

26 April 2001

Interim report January – March 2001

- Net sales rose 27% to SEK 31.5 million (SEK 24.8 m)
- The result prior to goodwill depreciation amounted to –SEK 15.8 million (-SEK 29.7 m), which corresponds to an improvement with 47%
- The result for the period was –SEK 15.2 million (-SEK 37.4 m)
- A successful programme of measures cut costs, mainly within System Products
- Sverker Hannervall was appointed new President and CEO. The management group was reinforced
- Trio Present Office for Trio Mobicentrex was launched

The operations

Trio is a telecommunications company that develops software and systems solutions with a focus on corporate telephony and value-added call handling and that integrates fixed, mobile and IP telephony. Customers are mobile operators, service providers, companies and organisations, and a total of almost 2,000 systems have been delivered. Trio's solutions enhance efficiency, the level of service and the work environment for corporate attendant functions. They also increase reachability for units and individuals within the company. Higher reachability and availability improve service, thus enabling companies to enhance customer relationships and sharpen their competitive edge.

Key events during the period

The Q1 net sales of the Trio group amounted to SEK 31.5 million (SEK 24.8 m). The rise in net sales was generated within the Operator Solutions and Customized Systems business areas. At group level, costs have been cut by 14% to SEK 46.7 million (SEK 54.5 m). Savings have been achieved mainly through the programme of measures within Trio Information Systems AB (System Products' Swedish operations) as described in more detail below.

High development costs were incurred in all the business areas last year. This means that, Trio now can offer state-of-the-art, stable and future-proof systems that can manage 3G mobile telephony and IP telephony. The development costs were cut by 25% during the period under review to SEK 10.5 million (SEK 14.1 m).

System Products. A strategic deal within the business area was concluded when Trio signed its first agreement relating to Trio Present Mobile Extensions. The agreement with Ernst & Young involves mobile phone users at the company being managed as though they were using fixed telephones in the office. They have access to the advanced telephony functions of Trio PresentOffice, while mobile telephony costs are cut. Over the period, Trio PresentOffice was also launched for Cisco's Call Manager. This means that IP telephone users can obtain the same functionality as that offered by traditional fixed telephony switches.

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Operator Solutions. Upgrades of Mobicentrex, Trio's mobile office solution, were performed during the period at Telenor Mobile and Sonera. This solution, which is ideal for small companies, enables them to completely replace their fixed telephony with mobile phones.

Customized Systems. The business area's sales of interactive response systems and of contact and call centres have continued to perform very well indeed. During the period under review, an upgrade was delivered for a public address system installed in the Stockholm underground network that provides travellers with traffic information through loudspeakers.

New President and a stronger management group

Sverker Hannervall took over as President and CEO on 5 March. In addition, the management group has been strengthened with Jan Gustavsson (appointed new MD of Objecta Systems), Thomas Doycon (appointed VP Sales Director Trio AB), and Lars Gärde (appointed acting CFO).

The launch of Trio Mobicentrex – Trio Present Office

During the period, Trio Present Office for Trio Mobicentrex was launched. This means that Trio Present Office's unique attendant function will be added to Trio's mobile office solution. This combination enables mobile operators to offer a highly qualified solution as a service to their customers. Trio's mobile office will thus become an alternative even for larger companies too.

Trio Present Office for Mobicentrex forms an important part of Trio's offering of high-end solutions to large companies and organisations. It includes systems from two or three out of Trio's three business areas.

Programme of measures within System Products

In the autumn of 2000 and Q1 2001, a comprehensive restructuring programme within System Products has been implemented with a view to enhancing efficiency within both sales and marketing and delivery and support. The measures are expected to reduce costs within System Products by just over SEK 15 million in 2001.

In order to enhance sales in 2001, the business area's channel strategy has also been enhanced through certification and establishing closer collaboration with selected partners, such as Telia, Telenor and TeleDanmark.

Staff

The number of employees within the group at the end of Q1 was 145 (184).

Investments

Investments in equipment and computers amounted to SEK 0.4 million (SEK 1.3 m) in Q1.

Financial status and liquidity

At the end of the period, the equity/assets ratio was 70% (86%) and liquid assets amounted to SEK 83.7 million (SEK 58.2 m).

Outlook for 2001

After the turn of the millennium there was a drastic drop in demand in the Nordic region, mainly within the System Products business area. There has, however, been a increase in demand during the period, and Trio believes that the conditions to increase licence revenues are now in place, thus boosting business volumes in the Nordic region and internationally.

System Products is expected to demonstrate an increase in net sales and a substantial improvement in financial result. Customized Systems is expected to continue to develop positively. The demand for Operator Solutions mobile solutions is expected to grow 2001.

Trio maintains its forecast of organic growth of at least 50% at group level, as is a positive operating profit prior to goodwill depreciation by Q3 2001 at the latest. The major share of revenue increase is forecasted to come from business area Operator Solutions. The revenue stream is however depending on some major contracts and is therefore difficult to project.

Upcoming financial information

The half-year report for 2001 will be published on 26 July
The 9-month interim report will be published on 25 October.

Stockholm
26 April 2001
Trio AB (publ)

The Board of Directors

For more information, please contact Sverker Hannervall, President and CEO, tel.: +46 8 457 30 00, or Chairman of the Board Ion Bogdaneris, tel.: +47 23 11 70 00

This report has not been subject to review by the company's auditors.

Consolidated Income Statement and Balance Sheet (SEK m)

Income Statement	2001 Q1	2000 Q1	2000 Full-year
Net sales	31.5	24.8	104.0
Cost of products sold	-13.3	-16.7	-65.4
Gross profit	18.2	8.1	38.6
Selling expenses	-14.1	-15.6	-64.5
Administrative expenses	-8.8	-8.1	-30.6
Development cost	-10.5	-14.1	-53.6
Other operating income	-	-	5.6
Items affecting comparability	-	-	-20.1
Operating loss prior to goodwill depr.	-15.2	-29.7	-124.6
Goodwill depreciation	-0.8	-8.1	-32.4
Goodwill write-down	-	-	-116.4
Operating loss after goodwill depreciation	-16.0	-37.8	-273.4
Financial income	1.0	0.5	2.4
Financial expenses	-0.2	-0.2	-0.7
Loss after financial items	-15.2	-37.5	-271.7
Tax	-	-	0.1
Loss for the year	-15.2	-37.5	-271.6

Comments on the Income Statement

The cost of products sold includes material and production costs of SEK 5.1 million (SEK 2.9 m), as well as costs for installation, support and training staff corresponding to SEK 8.2 million (SEK 13.7 m).

Costs for premises and internal systems have been distributed in accordance with each function's utilisation of them.

Depreciation of tangible fixed assets totalled SEK 1.6 million (SEK 1.1 m) and has also been distributed in accordance with their utilisation by each function.

Balance sheet	31 Mar 2001	31 Mar 2000	31 Dec 2001
Intangible fixed assets	21.1	162.6	21.8
Tangible fixed assets	5.1	7.0	5.4
Financial assets	4.2	0.0	4.2
Other assets	47.6	35.8	41.2
Cash and bank	83.7	58.2	131.6
Total assets	161.7	263.6	204.2
Shareholders' equity	112.9	227.0	127.5
Provisions	0.3	0.3	0.1
Interest-bearing liabilities	1.7	2.5	16.2
Non interest-bearing liabilities	46.8	33.8	60.4

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Total Shareholders' equity and liabilities	161.7	263.6	204.2
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Cash flow statement (SEK m)

	2001 Q1	2000 Q1	2000 Full-year
Ongoing operations before change in shareholders' equity	-13.2	-27.9	-107.4
Change in shareholders' equity	-19.2	1.6	8.9
Investment aktiviteter	-0.3	-1.3	-6.7
Financing aktiviteter	-15.2	11.0	162.0
Cash flow for the period	-47.9	-16.6	56.8
Opening liquid assets	131.6	74.8	74.8
Closing liquid assets	83.7	58.2	131.6

Income Statement, breakdown by business area (SEK million)

	2001 Q1	2000 Q1	2000 Full-year
System Products			
Net sales	19.0	18.5	55.1
Operating loss prior to goodwill	-9.7	-22.6	-109.0
Customized Systems			
Net sales	8.0	6.2	26.5
Operating result prior to goodwill	-1.0	0.5	0.8
Operator Solutions			
Net sales	4.5	0.0	22.4
Operating loss goodwill	-4.5	-7.6	-21.2

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Key ratios (SEK)

	2001 Q1	2000 Q1	2000 Full-year
Net earnings per share prior to goodwill depr.	-0.26	-1.28	- 5.15
Net earnings per share prior to dilution	-0.26	-1.62	-11.22
Net earnings per share after dilution	-0.23	-1.53	-10.75
Shareholders' equity per share	1.91	9.61	2.16
Equity/assets ratio, %	70	86	62
Number of shares at year end, thsd	59 065	23 626	59 065
Average no. of outstanding shares, thsd	59 065	23 187	24 193
Average no. of outstanding shares after dilution, thsd	65 565	24 526	25 271

The calculation of outstanding shares and net earnings per share has been made pursuant to outstanding warrant programme and SFF:s rekommendation with regard to new share issues carried out during the year.

Change in shareholders' equity (SEK m)

	2001 Q1	2000 Q1	2000 Full year
Shareholders' equity at beginning of period	127.5	253.0	253.0
New share issue	0.0	1.0	147.6
Translation differences, etc	0.6	0.5	-1.6
Loss for the year	-15.2	-37.5	-271.6
Shareholders' equity at the end of the period	112.9	227.0	127.5

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