

Resco AB (publ)

Interim Report January - June 2000

The new Resco takes shape

- Sales amounted to SEK 150.2M (160.6). Including participation in associated companies, sales were SEK 160.1M.
- Pro forma, sales rose by 37 per cent to SEK 220.2M (160.6).
- Operating result amounted to SEK –26.9M (6.1). After financial items, the result amounted to SEK –22.9M (6.3).
- Extensive restructuring and a relatively weak market for business systems (ERP) hampered the sales and results trend in the first half of the year. ERP sales amounted to SEK 38M (64). Cleared of ERP, an underlying sales growth of more than 16 per cent is noted for the first six months, excluding participation in associated companies.
- Nearly 20 ERP consultants within subsegments of the ERP market, which are not strategically important for Resco, left the Company during the first half of the year. Around 15 consultants, with a similar orientation, are expected to leave Resco during the second half of the year. In parallel, a successful recruitment campaign is underway which is directed at more growth-oriented and, for Resco, strategic business segments.
- The forecast of a sales growth, including associated companies and future acquisitions, of 50 per cent in the current year stands.
- The assessment is that Resco will achieve a significantly better operating result before goodwill depreciation in the second half of the year, compared with the first six months.
- The number of employees was 512 (338) at the period-end, an increase of 51 per cent.
- Staff turnover over a rolling 12-month period amounted to 13 (16) per cent.
- Prioritised internationalisation. Resco has achieved a critical mass in Hamburg, Germany via 54 locally recruited staff so far. Operations commence on 1 October and the unit is expecting full capacity utilisation right from the start. In Finland, Resco currently has 105 employees. Continued advance towards prioritised segments of the European market is expected during the second half of the year.
- The e-learning company, Involve Learning – the result of the merger in February of the Norwegian company in2win AS and Resco Learning – is reporting rapid growth. Resco AB owns 45 per cent of Involve Learning. At end-June, the company had 91 employees. The aim is to float Involve Learning on the stockmarket within a twelve-month period.

COMMENTS BY THE MANAGING DIRECTOR

The new Resco looks ahead with great confidence

- Extensive restructuring and a weak ERP market have hampered the Company's performance during the first half of the year.
- A new organisation in place which will provide for both an increased sales focus and more efficient supply.
- Resco is confident that there will be an upturn in performance for the second half of the year and that the existing growth target will be achieved.
- The focus for the second half of the year will be on continued rapid internationalisation.

The first six months were characterised by extensive strategic restructuring work in Resco. This was hard work which has unavoidably been carried out at the expense of a reduced focus on marketing. This, together with falling demand which was especially noticeable in the business systems side, contributed to a significant loss of income. Resco had previously announced that the restructuring, which was initiated at the turn of the year, would colour the Company's results during the first few months of the year. Unfortunately, the work required more time than anticipated. However, the evaluation is that Resco has, through the restructuring, created a solid platform for long-term competitiveness and growth as well as gradually improving profitability. The new organisation, which was fully in place by the middle of the year is based on a sales and supply function. Both functions are now equipped with mainly new first-class management resources. The new organisational structure, above all, provides for a more stringent sales focus – especially in the selected market segments of ERP, e-business and CRM, – as well as significantly shorter lead times. From a staffing viewpoint, the new Resco is being built around prioritised market segments. The consequence of this will be a number of redundancies running in parallel with new recruitment. The net effect will be rapid organic growth. An extensive recruitment process has been successfully initiated and a shaping of the Company's competence profile directed at more growth-oriented segments. Resco is to stand for ability to act both internally and externally. The new organisation model is expected to have a gradual effect during late autumn and the last quarter which, together with signals about a brighter market situation, means that Resco is looking very confidently at the second half of the year. The current forecast for a sales growth of 50 per cent in the current year, including our associated company and future acquisitions, stands.

From a results viewpoint, the forecast is that the second half of the year will generate a significantly improved operating result before goodwill depreciation and excluding items affecting comparability. On an annual basis, a controlled loss is expected. The reason for this expected loss - apart from the restructuring and a partly negative demand trend in the first six months – is the investment required for the internationalisation of Resco, an investment which has become increasingly central since the Swedish market has become increasingly concentrated following a strong period of consolidation. So far, Resco has succeeded in achieving a critical mass in Hamburg, Germany – via nearly 55 locally recruited employees – and has attained an established market position in Finland via the recently acquired company, Major Blue Company. The continued internalisation will, like the expansion model in Germany, be based on organic growth. However, acquisitions are very much a possibility. In the relatively short term, the criteria for establishing operations in yet another Central European market are being examined.

In conclusion, it should be emphasised that Resco is working in a target-oriented way to achieve improved profitability. The new organisation is characterised by strong income and cost control which, in combination with a sharpened market offer and an increased sales focus, will provide Resco with gradually improved profitability.

Resco grows rapidly in strategic competence segments

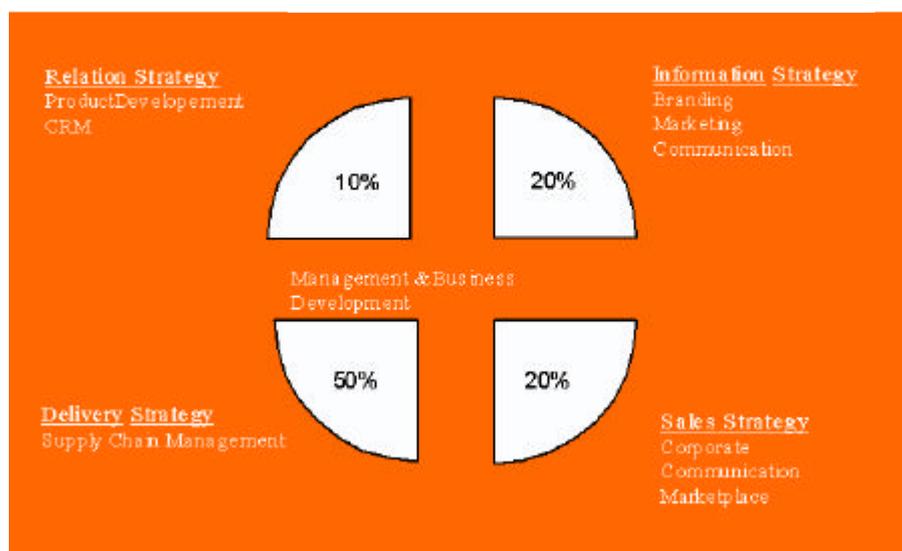
As of the turn of the month from July to August, Resco had 565 employees, excluding associated companies, compared with 358 at the turn of the year. This is equivalent to an increase of 58 per cent. It should be noted that 28 per cent of the total staff are found outside Sweden, compared with 1.5 per cent at the turn of the year. 35 per cent of the establishment of operations abroad for this period have been made organically.

The combined competence in Resco can be broken down into four strategic areas which from an operations viewpoint work in accordance with the business concept of a 'strategy in a wheel'. This is a concept which reflects the customer's entire business process and stimulates a comprehensive undertaking and also individual cutting edge solutions. In the centre of the wheel is found Management & Business Development which is responsible for the general management functions and the development of the overall strategy and vision for the company.

- **Information Strategy** represents competences which relate especially to brandname building, i.e. ensuring that the customer communicates everything in a uniform way. The especially the acquired, highly regarded communication company, SandellSandberg forms the base of this segment.
- **Sales Strategy** represents competences for the build-up and design, especially of Electronic trading sites. The objective is to force the pace of purchasing behaviour.
- **Delivery Strategy** represents competences relating to the understanding of the customer's entire business process. Solid knowledge about ERP systems which are strategic for Resco as well as advanced system development and integration are also strong characteristics of the distribution of competence within Delivery Strategy.
- **Relation Strategy** represents competences relating to how a transaction becomes a customer relationship. CRM tools are extensively being used as instruments for this purpose. Resco has a number of CRM products which have been developed by the company.



Distribution of competence (per cent)



Prospects for the future

Resco foresees a gradual recovery in demand during the second half of the year following the stagnation experienced around the turn of the Millennium. A significant increase in demand is predicted for the fourth quarter. The relatively established industrial and service companies are considered likely to be responsible for the most significant increases. This will be through assignments which mainly relate to the integration of business systems and the Internet. Resco has well-established marketing channels directed towards these market segments. At the same time, our clear reprofiling of the ERP consultants should guarantee a positive market response. A continued positive increase in demand for pure Internet consulting services is also forecast for late autumn and the fourth quarter. At the same time, Resco is seeing signs of an increasingly tight and compact IT and Internet consulting market in Sweden. As a result of this trend Resco is placing greater emphasis on its continuing European expansion.

Torstein Johansen
Managing Director

RESTRUCTURING OF THE GROUP

Acquisitions

During the first half of the year, a number of strategically important acquisitions were made.

- Intra Kommunikation AB, which was acquired in February, is an Internet consulting company with considerable understanding of CRM and market communication. In addition, Intra provides Resco with knowledge about how the information can be individualised over the Internet. The acquisition of Intra is a strong supplement to the acquisition of the web bureau, Reference, which was completed during autumn 1999.
- Canopus International AB, which was acquired in April, develops administrative IT systems, mainly for intranets. Canopus also possesses cutting edge competence within project management, system design and data base design. The acquisition provides Resco with additional strength on the technical side and also adds a couple of developed products which makes it possible to build solutions more quickly for the customer and more profitably for Resco.
- SandellSandberg, which was acquired in June, is a communication company with very considerable understanding of total communication and brandname building. The company contributes a customer base to Resco as well as an understanding of how Resco will build a strong brandname for customers and their solutions, and how the customer will communicate the solutions.
- Major Blue Company in Finland, which was acquired in May, possesses cutting edge competence within technology systems for HR (Human Resources) and CRM as well as implementation of business systems. Major Blue Company has developed a number of products and therefore contributes to Resco the knowledge of packaging consulting operations into products. With Major Blue Company, Resco attains a strong position in Finland where Resco now has 105 employees. The deal is in line with the increased international focus which Resco now stands for.

Pro forma accounts

In the following table are stated sales and result before goodwill depreciation, taking into account implemented acquisitions and sales of operations during 1999 and 2000.

Pro forma accounts Jan-Jun 2000	Net sales, SEK M	Operating result before goodwill depreciation, SEK M	Operating margin before goodwill depreciation, %
Outcome Jan-Jun 2000	150.2	-22.8	-15.2
Less for sold units	-5.4	-3.7	-
Plus for acquired units	75.4	11.9	15.8
Pro forma Jan-Jun 2000	220.2	-14.6	-6.6
Outcome Jan-Jun 1999	160.6	6.9	4.3
Change, %	+ 37		

Pro forma accounts full-year 1999	Net sales, SEK M	Operating result before goodwill depreciation, SEK M	Operating margin before goodwill depreciation, %
Outcome full-year 1999	282.9	-9.3	-3.3
Less for sold units	-23.4	-7.5	-
Plus for acquired units	155.3	18.6	12.0
Pro forma full-year 1999	414.8	1.8	0.4
Change, %	+ 47		

Under "Less for sold units" is included the outcome of sold units, which are included in the period result, and sales result. Under "Plus for acquired units" is included an adjustment upward of the outcome of the acquired unit to comprise the whole period.

SECOND QUARTER 2000

Net sales in the second quarter amounted to SEK 79.4M (76.8), an increase of 3 per cent. Operating result before goodwill depreciation amounted to SEK -11.8M (1.5) which is equivalent to a margin of -14.8 per cent (1.8). Operating result after goodwill depreciation amounted to SEK -14.7M (1.1), equivalent to an operating margin of -18.6 (1.3) per cent. Operating result includes items affecting comparability of SEK 14.5M relating to the SPP refund, see below, and SEK -0.2M relating to the sale of the 70 per cent owned subsidiary, Resco IPM AB.

Result after financial items amounted to SEK -11.6M (1.1).

Refund from SPP

Of the surplus that has arisen within SPP, SEK 14.5M has been allocated to Resco. This refund has been reported under items affecting comparability. The portion which is expected to be utilised for premium payments within one year, SEK 4,2M, has been reported as a current receivable, whereas the remaining portion, SEK 10.3M, has been reported as a long-term receivable.

FIRST SIX MONTHS 2000

In the first six months, net sales amounted to SEK 150.2M (160.6), a fall of 7 per cent. Operating result before goodwill depreciation amounted to SEK -22.8M (6.9) which is equivalent to a margin of -15.2 per cent (4.3). Operating profit after goodwill depreciation amounted to SEK -26.9M (6.1), equivalent to an operating margin of -17.9 per cent (3.8). Among items affecting comparability in the operating result - apart from the items in the second quarter which are stated above - is also included SEK 1.4M which refers to the sale during the first quarter of the subsidiaries, Resco Interactive AB and Resco Learning AB, in connection with the formation of Involve Learning AS.

Result after financial items amounted to SEK -22.9M (6.3).

The companies acquired so far have all generated solid result contributions during the period of holding. As shown in the pro forma accounts for the first six months of the year 2000, they would have contributed an additional SEK 11.9M to operating result before goodwill depreciation if they had been included in the Group from the start of the year. The explanation for the negative result outcome can partly be attributed to the significant decline in the market for business systems. Compared with the previous year, sales fell by SEK 26M which brought about a substantial loss of earnings as the adaptation of personnel and costs to the new prerequisites takes time. The charge ratio and result outcome was also lower than expected in the other competence areas, for example within Competence Management. In addition, the international investment as well as the process of integration and change have involved significant additional costs.

In comparison with the first quarter 2000, the second quarter had four fewer working days.

Investments

Net investments in goodwill amounted to SEK 252.1M (-). Investments in equipment and improvement of premises amounted to SEK 12.2M net (2.2), mainly indirectly through acquisitions the majority of which were financed via non-cash issues. Investments financed via leasing have not been included as they are only of marginal importance.

Financial position

The Group's liquid funds amounted to SEK 132.5M at 30 June 2000 (31 December 1999: 19.5). Of interest-bearing liabilities at 30 June 2000, pension commitments in accordance with the FPG/PRI system amounted to SEK 11.3M (9.6) and subordinated loans to SEK 5.5M (5.8). To enable new employees to participate retrospectively in the incentive programme in which the convertible subordinated loan is included 1999/2000), one of Resco's subsidiaries has subscribed for part of the loan for onward sale to new employees. The subordinated loans total SEK 7.5M in the Parent Company.

The Group's tax situation

With the exception of goodwill depreciation, the Group's costs are essentially deductible. Goodwill depreciation for the first six months in 2000 amounted to SEK 4.1M (0.8). The Group's goodwill totals SEK 309.0M. Goodwill is depreciated by 5-10 per cent per annum.

Shareholders' equity

Shareholders' equity amounted to SEK 546.9M (75.0) at 30 June 2000. During the first half of the year, four new share issues were carried out in connection acquisitions (non-cash issues), and one new cash issue. In addition, a new share issue was carried out in connection with the incentive programme (warrants 1999/2000) and a small part of the convertible subordinated loan (1999/2000), which was issued to the staff, was also converted. During the period, a split 1:5 was carried out. An adjustment for this has been made in the following table.

Change in number of shares and shareholders' equity	Number of shares, Q 1-2 / 2000	Share capital, Q 1-2 / 2000, SEK	Shareholders' equity, Q1-2 / 2000, SEK M	Shareholders' equity, full-year / 1999, SEK M
At 991231 / 981231	17,191,000	8,595,500	112.5	65.5
Dividend	-	-	-	-2.8
Non-cash issues	6,650,090	3,325,045	291.2	52.1
New issue (incentive programme)	220,000	110,000	4.9	7.9
New cash issue *	2,500,000	1,250,000	160.7	-
Conversion	9,620	4,810	0.3	-
Result for the period	-	-	-22.7	-10.2
Per 000630 / 991231	26,570,710	13,285,355	546.9	112.5

* The new cash issue amounted to SEK 166.5M. With deduction for costs of SEK 5.8M, it yielded SEK 160.7M.

The Annual General Meeting on 27 April passed a resolution to authorise the Board of Directors to decide, on one or several occasions with a departure from the existing shareholders' right of preference, to carry out a new share issue or issue of convertible debt instruments or debt instruments with detachable warrants for subscription of new shares. The authorisation comprises up to 7,000,000 series B shares and remains in force until the next Annual General Meeting. The issues will be used for acquisitions on market terms. Following the acquisitions of Major Blue Company OY and SandellSandberg AB, 2,050,000 shares remain of the authorisation.

Incentive programme

Subscription of new B shares in accordance with the previous year's warrant programme (1999/2000) took place during May. Of a total of 225,000 issued warrants 220,000 new shares were subscribed, equivalent to 98 per cent, following which shareholders' equity increased by SEK 4.9M.

An offer in May 1998 from Resco's three principal owners, Jan-Olof Engström, Kjell Jacobsson and Stefan Lindell, to all staff to acquire warrants relating to B shares to be exercised in May 2000 at a price of SEK 49 each was completed. A total of 236,000 warrants had been issued and only a small number were not exercised.

The Annual General Meeting on 27 April passed a resolution to issue a subordinated loan with detachable warrants for subscription of up to 2,500,000 B shares, directed at all employees and Board Members (2000/2002). A total of 1,230,500 warrants have been acquired which is equivalent to 49 per cent of the maximum number. The outstanding options remain in the subsidiary of Resco AB, to which the subordinated loan was directed, with the aim of being able to offer new employees within the Resco Group to acquire these warrants on market terms. Subscription for newly-issued shares will take place during the period, 11 – 30 April 2002. A total of up to 2,500,000 could be added, equivalent to an increase in shareholders' equity of SEK 155.5M.

On full conversion of outstanding convertibles (1999/2002) and full exercising of outstanding warrants (2000/2001 from February and 2000/2002 from April, respectively in accordance with the above), the number of shares will increase by 3,350,880, equivalent to 11.2 per cent of share capital and 6.5 per cent of number of votes. Up to SEK 195,0M could be added in shareholders' equity.

Personnel

The average number of employees for the first half of 2000 was 393 (328), an increase of 20 per cent. The number of employees at the period-end amounted to 512 (338), an increase of 51 per cent. Of the increase since 30 June in the previous year, 226 were attributable to acquisitions, whereas the number of employees fell by 59 through sale of subsidiaries and operations, of whom 25 are now included in associated companies. Staff turnover over a rolling 12-month period amounted to 13 per cent (16).

At 30 June, the number of employees in associated companies amounted to 99 (22).

Operations

The organisation, which was restructured during the second quarter, is based on a number of competence areas and regional districts in Sweden. Through the division into competence areas, overall solutions are facilitated as the projects are in all situations staffed with the specific competences which are required by the respective project.

Resco invests in establishing independent regional units outside Stockholm. As a step in strengthening the Gothenburg region the company, Canopus AB, which has 9 employees, was acquired during the second quarter. Resco's customers have positively received the changes and it has been possible to increase significantly the Company's market presence. Following its acquisition of the Finnish company, Major Blue Company OY, Resco has taken a decisive step into the Finnish market. Establishment in the German market has been initiated and operations are expected to start during October.

Q 1-2 / 2000	Sales, SEK M	Share of total sales, %	Number of employees, 2000-06-30
SWEDEN			
Stockholm	134.6	83	287
Öresund	10.1	6	46
Gothenburg	5.5	3	23
Västerås	4.3	3	13
Central functions	-	-	43
Group eliminations	-12.8	-	-
Total Sweden	141.7	95	412
FINLAND			
Total	8.5	5	100
Total	150.2	100	512

Associated companies

Involve Learning AS in which Resco's ownership is 45 per cent, and which has its head office in Oslo, operates within e-learning. The company has 91 employees in the Nordic countries and reported sales of SEK 22M during the period, March - June. Hackås IT-Partner AB in Hackås, which is 50 per cent owned by Resco, employs 8 consultants, all of whom are involved with assignments on behalf of Resco. Associated companies influenced Resco's result by SEK -0.3M (0.1).

Parent Company

In the first half of the year, Resco AB (publ) reported sales of SEK 108.3M (138.9) and result after financial items of SEK -25.7M (8.6).

During the period, shares in subsidiaries were acquired for SEK 334.1M. These were mainly financed via issues of own shares. Shares in subsidiaries were sold and shares in associated companies were received in payment. Investment in equipment amounted to SEK 3.6M. At 30 June 2000, the Parent Company's liquid funds amounted to SEK 98.4M (31 December 1999: 14.5).

Board of Directors and Auditors

The Annual General Meeting passed a resolution to increase the number of board members from previously six to seven members. Johan Siwers, Head of Business Development within Scandinavia Online AB, was elected as new Board Member. A resolution was also passed to increase the number of auditors from previously one to two auditors. Authorised Public Accountant Lars Träff, Ernst & Young AB, was appointed Auditor for a period of four years. Authorised Public Accountant Anders Roos, SET Revisionsbyrå AB, was appointed by the previous year's Annual General Meeting, also for a period of four years.

CONSOLIDATED STATEMENT OF INCOME, SEK M	Q 1-2 / 2000	Q 1-2 / 1999	Full-year 1999	99-07-01 – - 00-06-30
Net sales	150.2	160.6	282.9	272.5
Share in results of associated companies	-0.3	0.1	0.1	-0.3
Total income	149.9	160.7	283.0	272.2
External costs	-52.6	-43.5	-91.5	-100.6
Personnel costs	-131.7	-107.5	-204.7	-228.9
Depreciation	-8.2	-3.6	-8.2	-12.8
Total costs	-192.5	154.6	-304.4	-342.3
Items affecting comparability	15.7	-	10.0	25.7
Operating result	-26.9	6.1	-11.4	-44.4
Financial items	4.0	0.2	0.2	4.0
Result after financial items	-22.9	6.3	-11.2	-40.4
Minority share of the result	-0.1	-	0.0	
Taxes	0.3	-1.9	1.0	
Net result for the period	-22.7	4.4	-10.2	

CONSOLIDATED BALANCE SHEET, SEK M	2000-06-30	1999-06-30	1999-12-31
Fixed assets	404.1	34.6	84.3
Current receivables	120.7	74.6	76.9
Liquid funds	132.5	31.2	19.5
Total assets	657.3	140.4	180.7
Shareholders' equity	546.9	75.0	112.5
Minority share	-	-	0.1
Provisions	16.5	3.7	5.7
Interest-bearing liabilities	24.5	12.6	15.4
Non-interest-bearing liabilities	69.4	49.1	47.0
Total shareholders' equity, provisions And liabilities	657.3	140.4	180.7

CONSOLIDATED CASH FLOW ANALYSIS, SEK M	Q 1-2 / 2000	Q 1-2 / 1999	Full-year 1999	99-07-01 – - 00-06-30
Cash flow from current operations	-28.8	9.4	2.4	-35.8
Change in working capital	6.5	-9.2	-10.8	5.0
Total cash flow from current operations	-22.3	0.2	-8.4	-30.8
Cash flow from investment operations *	-28.0	-2.7	-6.8	-32.2
Cash flow from financing operations *	163.3	10.0	11.0	164.3
Change in liquid funds	113.0	7.5	-4.2	101.3

* Acquisitions financed via non-cash issues are reported net.

SENSITIVITY ANALYSIS	Change	Effect on consolidated result
Rolling 12 months		SEK M
Hourly charge, per cent	+/- 1	2.1
Charge ratio, percentage point	+/- 1	3.9
Number of working days per annum	+/- 1	1.0
Personnel cost, per cent	-/+ 1	2.3

QUARTERLY REPORTING	Q 1	Q 2	Q 3	Q 4	Full-year
Available working days (disregarding holidays)					
2000	63	59	65	63	250
1999	62	60	66	64	252
1998	62	59	66	63	250
1997	60	61	66	62	249
1996	63	59	66	62	250
Consolidated sales, SEK M					
2000	70.8	79.4			
1999	83.8	76.8	50.9	71.4	282.9
1998	66.0	65.6	51.2	78.5	261.3
1997	45.0	48.6	41.2	60.4	195.2
1996	29.4	33.1	30.2	41.2	133.9
Consolidated operating result, SEK M					
2000	-12.2	-14.7			
1999	5.0	1.1	-13.4	-4.1	-11.4
1998	7.5	2.0	-4.0	6.0	11.5
1997	0.5	0.8	0.3	6.6	8.2
1996	0.9	1.0	0.5	3.4	5.8
Consolidated operating margin, %					
2000	Neg	Neg			
1999	6.0	1.3	Neg	Neg	Neg
1998	11.4	3.0	Neg	7.6	4.4
1997	1.1	1.6	0.7	10.9	4.2
1996	3.1	3.0	1.7	8.3	4.3

KEY FIGURES	Q 1-2 / 2000	Q 1-2 / 1999	1999	1998	1997	1996	1995
(Group)							
Net sales, SEK M	150.2	160.6	282.9	261.3	195.2	133.9	106.6
Change in net sales, %	-7	+ 22	+ 8	+ 34	+ 46	+ 26	+ 45
Operating margin, %	-17.9	3.8	-4.0	4.4	4.2	4.3	8.9
Operating margin before goodwill depreciation, %	-15.2	4.3	-3.3	4.8	4.7	4.4	8.9
Profit margin, %	-15.3	3.9	-4.0	4.7	4.4	5.4	9.9
Net margin, %	-15.2	2.7	-3.6	3.2	2.9	3.7	7.0
Return on equity, %	-15.8	6.1	-13.7	13.4	11.5	19.4	40.9
Return on capital employed, %	-7.4	8.1	-10.8	19.0	16.2	19.3	60.7
Return on capital employed in operations, %	-10.8	11.5	-14.8	28.1	33.6	48.2	144.2
Return on total capital, %	-6.1	4.9	-7.1	11.6	10.6	14.9	28.9
Equity ratio, %	83.2	53.4	62	53	63	65	52
Acid-test ratio, %	365	229	205	173	228	257	193
Capital turnover rate, (capital employed in operations)	0.6	6.2	3.6	6.6	8.1	11.2	14.0
Cash flow after investments, SEK M	-50.3	-2.5	-15.2	-4.1	-4.5	-5.0	8.2
Number of employees at period-end	512	338	358	347	240	200	128
Average number of employees	393	328	322	277	213	165	114
Sales per employee, SEK K	381	490	879	943	917	811	935
Salaries excluding overheads as a percentage of sales	58	40	46	41	43	44	37
Value added per employee, SEK K	269	341	588	638	629	579	608
Value added ratio, %	70	70	67	68	70	71	65

SHARE DATA	Q 1-2 / 2000	Q 1-2 / 1999	1999	1998	1997	1996	1995
Number of shares at period-end, 000	26,571	14,016	17,191	13,618	13,618	13,000	10,000
Average number of shares during the period, 000	19,907	13,886	14,489	13,618	13,133	11,508	10,000
Number of shares on full conversion, 000	29,922	14,602	17,777	14,018	13,618	13,000	10,000
Result after tax per share, SEK	-1.14	0.32	-0.70	0.61	0.43	0.43	0.75
Result after tax per share, SEK *	-0.98	0.30	-0.67	0.60	0.43	0.43	0.75
Cash flow per share, SEK	-1.12	0.01	-0.58	1.14	0.87	0.20	0.86
Cash flow per share, SEK *	-0.96	0.01	-0.55	1.11	0.87	0.20	0.86
Equity per share, SEK	20.58	5.35	6.55	4.81	4.36	3.55	2.01
Equity per share, SEK *	24.79	6.03	7.06	5.24	4.36	3.55	2.01
Dividend per share, SEK	n/a	n/a	0.00	0.20	0.17	0.15	0.23

The key figures have been recalculated taking into account the share split (1:5) which was implemented during the second quarter.

* After full conversion

STOCKMARKET-RELATED KEY FIGURES	Q 1-2 / 2000	Q 1-2 / 1999	1999	1998	1997	1996	1995
Market value per share, SEK	24.60	19.80	46.00	32.40	16.90	16.60	n/a
Market capitalisation, SEK M	654	278	791	441	230	216	-
Market capitalisation per employee, SEK M	1.3	0.8	2.2	1.3	1.0	1.1	-
Market capitalisation in relation to Result after tax (P/E ratio)	Neg*	48*	Neg	53	41	44	-
Capitalisation in relation to sales (P/S ratio)	2.4*	1.0*	2.8	1.7	1.2	1.6	-

The key figures have been recalculated taking into account the share split (1:5) which was implemented during the second quarter.

* Calculated on rolling 12 months

Future reporting dates

Interim Report January-September 2000 will be published on 31 October 2000.

Preliminary Accounts Report for 2000 will be published in February 2001

Annual Report for 2000 will be published in March 2001.

The Annual General Meeting will be held in April 2001.

Annual Reports and Interim Reports are available on Resco's website:

www.resco.se.

Stockholm, den 25 August 2000

Torstein Johansen
Managing Director

This Interim Report has not been examined by the Company's Auditors.

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