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Press release

September 13, 2000

TurnIT acquires Arete and creates a base for the continued expansion of its consulting business

- **The new Arete is well-positioned in fast-growing market segments**
- **Better opportunities to compete for the market's major agreements**
- **Stronger delivery capabilities with a single brand and management**
- **Efficiency gains of SEK 8-10 million beginning in 2001**
- **85 B-shares in TurnIT are offered for every 100 shares in Arete, representing a premium of 30.7 percent**
- **Senior officers and employees of Arete representing 38.9 percent of the shares have agreed to accept the offer**
- **The Board of Directors of Arete is recommending that shareholders accept the offer**

The Board of Directors of TurnIT – one of Sweden's major IT groups listed on the Attract40 list of the OM Stockholm Stock Exchange – has decided to make a public offer to shareholders and warrant holders in Arete. A strong, new consulting business will be created under the Arete name and current management team and will include TurnIT's consulting firms Ambrosia, AU-Gruppen, Catwalk, Libro and Systemering.

Upon completion of the acquisition, Arete will be well-positioned in the growing market segments of finance, telecommunications, pharmaceuticals and industry. The acquisition is also expected to yield synergy gains in the Internet field, where joint resources can be more efficiently utilized. Breadth and competency will be expanded, providing favorable opportunities in the competition for the market's general agreements.

Arete will have a staff of around 350 consultants, with pro forma sales for full-year 1999 of SEK 348 million. Pro forma sales for the first half of 2000 were SEK 189 million. Operating profit before depreciation on intellectual capital¹ amounted to SEK 15 million for the same period (including the refund of surplus insurance funds of SEK 4.6 million from SPP). The acquisition is expected to facilitate cost savings and efficiency gains of approximately SEK 8-10 million beginning in 2001.

The TurnIT Consulting business area will comprise Arete and Computas.

Based on the average of the last ten closing prices for the TurnIT and Arete shares prior to the temporary suspension of trading, the offer premium is 42.0 percent. Based on the closing price on the day prior to the temporary suspension of trading, the premium is 30.7 percent.

- "We share a fundamental view of our corporate culture, competence and experience, which is a critical to the acquisition," says Anders Hägg, managing director of Arete. "Together, we possess unique strength in consulting, with many years of experience in web-oriented systems integration.

¹ TurnIT uses the term intellectual capital for the item in the consolidated balance sheet which the Swedish Financial Accounting Standards Council in its recommendation RR1:96 designates goodwill.

We will be able to offer our clients a stable organization with low employee turnover and high competence, which will give them the confidence to entrust us with the development of their business-critical systems.”

- “The deal is unusual for TurnIT, which in the past acquired only unlisted companies,” says Peter Enström, CEO of TurnIT. “The impetus for the acquisition is that with Arete as our base, we can build a strong Internet-oriented consulting business. Arete gives TurnIT the strength it needs in the consulting field for a long-term successful and profitable expansion in the Nordic region. TurnIT is financially strong and benefits from a strikingly growth-oriented culture focused on its employees. Joined with Arete, TurnIT’s consulting business is going to grow faster than the market.”

The offer

The offer entails the following

- For each 100 shares in Arete, 85 B-shares in TurnIT are offered.
- For each 100 warrants 1999/2002 issued by Arete, 14 B-shares in TurnIT and SEK 76.00 in cash are offered.
- For each 100 warrants 2000/2003 issued by Arete, 16 B-shares in TurnIT and SEK 54.00 in cash are offered.

No commission will be charged.

The newly issued shares in TurnIT will carry right to receive dividend from and including the fiscal year 2000.

The offer is subject to the following conditions

- That an Extraordinary General Meeting of TurnIT adopts necessary resolutions for the issuance of new shares in exchange for the shares and warrants issued by Arete.
- That the offer is accepted to such an extent that TurnIT becomes the owner of shares and warrants representing more than 90 percent of the shares on a non-diluted basis as well as on a fully diluted basis, taking into account all outstanding warrants held by other parties than subsidiaries of Arete. However, TurnIT reserves the right to implement the offer at a lower level of acceptance.
- That the offer, prior to the announcement that the offer will be implemented, in the opinion of TurnIT’s Board of Directors, is not wholly or in part made impossible or significantly impaired as the result of legislation, court decision, action of a public authority or similar events in Sweden or in another country, which, at the time of said opinion, has occurred or is expected to occur, or as a consequence of any other circumstance beyond TurnIT’s control.

Premium and bid value

The total value of the offer amounts to approximately SEK 444 million. Based on the average last closing price in TurnIT and Arete during the period August 28 to September 8, 2000, the last 10 trading days prior to the temporary suspension of trading in the TurnIT and Arete share, of SEK 211.95 and SEK 126.90, respectively, the offer represents a premium of 42.0 percent. Based on the last closing price in TurnIT and Arete on September 8, 2000, the trading day prior to the temporary suspension of trading in the TurnIT and Arete share, of SEK 214.50 and SEK 139.50, respectively, the offer represents a premium of 30.7 percent.

Key employees in Arete have agreed to accept the offer

43 key employees in Arete, together representing 38.9 percent of the shares and 32 200 warrants have agreed to accept the offer.

¹ The offer may be accepted also if the number of shares and warrants is less than, or can not be evenly divided by, 100.

The Board of Directors of Arete recommends the shareholders to accept the offer

As basis for the Board of Directors' recommendation concerning the public offer by TurnIT to the holders of shares and warrants issued by Arete, the Board of Directors has obtained a Fairness Opinion from Erik Penser Fondkommision. In the opinion, Erik Penser Fondkommision states that, based on a valuation of Arete and TurnIT respectively and historical bid premiums, TurnIT's offer is fair from a financial point of view. Based on this opinion and the Board of Directors' own assessment of the value of the shares in Arete and TurnIT respectively, it is the opinion of the Board of Directors that the offer is beneficial to the holders of shares and warrants issued by Arete, and the Board of Directors unanimously recommends the holders to accept the offer.

Background and reasons for the offer

After a sluggish start to the year, the number of consulting projects is expected to rise substantially in various sectors of the consulting market. Demand for consulting services in banking, insurance and the rest of the financial sector is expected to grow significantly as the sector's customers demand access to business-critical systems over the Internet. A number of companies are now competing for industry-leading positions, and the pressure to change is growing. The telecom and pharmaceutical industries are expected to invest heavily to globalize and improve the efficiency of their production processes. Heavy industry is distinguished by the changeover to e-commerce solutions between companies in fully integrated systems.

Buyers of consulting services will attach greater importance to consulting firms that can take on turnkey assignments and offer broad-based competence. The general agreements included in the acquisition have an estimated total market value of SEK 1 billion.

A new, strong consulting business will be created under the Arete name and current management team and will include TurnIT's consulting firms Ambrosia, AU-Gruppen, Catwalk, Libro and Systemering. The new consulting business will have greater resources to meet increased demand by utilizing the competence Arete offers. With its expertise in IT strategy, the Internet, project management, systems development, operations and communication, Arete can further enhance the general agreements that have been signed and be an important partner to clients.

With a stronger sales organization, greater delivery capabilities and better monitoring of quality and the fulfillment of delivery commitments, the goal is for Arete to raise its market shares. As a whole, Arete is expected to grow significantly faster than the market.

Synergy gains

The combined consulting operations offer the potential for considerable growth without necessitating additional administration. The new structure is expected to lead to annual synergy gains of SEK 8-10 million partly by improving the efficiency of the marketing and sales organization and partly by streamlining administration.

Income synergies will result from the new Arete's opportunities to more efficiently allocate its consulting resources to meet client demand and increase cross-selling. As a result, the new company is expected to be involved in larger, more qualified assignments.

Effects of the acquisition and pro forma financial data

Both companies have individually achieved sustained profitability and strong growth. The acquisition is expected to further strengthen the growth and earnings potential.

Sales in TurnIT for 1999, including Arete's operations, amounted pro forma to SEK 1 362 million (SEK 1 210 million for TurnIT excluding Arete). Sales in TurnIT for the first 6 months of 2000, including Arete's operations, amounted pro forma to SEK 795 million (SEK 706 million for TurnIT excluding Arete). Operating income before depreciation on intellectual capital for the same period amounted pro forma to

SEK 126 million (SEK 118 million excluding Arete). The Operating income including depreciation on intellectual capital for the period amounted pro forma to SEK 83 million (SEK 86 million excluding Arete). The pre-tax profit amounted pro forma to SEK 75 million (SEK 76 million excluding Arete).

Profit per share before depreciation on intellectual capital during the period amounted to SEK 5.67, while profit per share including depreciation on intellectual capital amounted to SEK 3.43.

The acquisition is expected to generate intellectual capital of approximately SEK 331 million. The new group had, as of June 30, 2000, a pro forma net debt of SEK 181 million and equity ratio of 64 percent. The acquisition will increase the number of employees in TurnIT to approximately 1 285, of which 160 are consultants from Arete.

The acquisition is expected to have a positive effect on the cash flow per share in TurnIT starting year 2001.

Number of shares

The number of outstanding shares in TurnIT amounts before the acquisition to approximately 17.5 million. As a consequence of the acquisition, 2.1 million shares are issued, assuming full subscription in the offer. In total, following the acquisition, the number of shares in TurnIT will amount to approximately 19.6 million. The offer represents a dilution of 10.5 percent.

Preliminary timetable

An offer document is expected to be distributed to the shareholders of Arete on or around October 9, 2000. The offer is expected to be open for acceptance for the period October 9 up to and including October 30, 2000. An Extraordinary General Meeting of TurnIT's shareholders will be held on October 18, 2000 to adopt the necessary resolutions for the issuance of new shares in connection with the offer. Provided that the offer is declared unconditional, settlement is expected to commence around October 14, 2000. TurnIT reserves the right to extend the acceptance period and to postpone the date of settlement.

TurnIT's ownership in Arete

TurnIT does not currently hold any shares in Arete.

Financial advisers

Enskilda Securities acts as financial adviser to TurnIT in connection with the offer.

Stockholm September 13, 2000

Board of Directors¹, TurnIT AB

Board of Directors¹, Arete AB

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¹ Member of the Board Mr Leif Nobel has not participated in the decisions of the Boards, due to him being a member of the Board of TurnIT as well as the board of Arete.

TurnIT AB is one of Sweden's larger listed IT groups on the OM Stockholm Stock Exchange's Attract40 list. TurnIT has 1 150 employees. Its business idea is to act as an IT partner, and, through the acquisition of companies in different areas of the IT market, to offer a share lower in risk than the average for IT shares in general. Operations are divided over five business areas; Consulting, Software, Communication, Outsourcing and Supplies. It also includes TurnIT Development, which invests in IT companies at an early stage of development

Arete AB is a profitable IT consultancy company with a broad range of services and high degree of expertise. The experience of the consultants ranges from managing projects to designing systems that utilise technology right from mainframe environments to web interfaces. System development is the basis for our business operations. In addition, Arete has three complementary business areas: Technical Infrastructure, Business Systems and Recruitment & Selection. During the latest five-year period, Arete has had an average increase in turnover of 38 per cent with an average profit margin of just over 18 per cent, at the same time as the turnover of personnel has been low. Arete AB has been listed on the O-list of the OM Stockholm Stock Exchange since 15 June 1999.

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