

Stockholm 25 July 2002

Vigorous growth and consolidated position among Nordic region's mobile operators

- Net sales in Q2 rose 86% to SEK 57.4 million (SEK 30.9m). Net sales for the first six months rose 30% to SEK 80.2 million (SEK 61.9m).
- Considerable improvement in bottom line. Profit before goodwill amortisation in Q2 was SEK 5.3 million (SEK -10.8 m). For the first six months of the year the figure was SEK -17.4 million (SEK -26.0m).
- Mobile operators were the company's most important customer group, accounting for around half of Trio's net sales and order inflow.
- Telia Mobile launched a mobile switch in the Swedish market based on Trio Mobile Office, which is designed to replace fixed telephony in companies.
- Partnership initiated with 3Com regarding sales of IP telephony, as well as with Nortel regarding sales of solutions for integrating fixed-mobile telephony.
- Agreement signed with Vodafone in Sweden for wireless office after the end of the period.
- Major variations in order inflow. A strong pipeline is expected to generate substantial order inflow in the second half of the year.
- The forecast for 2002 is continued organic growth and break-even before goodwill amortisation.

SEK million	Q 2 2002	Q 2 2001	6 months 2002	6 months 2001	Full year 2001
Inflow of orders	38	75	77	95	157
Net sales	57.4	30.9	80.2	61.9	165.2
Total expenses*	-58.8	-47.1	-104.4	-93.3	-194.4
Profit/loss prior to goodwill depreciation	5.3	-10.8	-17.4	-26.0	-24.6
Profit/loss for the period	3.0	-10.9	-20.1	-26.1	-25.0

*Items affecting comparability are not included

The operations

Trio is a telecommunications company that develops call-handling systems for companies, enabling them to improve both internal efficiency and customer service levels. Almost 2,000 systems have been delivered in the Nordic region, mainly to large and medium-sized companies. Trio's customers include five of the leading Nordic mobile operators. Trio operates in the following business and product areas:

Trio Mobile Office enables a complete transition from fixed to mobile telephony. The solution is subscribed to as a service from mobile operators and can also be included as a component in Trio's integrated telephony.

Trio PresentOffice offers integrated telephony and advanced call and message handling. Integrated telephony involves unifying companies' fixed, mobile and IP telephony to form a single virtual telephony system.

Objecta TeleVoice offers solutions for customer support. These include flexible contact and call centre solutions, as well as interactive voice response systems such as telephone banking and speech recognition.

Sales and profit trend

The Trio Group's net sales in Q2 came to SEK 57.4 million (SEK 30.9 m). On a half-year basis, net sales rose 30% to SEK 80.2 million (SEK 61.9m). The positive trend on both a quarterly and half-year basis is attributable to Trio's success and rapid growth in the mobile operators customer group, which benefited both Trio Mobile Office and Trio PresentOffice.

Mobile operators accounted for around half the Group's net sales in the first half of the year. A large percentage of major deals with mobile operators does, however, entail greater variation on a quarterly basis both in terms of order inflow and profit trend. For the full year 2002, Trio expects to record higher order inflow and net sales compared with 2001, despite a weak market climate.

Trio recorded a profit in Q2 of SEK 3.0 million (SEK -10.9m) and a loss for the first half-year of SEK 20.1 million (SEK -26.1m). An amount of SEK 2.1 million was charged to Trio's six-month loss due to its participation in the loss of its associated company, Netwise.

Trio Mobile Office reported net sales in Q2 of SEK 26.9 million (SEK 6.7m), as well as an operating profit before goodwill of SEK 3.8 million (SEK -1.7m). Trio PresentOffice posted net sales of SEK 23.4 million (SEK 19.9m) in Q2 and an operating profit before goodwill of SEK 2.7 million (SEK -4.9m). Net sales for Objecta TeleVoice in the same period totalled SEK 7.1 million (SEK 4.2m), and the business area reported an operating loss before goodwill of SEK 1.2 million (SEK -3.2m).

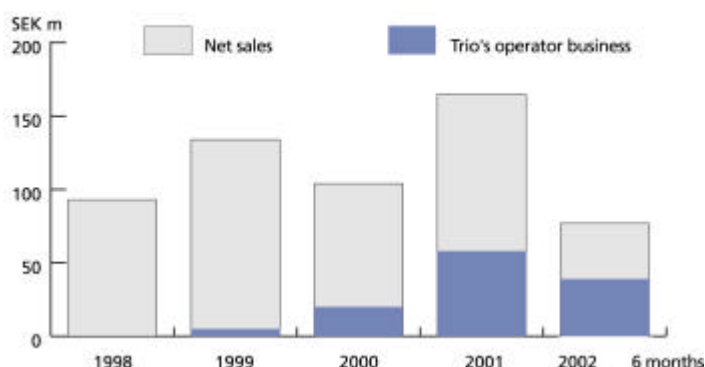
Consolidated position in the mobile operator market

Trio continued to strengthen its position during the second quarter among mobile operators in the Nordic region. To these operators, it delivers systems for mobile offices and for integrating fixed and mobile telephony. Trio Mobile Office and parts of Trio's integration solutions are installed in mobile telephony networks and sold as services to the operators' corporate customers.

Mobile operators in the Nordic region that offer services based on Trio's solutions are Telia Mobile, Telenor Mobil, Sonera, TDK Mobil and Vodafone.

In total, Trio's operator solutions accounted for around half of Trio's order inflow and net sales in the first half of the year. Since 1999, the operator solutions' percentage of Trio's net sales has gradually grown as illustrated in the diagram below.

Telia Mobile. In June, Telia Mobile launched a mobile office solution called Mobile Switcher, which is based on Trio Mobile Office. It is designed for small and medium-sized businesses that will now be able to fully replace their fixed telephony system with mobile telephony. The switch functions are available in Telia Mobile's network and can be subscribed to as a service



by companies. A regular PC serves as an attendant workplace.

Telenor Mobile. In the first half of the year, Trio signed two orders with Telenor Mobile regarding the expansion of the operator's mobile office service ProffNet, which is based on Trio Mobile Office. In total, the order is worth SEK 28 million. The expansion work is necessary to meet the influx of corporate customers.

Vodafone. After the end of the period, Trio signed an order worth SEK 5 million with Vodafone in Sweden for its Wireless Office service. The order means that the Vodafone service will be supplemented with a version of Trio PresentOffice, which offers a top-quality attendant workplace, call transfer, and switch functionality. This will also allow larger companies with 50-500 employees to change over to using mobile telephony only. Trio has previously supplied a somewhat simpler attendant workplace for Vodafone's Wireless Office, designed for smaller companies.

Sales of Trio's operator solutions have not been affected by prevailing market conditions. In Trio's opinion, the reason for this is that these solutions generate income from mobile operators' existing corporate customers without the need for making major new investments. Some of the driving forces behind Trio's operator solutions include:

- An increased use of mobile telephony at companies, which increases overall telephony costs while leading to a deterioration in call handling. Trio's operator solutions increase reachability, thereby enhancing customer service and internal efficiency at companies, while also enabling cost control.
- High customer turnover - up to 30 per cent - among mobile operators. Trio's operator solutions help create stronger customer relationships and thereby strengthen customer loyalty.
- Growth of mobile telephony subscriptions is subsiding, especially in markets with high mobile penetration, while income from minute fees is also gradually falling. Trio's operator solutions create additional sales from existing customers, which can more than compensate for this.

Key partnerships in Q2

During the quarter, Trio entered a collaboration with 3Com for the sale of IP telephony in Sweden, Denmark and Norway. 3Com's IP telephony platform is being supplemented with Trio PresentOffice, which provides attendant workplaces, call referral, a calendar connection, etc. The first joint order was received during the quarter.

A collaboration was also initiated with Nortel Networks regarding the integration of fixed and mobile telephony. This collaboration means that Nortel Meridian, the world's biggest-selling company switch, will be sold along with Trio PresentOffice. It will therefore become possible to use mobile phones in the same way as fixed extensions. The collaboration will initially focus on the Nordic region.

Success for Objecta TeleVoice call and contact centre

Objecta TeleVoice has been an established supplier of customised voice response services for a long time. One such service is telephone banking, with customers including several Swedish commercial banks. In recent years, the product range has been expanded to include a flexible call and contact centre solution and a speech recognition solution.

The call and contact centre solution accounted for a substantial part of the growth of the product area in the second quarter. Among other things, an order was signed with Sparbanken Finn for a call and contact centre, which is to be integrated with the bank's voice response system. An order was also signed with Stockholms Stads Bostadsförmedling (the Stockholm City housing authority) for a similar solution, as well as with Fujitsu Invia for a call centre for some 80 simultaneous

attendants. With Objecta's call and contact centre solution, it is possible to handle all telephony, call-back, fax, e-mail, and the web in a uniform manner.

Christian H. Thommessen appointed new chairman

At Trio's Annual General Meeting on 25 April, Board members Ion Bogdaneris, Olof Englund and Christian H. Thommessen were re-elected, while Tomas Duffy was elected as a new Board member. The Board also decided to appoint Christian H. Thommessen as new chairman.

Netwise

As a result of Trio's public bid for Netwise, Trio issued shares in accordance with the bid. Trio currently owns 32 per cent of the capital and 26 per cent of the votes.

Staff

The number of employees at the Group at the end of the period was 110 (121).

Investments

Investments in equipment and computers during Q2 came to SEK 0.2 million (SEK 0.4m). Depreciation according to plan including goodwill totalled SEK 1.4 million (SEK 1.5m).

Financial position and liquidity

Liquid assets on 30 June 2002 totalled SEK 43.0 million (SEK 83.7m), which is on a par with the cash status at the end of Q1. Liquid assets on 31 March 2002 came to SEK 45 million. The Group's shareholders' equity on 30 June 2002 came to SEK 96.5 million (SEK 102.1m), while the equity/assets ratio was 65 (55) per cent.

Outlook for 2002

At Group level, organic growth is expected to continue, and break-even before goodwill amortisation is also expected for the full year 2002. A large percentage of major deals with mobile operators does, however, entail greater variation on a quarterly basis in terms of orders signed, net sales, profit/loss and cash flow. A strong pipeline is expected to generate substantial order inflow in the second half of the year. The company expects a significant percentage of its income in the second half of 2002 to be received in the fourth quarter.

Dates for future financial information

The Q3 Interim Report will be published on 24 October.

Stockholm 25 July 2002

Trio AB (publ)

The Board of Directors

For more information, please contact Sverker Hannervall, CEO, tel: +46 8 457 30 05, or Christian H. Thommessen, Chairman of the Board, tel: +47 91 888 000

This report has not been subjected to a special review by the company's auditors.

Consolidated Income Statement and Balance Sheet (SEK m)

<i>Income Statement</i>	2002 2Q	2001 2Q	2002 6months	2001 6months	2001 Full Year
Net sales	57.4	30.9	80.2	61.9	165.2
Cost of products sold	-27.8	-15.0	-40.6	-28.0	-67.0
Gross Profit	29.6	15.9	39.6	33.9	98.2
Selling expenses	-15.1	-14.2	-30.2	-28.3	-61.6
Administrative expenses	-9.3	-8.1	-17.7	-16.7	-31.5
Development cost	-6.6	-9.8	-15.9	-20.3	-34.3
Other operation income	0.9	–	1.0	–	0.1
Items affecting comparability	5.8	5.4	5.8	5.4	4.5
Operating profit/loss prior to goodwill depr.	5.3	-10.8	-17.4	-26.0	-24.6
Goodwill depreciation	-0.8	-0.7	-1.6	-1.5	-3.0
Operating profit/loss after goodwill depr.	4.5	-11.5	-19.0	-27.5	-27.6
Result from associated companies	-2.0	–	-2.1	–	–
Financial income	0.4	0.7	0.9	1.7	3.1
Financial expenses	-0.1	-0.1	-0.1	-0.3	-0.5
Profit/Loss after financial items	2.8	-10.9	-20.3	-26.1	-25.0
Tax	0.2	–	0.2	–	–
Profit/Loss for the period	3.0	-10.9	-20.1	-26.1	-25.0

Comments on the income statement, Q2

The same accounting principles and calculation methods have been used as in the last annual report, except where new recommendations have come into force that the company has not previously elected to apply in advance. These are RR 13, Associated Companies, RR 21, Loan Costs and RR 23, Information about close relatives. These adopted recommendations have had no impact on the company's profit/loss or position in comparison with the principles previously applied. Trio implements successive income recognition for larger projects. This means that income recognition is carried out gradually during the project's duration in relation to the degree of their completion.

The cost for products sold includes material and product costs totalling SEK 14.3 million (SEK 3.5m) as well as costs for product maintenance staff, installation staff, support staff and training staff amounting to SEK 13.5 million (SEK 11.5m).

Costs for premises and internal systems have been distributed according to the utilisation of the function in question. Depreciation of tangible fixed assets totalled SEK 0.6 million (SEK 0.8m) and has also been distributed according to the utilisation of the respective function.

Items affecting comparability include the sale of intellectual property.

Loss from shares in associated companies relates to Trio's participation in Netwise's loss in Q1, as well as amortisation of goodwill. The profit/loss from associated companies is accounted for with a time lag of one quarter.

Balance sheet (SEK m)	2002-06-30	2001-06-30	2001-12-31
Intangible fixed assets	17.0	20.3	18.6
Tangible fixed assets	3.4	4.2	4.3
Financial assets	16.7	3.9	2.5
Other current assets	67.7	56.8	66.2
Cash and bank	43.0	98.7	61.7
Total assets	147.8	183.9	153.3
Shareholders' equity	96.5	102.1	103.7
Provisions	0.1	0.3	0.1
Interest-bearing liabilities	0.6	1.7	1.2
Non interest-bearing liabilities	50.6	79.8	48.3
Total Shareholders' equity and liabilities	147.8	183.9	153.3

Cash flow statement (SEK m)	2002 2Q	2001 2Q	2002 6months	2001 6months	2000 Full year
Current operations prior to change in working capital	2.0	-29.7	-21.9	-42.9	-24.1
Change in working capital	-9.1	23.9	-3.4	4.8	-35.3
Investment operations	4.6	20.7	6.1	20.4	4.6
Financing operations	0.5	-	0.5	-15.2	-15.1
Cash flow for the period	-2.0	15.0	-18.7	-32.9	-69.9
Liquid assets at the beginning of period	45.0	83.7	61.7	131.6	131.6
Liquid assets at the end of period	43.0	98.7	43.0	98.7	61.7

Income Statement, breakdown by business area (SEK m)

	2002 2Q	2001 2Q	2002 6months	2001 6months	2001 Full year
Trio Mobile Office					
Net sales	26.9	6.7	33.4	11.2	48.3
Operating loss prior to goodwill	3.8	-1.7	-1.0	-6.2	-0.5
Trio PresentOffice					
Net sales	23.4	19.9	35.8	38.3	90.6
Operating loss prior to goodwill	2.7	-4.9	-10.1	-14.4	-16.4
Objecta TeleVoice					
Net sales	7.1	4.2	11.0	12.3	26.3
Operating loss prior to goodwill	-1.2	-3.2	-6.3	-4.3	-5.7

Key ratios (SEK)

	2002 2Q	2001 2Q	2002 6months	2001 6months	2001 Full year
Profit/Loss per share prior to goodwill depr.	0.08	−0.18	−0.28	−0.44	−0.42
Net profit/loss per share before dilution	0.05	−0.18	−0.32	−0.44	−0.42
Net profit/loss per share following dilution	0.04	−0.16	−0.29	−0.40	−0.38
Shareholders' equity per share	1.51	1.73	1.51	1.73	1.76
Equity/assets ratio, %	65	55	65	55	68
Number of shares at the end of the Period (thousands)	64.083	59.065	64.083	59.065	59.065
Average number of outstanding shares (thousands)	64.059	59.065	62.175	59.065	59.065
Average number of outstanding shares following dilution (thousands)	72.059	67.065	70.175	65.652	66.088
Holding of the company's own shares	–	–	–	–	–

The calculation of the number of outstanding shares and the net profit/loss per share has been performed taking into account the outstanding warrants programme as well as the new share issues carried out during the year, in accordance with SFF's recommendation.

Changes in shareholders' equity (SEK m)

	2002 2Q	2001 2Q	2002 6months	2001 6months	2000 Full year
Shareholders' equity at the beginning of the period	93.5	112.9	103.7	127.5	127.6
New share issue	–	–	12.5	–	–
Option subscription	–	–	–	–	0.6
Translation differences, etc	–	0.1	0.7	0.7	0.5
Loss for the period	3.0	−10.9	−20.1	−26.1	−25.0
Shareholders' equity at the end of the period	96.5	102.1	96.5	102.1	103.7