

POOLiA AB (PUBL)

Interim Report for the period January 1, 2000 – June 30 2000

- Sales during the first half of 2000 rose 99% to SEK 419 M (211).
- Pretax profit amounted to SEK 33.5 M (first half of 1999: 12.4) and operating profit to SEK 32.8 M (5.5), including a SEK 3.7 M repayment of surplus funds from SPP.
- Earnings per share amounted to SEK 3.52 (1.64).
- The Group's expansion is proceeding as planned and POOLiA has open two local companies during the period.
- After the close of the period, Pedagogforum Nordiska AB was acquired and a decision was taken to form a subsidiary in Finland.

Sales

Sales rose 99% during the first half of 2000 to SEK 419 M (211). Temporary Staffing continues to be the predominant service area, noting growth of 99%. Technology & Industry and Clerical are still the fastest-growing occupational segments within Temporary Staffing. In absolute terms, Accounting is the largest occupational segment. The Clerical occupational segment noted the largest sales increase compared with the first half of 1999.

Sales were distributed as follows by service area:

	Jan-June 2000	Jan-June 1999	Change %	% share 2000	% share 1999
SEK M					
Temporary Staffing	382.0	192.2	99	91	91
Recruitment	32.1	17.6	82	8	8
Outsourcing	4.7	1.1	370	1	1
Total	418.8	210.8	99	100	100

Earnings

Pretax profit for the first half of 2000 amounted to SEK 33.5 M (12.4). Operating profit totaled SEK 32.8 M (5.5). Operating profit for the period includes a SEK 3.7 M repayment of surplus funds from SPP.

The Group's financial net for the period amounted to income of SEK 0.7 M (6.9). The high net financial income reported in the year-earlier period was attributable to proceeds from the sale of shares to personnel.

Second quarter

Sales grew 92% during the second quarter of 2000 to SEK 222.3 M (115.6). Pretax profit for the second quarter amounted to SEK 18.0 M (5.2) and operating profit to SEK 17.7 M (4.3). Profit for the quarter includes SEK 3.7 M for surplus funds repaid by SPP.

Significant events during the second quarter

The establishment of local offices continued during the second quarter, through the opening of new offices in Karlskrona and Luleå.

Significant events after the close of the report period

POOLiA acquired Pedagogforum Nordiska AB of Gothenburg in July. The company will be renamed POOLiA Pedagogik AB and become a new business area within POOLiA. POOLiA Pedagogik will focus on temporary staffing and recruitment in the field of educational services for public and private sector customers. Operations will initially be conducted in Gothenburg and Stockholm.

Effective August 1, Kjell-Åke Jägenstedt assumed office as Chief Financial Officer (alt. COO responsible for Finance and Support) of the POOLiA Group. He joined POOLiA from a position as Nordic CFO at Fujitsu/Siemens.

POOLiA's new website was launched in July. The new website improves search capabilities for and interaction with job seekers. It also enhances the speed and efficiency of in-house handling of job applications.

POOLiA has decided to form a subsidiary in Finland. The new company, POOLiA Suomi Oy, whose president will be Heini Savio, is expected to start up operations in September-October. Heini Savio has extensive experience of the Finnish staffing sector and has long been a member of the Finnish counterpart of the Swedish Association of Temporary Work Businesses and Staffing Services. Finland is still a relatively immature market and assessments indicate that POOLiA's operations (with a focus on specialist segments) will have 100 employees in the country within a year.

POOLiA opened a local office in Östersund after the close of the report period.

Liquidity and financing

On June 30, 2000, the Group's liquid assets amounted to SEK 76.8 M (103.7). Cash flow from operations was positive in an amount of SEK 38.9 M. During the second quarter, the Company was credited with SEK 1.2 M in conjunction with employee subscription of warrants. The equity/assets ratio was 52% (62).

Investments

Investments during the first half of the year amounted to SEK 22.5 M (11.2). SEK 12.9 M of the investments pertained to acquisitions of companies and SEK 3.7 M to continued investments in new business administration systems. During the period, investments were also made in new premises in Malmö and newly opened local offices.

Employees

The average number of employees during the first half of the year was 1,840 (861). The total number of employees on June 30, 2000 was 2,668 (1,510).

Parent Company

The Parent Company conducts general corporate management, development and financial management activities. Sales amounted to SEK 1.4 M (0) and a pretax loss of SEK 0.4 M (0,8) was reported.

Market

According to SPUR (the Swedish Association of Temporary Work Businesses and Staffing Services), sector sales during first quarter of 2000 totaled approximately SEK 1,722 M, reflecting growth of about 80% compared with sales of SEK 954 M in the year-earlier period. POOLiA's market share during first quarter of 2000 was 11.4%, up 1.2 percentage points compared with full-year 1999.

Outlook for 2000

POOLiA's aim for the current fiscal year is to outperform the sector in terms of sales growth, while maintaining healthy profitability.

Condensed consolidated income statement

SEK M	Jan-June 2000	Jan-June 1999	Apr-June 2000	Full year 1999
Sales	418.8	210.8	222.3	490.7
Personnel costs	-337.1	-170.6	-180.6	-400.5
Other costs	-43.9	-33.0	-21.3	-57.4
Profit before depreciation	37.8	7.2	20.4	32.8
Depreciation	-5.0	-1.7	-2.7	-4.8
Operating profit	32.8	5.5	17.7	28.0
Financial items	0.7	6.9	0.3	8.4
Profit before taxes	33.5	12.4	18.0	36.4
Taxes	-9.9	-3.5	-5.6	-8.9
Net profit for the period	23.6	8.9	12.4	27.5

Condensed consolidated balance sheet

(SEK M)	June 30, 2000	June 30, 1999	Dec 31, 1999
Fixed assets	60.3	26.7	43.6
Other current assets	164.3	63.8	143.7
Cash and bank balances	76.8	103.7	65.6
Total assets	301.4	194.2	252.9
Shareholders' equity	156.0	119.5	137.9
Deferred tax liability	5.1	1.8	4.9
Long-term liabilities	0.2	0	0.2
Current liabilities	140.1	72.9	109.9
Total liabilities and shareholders' equity	301.4	194.2	252.9

Condensed cash flow statement

SEK M	Jan-June 2000	Jan-June 1999	Apr-June 2000	Full year 1999
Cash flow from continuing operations	38.9	8.3	20.6	-12.9
Cash flow from investing	-22.2	-11.2	-6.5	-28.0
Cash flow from financing	-5.5	92.7	-5.5	92.6
Cash flow during the period	11.2	89.8	8.6	51.7
Liquid assets on January 1	65.6	13.9	68.2	13.9
Liquid assets on June 30	76.8	103.7	76.8	65.6

Key figures

	Jan-June 2000	Jan-June 1999	Apr-June 2000	Full year 1999
Operating margin, %	7.8	2.6	8.0	5.7
Profit margin, %	8.0	5.9	8.1	7.4
Return on capital employed, %	N/A	N/A	N/A	46.0
Return on total capital, %	N/A	N/A	N/A	22.0
Equity/assets ratio, %	51.8	61.5	51.8	54.5
Share of risk-bearing capital, %	53.5	62.5	53.5	56.4
Number of annual employees, average	1840	861	1995	1048
Revenues per employee, SEK thousands	228	245	111	468
Average number of shares	6 698 388	5 416 939	6 698 388	5 882 218
Number of shares outstanding	6 698 388	6 698 388	6 698 388	6 698 388
Earnings per share after full tax, SEK	3.52	1.64	1.86	4.67
Shareholders' equity per share after full tax, SEK	23.29	17.84	23.29	20.59

Forthcoming financial reports

The Interim Report for the January – September 2000 will be released on November 8, 2000. The Year-end Report for 2000 will be released on February 22, 2001.

Stockholm, August 15, 2000

Mats Edlund
Chief Executive Officer

This interim report has not been reviewed specifically by the Company's auditors.

For further information, please contact:

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POOLiA is a leading player in the Swedish staffing services market. Operations include the Temporary Staffing, Recruitment and Outsourcing service areas. In each service sector, operations are divided into occupational segments, namely Accounting, Bank & Finance, IT, Office, Technical & Industry, Sales & Marketing, Legal, Teaching and Search.