

November 5, 2002

Interim Report January – September 2002 for the Scribona Group

Improved operating income achieved in a market with weak growth in PC volumes and shrinking volumes of document management products.

- Sales in the third quarter of 2002 amounted to MSEK 2,617 (2,753).
- Operating income for the quarter improved to MSEK -19 (-81) and income after tax was MSEK -20 (-67). Operating income for the first nine months amounted to MSEK 1 (-139) and income after tax to MSEK -20 (-132).
- The cash flow from operating activities amounted to MSEK -60 for the third quarter and MSEK 669 for the past 12-month period. The capital turnover rate has improved significantly.
- During the quarter, Scribona defended its market shares in all main segments and thus maintained its leading position in the Nordic market.
- Earnings per share for the first nine months amounted to SEK -0.39 (-2.90).

CEO's comments

- In spite of a traditionally weak third quarter, Scribona is definitely on the right path and is well poised for a coming market upswing. In a market with weak growth, Scribona Distribution and Scribona Brand Alliance succeeded in improving their operating income despite temporary and isolated slumps in Distribution's Danish operations and Toshiba's document management sales. We have defended our position as market-leader and although we are clearly disappointed with the third quarter's negative results, our determined efforts to gradually boost profitability are continuing to bear fruit. We anticipate a good fourth quarter on par with the preceding year.
- Cash flow and capital employed have shown excellent development over the past 12-month period, thanks to a combination of structural changes in our logistic system and organization and ongoing efforts to improve our capital management. At the end of the quarter we had reduced capital employed by a full MSEK 328, which is a decrease of 24% compared with the corresponding period of last year.

SCRIBONA

THE MARKET

Compared with the preceding year, demand in Scribona's main markets showed varying development during the third quarter. The total Nordic market for PC products grew 3% in units sold. Home PC volumes remained high in Sweden, while the Nordic market for laptop PCs rose 12% and Nordic sales of PC servers were up 7%.

The market for document management products has contracted by around 10%. Although there are no reliable statistics for IT infrastructure products, this market is also estimated to have declined by at least about 10%.

The combination of falling prices, primarily in the infrastructural segment, and a decrease in units sold has further contributed to the shrinking market. The opposite trend has been seen in the document management market, where the average price per product has risen somewhat.

In general, sales to businesses and organizations have continued to decline, while consumer sales via home PC offers and electronics retailers have shown more positive development.

DEVELOPMENT DURING JANUARY – SEPTEMBER 2002

Sales and income in the third quarter

The Group's sales during the third quarter reached MSEK 2,617 (2,753), a decrease of 5%. For comparable units and at unchanged exchange rates, sales were down 10%. Sales were also affected by a continued drop in prices for IT infrastructure products.

Third quarter sales in the Solutions business area decreased to MSEK 395 (629), attributable to the transfer of high volume products to Scribona Distribution, significantly lower average prices and a continued weak IT infrastructure market.

Sales in the Distribution business area amounted to MSEK 1,976 (1,763), an improvement of 12%. Adjusted for comparable units and at unchanged exchange rates, sales were on a level with the preceding year.

Sales in the Brand Alliance business area have increased now that Toshiba Digital Media's previously declining laptop sales are picking up. Total sales in Brand Alliance reached MSEK 521 (519).

The Group's operating income improved by MSEK 62 to MSEK -19 (-81). The year-earlier figure was charged with a write-down of MSEK 50. Solutions achieved weak earnings growth during the quarter due to low sales, and reported a loss MSEK -10 (-9). While the operating result for Distribution was somewhat better at MSEK -7 (-9), this nonetheless disappointing result was entirely attributable to weak development in the Danish operations. Brand Alliance achieved earnings growth of MSEK 5 (-8) thanks to strong results for Toshiba Digital Media

and Carl Lamm, while a temporary drop in earnings for Toshiba Document Solutions had a negative impact on income.

Sales and income for the first nine months

Third quarter sales amounted to MSEK 9,181 (8,053), an increase of 14%. PC LAN was acquired on April 1, 2001 and was therefore not consolidated in the Group during the first quarter of last year.

For the first nine months of the year, the Solutions business area reported sales of MSEK 1,606 (1,710), Distribution of MSEK 6,641 (5,152) and Brand Alliance of MSEK 1,507 (1,711).

Operating income for the first three quarters reached MSEK 1 (-139). The year-earlier figure was charged with a write-down of MSEK 50 and accounts receivable losses of MSEK 40. Aside from this, Distribution's dramatic rise in income to MSEK 11 (-60) is explained by volume growth and lower costs. Brand Alliance posted an improved operating income of MSEK 15 (-6), while Solutions reported a weaker result of MSEK -1 (7).

The Group's earnings growth was achieved in a generally unchanged market compared with the previous year, and has been facilitated by maximum realization of the synergy gains offered by the acquisition of PC LAN.

Net financial items for the period amounted to MSEK -27 (-41). The year-earlier figure included an MSEK 17 write-down of receivables in the partly-owned web development company Proventum.

Income before tax was MSEK -26 (-180).

Cash flow and financial position

The Scribona Group's cash flow from operating activities during the first three quarters was MSEK 45 (-75). Third quarter cash flow amounted to MSEK -60 and net investments to MSEK 26 (-43). During the quarter, two small-scale operations in Denmark were acquired in the Distribution and Brand Alliance business areas. Liquid assets at the end of the period amounted to MSEK 247 (225). At the end of September, structural changes and determined efforts to reduce tied up capital meant that net financial items weakened only slightly to MSEK -66 (-398). Capital employed has decreased by MSEK 328 over the past 12-month period, corresponding to a reduction of 24%. The capital turnover rate during the same period improved considerably to 12.5 times/year (9.3 for the full year 2001).

The accounts receivable securitization program through the international capital market which is described in the annual report for 2001 is expected to be carried out by the beginning of 2003.

Employees

The number of employees on 30 September was 1,488 (1,539).

Key ratios

Earnings per share for the first nine months amounted to SEK -0.39 (-2.90). Earnings per share over the past 12-month period, excluding items affecting comparability, totaled SEK -0.20 (-1.82 for the full year 2001).

Equity per share at the end of the period was SEK 18.82 (18.74).

The equity ratio on 30 September was 30.5% (24.0%).

Return on capital employed excluding items affecting comparability over the past 12-month period was 4.5% (-3.4% for the full year 2001). Including items affecting comparability, the figure was 4.7% (-7.2% for the full year 2001).

Over the past 12-month period, return on shareholders' equity excluding items affecting comparability was -1.1% (-9.1% for the full year 2001). Including items affecting comparability, the figure was -0.9% (-12.7% for the full year 2001).

DEVELOPMENT BY BUSINESS AREA

Scribona Solutions

Investments in IT infrastructure fell short of expectations, although most market analysts agree that there is a significant underlying need for increased infrastructural capacity owing to security requirements and data storage needs. The market weakened further during the quarter. The telecom industry's more restrictive attitude towards investment and a continued drop in average prices have further impacted sales. However, despite declining sales Scribona is judged to have maintained its leading position as a distributor of IT infrastructure products. With its potential for development, this business area is an important part of Scribona's future.

Third quarter sales in the business area reached MSEK 395 (629), down 37%. Half of the decrease is attributable to the transfer of high volume products to the Scribona Distribution business area. Operating income amounted to MSEK -10 (-9).

Sales for the first nine months totaled MSEK 1,606 (1,710). PC LAN was acquired on April 1, 2001 and was therefore not consolidated in the Group during the first quarter of last year. Operating income amounted to MSEK -1 (7).

Scribona Distribution

Market development for PC products in the Nordic region improved during the quarter, with a 3% increase in units sold. The corporate market remains weak and has declined further. Considerably stronger growth is being noted for consumer sales, primarily via home PC sales in Sweden but also via electronics retailers. Vigorous home PC activity was the main factor behind growth of a full 13% in the Swedish market. In the other Nordic countries,

development ranged from +8% to -15%. The Nordic market for laptop computers rose 12%.

Third quarter sales amounted to MSEK 1,976 (1,763). After adjustment for comparable units and at unchanged exchange rates, this is on par with the preceding year. Scribona Distribution has thus retained its high share of the market for PC products. Strong earnings in Sweden and Norway, but a sharp decrease in Denmark, generated an operating income of MSEK -7 (-9). The decrease in Denmark has been analyzed and the measures taken are expected to have an effect already in the fourth quarter.

Sales for the first nine months amounted to MSEK 6,641 (5,152). PC LAN was acquired on April 1, 2001 and was therefore not consolidated in the Group during the first quarter of last year. Operating income amounted to 11 (-60).

Scribona Brand Alliance

Third quarter sales in the Brand Alliance business area were on par with the previous year, at MSEK 521 (519). The market for document management products shrank by around 10% during the quarter, while the laptop market increased by 12%. The earlier negative trend in the Toshiba Digital Media division has now reversed and sales are rising.

Operating income amounted to MSEK 5 (-8). Although Toshiba Digital Media and Carl Lamm posted a significant improvement over the same period of 2001, income was affected by lower earnings in Toshiba Document Solutions.

Sales during the first nine months totaled MSEK 1,507 (1,711). Operating income was MSEK 15 (-6).

Accounting principles

This interim report has been prepared in accordance with the Swedish Financial Accounting Standards Council's recommendation RR 20, Interim reports. The same accounting and valuation principles have been applied as in the most recent annual report with the following additions: In 2002, new recommendations for consolidated accounting (RR 1:00), intangible assets (RR 15), provisions (RR 16), write-downs (RR 17), borrowing expenses (RR 21) and closely affiliated companies (RR 23) went into effect. None of these new recommendations has led to a significant change in the previously applied accounting principles.

Financial calendar

Year-end report for January - December 2002
February 14, 2003

This report has not been examined by the company's auditors.

Scribona AB
Board of Directors

SCRIBONA

Facts about Scribona

Scribona is the Nordic market's leading provider of IT products and solutions, offering customers cutting-edge product expertise, the industry's leading e-commerce system, optimized product availability and a broad range of complementary services. Scribona's operations are organized in three business areas:

- *Scribona Solutions – value adding distribution of IT infrastructure*
- *Scribona Distribution – effective volume distribution of IT products*
- *Scribona Brand Alliance – exclusive agent for leading brand suppliers*

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SCRIBONA – INTERIM REPORT PER SEPTEMBER 30, 2002
Summary Consolidated Income Statement

SEK m.	2002 Jan-Sep	2001 Jan-Sep	2002 July-Sep	2001 July-Sep	2001/2002 Oct-Sep	2001 Jan-Dec
Total Income	9,181	8,053	2,617	2,753	13,000	11,872
Operating expenses						
Goods for resale	-8,150	-7,113	-2,325	-2,468	-11,543	-10,506
Other external costs	-380	-400	-119	-127	-510	-530
Staff costs	-582	-542	-169	-165	-795	-755
Depreciation, goodwill	-16	-33	-5	-11	-33	-50
Depreciation, inventories	-33	-44	-10	-15	-45	-56
Other operating expenses	-19	-10	-8	2	-27	-18
<i>Items affecting comparability</i>						
Swedish Pension Fund, surplus	-	-	-	-	2	2
Amortization of goodwill	-	-50	-	-50	-	-50
Income before net financial items	1	-139	-19	-81	49	-91
Net financial items	-27	-41	-8	-15	-35	-49
Income before tax	-26	-180	-27	-96	14	-140
Tax	6	48	7	28	-22	20
Minority	0	0	0	1	0	0
Income after tax	-20	-132	-20	-67	-8	-120
Earnings per share	-0.39	-2.90	-0.39	-1.31	-0.18	-2.56
Number of shares end of period	51,061,608	51,061,608	51,061,608	51,061,608	51,061,608	51,061,608
New share issue	-	16,821,980	-	-	-	16,821,980
Average weighted number of shares	51,061,608	45,454,281	51,061,608	51,061,608	51,061,608	46,856,113

The above table does not take into account the option program since it will have no dilution effect on key ratios.

Summary Consolidated Balance Sheet

SEK m.	2002 Sep 30	2002 June 30	2002 March 31	2001 Dec 31	2001 Sep 30
Intangible fixed assets	82	79	84	91	100
Tangible fixed assets	99	95	101	106	107
Other fixed assets	99	99	98	92	84
Inventories	855	776	1,037	1,030	1,018
Current operating receivables	1,758	1,983	1,922	2,441	2,401
Liquid funds	247	617	415	738	225
Other financial assets	13	20	21	38	53
Total assets	3,153	3,669	3,678	4,536	3,988
Shareholders' equity	961	976	963	961	957
Minority interests	1	1	1	1	1
Provisions	8	8	9	14	38
Long-term operating liabilities	5	5	6	6	6
Current operating liabilities	1,852	2,067	2,073	2,727	2,310
Financial liabilities	326	612	626	827	676
Total liabilities and Shareholders' equity	3,153	3,669	3,678	4,536	3,988
Capital employed	1,028	952	1,154	1,013	1,356
Net financial capital	-66	25	-190	-51	-398

SCRIBONA – INTERIM REPORT PER SEPTEMBER 30, 2002
Sales by Business Area

SEK m.	2002 <u>Jan-Sep</u>	2001 <u>Jan-Sep</u>	2002 <u>July-Sep</u>	2001 <u>July-Sep</u>	2001/2002 <u>Oct-Sep</u>	2001 <u>Jan-Dec</u>
Solutions	1,606	1,710	395	629	2,381	2,485
Distribution	6,641	5,152	1,976	1,763	9,251	7,762
Brand Alliance	1,507	1,711	521	519	2,149	2,353
Total business areas	9,754	8,573	2,892	2,911	13,781	12,600
Intra Group	-573	-520	-275	-158	-781	-728
Total	9,181	8,053	2,617	2,753	13,000	11,872

Results Before Items Affecting Comparability

SEK m.	2002 <u>Jan-Sep</u>	2001 <u>Jan-Sep</u>	2002 <u>July-Sep</u>	2001 <u>July-Sep</u>	2001/2002 <u>Oct-Sep</u>	2001 <u>Jan-Dec</u>
Solutions	-1	7	-10	-9	31	39
Distribution	11	-60	-7	-9	22	-49
Brand Alliance	15	-6	5	-8	18	-3
Total business areas	25	-59	-12	-26	71	-13
Joint Group	-24	-31	-7	-6	-23	-30
Total	1	-90	-19	-32	47	-43

Key Figures

	2002 <u>Jan-Sep</u>	2001 <u>Jan-Sep</u>	2002 <u>July-Sep</u>	2001 <u>July-Sep</u>	2001/2002 <u>Oct-Sep</u>	2001 <u>Jan-Dec</u>
Operating margin before items affecting comparability	0.0%	-1.1%	-0.7%	-1.1%	0.4%	-0.4%
Earnings per share	-0.39	-2.90	-0.39	-1.31	-0.18	-2.56
- excluding items affecting comparability	-0.39	-2.11	-0.39	-0.61	-0.20	-1.82
Shareholders' equity per share	18.82	18.74			18.82	18.82
Equity/assets ratio	30.5%	24.0%			30.5%	21.2%
Return on capital employed	0.1%	-13.7%			4.7%	-7.2%
- excluding items affecting comparability	0.1%	-8.8%			4.5%	-3.4%
Return on shareholders' equity	-2.8%	-18.8%			-0.9%	-12.7%
- excluding items affecting comparability	-2.8%	-13.7%			-1.1%	-9.1%
Capital turnover rate	11.7	7.9			12.5	9.3
Capital employed, average	1,044	1,357			1,038	1,273
Shareholders' equity, average	967	935			965	941
Number of employees, average	1,518	1,496			1,523	1,473
Number of employees end of period	1,488	1,539			1,488	1,539

SCRIBONA – INTERIM REPORT PER SEPTEMBER 30, 2002
Cash Flow Statement

SEK m.	2002 Jan-Sep	2001 Jan-Sep	2002 July-Sep	2001 July-Sep	2001/2002 Oct-Sep	2001 Jan-Dec
FUNDS FROM OPERATIONS						
Income after financial items	-26	-180	-27	-96	14	-140
Depreciation	49	77	15	26	78	106
Other	3	50	3	50	-4	43
Tax paid	-31	-42	-11	-24	-6	-17
Cash flow from operations before changes in working capital	-5	-95	-19	-44	82	-8
Cash flow from changes in working capital						
Change in inventories	171	208	-78	-85	218	255
Change in receivables	710	403	239	-202	718	411
Change in liabilities	-831	-591	-202	515	-349	-109
Cash flow from operations	45	-75	-60	184	669	549
INVESTMENT ACTIVITIES						
Acquisitions of operations	-10	-62	-10	-	-10	-62
Divestments of operations	-	-	-	-	18	18
Acquisitions of fixed assets	-28	-19	-16	-1	-44	-35
Sales of fixed assets	0	44	0	44	0	44
Cash flow from investment activities	-38	-37	-26	43	-36	-36
FINANCING ACTIVITIES						
Change in loans	-502	81	-288	-70	-619	-36
Dividend paid	-	-26	-	-	-	-26
Cash flow from financing activities	-502	55	-288	-70	-619	-62
Cash flow for the period	-495	-57	-374	157	14	451
Liquid funds at beginning of period	738	281	617	67	225	281
Exchange difference in liquid funds	4	1	3	1	8	5
Liquid funds end of period	247	225	247	225	247	738

SCRIBONA – INTERIM REPORT PER SEPTEMBER 30, 2002
Changes in Shareholders' Equity

SEK m.	2002 <u>Jan-Sep</u>	2001 <u>Jan-Sep</u>	2002 <u>July-Sep</u>	2001 <u>July-Sep</u>	2001/2002 <u>Oct-Sep</u>	2001 <u>Jan-Dec</u>
Dec. 31, 2000, according to annual report						798
Effect of changes in accounting principle relating to income taxes						22
Dec. 31, 2000, adjusted according to new accounting principle						820
Opening balance for the period	961	820	976	1,014	957	820
Dividend	-	-26	-	-	-	-26
New share issue	-	269	-	-	-	269
Change in translation difference	20	26	5	10	12	18
Net income for the period	-20	-132	-20	-67	-8	-120
Closing balance for the period	961	957	961	957	961	961