6	322.1	59.2	57.3	63.5	322.1	326.0
Exchange rate differences	-0.6	1.0	-0.7	0.8	-1.4	1.0	0.2
Profit for the period	15.5	4.0	4.8	7.2	68.5	24.3	57.0
Equity at end of period	523.4	392.8	523.4	392.8	523.4	448.9	
- of which, minority interest in equity	0,8	12,2	0,8	12,2	0,8	12,2	14,0

CASH FLOWS, GROUP SEK M	6 months, Jan-June		3 months, April-June		12 months, July-June		Full year 2005
	2006	2005	2006	2005	05/06	04/05	
Payments from customers	449.5	287.8	214.6	231.7	800.9	364.4	639.2
Payments to suppliers and employees	-424.3	-296.6	-208.0	-238.6	-758.7	-373.2	-631.0
Interest received	0.8	0.2	0.5	0.1	1.5	0.4	0.9
Interest paid	-1.1	-1.1	-0.7	-0.8	-1.8	-1.6	-1.8
Income tax paid	-2.0	-2.1	-1.4	-1.3	0.2	-2.3	0.1
<b>Cash flow from operating activities</b>	<b>22.9</b>	<b>-11.8</b>	<b>5.0</b>	<b>-8.9</b>	<b>42.1</b>	<b>-12.3</b>	<b>7.4</b>
<b>Cash flow from investing activities</b>	<b>-18.5</b>	<b>42.0</b>	<b>-18.4</b>	<b>22.7</b>	<b>-27.6</b>	<b>41.3</b>	<b>32.9</b>
<b>Cash flow from financing activities</b>	<b>-7.5</b>	<b>33.8</b>	<b>-0.4</b>	<b>2.8</b>	<b>-5.8</b>	<b>33.8</b>	<b>35.5</b>
<b>Cash flow for the period</b>	<b>-3.1</b>	<b>64.0</b>	<b>-13.8</b>	<b>16.6</b>	<b>8.7</b>	<b>62.8</b>	<b>75.8</b>
Liquid assets at beginning of period	89.5	13.7	100.2	61.1	77.7	14.9	13.7
Liquid assets at end of period	86.4	77.7	86.4	77.7	86.4	77.7	89.5
Blocked bank accounts	-4.7	-	-4.7	-	-4.7	-	-
Unutilized overdraft facilities	34.2	30.5	34.2	30.5	34.2	30.5	29.6
Total available cash and cash equivalents	115.9	108.2	115.9	108.2	115.9	108.2	119.1

KEY RATIOS, GROUP	6 months, Jan-June		3 months, April-June		12 months, July-June		Full year 2005
	2006	2005	2006	2005	05/06	05/04	
Gross margin, %	6.9	4.3	6.0	6.6	7.4	5.3	5.8
Operating margin, %	6.1	2.4	4.7	5.0	6.7	3.4	5.5
Profit margin, %	5.7	2.0	4.0	4.5	6.5	3.0	5.3
Cash flow, %	5.9	-5.0	2.8	-5.0	5.3	-3.5	1.2
Equity/assets ratio, %	72.0	67.5					63.3
Return on equity, %	3.2	1.7	1.0	2.0	16.1	11.1	22.2
Return on capital employed, %	4.4	2.4	1.6	2.0	10.6	5.0	12.6
Interest coverage ratio	11.6	5.1	5.4	9.7	25.5	7.5	20.0
Capital employed, SEK million	558.2	440.5					498.5
Net interest-bearing liabilities, SEK million	-51.6	-30.0					-39.9
Net debt/equity ratio	-0.10	-0.08					-0.09
Number of employees at year-end	278	244					250
Average number of employees	256	177	267	245	252	132	212
Sales per employee, SEK million	1.5	1.3	0.7	0.7	3.1	2.6	3.0

SHARE DATA	6 months, Jan-June		3 months, April-June		12 months, July-June		Full Year 2005
	2006	2005	2006	2005	05/06	04/05	
Equity per share, SEK	4.91	3.97					4.50
Equity per share adjusted for outstanding warrants, SEK	4.80	3.87					4.35
Equity per share adjusted for full exercise of outstanding offers and warrants, SEK	4.83	3.90					4.41
Number of shares at end of period, millions	106.5	98.9					99.8
Number of shares at end of period adjusted for outstanding warrants, millions	117.9	109.9					110.5
Number of shares at end of period adjusted for full exercise of outstanding offers and warrants, millions	118.9	117.4					117.4
Average number of shares, millions	100.1	62.0	100.4	86.0	99.7	47.0	80.6
Average number of shares adjusted for outstanding warrants, millions	110.8	68.1	111.2	97.0	110.5	50.1	89.0
Average number of shares adjusted for full exercise of outstanding offers and warrants, millions	117.7	72.3	118.0	104.5	117.5	52.2	94.3
Cash flow from operating activities per share, SEK	0.23	-0.19	0.05	-0.10	0.42	-0.26	0.09
Cash flow from operating activities per share adjusted for full exercise of outstanding offers and warrants, SEK	0.19	-0.16	0.04	-0.09	0.36	-0.24	0.08
Earnings per share, SEK	0.15	0.05	0.05	0.07	0.68	0.23	0.63
Earnings per share adjusted for outstanding warrants, SEK	0.14	0.04	0.04	0.06	0.62	0.21	0.57
Earnings per share adjusted for full exercise of outstanding offers and warrants, SEK	0.13	0.04	0.04	0.06	0.58	0.20	0.60

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

## Financial calendar:

Interim report

January – September 2006

November 8, 2006

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