



Nolato AB (publ) press release 27 October 2009

**Nolato interim report:
Strong growth for Nolato Telecom
Efficiency improvement measures produce intended results**

In today's nine-month interim report, Nolato has reported sales for the third quarter of SEK 653 million, representing a 6% drop compared with the same period last year, but a 17% increase compared with the second quarter of this year. Operating income (EBITA) was SEK 48 million, compared with SEK 64 million for the third quarter of 2008, while the EBITA margin was 7.4% (9.2%).

"Compared with the second quarter of this year, we have seen a general improvement," explains Hans Porat, President and CEO of Nolato. "Nolato Telecom in particular has experienced strong growth, with an increase in sales of almost 70%. This is in line with previously-announced information, with new product start-ups running as planned.

"Nolato Telecom's strong growth has led to a greater need for working capital. We have also invested actively in both Nolato Medical and Nolato Telecom, and this has had an impact on cash flow, which stood at SEK -31 million (78)."

Compared with the strong third quarter of 2008, Nolato Telecom's sales fell 3% to SEK 309 million (318). Operating income (EBITA) was SEK 24 million (35).

Nolato Medical's sales rose by 2% to SEK 159 million (156). Operating income (EBITA) was unchanged compared with the same period last year, at SEK 20 million.

"During the quarter, Nolato Medical's volumes were affected by greater summer holiday effects than is normally the case," says Hans Porat. "The business area's focus on stronger project management and technical resources is continuing according to plan."

Nolato Industrial's sales totalled SEK 185 million (219), with operating income (EBITA) of SEK 9 million (15).

"The efficiency improvement measures carried out at Nolato Industrial had their intended effect during the quarter, with earnings rising by SEK 16 million compared with the second quarter. Volumes have stabilised at a low level for most of our customer segments, although our customers' lead-time remains short-term."

The Group's sales for the first nine months of 2009 totalled SEK 1,816 million, representing a reduction of 13% compared with the same period in 2008. Operating income (EBITA) was SEK 103 million (184). The cash flow stood at SEK 60 million (144), with net debt of SEK 120 million (250).

For further information, please contact:

Hans Porat, President and CEO, 46 431 442294

Per-Ola Holmström, CFO, 46 431 442293

The Nolato Group is a high-tech developer and manufacturer of polymer product systems for leading customers in medical technology, telecom, hygiene, automotive products and other selected industrial sectors. The Group has 4,500 employees.

Nolato's shares are quoted on the Nasdaq OMX Nordic Exchange, Stockholm Small Cap, Information Technology.

www.nolato.com