



Press release, February 21, 2001

Dimension's year-end report 2000: Continued strong growth and profit

January–December 2000:

- Sales amounted to SEK 1,474.7 million (769.7), an increase of 92 percent
- Profit after financial items rose by 82 percent to SEK 138.1 million (76.0)
- Profit per share after full dilution amounted to SEK 3.72 (2.10)
- Strong year-end, with sales of SEK 513.8 million (275.8), profit after financial items of SEK 60.3 million (33.1) and an operating margin of 11.7 percent (12.0) in the fourth quarter
- Continued focus on Storage Area Networks (SAN)
- New business area, Professional Services, established to strengthen Dimension's position in IT services
- Geographic expansion with the establishment of Dimension Norway AS and an agreement with CompServis to form a joint venture in Lithuania.
- Strong development by the subsidiary Next Nordic
- A dividend of SEK 0.95 is proposed

Following the conclusion of the period:

- The Dimension share was listed on the OM Stockholm Exchange on February 20. Interest in the company's shares was very high and the offering was oversubscribed 11 times.

About Dimension AB

Dimension, which established its operations in 1988, is a Swedish IT company that designs and implements infrastructure to handle business-critical information. As an integrator, Dimension provides solutions that ensure that clients can meet the demands of the digital economy for speed, availability, security and scalability. Solutions include advanced server and data storage solutions for e-commerce systems, e-banking, Internet/intranets and business systems. Clients are primarily in telecommunications, banking & finance, media and manufacturing industry. Next Nordic AB is a wholly owned subsidiary of the Group active in the sale of Sun systems and related products to resellers. In 2000 the Dimension Group had sales of SEK 1,475 million and profit after financial items of SEK 138 million. The company has 220 employees at seven offices in Sweden and one in Norway. The head office is located in Bromma, Stockholm. The Dimension share has been listed on the OM Stockholm Exchange's O-list since February 20.



Operations – a record year for Dimension

2000 was a very successful year for the Dimension Group, which continued its strong organic growth while remaining profitable. Business activity was very high and several strategically important initiatives were taken to further develop the organization and its operations. The last six months of the year were also highlighted by internal preparations for the recent initial public offering.

Sales and profit for the fourth quarter

Sales for the fourth quarter of 2000 amounted to SEK 513.8 million (275.8), an increase of 86 percent compared with the corresponding period of the previous year. Profit after financial items amounted to 60.3 million (33.1), an increase of 82 percent. The operating margin was 11.7 percent (12.0). The higher operating margin in the fourth quarter compared with the full-year is attributable to a normal seasonal pattern for the company.

Sales and profit for the full-year

The Dimension Group's consolidated sales amounted to SEK 1,474.7 million (769.7), corresponding to organic growth of 92 percent compared with the full-year 1999. Of the Group's sales, 3 percent was generated directly in markets outside Sweden. Approximately 15 percent of sales was generated through indirect exports via clients with operations outside Sweden. Profit after financial items amounted to SEK 138.1 million (76.0), an increase of 82 percent. The operating margin was 9.3 percent (9.8). The slightly lower margin is mainly due to the major expansion stage Dimension is currently in.

The Dimension Group's strong development during the year is the result of a consistent focus on its core business – IT infrastructure solutions – and the market's continued positive development. In addition, the company experienced slightly weaker competition during the year. All Group operating areas reported good growth and profit during the period. The subsidiary Next Nordic, which was established in October 1999, developed very positively during the year, contributing strongly to the Group's results.

Geographic expansion and stronger product offerings

A new subsidiary, Dimension Norway AS, with an office in Oslo, was formed during the first quarter. This marks the first step in Dimension's geographic expansion strategy. During the fourth quarter an agreement was signed between Dimension and CompServis to form a joint venture in Lithuania to focus on infrastructure solutions primarily for the banking & finance and telecommunications sectors, thereby strengthening Dimension's presence in the Baltic region. Dimension had previously had a multi-year cooperation with Lithuanian-based CompServis.

To further strengthen its product offerings and competence in IT services, Dimension established a new business area, Professional Services, during the second quarter. Moreover, the focus on Storage Area Networks was intensified during the year.

Dimension's success is based on the competence and experience of its employees. To maintain its cutting-edge capabilities and improve its competitive strength, the company worked very actively with recruitment and skills development during the year.



A new business system was implemented as part of an effort to strengthen internal support processes.

During the year Dimension's consistent growth drew the attention of the media after its third-place finish in "Marathon list 2000," a ranking of Sweden's fastest growing companies in the past decade. Over that period Dimension posted average organic growth of 68 percent a year. The list was compiled by Ahrens & Partners and published by the daily Svenska Dagbladet on September 11.

Following the conclusion of the report period

In January Dimension applied for a listing on the OM Stockholm Exchange's O-list. At the same time institutional investors and the public were offered the opportunity to purchase shares in the company. The offer consisted in part of a new share issue and in part of the sale of portions of the shareholdings of Bure Equity AB and the company's founders, Leif Svensson and Per Westerlund. Interest in the shares was very high and the offer was oversubscribed 11 times. The price per share was set at SEK 61. Trading began on February 20 and the number of shareholders in Dimension on its first listing day was approximately 8,700.

Market - Dimension

As an integrator of IT infrastructure, Dimension is active in a fast-growing market. With the digital economy expanding, companies have to invest in powerful new IT infrastructure to take advantage of the new opportunities that the Internet and IT are creating. The growing number of Internet users and growing number of services being made available are leading to a rapid increase in traffic and information content on the Internet. This in turn is creating greater demand for Dimension's capabilities and solutions in server systems, data storage, middleware and information security.

Dimension's clients are primarily in fast-growing and high technology areas such as telecommunications, banking & finance, media, e-commerce and industry. All of the company's priority market segments continued to develop strongly during the year and a number of major transactions were completed, including as follows:

Telia, where Dimension, together with Telia IT-service, has built the infrastructure for an operating environment for security and certification services in the Nordic and Baltic regions and Poland.

WirelessCar, a joint venture with Ericsson, Telia and Volvo that will develop mobile services for the automotive industry. Dimension has designed and implemented the infrastructure in an operating and development environment with very high security requirements.

Skanska, where Dimension, together with Sun Microsystems, has supplied an advanced SAN solution for a business system with high accessibility demands.

Ericsson Radio Systems, which selected Dimension as a supplier of technology and related services for a major customer project involving GSM network monitoring.

Brunswick Direct, the world's first online brokerage service specializing in equity trading in emerging markets, where Dimension designed and implemented the infrastructure behind a web portal with high demands on accessibility and scalability.

In October Dimension's "Måns rules OK?" advertising campaign won second prize in the "100 Watt" competition sponsored by the Swedish Advertisers Association, the business daily Dagens Industri and TV4. The campaign was created together with the agency WOW.



Next Nordic AB

Dimension's subsidiary Next Nordic AB was established in October 1999 to improve market coverage as well as refine and streamline the Group's businesses. Reseller sales are handled by Next Nordic, while Dimension provides integration solutions for end clients. Next Nordic's sales in 2000, excluding intra-Group sales, amounted to SEK 308.4 million, or 21 percent of Group sales. Next Nordic, which in a short time has become a market leader, is expecting continued strong growth. During the third quarter it expanded its cooperation with Sun Microsystems through a new three-year reseller agreement. In addition, Next Nordic was named "Sun Channel Development Partner of the Year."

Dimension Norway AS

Dimension Norway AS was established in the first quarter of 2000 as the first foreign subsidiary in the Group's international expansion. The establishment was facilitated by the fact that several of Dimension's clients operate in Norway. During the year the company achieved a breakthrough in the telecommunications segment of the Norwegian market.

Net investments

The Group's net investments in fixed assets amounted to SEK 7.4 million (7.2) during the year and related primarily to computers and equipment.

Profitability

The return on equity during the year was 56.6 percent (50.6), while the return on operational capital was 92.8 percent (89.7).

Cash flow

Cash flow from operating activities before the change in working capital amounted to SEK 143.2 million (79.3) during the year, or SEK 5.65 (3.12) per share. Cash flow before tax amounted to SEK 27.7 million (51.2). The change is primarily due to higher sales and, as a result, higher inventories and capital tied-up in accounts receivable.

Financial position

Liquid assets amounted to SEK 59.9 million (50.1) at year-end. Consolidated shareholders' equity amounted to SEK 215.7 million (131.5) during the year. The equity/assets ratio amounted to 24.3 percent (29.1).

Dimension has available bank overdraft facilities of SEK 100 million. The proceeds from the initial public offering, approximately SEK 214 million before issue expenses, are expected to be received in late February.

Personnel

The average number of employees during the year was 179, compared with 113 in 1999, an increase of 58 percent. In order to strengthen its competencies, Dimension during the year devoted considerable resources in recruitment and continuing training for technical consultants and sales personnel. In addition, all managers with personnel responsibility underwent leadership training



during the first half of the year. Employee turnover, calculated as the number of permanent employees who left the company during the year divided by the average number of employees, was 11.7 percent. The corresponding figure for 1999 was 12.7.

In August Anders Wallström took over as Marketing Director. He was previously Managing Director of Betch Data AB. In the same month Mats Eklund became the head of the Professional Services business area. He was previously employed by AerotechTelub AB. In December Gunnar Isberg took over as Sales Director of the Stockholm region. He had previously been with Prevas AB, where he was a Division Manager. Gunnar Isberg was formerly Sales Director at Sun Microsystems and Digital.

Additions to the Board of Directors

Dimension's Board of Directors was expanded during the year through the addition of two new members: Lars Idermark, a former Deputy Managing Director of FöreningsSparbanken and Capió and currently Managing Director of the Second National Pension Insurance Fund, and Johan de Verdier, Managing Director of Framfab Software. Both new directors were appointed during the second quarter of 2000.

The Dimension share

On April 3, 2000 a 50:1 stock split was implemented, after which the number of shares amounts to 25,347,200. Convertible debentures previously in issue correspond to 800,000 new shares. In May a new option program was introduced for permanent employees. Options corresponding to 874,000 new shares were issued, of which the subsidiary Next Nordic AB subscribed for options corresponding to 180,000 shares. In connection with the initial public offering, employees of the Dimension Group who had not previously had the opportunity to subscribe for options in Dimension were able to subscribe for shares from these options on market terms.

The number of shares as of December 31, 2000, taking into account the dilution effect¹ of the convertibles and options, is estimated at 26,469,694. Profit after tax per share after full dilution amounted to SEK 3.72 (2.10). Equity per share after full dilution was SEK 8.41 (5.30).

Since February 20, 2001 the Dimension share has been listed on the OM Stockholm Exchange's O-list under the abbreviation DMSN. The number of shareholders on the first listing day was approximately 8,700. The initial public offering was managed by Handelsbanken Investment Banking and Carnegie. The issue of 3,500,000 new shares generated proceeds of SEK 214 million before issue expenses.

Note 1: The dilution effect is calculated as the ratio between the total market value of the options and the total market capitalization of the company, i.e. in accordance with the recommendations from the Swedish Society of Financial Analysts. A Black & Scholes-based pricing model is used to calculate the value of the options.

Parent Company

Parent Company sales amounted to SEK 1,323.6 million (742.4) during the year. Profit after financial items amounted to SEK 80.9 million (73.1). Liquid assets totaled SEK 38.0 million (37.1) at the end of the period. Net investments in fixed assets amounted to SEK 6.2 million (7.1).



Outlook for 2001

Dimension's growth and profit in 2000 should be seen in the light of the market's strong development, strong business momentum and also a slightly weakened competitive environment. While the market is expected to grow by approximately 30 percent in the years ahead, the company's aim is to exceed that figure. The objective in 2001 is to grow 40-50 percent organically. During Dimension's expansion phase, its objective is to generate an operating margin of 7-9 percent.

Annual General Meeting and financial information schedule

The Annual General Meeting will be held at 4:00 p.m. on April 23, 2001 at the Stockholm City Conference Center (Norra Latin), Drottninggatan 71 B.

The interim report for January-March 2001 will be released on April 23, 2001

The interim report for January-June 2001 will be released on August 21, 2001

The interim report for January-September 2001 will be released on October 24, 2001

The year-end report for the full-year 2001 will be released on February 19, 2002

The annual report for 2000 will be available at Dimension's head office in Bromma during the week of April 2, at which time it will also be mailed to shareholders. Financial reports and annual reports are also published online at www.dimension.se

Dividend

The Board of Directors is recommending that shareholders receive a dividend of SEK 0.95 per share for the financial year 2000.

Stockholm, February 21, 2001

The Board of Directors of Dimension AB (publ)

For further information, please contact

Sven Uthorn, Managing Director, + 46 8 445 24 32, +46 70 931 00 03, sven.uthorn@dimension.se



Key ratios		
Dimension Group	Jan-Dec 2000	Jan-Dec 1999
Sales (SEK million)	1,474.7	769.7
Sales growth compared with previous year (%)	91.6	67.0
Profit after financial items (SEK million)	138.1	76.0
Gross margin (%)	9.6	10.2
Operating margin (%)	9.3	9.8
Profit margin (%)	9.4	9.9
Return on capital employed (%)	69.7	64.9
Return on operational capital (%)	92.8	89.7
Return on equity (%)	56.6	50.6
Total assets (SEK million)	888.0	451.4
Shareholders' equity (SEK million)	215.7	131.5
Equity/assets ratio (%)	24.3	29.1
Interest-bearing liabilities (SEK million)	41.9	16.2
Net investments (SEK million)	7.4	7.2
Number of employees at end of period	218	139
Average number of employees	179	113
Sales per employee (SEK million)	8.3	6.8
Operating profit per employee (SEK million)	0.8	0.7
Number of shares after full dilution	26,469,694	26,147,200
Profit after tax per share (SEK) after full dilution	3.72	2.10
Equity per share (SEK) after full dilution	8.41	5.30
Number of shares before conversion	25,347,200	25,347,200
Profit after tax per share (SEK) before dilution	3.88	2.15
Equity per share (SEK) before dilution	8.51	5.19



Quarterly data

Dimension Group	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Sales (SEK million)				
2000	257.3	412.4	291.2	513.8
1999	132.0	202.2	159.7	275.8
Profit after financial items (SEK million)				
2000	19.0	31.5	27.3	60.3
1999	11.8	21.8	9.3	33.1
Operating margin (%)				
2000	7.4	7.7	9.3	11.7
1999	9.1	10.5	5.3	12.0

Dimension's sales fluctuate by season. As a result, it normally reports a weaker first and third quarter and a stronger second and fourth quarter.

Condensed consolidated income statement (SEK million)	Oct-Dec 2000	Oct-Dec 1999	Jan-Dec 2000	Jan-Dec 1999
Net sales	513.8	275.8	1,474.7	769.7
Operating expenses excluding depreciation/amortization	-452.1	-241.5	-1,332.5	-691.4
Depreciation/amortization of tangible and intangible fixed assets	-1.4	-1.1	-5.1	-3.3
Operating profit	60.3	33.2	137.1	75.0
Financial items	0.0	-0.1	1.0	1.0
Profit after financial items	60.3	33.1	138.1	76.0
Tax	-17.2	-11.9	-39.8	-21.5
Net profit	43.1	21.3	98.3	54.5

Condensed consolidated balance sheet (SEK million)	Dec 31 2000	Dec 31 1999
Assets		
Fixed assets	14.3	10.2
Inventories	365.0	155.8
Other current assets	448.8	235.3
Liquid assets	59.9	50.1
Total assets	888.0	451.4
Equity and liabilities		
Shareholders' equity	117.4	77.0
Profit for the period	98.3	54.5
Interest-bearing liabilities	41.9	16.2
Non-interest-bearing liabilities and provisions	630.4	303.7
Total equity and liabilities	888.0	451.4



Condensed consolidated statement of cash flows (SEK million)	Jan-Dec 2000	Jan-Dec 1999
Cash flow before changes in working capital	143.2	79.3
Changes in working capital	-115.5	-28.1
Cash flow from operating activities before tax	27.7	51.2
Tax	-20.3	-17.7
Cash flow from operating activities after tax	7.4	33.5
Cash flow from investing activities	-9.3	-7.2
Cash flow from financing activities	11.7	2.5
Change in liquid assets	9.8	28.8
Liquid assets at beginning of period	50.1	21.3
Liquid assets at end of period	59.9	50.1

Address information

Parent Company

Dimension AB

Box 20200, S-161 02 Bromma,
Sweden
Visiting address: Adolfsbergsvägen 31
Telephone +46 8 445 24 00
Fax +46 8 28 40 05
www.dimension.se

Subsidiaries

Dimension Norway AS

Svovelstikka 3, N-0661 Oslo,
Norway
Telephone +47 22 08 3600
Fax +47 22 08 3620
www.dmsn.no

Next Nordic AB

Box 7103, S-192 07 Sollentuna,
Sweden
Visiting address: Staffans väg 6 B
Telephone +46 8 626 18 00
Fax +46 8 626 18 99
www.next.se