

Sigma AB (publ)

Interim report January – September 2005

Sharply improved earnings!

- Sales rose by 32% to SEK 783 M (592)
- Operating profit (EBIT) amounted to SEK 60.8 M (8.4) for the first three quarters, corresponding to an operating margin of 7.8% (1.4).
- The margin in the third quarter amounted to 7.3% (4.7) with an operating profit of SEK 16.5 M (9.3).
- Profit after financial items was SEK 58.5 M (5.0) and SEK 37.8 M (loss: 6.0) after tax for the period, corresponding to earnings per share of SEK 0.45 (loss: 0.08).
- Cash flow amounted to SEK 59.2 M (27.4).
- Organic sales growth amounted to about 17%.
- During the next quarters, Sigma expects continued good earnings. The full-year forecast for 2005 remains unchanged; Substantial increases in sales and earnings.

Comments on trends

The trend during the third quarter was very favorable. There were no acquisition effects during the third quarter. Instead, the positive growth was in its entirety attributable to organic sales growth of slightly more than 13% and a 76% increase in earnings. Sales amounted to SEK 226.1 M (199.8), with earnings (EBIT) of SEK 16.5 M (9.3). The margin was 7.3% (4.7). All business areas reported improved earnings compared with the year-earlier period.

Consolidated operating profit (EBIT) for the first three quarters amounted to SEK 60.8 M (8.4). This report was prepared in accordance with IFRS and the comparison figures for 2004 were adjusted accordingly.

Organic sales growth amounted to 17% accumulated. During the period, a net of 62 employees were recruited. Changes in long-term leaves of absence and other measures reduced personnel by a net of 14 persons with the result that the number of employees at June 30 was almost 50 greater than the 866 persons at year-end.

Sales to customers with framework agreements accounted for the dominant share of the Group's invoicing.

Cash flow also improved and amounted to SEK 59.2 M (27.4). SEK 61.2 M (30.6) was generated from operations, while changes in working capital accounted for SEK neg 2.5 M (neg. 3.2).

| Trends by business area | Sales | | Earnings | | Margin | | Employees at closing date |
|---|--------------|----------------|-------------|--------------|----------------|--------------|---------------------------|
| Business Solutions | 171.3 | (187.8) | 9.6 | (7.2) | 5.6 | (3.8) | 184 (187) |
| IT Solutions | 479.5 | (299.9) | 37.6 | (15.2) | 7.8 | (5.1) | 496 (469) |
| Information Solutions | 141.0 | (108.9) | 22.6 | (15.9) | 16.0 | (14.6) | 227 (174) |
| Other activities *) | 19.7 | (15.3) | -9.0 | (-11.7) | | | 7 (5) |
| Eliminations | -28.9 | (-19.5) | | | | | |
| Non recurring effects at transition to IFRS | | | | (-18.2) | | | |
| SUM | 782.5 | (592.4) | 60.8 | (8.4) | 7.8 **) | (1.4) | 914 (834) |
| *) Pertains to non-operating and terminated operations, including Parent Company expenses of SEK -1.7 M (-7.5). | | | | | | | |
| **) Excluding non-recurring IFRS effects, the margin was 4.5%. | | | | | | | |

Business Solutions

Business systems is a strategic growth area for Sigma. During the quarter, additional employees were recruited in this segment. The market is beginning to show increased interest for upgrading, supplementing or completely replacing existing business systems. Sigma offers consulting services that include the SAP, Lawson, Movex and Guda business systems.

The Strategy and Communications business area showed a positive overall trend, although the beginning of the third quarter was weaker than expected.

Sigma Kommun och Landsting was sold on June 30, 2004 and is included in the comparison figures for the business area for the first half of 2004 with sales of SEK 30.1 M and 55 employees.

IT Solutions

The earnings trend remained strong with increased margins. The business area reported more than doubled profit in the third quarter compared to the same quarter last year. Invoicing is primarily to customers with framework agreements.

Most of RKS' operations were transferred to this business area, which thus increased significantly in scope, compared with the preceding year.

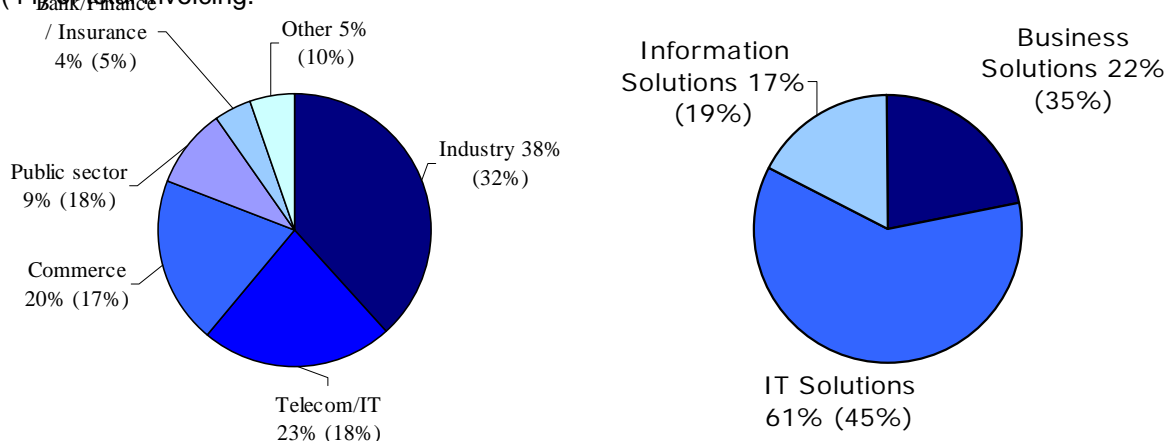
Information Solutions

The margin in this business area amounted to 16.1%. Growth, which is entirely organic, continues and amounted to 29% measured in terms of sales. Recruitment is ongoing, and the number of employees increased by 17% during the year. New contracts have been signed and many of them involve long-term undertakings, including an agreement with Kockums that extends to 2010. A goal-oriented focus on structured work methods and concepts yields increasing revenues and earnings. It also results in a market-leading position in this segment.

Sales breakdown

Of Sigma's sales, 93% derive from companies operating in Sweden, while 7% come from Denmark. As of the third quarter of 2004, operations are only conducted in these countries.

Some 2% (3) of Sigma's sales are to other countries than the country in which the company in question operates. Fixed-price assignments constitute about 7% (10) of invoiced sales. The single largest customer for the Group as a whole represents about 10% (10) of the Group's invoicing. Invoicing to customers with framework agreements are doubled and now constitute about 58% (44) of total invoicing.



Market trend

Sigma increased invoicing to customers with framework agreements during the entire year. In total, the eleven largest customers with which Sigma has framework agreements accounted for 58% (44) of total invoicing. Sigma's Service Center concept and the joint Group-wide delivery function are the primary forces driving the increase in revenues. The customers are among Sweden's largest global export companies, with major demands on suppliers. Repurchasing frequency is increasing in pace with more reliable and higher quality deliveries. Through Sigma's Service Centers, a greater proportion of the invested structural capital is being used continuously and more effectively, which benefits both customers and suppliers. Structural capital in the form of knowledge of customer operations is managed within Sigma's organization. Business knowledge is also a decisive factor when customers select a supplier of consulting services.

Certain price increases were implemented. No immediate effect on earnings will be visible over the short term, since long contract periods mean that price increases will only take effect gradually. Over the long term, price increases are necessary in the industry to partially offset the salary increases that are taking place. Most of the increase in earnings was attributable to increased bookings and improvements in internal efficiency.

Mobility in the labor market has increased, with increasingly more employees now daring to change employers. From Sigma's perspective, a moderate personnel turnover is beneficial, since it enhances skills and adds new expertise to the Group.

Sales and earnings January - June

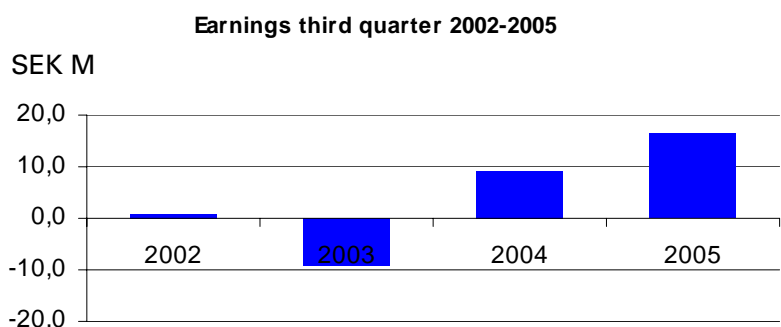
Sales rose 32% to SEK 782.5 M (592.4). As of the third quarter, there are no acquisition effects in sales or earnings. The entire improvement in the third quarter is organic, with an increase of sales of SEK 26 M. Acquired companies accounted for about SEK 100 M of the period's sales. Divested and phased-out operations have reduced sales by SEK 39 M in the period compared with the year-earlier period. Total growth during the year, measured in terms of invoicing and adjusted for divested units, was approximately 32%, of which organic growth accounted for about 17 percentage points. Invoicing per employee amounted to SEK 881,000 (771,000).

Operating profit in the period amounted to SEK 60.8 M (8.4), corresponding to a margin of 7.8% (1.4). Last year earnings include non-recurring effects at transition to IFRS amounting to an expense of SEK 18.2 M.

Profit after financial items amounted to SEK 58.5 M (5.0). Net financial items improved over the preceding year due to a significant lower net debt and lower interest rates. During the third quarter the financial net was affected by a negative exchange rate difference.

The reported tax expense is attributable entirely to the change in the year's deferred tax assets of SEK 20.7 M (11.0). Sigma had loss carry forwards of about SEK 45 M in Sweden at the end of the period, and, accordingly, taxes will not be paid in 2005 other than for the few units that cannot fully offset their tax expense.

During the third quarter, sales amounted to SEK 226.1 M (199.8) with earnings of SEK 16.5 M (9.3), which corresponded to a margin of 7.3% (4.7).



Liquid funds and financial position

Available liquid funds at the end of the quarter amounted to SEK 39.1 M (30.5) and SEK 18.5 on December 31, 2004. Liquidity is as always lowest in the third quarter following the vacation period. The interest-bearing net debt was SEK 56.6 M (65.3), a decline since year-end of SEK 8.7 M, from SEK 65.3 M. Interest bearing receivables of SEK 21.5 M arising on the sale of Sigma Kommun &

Landsting are included in the net debt. During the year, SEK 8.8 M was paid in previously reserved supplemental purchase amounts. During the next 12 months, it is expected that about SEK 6 M in additional purchase charges will be paid. These are included in the balance sheet as non-interest-bearing liabilities. Amortization of interest-bearing liabilities was extended.

Cash flow from operations was positive in an amount of SEK 59.2 M (27.4).

The reported short-term interest-bearing loan debt refers primarily to overdraft facilities. The structure of this credit implies that it must be reported as short-term debt although it is intended to be long term.

Intangible assets amounted at the end of the quarter to SEK 234.8 M (231.1), of which goodwill accounted for SEK 229.8 M (223.4). Goodwill is valued at acquisition value less accumulated write-downs and amortization made in accordance with the previous accounting principles (Swedish Financial Accounting Standards Council). In accordance with IFRS 3, goodwill must be tested annually for any write-down requirement as specified in the rules stated in IAS 36. However, the impairment testing shall be carried out more often if there are indications that a value decline has occurred during the year. No such indications exist.

Consolidated shareholders' equity was SEK 295.8 M (244.6) and SEK 260.2 at year-end. Total assets amounted to SEK 554.6 M (536.5), as against SEK 579.0 M at year-end, resulting in an equity/assets ratio of 53.3% (45.6). The net debt/equity ratio was 19.1% (26.7).

Investments

Total investments during the first six months amounted to SEK 9.2 M (65.8). SEK 5.6 M (2.6) was invested in tangible fixed assets. SEK 3.6 M (63.2) was invested in intangible fixed assets. Of this amount, SEK 2.2 M (7.9) was attributable to capitalized development expenditure and SEK 1.4 M (55.2) to goodwill.

Investments in equipment – primarily computers – expected to have an economic life shorter than three years were expensed in the amount of SEK 5.8 M (4.8).

Personnel

Sigma had 914 (834) employees at the end of the second quarter and 866 at year-end 2004. . The Group recruited a net of 62 new employees in 2005. The average number of employees during the year amounted to 887 (768).

Most of the employees are graduate engineers and economists or system engineers, and the average age is just under 35. The gender distribution was 73% men and 27% women.

Parent company

Sales, most of which took place within the Group, amounted during the quarter to SEK 17.9 M (11.8). Earnings before net financial items amounted to a loss of SEK 1.7 M (loss: 7.5). Liquid funds amounted to SEK 0.0 M (5.0 M).

During the year, the Parent Company invested SEK 0.0 M (0.0) in tangible fixed assets. The number of employees of the Parent Company is 5 (5).

Forecast 2005

During the next quarters, Sigma expects continued strong earnings.

The full year forecast for 2005 remains unchanged: Substantial increase in sales and earnings.

Gothenburg, October 27, 2005

Sigma AB (publ)

(Corporate Reg. No. 556347-5440)

Board of Directors

The company's auditors have not audited this interim report.

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This document is essentially a translation of the Swedish Interim Report. In the event of any differences between this translation and the original Swedish document, the Swedish document shall prevail.

Forthcoming report dates

| | |
|--|-------------------|
| - Year-end report, 12 months (Q4) 2005 | February 10, 2006 |
| - Three-month interim report (Q1) 2006 | April 27, 2006 |
| - Six-month interim report (Q2) 2006 | July 19, 2005 |
| - Nine-month interim report (Q3) 2006 | October 31, 2006 |
| - Year-end report, 12 months (Q4) 2006 | February 10, 2007 |

The Annual General Meeting will be held on April 27, 2006 at 5:00 p.m. at Börshus in Malmö, Sweden.

Condensed consolidated income statement, SEK M

| | Jan-Sep 2005 | Jan-Sep 2004 | Jul-Sep 2005 | Jul-Sep 2004 | Jan-Dec 2004 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| Net sales | 782.5 | 592.4 | 226.1 | 199.8 | 852.6 |
| Operating expenses | -714.8 | -572.4 | -207.4 | -187.7 | -812.7 |
| Depreciation | -7.0 | -11.5 | -2.2 | -2.7 | -14.8 |
| Operating profit | 60.8 | 8.4 | 16.5 | 9.3 | 25.2 |
| Operating margin, % | 7.8 | 1.4 | 7.3 | 4.7 | 3.0 |
| Loss from financial investments | -2.3 | -3.4 | -3.1 | -1.0 | -4.4 |
| Earnings after net financial items | 58.5 | 5.0 | 13.4 | 8.3 | 21.6 |
| Profit margin, % | 7.5 | 0.8 | 5.9 | 4.2 | 2.4 |
| Taxes | -20.7 | -11.0 | -5.3 | -4.1 | -9.8 |
| Earnings for the period | 37.8 | -6.0 | 8.0 | 4.2 | 11.0 |
| Whereof minority share of earnings for the period | 0.5 | -1.2 | -0.3 | 0.0 | 1.9 |
| Average number of shares | 84,409,287 | 74,338,468 | 84,409,287 | 84,174,486 | 76,856,173 |
| Earnings per share | 0.45 | -0.08 | 0.09 | 0.05 | 0.14 |
| 1) The operating profit for the 2nd quarter in 2004 includes a non-recurring effect transiting to IFRS accounting principles for the restructuring of RKS in conjunction with the acquisition. | | | | | |

Condensed consolidated balance sheet, SEK M

| | Sep 30, 2005 | Sep 30, 2004 | Dec 31, 2004 |
|---|--------------|--------------|--------------|
| Assets | | | |
| Intangible fixed assets * | 234.8 | 231.1 | 233.7 |
| Tangible fixed assets | 15.2 | 15.5 | 15.9 |
| Financial fixed assets, non interest-bearing | 21.8 | 40.0 | 41.7 |
| Financial fixed assets, interest-bearing **) | 19.6 | 21.5 | 12.7 |
| Current assets **) | 261.7 | 218.6 | 266.2 |
| Liquid funds (cash and bank balances) | 1.5 | 9.8 | 8.7 |
| Total assets | 554.6 | 536.5 | 578.9 |
| Shareholders' equity and liabilities | | | |
| Shareholders' equity ***) | 295.8 | 244.6 | 260.2 |
| Provisions ****) | 8.6 | 28.1 | 23.6 |
| Long-term liabilities, interest-bearing | 0.0 | 0.0 | 0.0 |
| Long-term liabilities, non interest-bearing | 0.0 | 6.3 | 6.3 |
| Current liabilities, interest-bearing | 79.6 | 101.5 | 100.4 |
| Current liabilities, non interest-bearing | 170.6 | 156.0 | 188.4 |
| Total Shareholders' equity and liabilities | 554.6 | 536.5 | 578.9 |

*) Whereof goodwill amounts to SEK 229.8 M (217.1) and at year end 227.6 of total intangible fixed assets.

**) Interest bearing receivables amount totally to SEK 21.5 M (26.5) of which 12.7 (21.5) are long term and 8.8 (5.0) are short term. At year end 26.5 totally whereof 12.7 long term and 13.8 short term.

***) Minority share of shareholders' equity amounts to SEK 3.7 (5.4) M, at year end SEK 6.0 M.

****) Of the provisions SEK 5.0 M (9.1) are short term. At year end 13.6

Condensed consolidated cash flow statement, SEK M

| | Jan-Sep 2005 | Jan-Sep 2004 | Jan-Dec 2004 |
|-----------------------------------|-----------------|-----------------|-----------------|
| Cash flow from operations | 61.7 | 30.6 | 60.9 |
| Changes in working capital | -2.5 | -3.2 | -17.2 |
| Cash flow from current operations | 59.2 | 27.4 | 43.7 |
| Investment operations | -7.1 | -99.5 | -106.2 |
| Financial operations | -59.4 | 67.0 | 56.3 |
| Change in liquid funds | -7.2 | -5.1 | -6.2 |

Consolidated change in shareholders' equity, SEK M

| | Jan-Sep 2005 | Jan-Sep 2004 | Jan-Dec 2004 |
|--|-----------------|-----------------|-----------------|
| Amount at the beginning of the year | 260.2 | 163.7 | 163.7 |
| New share issue | - | 86.7 | 86.7 |
| Change in minority share of shareholders' equity | -1.9 | - | - |
| Translation differences | -0.4 | 0.2 | -1.2 |
| Change in minority share | 37.8 | -6.0 | 11.0 |
| Loss for the period | 295.8 | 244.6 | 260.2 |

Key ratios Sigma Group

| | Sep 30, 2005 | Sep 30, 2004 | Dec 31, 2004 |
|---|--------------|--------------|--------------|
| Number of employees, end of period | 914 | 834 | 866 |
| Average number of employees | 888 | 768 | 779 |
| Net sales per employee, SEK 000s *) | 881 | 771 | 1 095 |
| Added value per employee | 604 | 525 | 744 |
| Return on operating capital, % | 19.6 | 2.9 | 8.8 |
| Return on capital employed, % | 16.7 | 3.5 | 8.1 |
| Return on shareholders' equity, % | 13.5 | -3.4 | 4.9 |
| Interest-bearing net debt | 56.6 | 65.3 | 65.3 |
| Net debt/equity ratio, % | 19.5 | 26.7 | 27.3 |
| Acid test ratio, times, overdraft check classified as long term | 1.50 | 1.46 | 1.33 |
| Equity/assets ratio, % | 53.3 | 45.6 | 44.9 |
| Gross margin, % | 8.7 | 3.4 | 4.7 |
| Operating margin, % | 7.8 | 1.4 | 3.0 |
| Profit margin, % | 7.5 | 0.8 | 2.4 |
| Number of shares, end of period | 84,409,287 | 83,704,885 | 84,409,287 |
| Average number of shares | 84,409,287 | 74,338,468 | 76,856,173 |
| Earnings per share after full tax, SEK | 0.45 | -0.08 | 0.14 |
| Shareholders' equity per share, SEK | 3.50 | 2.92 | 3.08 |

Quarterly trend

| | 2002 *) | | | | 2003 *) | | | | 2004 | | | | 2005 | | | |
|------------------------------|---------|------|-----|------|---------|------|------|------|------|-------|-----|------|------|------|------|----|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2**) | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| Net sales, SEK M | 316 | 316 | 249 | 234 | 194 | 192 | 153 | 199 | 192 | 200 | 200 | 260 | 265 | 291 | 226 | |
| Operating profit *) SEK M | -4.9 | -6.4 | 1.0 | 11.1 | 0.6 | -2.8 | -9.3 | -1.7 | 11.5 | 5.8 | 9.3 | 16.8 | 22.0 | 22.3 | 16.5 | |
| Margin | -1.6 | -2.0 | 0.4 | 4.7 | 0.3 | -1.5 | -6.1 | -0.8 | 6.0 | 2.9 | 4.7 | 6.4 | 8.3 | 7.7 | 7.3 | |
| No. of working days | 62 | 60 | 66 | 61 | 63 | 59 | 66 | 62 | 63 | 60 | 66 | 64 | 61 | 62 | 66 | 64 |
| Employees/end period | 1141 | 1091 | 873 | 802 | 780 | 760 | 735 | 691 | 671 | 858 | 834 | 866 | 879 | 906 | 914 | |

* Items affecting comparability in 2002 are not included in the results above and goodwill amortization is reversed for 2002 and 2003 for the purpose of achieving comparability with subsequent years prepared in accordance with IFRS.

** Restructuring costs at acquisition of RKS that arise as a nonrecurring effect resulting from the change of accounting principles to IFRS amounting to SEK 18.2 M are not included in the results above but are included in the income statement on page 5 in this report.

Notes

Accounting principles – transition to International Financial Reporting Standards – IFRS

As of January 1, 2005, Sigma is preparing its consolidated accounting in accordance with the new International Financial Reporting Standards (IFRS) as approved by the European Commission. Since IFRS requires restating of the comparison year, comparative figures for 2004 have been recalculated in accordance with IFRS in this report. This interim report is the first financial report prepared by Sigma in accordance with IFRS. The report has been prepared in accordance with IAS 34, Interim Financial Reporting. A description is provided on page 8 of this report regarding how the transition from Swedish GAAP to IFRS has affected Sigma's earnings, financial position and cash flow. In other respects, the same accounting principles and valuation methods were used as in the most recent annual report.

Transactions with affiliates

Transactions with affiliates, as defined in the most recent annual report, amounted to less than 1% of sales and expenses.

Seasonal fluctuations

The company's earnings are affected by slightly less than 3 M per workday, all other factors equal. The occurrence of holidays during the year affects earnings between quarters during a year. The Easter holiday can fall in the first as well as the second quarter, which affects the distribution of earnings between these quarters. The latter part of the second quarter is also affected by the summer vacation period starting, with resulting lower invoicing. The largest vacation effect appears in the third quarter, however. The Christmas holidays have an effect, taking into account various weekdays, on the number of working days in the fourth quarter, as well as employees extending their holidays in conjunction with Christmas, depending on which weekday it falls.

Change in shareholders' equity

In conjunction with the redemption of the minority share in the subsidiary RKS AB during the third quarter, a change in shareholders' equity corresponding to a reduction of SEK 2 M arose that was entirely attributable to the minority share of shareholders' equity.

Sigma in brief

Sigma supplies IT solutions and consulting services to development-intensive customers. Operations are conducted in entrepreneurial niche companies organized in the Business Solutions, IT Solutions and Information Solutions business areas. The Group has about 900 employees in Sweden and Denmark. Sigma is listed on the Attract 40 List of the Stockholm Stock Exchange. www.sigma.se

Business Solutions is active in two areas of operations: Business Systems and Strategy & Communications. Business Systems provides consulting services for several major business systems on the market as well as complete smaller proprietary systems. Strategy & Communications is active in strategy consulting in Denmark as well as communications services in brand profiling and financial information in Sweden.

IT Solutions is active primarily in systems administration, systems development and management services. Much of the operations are functional sourcing that involves lengthy periods within the framework for Sigma ServiceCenter. The companies in the business area operate in very close proximity to the customer, in long-term relationships in local markets in Sweden and Denmark. Operations in Sweden are nationwide, from Malmö in the south to Sundsvall in the north.

Information Solutions' main operations are Information Design, which focuses on advanced services used to structure and develop user documentation, and the development of information solutions for complex products and systems. Operations are characterized by long-term functional undertakings. The business area also includes the *advantum®* document-handling system. Customers with *advantum®* operate within the pharmaceutical and defense industries, which impose highly stringent requirements on document handling processes, as well as within more traditional operations, such as in municipalities, the business community and various types of training activities.

Transition to IFRS 2005

IFRS's affect on Sigma's accounting is in all significant respects that goodwill amortization ceases and that a nonrecurring cost of SEK 18.2 M arises in the 2004 accounts relating to other accounting for restructuring costs compared with the recommendations of the Swedish Financial Accounting Standards Council.

IFRS is continuously being reviewed, as a result of which changes may occur. Effects may also arise in the future as a result of revised principles regarding pension commitments when Alecta can report the underlying information for calculating these, but the assessment is that any such effects will be minimal.

The significant differences in the accounting principles and their effects on the Sigma Group's results and financial position in accordance with IFRS rather than the Swedish General Accepted Accounting Standards (GAAP) presented below.

Application of IFRS in transition

The transition to IFRS is reported in accordance with IFRS 1- First-time Adoption of International Financial Reporting Standards. The main principle in accordance with IFRS and transition to IFRS is that all principle are to be applied retroactively, but with the possibility of certain exceptions to only apply them at the opening date, that is January 1, 2004, as comparative figures to the 2005 reporting. Sigma has chosen to use the exception regarding restatement of acquisitions carried out prior to 2004.

Consolidated accounting

Reporting of acquisitions of operating companies has been carried out in accordance with IFRS 3. For acquisitions during 2004, reclassification has been applied regarding distribution of the acquisition value to the acquired assets. Since Sigma's acquisitions pertain to knowledge companies without any significant asset value other than customer relations and expertise, this reclassification is minor.

Amortization of goodwill

According to IFRS, intangible assets are distributed between assets that have a determined economic life, which are written off over this period, and assets of undetermined usage period, that are not written off. On assets of undetermined economic life, an estimate of their return, similar to that stipulated by the principles of the Financial Accounting Standards Council, should be carried out. Sigma has produced estimates on an ongoing basis, and they indicate that there is no need of any write-down as at January 1, 2004 and December 31, 2004. Amortization of intangible assets of indeterminate economic life in 2004 amounted to SEK 33.4 M, which under IFRS rules will cease. The large majority of these do not affect the company's tax. Acquisitions during 2004 have been dealt with in accordance with IFRS 3.

Provisions for restructuring reserves

IFRS involves changes regarding costs for future restructuring measures allocated in conjunction with acquisitions. In principle, IFRS does not permit such provisions in the acquisition analysis and affect goodwill, unless the liability existed in the acquired company at the acquisition date. The acquisitions carried out by Sigma in 2004 have been reported in accordance with IFRS 3.

Minority interests

In accordance with IAS 27, minority interest is to be reported separately as a portion of shareholders' equity in the balance sheet and not as a separate item on the liability side of the balance sheet. In the income statement, the minority participation in earnings is no longer deducted but is included in the reported earnings for the period. In the income statement, that portion of earnings for the year attributable to the owners of the parent company and to the minority interests in subsidiaries is specified.

Financial instruments

The introduction of IFRS 32 and 39, Financial Instruments, does not affect Sigma's reporting.

Cash flow

No significant differences arise between the cash-flow statement based on IFRS and the statement prepared in accordance with Swedish GAAP.

Preliminary differences in the income statement between IFRS and the Swedish Financial Accounting Standards Council (SwGAAP)

| | Note | SwGAAP Jan-Sep 2004 | Effect of transition to IFRS | IFRS Jan-Sep 2004 | SwGAAP Jan-Dec 2004 | Effect of transition to IFRS | IFRS Jan-Dec 2004 |
|--|------|---------------------------|------------------------------------|-------------------------|---------------------------|------------------------------------|-------------------------|
| Net sales | | 592.4 | - | 592.4 | 852.6 | - | 852.6 |
| Operating expense | A | -554.2 | -18.2 | 572.4 | -794.5 | -18.2 | -812.7 |
| Depreciations | B | -36.0 | 24.5 | -11.5 | -48.1 | 33.3 | -14.8 |
| Operating profit | | 2.1 | 6.3 | 8.4 | 10.1 | 15.1 | 25.2 |
| Earnings from financial investments | | -3.4 | - | -3.4 | -4.4 | - | -4.4 |
| Profit after net financial items | | -1.3 | 6.3 | 5.0 | 5.7 | 15.1 | 20.8 |
| Tax | | -11.0 | - | -11.0 | -9.8 | - | -9.8 |
| Minority interest ²⁾ | C | -1.2 | 1.2 | - | -1.9 | 1.9 | - |
| Net profit/loss for the year | | -13.5 | 7.5 | -6.0 | -6.0 | 17.0 | 11.0 |
| Of which minority interest ¹⁾ | C | - | -1.2 | -1.2 | - | 1.9 | 1.9 |

¹⁾ Minority interest in accordance with IFRS.

²⁾ Minority interest in accordance with SwGAAP.

Preliminary change in equity between IFRS and SwGAAP

| | Not | Jan 1 2004 | Jun 30 2004 | Dec 31 2004 |
|---|-----|---------------|----------------|----------------|
| Equity in accordance with SwGAAP | | 159.4 | 234.4 | 239.1 |
| Provisions for restructuring measures | A | - | -18.2 | -18.2 |
| Amortization of goodwill | B | - | 15.7 | 33.4 |
| Minority interests | C | 4.2 | 5.4 | 6.0 |
| Shareholders' equity on balance sheet date, in accordance with IFRS | | 163.7 | 237.3 | 260.2 |

Notes to changes between IFRS and SwGAAP:

A Provisions for restructuring measures

In the comparative figure for the third quarter of 2004, part of the restructuring reserve reported during 2004 in RKS in conjunction with the acquisition was reversed. Certain parts of this do not fulfill the criteria in IFRS whereby these were reversed as a non-recurring adjustment in transition in the amount of SEK 18.2 M.

B Amortization of goodwill

In accordance with IFRS, goodwill shall not be amortized, however, impairment tests shall be applied at year end closing. Testing of the write-down requirement shall, however, be carried more often if there are indications that a value decline has occurred. Goodwill amortization for the period in 2004 was SEK 24.5 M and for full-year 2004 SEK 33.4 M.

C Minority interest

In accordance with IFRS, minority interests shall be reported separately as part of shareholders' equity in the balance sheet, which means that it is included in total equity. Net profit/loss is presented in accordance with IFRS before deduction of any minority interests.

D Deferred tax receivable

An adjustment compared to previous submitted interim reports has affected the preliminary changes in equity between IFRS and SwGAAP. Change of deferred tax receivables does not occur with IFRS.