



## Press release from Array AB Publ., February 19, 2001 Preliminary year-end report for 2000

Array will implement substantial cost cuts in its TonerJet® operations in 2001 after Matsushita postponed a product decision for the foreseeable future.

Array is maintaining its focus on NISC and in 2000 raised its ownership interest in Imsys to 51.4% of the share capital and 41.9% of the votes.

New share issues provided the Group with SEK 28.7 million after issue expenses, which financed the increased holding in Imsys.

Revenues amounted to SEK 10.1 M (SEK 22.5 M). The loss after financial items was SEK - 80.6 (1999: SEK -57.0 M).

The Group's liquidity, which amounted to SEK 56.6 M at year-end is estimated after the substantial cost cuts in the first quarter of 2001 to cover operating expenses until the second quarter of 2002.

### ARRAY AB

Array has three business areas: TonerJet® print technology, printer controllers based on the NISC microprocessor, and TCD display technology.

Stefan Winström, formerly Vice President of Array with responsibility for marketing and sales, was appointed the new President of the company on December 1.

### DEVELOPMENTS DURING THE PERIOD

During the year Array focused its operations on R&D and customer support for TonerJet licensees. Epson and Fuji-Xerox signed agreements in 2000 to evaluate TonerJet.

In January and September Array acquired an additional 16.4% of the share capital in Imsys, giving it a total holding of 51.4% of the capital and 41.9% of the votes. Paul Karlsson, the former President of Array AB, was appointed the new President of Imsys on December 1.

During the year Array continued to market printer controllers based on Imsys processors. A highly cost-effective GDI controller has been developed with significantly lower materials costs than other solutions on the market.

During the year Imsys continued to develop a number of hardware and software solutions for Java-based embedded systems. Its communication solutions include a low component count Ethernet solution as well as a solution based on Bluetooth standard modules. TCP/IP and a number of Internet protocols have been included in Imsys' product range, making it easy for customers to design Internet products.

During the fourth quarter a number of customers began evaluations. Jepico Corporation in Tokyo has been appointed Imsys' distributor in Japan, and the marketing of Imsys processors and systems solutions has begun. Initially, the focus will be on

customers whose products include color displays, multiple communication interfaces and software written in Java.

In Sweden, Imsys technology is being evaluated for industrial automation, among other things.

#### DEVELOPMENTS FOLLOWING THE CONCLUSION OF THE PERIOD

Matsushita has, in connection with a significant restructuring allocated significantly less resources to the TonerJet project than earlier anticipated and a product decision has been postponed for the foreseeable future. Epson and Fuji Xerox have announced that their TonerJet projects will continue, although their aim is to evaluate and verify rather than to develop and productify. Consequently, there is no basis at present for establishing the previously planned R&D consortium or participating in the special product project.

As a result, Array will restructure its operations to maintain its focus on NISC and significantly reduce its expenses for TonerJet. In total, 21 salaried employees have been laid off and the company's R&D operations in Japan are being terminated.

Array's own R&D in the TonerJet business area will be reduced and refocused on print quality, customer support for Matsushita, Fuji-Xerox and Epson, and maintenance of its patent portfolio.

Following the restructuring in

February, the company's cash reserves will amount to approximately SEK 30 million, providing it with financing until the second quarter of 2002. The goal is that each business area will finance its own expenses within a year and that operations will be profitable in 2002.

#### OPERATING REVENUES AND RESULTS

Operating revenues for the year amounted to SEK 10.3 M (22.5) and were generated primarily from the sale of licensing rights to dynamic displays, test material to Matsushita and the new TonerJet evaluation projects. Operating expenses amounted to SEK 79.1 M (81.1). Depreciation according to plan amounted to SEK 2.1 M (2.3). Net financial items amounted to SEK -11.6 M (1.6) and include Array's share of Imsys' loss of SEK 9.2 M as well as SEK 6.0 M related to the amortization of goodwill that arose in connection with the acquisition. The loss after financial items was SEK -80.6 M (-57.0).

Anticipated expenses in connection with the layoff of employees and restructuring of operations are estimated at SEK 11.7 M and will be charged against the result for the first quarter of 2001.

#### INVESTMENTS

Investments in equipment amounted to SEK 0.8 M (1.7). During the year Array acquired an additional 16.1% of the shares in Imsys AB for SEK 18.5 M, giving it a total holding of 51.4% of

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*Array AB Publ.*

*Board of Directors*

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INCOME STATEMENT (SEK M)		GROUP		PARENT COMPANY	
	2000	1999	2000	1999	
Net sales	10.1	22.5	8.4	26.4	
Research and development expenses	-58.6	-57.1	-56.9	-56.5	
Sales expenses	-12.9	-16.5	-12.7	-16.3	
Administrative expenses	-7.6	-7.5	-7.5	-7.4	
Operating loss	-69.0	-58.6	-68.7	-53.8	
Result from shares in associated companies	-15.2	-2.1	-	-	
Net financial items	3.6	3.7	2.4	-2.0	
Loss after financial items	-80.6	-57.0	-66.3	-55.8	
Tax	-0.3	-1.1	-	-0.8	
Net loss for the year	-80.9	-58.1	-66.3	-56.6	
Loss per share, SEK	-3.40	-2.91			
BALANCE SHEET (SEK M)		GROUP		PARENT COMPANY	
	2000-12-31	1999-12-31	2000-12-31	1999-12-31	
Fixed assets					
Tangible assets	3.6	4.9	2.0	3.0	
Financial assets	24.0	10.8	42.2	13.7	
Current assets					
Current receivables	5.6	4.1	3.7	4.1	
Cash and bank balances	56.6	119.3	55.4	118.3	
Total assets	89.8	139.1	103.3	139.1	
Shareholders' equity	76.5	128.7	91.9	129.6	
Current liabilities					
Accounts payable	5.0	3.8	5.0	3.8	
Other non-interest-bearing liabilities	8.3	6.6	6.4	5.7	
Total shareholders' equity and liabilities	89.8	139.1	103.3	139.1	
CASH FLOW ANALYSIS (SEK M)		2000	1999		
Operating activities					
Loss after tax	-80.9	-58.1			
Adjustments for non-cash items, etc.	17.4	4.4			
Cash flow from operating activities before changes in working capital	-63.5	-53.7			
Cash flow from changes in working capital	1.4	1.7			
Cash flow from operating activities	-62.1	-52.0			
Investing activities					
Acquisition of tangible fixed assets	-0.8	-1.7			
Acquisition of financial fixed assets	-28.5	-12.8			
Cash flow used for investing activities	-29.3	-14.5			
Financing activities					
New share issues	28.7	87.3			
Cash flow from financing activities	28.7	87.3			
Cash flow for the year	-62.7	20.8			
DATA PER SHARE as of December 31		2000	1999		
Number of shares	23,791,506	19,988,092			
Share price, SEK	10.6	53.0			
Equity per share, SEK	3.22	5.48			
Share price/adjusted equity, multiple	3.3	9.7			
Equity/assets ratio, %	85.1	92.5			