



# eWork Scandinavia AB

## Interim report January – June 2008

- Strong growth continued in the period
- Net revenue up by 79.1 percent from 2007
- Operating profit improved by 54.5 percent compared with 2007
- Several key contracts signed with large customers in the Nordic region and eWork's four national Nordic markets.

### HALF-YEAR JANUARY – JUNE 2008

- Net revenue increased to SEK 934.8 million (522.1)
- Operating profit improved to SEK 22.7 million (14.7)
- Profit before tax amounted to SEK 23.7 million (15.9)
- Cash flow from operations was SEK 12.8 million (-8.2)
- Operating margin declined to 2.4 percent (2.8)
- EPS after tax improved to SEK 1.03 (0.72), adjusted for split carried out on 22 April 2008.

### CURRENT PERIOD (APRIL – JUNE 2008)

- Net revenue increased to SEK 489.8 million (274.8)
- Operating profit improved to SEK 10.7 million (8.6)
- Profit before tax amounted to SEK 11.7 million (9.2)
- Cash flow from operations was SEK -6.2 million (0.9)
- EPS after tax improved to SEK 0.50 (0.42), adjusted for split carried out on 2 April 2008.

**eWork is the Nordic region's** leading consultant broker. By working with specialist small and medium-sized consulting firms, we are able to offer our customers the most competent and experienced consultants in the Nordic region in most specialised areas – particularly within IT, telecoms, technology and business development.

**"Consultants for all customers and customers for all consultants"**



## Interim report January 2008 – June 2008

### Market and business position

eWork continues to grow with undiminished strength. Net revenue for the current period (April 2008 – June 2008) was SEK 489.8 million (274.8), representing an increase of 78.2 percent. All in all, the first half-year has been an excellent period and eWork anticipates continued good trends for the full-year 2008. The Company maintains the previously issued forecast for the full-year 2008 with net revenue of SEK 1,800 million and an operating profit of SEK 60 million.

Revenue continued at a strong pace during the summer. Consultancy contracts for a total of SEK 261 million were obtained in June, which is an all time high for one individual month. Orders received for the period January – June amounted to SEK 1,146 million, representing an increase of 60 percent compared with the same period in 2007.

Profits for the first half-year improved by 54.5 percent, and for Q2 by 24.3 percent. eWork made significant investments during the period in staff recruitment in order to continue to maintain the desired growth rate and service levels vis-à-vis our customers and consultants. Profits are expected to increase faster during the latter part of the second half-year further to the investments made in new personnel. The Company has also increased its marketing investments in order to further establish its position as the Nordic region's leading consultant broker and to improve awareness and preference for eWork's offer among new potential customers.

Framework contracts represent an important structural capital for eWork, and the sales and marketing offensive carried out in the spring has provided the Company with about fifty completely new customers. The Group currently has about 100 framework contracts. Several new contracts were signed during the period, including with a large Finnish telecom company. Since the end of the current period, eWork has obtained a further contract with another of the world's leading telecom companies.

In Q2, eWork increased its activities within its new focus on Business/Management Consultancy and considerable interest has been shown by both our customers and consultants, leading among other items to a new framework contract with a major consultant purchaser in southern Sweden.

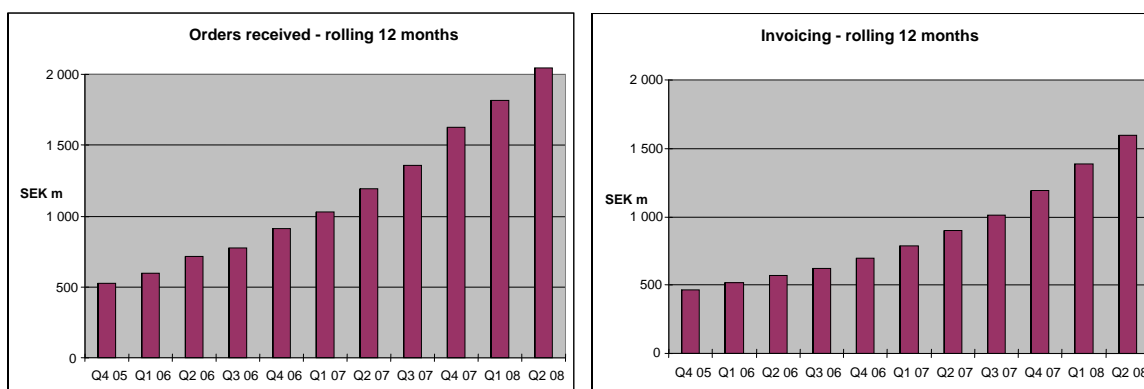
eWork believes that its customers see a continued strong need of our services and perceive the benefits of purchasing flexibility at a low cost with regard to the manning of IT specialists and Business/Management consultants. Simultaneously, consultants continue to have a strong interest in working in one-man or small consultancy firms – which can be seen in that more than 500 new consultants and companies join our network each month. This in turn secures greater delivery ability towards our customers. eWork furthermore believes that its delivery model will not be affected during a short economic downturn as much as traditional consultancy firms, due to its more flexible cost structure.

The results of eWork's own consultancy survey, the eWork Barometer, that includes more than 1,300 consultants from small independent IT consultancy firms, show that demand for services from small IT consultancy firms will remain unchanged over the forthcoming 12 months. Two-thirds of the small IT consultancy firms also believe that their competition will remain unchanged or even decline during the next 12 months.

eWork is satisfied with the development of new sales, and continues to follow the related plan and margin goals. Trends have been for customers to give eWork greater commitment and engagement. eWork obtains to an increasingly larger extent assignments to take over consultants within eWork's framework contracts from small consultancy firms that do not have an own contract, thus giving a lower trading margin. The long and strong economic climate implies that our consultants have longer contracts than previously, which is positive for eWork. This leads at the same time to a more favourable negotiating position for consultants while our customers' contract prices remain fixed. This relation is however expected to abate during forthcoming market developments.

eWork's strongest markets in the first half-year were Norway, southern Sweden and the Stockholm region, where established goals have been exceeded by 30 to 50 percent. Costs for the new establishment of eWork Denmark in Horsens in Jutland have burdened Q2. eWork estimates that this new establishment will contribute to profitability already in Q4. eWork Denmark has simultaneously had certain growth and profitability problems due in part to an insufficient sales force, and that the unit's largest customer has significantly reduced its investments. Measures in the form of changes and strengthening the sales department have been taken, which are expected to bring eWork Denmark back to the desired growth rate in the latter part of the second half-year.

For the second consecutive year, eWork has been designated as Sweden's absolutely fastest growing company by *Ahrens Rapid Growth* in cooperation with the *Affärsvärlden* business magazine.



## Net revenue

Net revenue for the current period (April 2008 – June 2008) was SEK 489.8 million (274.8), representing an increase of 78.2 percent.



Net revenue grew in Sweden by 75.5 percent to SEK 382.4 million, in Finland by 87.1 percent to SEK 50.5 million, in Norway by 323.8 percent to SEK 31.4 million, and in Denmark by 13.0 percent to SEK 25.5 million.

## **Profit**

The operating profit for the period amounted to SEK 10.7 million (8.6), and the profit after financial items was SEK 11.7 million (9.2).

Profit after tax amounted to SEK 8.4 million (6.7).

## **Financial position**

The equity/assets ratio at 30 June 2008 was 14.3 percent (14.7). The decline is due to the large increase in eWork's revenue during the period, which in turn led to a substantial increase in total assets with trade receivables and payables increasing the most. This situation is quite normal for eWork.

The Group's net interest-bearing assets rose to SEK 101.0 million (36.3) at the end of the current period. The large cash balance is a result of different due dates for receipts and payments.

## **Personnel**

The Company's personnel situation continues to be good and the recruitment of new staff is following as planned for 2008.

The average number of employees in the Group for the current period was 125 (83).

The gender distribution was 53 percent women and 47 percent men.

## **Parent Company**

The Parent Company's net revenue for the period was SEK 382.4 million (217.8). The profit after financial items amounted to SEK 10.1 million (7.6), and profit after tax was SEK 7.3 million (5.5). The Parent Company's equity at the end of the quarter was SEK 68.5 million (40.8), and the equity/assets ratio was 15.9 percent (17.3).

## **Significant events further to the end of the period**

The number of orders received further to the end of the period has continued to be strong compared with last year.



## Forecast for 2008

The Company maintains its previously issued forecast for the full-year 2008 with net revenue of SEK 1,800 million and an operating profit of SEK 60 million.

## Financial calendar

10 November 2008	Interim report January – September 2008
23 February 2009	Year-end report 2008
21 April 2009	Annual general meeting of shareholders 2009
11 May 2009	Interim report January – March 2008

## Auditor's review

This interim report has been examined by eWork Scandinavia AB's auditor.

This interim report gives a true and fair overview of the Parent Company's and the Group's operations, financial position and results, and sets out significant risks and uncertainty factors that the Parent Company and the companies included in the Group may be exposed to.

Stockholm, 11 August 2008

eWork Scandinavia AB (publ)

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Chairman of the Board

Jan Petterson  
Board Member

Magnus Berglind  
Board Member

Staffan Salén  
Board Member

Dan Berlin  
Board Member

Jeanette Almberg  
Board Member

Erik Törnberg  
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<b>Consolidated</b>	<b>Jan-Jun</b>	<b>Jan-Jun</b>	<b>Apr-Jun</b>	<b>Apr-Jun</b>	<b>Full-year</b>
<b>Income statement (SEK thousands)</b>	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>	<b>2007</b>
Net revenue	934,846	522,065	489,844	274,825	1,192,403
Other operating income	479	-93	376	-93	855
	<b>935,325</b>	<b>521,972</b>	<b>490,220</b>	<b>274,732</b>	<b>1,193,258</b>
<b>Operating costs</b>					
Other external costs	-864,285	-476,432	-453,711	-250,044	-1,087,162
Personnel costs	-48,113	-30,565	-25,675	-15,859	-67,855
Depreciation and impairment of assets	-156	-239	-118	-211	-364
Other operating costs	0	0	0	0	-139
	<b>-912,554</b>	<b>-507,236</b>	<b>-479,504</b>	<b>-266,114</b>	<b>-1,155,520</b>
<b>Operating profit</b>	<b>22,771</b>	<b>14,736</b>	<b>10,716</b>	<b>8,618</b>	<b>37,738</b>
<b>Profit/loss from financial investments</b>					
Sundry interest income and similar items	1,240	1,148	1,100	576	1,442
Interest expense and similar items	-300	-28	-160	-22	-89
<b>Profit after financial items</b>	<b>23,711</b>	<b>15,856</b>	<b>11,656</b>	<b>9,172</b>	<b>39,091</b>
Tax on profit for the year	-6,612	-4,460	-3,248	-2,499	-11,185
<b>Profit for the period</b>	<b>17,099</b>	<b>11,396</b>	<b>8,408</b>	<b>6,673</b>	<b>27,906</b>

## Consolidated

### Balance Sheet (SEK thousands)    Note    30.06.2008    30.06.2007    31.12.2007

#### Assets

##### Non-current assets

##### *Property, plant and equipment*

Equipment, tools, fixtures and fittings	1,160	1,007	934
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##### *Financial assets*

Deferred tax asset	802	942	1,018
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Other long-term receivables	407	14	165
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	<b>1,209</b>	<b>956</b>	<b>1,183</b>
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<b>Total non-current assets</b>	<b>2,369</b>	<b>1,963</b>	<b>2,117</b>
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##### Current assets

##### *Current receivables*

Trade receivables	399,831	234,505	298,604
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Other receivables	1,053	155	248
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Prepaid expenses and accrued income	13,451	4,548	11,436
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	<b>414,335</b>	<b>239,208</b>	<b>310,288</b>
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Cash at bank and in hand	100,957	36,278	82,003
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<b>Total current assets</b>	<b>515,292</b>	<b>275,486</b>	<b>392,291</b>
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<b>Total assets</b>	<b>517,661</b>	<b>277,449</b>	<b>394,408</b>
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#### Equity and liabilities

##### Equity

Share capital	2,165	1,963	1,963
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Restricted reserves	6,355	6,422	6,371
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Non-restricted reserves	48,421	21,117	13,943
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Profit for the period	17,099	11,395	27,906
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<b>Total equity</b>	<b>74,040</b>	<b>40,897</b>	<b>50,183</b>
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Provision for deferred taxes	0	22	0
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##### Current liabilities

Trade payables	392,262	201,824	303,365
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Tax liabilities	10,434	2,441	7,454
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Other liabilities	21,938	14,554	20,190
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Accrued expenses and deferred income	18,987	17,711	13,216
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	<b>443,621</b>	<b>236,530</b>	<b>344,225</b>
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<b>Total equity and liabilities</b>	<b>517,661</b>	<b>277,449</b>	<b>394,408</b>
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<b>Pledged assets</b>	None	None	None
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<b>Contingent liabilities</b>	None	18,574	None
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<b>Changes in equity, SEK million</b>	<b>Jan-Jun 2008</b>	<b>Jan-Jun 2007</b>	<b>Apr-Jun 2008</b>	<b>Apr-Jun 2007</b>	<b>Year 2007</b>
Opening balance	50,183	36,982	58,545	42,397	36,982
Dividend	-38,389	-10,459	-38,389	-10,459	15,680
Options program	0	2,021	0	2,021	2,087
New share issue	45,186	571	45,186	0	571
Profit for the period	17,099	11,396	8,408	6,675	27,906
Buy-back of own shares	-20	0	0	0	-1,968
Exchange rate differences	-19	386	290	263	285
<b>Closing balance</b>	<b>74,040</b>	<b>40,897</b>	<b>74,040</b>	<b>40,897</b>	<b>50,183</b>

<b>Cash flow - Group</b>	<b>Jan-Jun 2008</b>	<b>Jan-Jun 2007</b>	<b>Apr-Jun 2008</b>	<b>Apr-Jun 2007</b>	<b>Year 2007</b>
Cash flow before changes in working capital	19,943	6,710	10,830	7,768	28,087
Changes in working capital, incl. current investments	-7,125	-14,930	-17,071	-6,857	16,111
<b>Cash flow from operating activities</b>	<b>12,818</b>	<b>-8,220</b>	<b>-6,241</b>	<b>911</b>	<b>44,198</b>
Cash flow from investment activities	-1,022	-74	-850	-40	-260
Cash flow from financial activities	6,797	-7,799	6,817	-8,370	15,056
<b>Cash flow for the period</b>	<b>18,593</b>	<b>-16,093</b>	<b>-274</b>	<b>-7,499</b>	<b>28,882</b>
Cash and cash equivalents at beginning of period	82,000	52,052	100,648	43,452	52,052
Exchange rate differences	363	319	582	325	1,066
<b>Cash and cash equivalents at end of period</b>	<b>100,956</b>	<b>36,278</b>	<b>100,956</b>	<b>36,278</b>	<b>82,000</b>

<b>Key figures</b>	<b>Jan-Jun 2008</b>	<b>Jan-Jun 2007</b>	<b>Apr-Jun 2008</b>	<b>Apr-Jun 2007</b>	<b>Year 2007</b>
Revenue growth (%)	79	65	78	68	72
Operating margin (%)	2.4	2.8	2.2	3.1	3.2
Return on equity (%)	-	-	-	-	64
Equity/assets ratio (%)	14.3	14.7	14.3	14.7	12.7
Quick ratio (%)	116	116	116	116	114
Average number of employees	121	77	125	83	108
<b>Revenue per employee (SEK thousands)</b>	<b>3,974</b>	<b>3,232</b>	<b>3,232</b>	<b>3,232</b>	<b>13,249</b>

<b>Data per share*</b>	<b>Jan-Jun 2008</b>	<b>Jan-Jun 2007</b>	<b>Apr-Jun 2008</b>	<b>Apr-Jun 2007</b>	<b>Year 2007</b>
Earnings per share, before dilution (SEK)	1.03	1.45	0.50	0.85	3.63
Earnings per share, after dilution (SEK)	1.02	1.44	0.50	0.84	3.57
Average number of shares, before dilution (thousands)	10,454	7,854	13,230	7,854	7,722
Average number of shares, after dilution (thousands)	10,579	7,854	13,355	7,979	7,843
No of shares on BS date, before dilution (thousands)	16,656	7,854	16,656	7,854	7,678
No of shares on BS date, after dilution (thousands)	16,781	7,979	16,781	7,979	7,803

\* A split of 2:1 was carried out on 22 April 2008