



# eWork Scandinavia AB

## Year-end report January 2008 – December 2008

- Continued strong growth during the period
- Net revenue up by 58.3 percent from 2007
- Operating profit improved by 30.8 percent compared with 2007
- Several important framework contracts were signed during the period.
- The Board of Directors proposes the payment of a dividend of SEK 1.10 per share.

### FULL-YEAR (JANUARY– DECEMBER)

- Net revenue increased to SEK 1,887.4 million (1,192.4)
- Operating profit improved to SEK 49.3 million (37.7)
- Profit before tax amounted to SEK 50.8 million (39.1)
- Cash flow from operations was SEK 21.7 (44.2)
- Operating margin declined to 2.6 percent (3.2)
- EPS after tax was SEK 2.17 (1.67), adjusted for split carried out on 22 April 2008.

### CURRENT PERIOD (OCTOBER – DECEMBER 2008)

- Net revenue increased to SEK 529.1 million (396.6)
- Operating profit declined to SEK 16.6 million (14.8)
- Profit before tax amounted to SEK 16.5 million (14.9)
- Cash flow from operations was SEK 12.5 million (49.7)
- EPS after tax was SEK 0.69 (0.65) SEK adjusted for split carried out on 22 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"



## Year-end report January 2008 – December 2008

### Market and business position

eWork continues to grow strongly, and 2008 was the best year in eWork's history with sustained significant improvements in profits and net revenues. The operating profit for the full-year increased by 31 percent and revenue rose by 58 percent compared with the previous year. Net revenue for the current period (October 2008 – December 2008) was SEK 529.1 million (396.6), representing an increase of 33 percent.

Overall, the period January to December 2008 has been a very good period and expects to be able to show growth in revenues despite the uncertain economic climate in 2009.

Demand for the Company's services continued to be high in the fourth quarter 2008, even if a certain slowdown has been noticed within several market segments. Consultancy contract orders for a total of SEK 688 million (551) were received in the quarter, representing an increase of approximately 25 percent. Orders received in the period January to December 2008 amounted to SEK 2,240 million (1,626), representing a rise of 38 percent compared with the same period in 2007.

All parts of the Company have achieved or exceeded their goals for 2008 with the exception of Denmark where the rate of growth, and thereby profitability, has not reached the established objective. Further measures have been taken through changes in the management team. The recruitment of a new CEO is in progress. Denmark is now showing signs of developing in the right direction, and Q4 has shown a distinct improvement in new orders than the year's previous quarters.

Profits before tax improved by 30 percent for the period January to December and by 11 percent for the period October to December. Costs related to the reorganisation of the Danish operations were charged in Q4, which consequently affected final results.

eWork continues to secure its position as the Nordic region's leading consultant broker. Several new framework contracts were signed during the period, including with customers such as Com Hem, Lantmännen, Länsförsäkringar, Verva, two of the world's leading telecom companies, as well as a number of new framework contracts in Finland and Norway. Several existing customers, including TeliaSonera and Scania, also confirmed their continued confidence in eWork. Framework contracts represent an important structure capital for eWork, and the Company is currently conducting far-reaching negotiations regarding a number of new major framework contracts that are expected to be signed in the beginning of 2009. An important framework contract has been signed with SKI in Denmark further to the end of the period, which will enable sales to the public sector in Denmark. The Company currently has about 100 framework contracts.

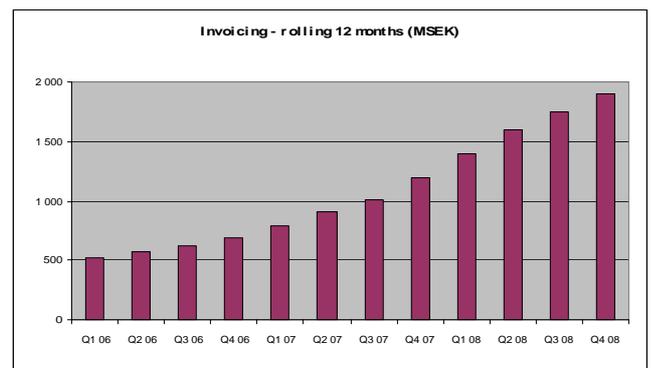
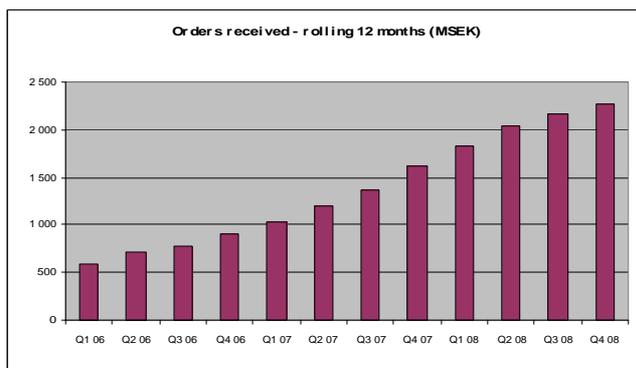
The Company has continued to be successful within the relatively newly started Management Consultants business area, and now has about 175 management consultants on assignment at several customers, and this particular area is growing.



In the prevailing market climate, eWork is pleased with developments of new sales, and has seen growth in new orders of about 25 percent in Q4 compared with the same period last year.

During the year, the Company has carried out intensive market communication in various forms and through different channels. A major advertising campaign has been realised in the business and IT media. This has resulted in an important increase in both the number of customers and spontaneous enquiries. eWork has been designated Marketer of the Year within the IT Sector by IT24 and the IT sector in general. eWork also came second in the list of The Year's Fastest Growing Companies in Sweden. eWork has had average annual growth of 112.5 percent over the last seven years. The list of The Year's Fastest Growing Companies is compiled by Ahrens & Partner together with the Affärsvärlden business magazine.

In order to achieve cost benefits, several major customers continue to consolidate their purchases down to fewer suppliers. This trend has accentuated in the fourth quarter, and is continuing into 2009. In the latter part of 2008, eWork observed an important difference in customers' needs of the Company's services, where help to reduce the number of suppliers as well as assistance related to the administration of consultant management is of increasing importance. Several customer projects have been carried out with the objective of reducing and renegotiating the price structure of consultants on assignment. For eWork, this has implied that several customers have asked us to take over consultants under eWork's framework contract in order to consolidate down to fewer suppliers/consultants. The economic downturn has led to us having a significantly greater number of consultants applying to each assignment, which in turn implies that it is easier and faster to find the right consultant for a given assignment.



## Net revenue

Net revenue for the fourth quarter was SEK 529.1 million (396.6), representing an increase of 33.4 percent. Net revenue grew in Sweden by 29.8 percent to SEK 396.9 million, in Finland by 59.5 percent to SEK 71.6 million, in Norway by 67.5 percent to SEK 37.7 million, and in Denmark net revenue remained unchanged compared with 2007 at SEK 23.3 million.

## Profit

The operating profit for the period amounted to SEK 16.6 million (14.8), and the profit after financial items was SEK 16.5 million (14.9).



Profit after tax amounted to SEK 12.3 million (10.8).

Due to a systems error that arose in conjunction with the change of accounting procedures, the operating profit for Q3 should be adjusted upwards by SEK 1.8 million to SEK 11.8 million, and for Q2 by SEK 0.4 million to SEK 11.1 million.

## **Financial position**

The equity/assets ratio at 31 December 2008 was 18.3 percent (12.7). The improvement is primarily due to good results and the positive effect of the new share issue carried out at the end of May 2008.

Cash flow from current operations amounted for the financial year to SEK 21.7 million (44.2). Before changes in working capital, cash flow was SEK 44.7 million (28.1). eWork's working capital fluctuates naturally over the year due to differences in due-dates for receipts and payments. Furthermore, the new service of offering consultants faster payment against a lower fee affected cash flow in 2008.

The Group's net interest-bearing assets rose to SEK 109.8 million (82.0) 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 150 (122). The gender distribution was 58 percent women and 42 percent men.

## **Parent Company**

The Parent Company's net revenue for the financial year amounted to SEK 1,446.3 million (938.1). The profit after financial items was SEK 40.3 million (34.8). The net result includes a write-down of shares in subsidiaries in the amount of SEK 6.3 million. The profit after tax amounted to SEK 27.1 million (24.9). The Parent Company's equity as at 31 December 2008 was SEK 82.9 million (48.2), and the equity/assets ratio was 20.0 percent (15.0).

## **Significant risks and uncertainty factors**

In general, eWork's significant business risks are composed of weaker demand for consultancy services, difficulties in attracting and retaining competent personnel, price risks and credit risks, as well as currency risks to a minor degree.

## **Accounting principles**

This year-end report has been prepared in accordance with IAS 34 – Interim Financial Reporting, which is in concordance with the Swedish Financial Accounting Standards Council's recommendation RR 31 – Interim Reporting for Groups.



In conjunction with this report, the Group has changed from RR 9 to IFRS. This has not implied any restatements with regard to previous years.

### **Change in share capital**

A new share issue was carried out in 2008 in conjunction with the Company's shares starting to be traded on First North. A total of 1,369,000 shares were issued, which generated capital of SEK 46.0 million after related issue costs.

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

No significant events have taken place further to the end of the period.

### **Forecast**

Market trends during 2009 are difficult to assess. A good sign in December was that orders reached an all-time-high for a single individual month, and that the extension rate of consultant contracts was high. This indicates that our customers are satisfied with our offer and quality. eWork's structure capital in the form of our many framework contracts provide the Company with good potential to assert itself in a receding overall market. The Company anticipates that customers will further move their focus towards more cost-reducing measures in the form of consolidating the number of suppliers, price-pressure of existing contracts, as well as replacement in favour of cheaper deliveries in existing projects.

We believe that this trend will affect eWork to a less extent than traditional consultant firms. With our business model, the Company offers customers a flexible cost structure as well as considerable potential for supplier consolidations. That the Company does not have any own employed consultants enables us to have significantly more adaptable overall costs than competing companies. eWork furthermore has excellent and long-term relations with its customers, a stable organisation, competent and motivated personnel, a strong balance sheet and good cost control. However, given the uncertainty of current economic developments, the Board has chosen to wait with providing a forecast for the year now in progress. The Board of Directors nonetheless believes that due to the overall weakening market and rationalisation measures made by customers, it will be difficult to achieve similar results in 2009 compared with those of 2008.

### **Dividend**

The Board of Directors of eWork proposes to the Annual General Meeting of Shareholders that a dividend be paid in the amount of SEK 1.10 per share (2.50), making a total of SEK 18.4 million (38.3) and representing 50 percent of the profit after tax for 2008. It should be noted that last year's dividend was higher than indicated in the policy, in view of the Company adapting its capital structure.

### **Annual General Meeting of Shareholders**

The Annual General Meeting of Shareholders will be held at 2 pm on 27 April 2009 at Rica Hotel Stockholm, Slöjdgatan 7, Stockholm, Sweden. The invitation to attend will be announced via a press release and published in the Post och Inrikes Tidningar (Swedish National Official Journal) and Svenska Dagbladet, as well as on eWork's website.

## Nomination of Board Members

The Nominating Committee prior to the Annual General Meeting of Shareholders 2009 is composed of Sven Hagströmer, Chairman of the Board, Staffan Salén and Magnus Berglind. Magnus Berglind is Chairman of the Nominating Committee. Shareholders who wish to submit proposals to the Nominating Committee may do so via email to [valberedningen@ework.se](mailto:valberedningen@ework.se)

## Financial calendar

27 April 2009	Annual General Meeting of Shareholders 2009
11 May 2009	Interim report January – March 2009
10 August 2009	Interim report April – June 2009
10 November 2009	Interim report July – September 2009

## Auditor's review

This year-end report has been examined by eWork Scandinavia AB's auditor.

This year-end 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, 23 February 2008

eWork Scandinavia AB (publ)

Sven Hagströmer  
Chairman of the Board

Jeanette Almberg  
Board Member

Magnus Berglind  
Board Member

Dan Berlin  
Board Member

Jan Petterson  
Board Member

Staffan Salén  
Board Member

Erik Törnberg  
Board Member

Claes Ruthberg  
CEO and Board Member



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<b>Consolidated</b>	<b>Jan-Sep</b>	<b>Full-year</b>	<b>Okt - Dec</b>	<b>Okt - Dec</b>
<b>Income statement (SEK thousands)</b>	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
Net revenue	1,887,446	1,192,403	529,077	396,607
Other operating income	2,504	855	2,142	942
	<b>1,889,950</b>	<b>1,193,258</b>	<b>531,219</b>	<b>397,549</b>
<b>Operating costs</b>				
Other external costs	-1,740,386	-1,087,162	-487,299	-362,238
Personnel costs	-99,663	-67,855	-27,017	-21376
Depreciation and impairment of assets	-510	-364	-262	-95
Other operating costs	-91	-139	-91	930
	<b>-1,840,649</b>	<b>-1,155,520</b>	<b>-514,668</b>	<b>-382,779</b>
<b>Operating profit</b>	<b>49,301</b>	<b>37,738</b>	<b>16,551</b>	<b>14,770</b>
<b>Profit/loss from financial investments</b>				
Financial net	1,529	1,353	-89	90
<b>Profit after financial items</b>	<b>50,830</b>	<b>39,091</b>	<b>16,462</b>	<b>14,860</b>
Tax on profit for the year	-14,471	-11,185	-4,876	-4,027
<b>Profit for the period</b>	<b>36,358</b>	<b>27,906</b>	<b>11,585</b>	<b>10,833</b>



## Consolidated

### Balance Sheet (SEK thousands)

	Note	31.12.2008	31.12.2007
<b>Assets</b>			
Intangible assets		1,975	
Property, plant and equipment		899	934
Other long-term receivables		419	165
Deferred tax asset		2,104	1,018
<b>Total non-current assets</b>		<b>5,397</b>	<b>2,117</b>
Trade receivables		400,363	298,604
Prepaid expenses and accrued income		2,348	11,436
Other receivables		1,065	248
Cash at bank and in hand		109,765	82,003
<b>Total current assets</b>		<b>513,541</b>	<b>392,291</b>
<b>Total assets</b>		<b>518,938</b>	<b>394,408</b>
<b>Equity and liabilities</b>			
Share capital		2,174	1,963
Restricted reserves		6,355	6,371
Non-restricted reserves including profit for the year		86,375	41,849
<b>Total equity</b>		<b>94,904</b>	<b>50,183</b>
Trade payables		362,497	303,365
Tax liabilities		14,248	7,454
Other liabilities		28,641	20,190
Accrued expenses and deferred income		18,648	13,216
<b>Total current liabilities</b>		<b>424,033</b>	<b>344,225</b>
<b>Total equity and liabilities</b>		<b>518,938</b>	<b>394,408</b>
<b>Pledged assets</b>		None	None
<b>Contingent liabilities</b>		None	None



<b>Parent company Income statement (SEK thousands)</b>	<b>Jan-Sep 2008</b>	<b>Full-year 2007</b>	<b>Okt - Dec 2008</b>	<b>Okt - Dec 2007</b>
Net revenue	1,446,314	938,135	399,191	305,707
Other operating income	2,390	846	2,027	933
	<b>1,448,704</b>	<b>938,981</b>	<b>401,218</b>	<b>306,640</b>
<b>Operating costs</b>				
Other external costs	-1,329,300	-853,798	-361,779	-278,675
Personnel costs	-75,181	-52,138	-20,395	-15,451
Depreciation and impairment of assets	-297	-236	-202	-59
Other operating costs	-91	-139	-91	-139
	<b>-1,404,868</b>	<b>-906,311</b>	<b>-382,467</b>	<b>-294,324</b>
<b>Operating profit</b>	<b>43,835</b>	<b>32,670</b>	<b>18,751</b>	<b>12,316</b>
<b>Profit/loss from financial investments</b>				
Loss from participations in group companies	-6,319		-6,319	
Sundry interest income and similar items	3,014	2,222	400	999
Interest expense and similar items	-224	-95	-16	-53
<b>Profit after financial items</b>	<b>40,305</b>	<b>34,797</b>	<b>12,816</b>	<b>13,262</b>
Appropriations		80		80
Tax on profit for the year	-13,211	-10,004	-5,514	-3,544
<b>Profit for the period</b>	<b>27,094</b>	<b>24,873</b>	<b>7,302</b>	<b>9,798</b>



## Parent company

### Balance Sheet (SEK thousands)

	Note	31.12.2008	31.12.2007
<b>Assets</b>			
Intangible assets		1,975	
Property, plant and equipment		402	631
Participations in group companies		2,067	3,535
Other long-term receivables		51	0
<b>Total financial assets</b>		<b>2,118</b>	<b>3,535</b>
<i>Total non-current assets</i>		<b>4,496</b>	<b>4,166</b>
Trade receivables		298,294	224,484
Receivables from group companies		20,726	16,163
Other receivables		345	104
Prepaid expenses and accrued income		1,591	1,538
<b>Total short-term assets</b>		<b>320,956</b>	<b>242,289</b>
Cash at bank and in hand		89,614	74,603
<i>Total current assets</i>		<b>410,570</b>	<b>316,892</b>
<b>Total assets</b>		<b>415,066</b>	<b>321,058</b>
<b>Equity and liabilities</b>			
Share capital		2,174	1,963
Restricted reserves		6,355	6,355
Non-restricted reserves		47,291	15,019
Profit for the period		27,094	24,873
<b>Total equity</b>		<b>82,914</b>	<b>48,21</b>
Trade payables		289,077	243,339
Tax liabilities		13,908	7,454
Other liabilities		21,837	13,849
Accrued expenses and deferred income		7,330	8,206
<b>Total current liabilities</b>		<b>332,152</b>	<b>272,848</b>
<b>Total equity and liabilities</b>		<b>415,066</b>	<b>321,058</b>
<b>Pledged assets</b>		None	None
<b>Contingent liabilities</b>		None	None

	Year	Year	Okt-Dec	Okt-Dec
<b>Changes in equity, SEK million</b>	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
Opening balance	50,183	36,982	82,805	41,228
Dividend	-38,321	-15,68	0	0
Options program	0	2,087	0	0
New share issue	45,951	571	-62	0
Profit for the period	36,359	27,906	11,585	10,833
Buy-back of own shares	-20	-1,968	0	-2
Exchange rate differences	753	285	577	90
<b>Closing balance</b>	<b>94,905</b>	<b>50,183</b>	<b>94,905</b>	<b>50,183</b>

	Year	Year	Okt-Dec	Okt-Dec
<b>Cash flow - Group</b>	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
Cash flow before changes in working capital	44,726	28,087	16,36	13,473
Changes in working capital, incl. current investments	-23,042	16,111	-3,855	36,182
<b>Cash flow from operating activities</b>	<b>21,684</b>	<b>44,198</b>	<b>12,506</b>	<b>49,655</b>
Cash flow from investment activities	-3,443	-260	-1,964	-2
Cash flow from financial activities	7,63	-15,056	-62	-2,035
<b>Cash flow for the period</b>	<b>25,871</b>	<b>28,882</b>	<b>10,48</b>	<b>47,618</b>
Cash and cash equivalents at beginning of period	82,003	52,052	97,735	33,576
Exchange rate differences	1,891	1,066	1,55	806
<b>Cash and cash equivalents at end of period</b>	<b>109,765</b>	<b>82,000</b>	<b>109,765</b>	<b>82,000</b>

	Year	Year	Okt-Dec	Okt-Dec
<b>Key figures</b>	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
Revenue growth (%)	58	72	33	81
Operating margin (%)	2,6	3,2	3,1	3,7
Return on equity (%)	38,3	64	-	-
Equity/assets ratio (%)	18,3	12,7	18,3	12,7
Quick ratio (%)	121,1	114	121,1	114,0
Average number of employees	128	108	150	122
<b>Revenue per employee (SEK thousands)</b>	<b>14,746</b>	<b>11,041</b>	<b>3,527</b>	<b>3,251</b>

	Year	Year	Okt-Dec	Okt-Dec
<b>Data per share*</b>	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
Earnings per share, before dilution (SEK)	2,17	1,67	0,69	0,65
Earnings per share, after dilution (SEK)	2,15	1,65	0,68	0,64
Average number of shares, before dilution (thousands)	13,589	7,722	16,725	7,795
Average number of shares, after dilution (thousands)	13,764	7,843	16,907	7,921
No of shares on BS date, before dilution (thousands)	16,725	7,678	16,725	7,678
No of shares on BS date, after dilution (thousands)	16,907	7,803	16,907	7,803

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