

PRESS RELEASE, October 10, 2003

- **Merger of two companies complete**
- **Improvement program now being implemented is expected to improve profit by SEK 75 million**
- **Operations in Luleå dissolved**
- **Fully subscribed stock option program**

Since the merger between Frontec AB and Acando AB in July, intensive efforts have been made to integrate the two businesses.

AcandoFrontec is a management and IT consultant that helps companies and public agencies to improve their operations through information technology.

"We have been careful to retain our competence and strong delivery capacity, but the efficiency improvements we are now making are putting us well on our way to profitability," says President Lars Wollung. "After this internal improvement program, we can now think offensively and concentrate on our customers."

New organization in place

The new organization put in place on October 1 divides the company into two divisions. One division, "Business Consulting," offers management and operational consultants specialized in purchasing, customer relationship management (CRM), ordering-logistics-production/supply chain and financial controls, with cutting-edge competence in business systems from SAP, Oracle, Microsoft and Siebel.

The second division, "Technology Consulting," offers integration and system development consultants specialized in integration (architects and integrators of technologies from Axway, IBM Microsoft, SeeBeyond and BEA), system development (e.g. Java and .NET) and IT Management (purchaser role, project management, CIO partner).

Group management consists of Olof Sand, head of Business Consulting; Dennis Birgersson, head of Technology Consulting; CFO Bertil Carlsén; Rickard Gille, head of HR, and President Lars Wollung.

Improvement program

A comprehensive improvement program has been drafted and to a large extent implemented.

The starting point for the program was the reported loss for the first half of 2003 of SEK 35 million, adjusted for one-time effects.

The improvement program now being introduced is expected to have the following effects on an annual basis:

- A profit improvement of approximately SEK 75 million through:
- A cost reduction of SEK 105 million by eliminating 135 employees, cutting the company's office space in half and lowering administrative expenses
- The potential loss in revenue is estimated at not more than SEK 30 million
- The number of employees will subsequently amount to around 525

The one-time cost of this improvement program, totaling SEK 59 million, will be charged against third-quarter results.

In terms of liquidity, the greatest impact will be in the next two-year period.

In the consulting organization, the program is affecting units with competencies for which the market is expected to remain weak and units with historically poor profitability. In particular, Frontec has had long-term profitability problems in Luleå and in the system development area in Stockholm. The number of consultants in system development in Stockholm is therefore being reduced by two-thirds, and the Luleå unit, with 69 employees, is being dissolved.

The number of administrative employees is being reduced nationally by 43%, or 27 positions.

The improvement program described above will be completed during the fourth quarter. In addition, a project is under way to introduce a new incentive system.

"We will now concentrate on providing better value for our customers and being better at describing and marketing our methods, solutions and competencies," says Lars Wollung.

Employee stock option program

The Annual General Meeting on June 30 2003, which approved the merger of Acando and Frontec, also decided to offer all employees of the new AcandoFrontec a stock option program.

The program comprises a total of 4.5 million options, approximately 1.2 million of which are reserved to cover an existing convertible program to subscribe for an equal number of Class B shares. The remaining 3.3 million options have been fully subscribed, resulting in a dilution of 7.5%. Following a measurement period in early September, the subscription price was set at SEK 8.20.

For more information, please contact:

Lars Wollung, President and CEO

Telephone +46-730-211426

Jan Rehn, Director of Communications and Investor Relations

Telephone +46-709 731179

AcandoFrontec was created on July 1, 2003 through the merger of Frontec, since 1995 a publicly listed company, and privately held Acando. Acando was established in 1999. Both companies have good reputations with customers for competence, reliability and efficiency.

AcandoFrontec has good geographic coverage in Sverige, and as of 2004 will have about 525 employees in Sundsvall, Stockholm, Linköping, Göteborg, Kalmar and Malmö.

