

Frango AB
Box 6691
SE-113 84 Stockholm, Sweden

E-mail: info@frango.com
Internet: www.frango.com

Tel.: +46- (0) 8 555 775 00
Fax.: +46- (0) 8 555 775 01

Registered No: 556153-4347

Press release from

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Interim report January - September 2002

Completion of cost savings programme paves the way for profitability

Software company Frango has today published its interim report for the third quarter. Earnings net of financial items amounted to SEK -5.6 million (-1.5m). This includes non-recurring costs of SEK 4.9 million, attributable to a cost savings programme.

"We have recently completed an effective cost savings programme, the full benefits of which will be felt during the last quarter of 2002," says Managing Director, Tom Löfstedt. Calculated on a full-year basis, this will entail savings of nearly SEK 20 million. "Owing to the poor economic climate, Frango has reduced the number of employees by 30 people, corresponding to 12 per cent of its workforce. At the same time, the company is now in an important transitional period, as confirmed by the market's very positive reception of our new product, Frango Controller".

"Given the seasonality in our business, we expect to report higher sales for the fourth quarter, at the same time as our cost savings programme paves the way for a return to higher profitability," says Tom Löfstedt.

Revenues for the third quarter totalled SEK 58.3 million (64.9m). The company reported a positive cash flow for the period, SEK 2.9 million. The equity ratio at the end of the year was 41 per cent (49%).

During the period, contracts for the newly-launched product Frango Controller were signed with the Swedish Postal Service, Gamma Holding in the Netherlands and the Raisio Group in Finland, among others.

Revenues for the nine-month period totalled SEK 183.9 million (184.2m). Earnings net of financial items totalled SEK -24.5 million (10.9m).

Contacts:

Tom Löfstedt, Managing Director, tel.: +46 (0) 70 321 77 03,
Karl Ove Grönqvist, CFO, tel.: +46 (0) 8 555 775 31,
+46 (0) 70 321 77 31

Frango is a leading software company that specialises in the field of corporate financial control for



organisations and groups. The company develops and supplies software and services through its international network of subsidiaries and distributors. Frango is headquartered in Stockholm. The Frango share is quoted on the 'O' list of the Stockholm Stock Exchange (Stockholmsbörsen).