

February 14, 2003

Year-end report for the fourth quarter and full year 2002

Strong cash flow in a weak market.

- Net sales amounted to MSEK 12,808 (11,872) for the full year and MSEK 3,627 (3,819) for the fourth quarter of 2002.
- Operating income for the full year reached MSEK 7 (-91) and the loss after tax was MSEK -33 (-120). Operating income for the fourth quarter amounted to MSEK 7 (48) and the loss after tax was MSEK -13 (12).
- The cash flow from operating activities totaled MSEK 379 for the fourth quarter and MSEK 425 for the full year. The capital turnover rate improved significantly.
- Scribona defended its market shares in all main segments.
- Earnings per share for the full year amounted to SEK -0.65 (-2.56).

President's comments

- The Nordic IT market was weaker than anticipated in the fourth quarter of 2002. The combination of particularly dismal market development in Denmark and substantial internal cost increases of a non-recurring nature dramatically undermined profitability throughout the Danish operations. However, in the other markets all business areas achieved favorable earnings growth, which meant that total operating income was somewhat better than previously forecasted. It is clear that we have consolidated our leading position and have a strong Nordic platform for future development.
- We are continuing our vigorous efforts to boost profitability. The previously announced action program in Denmark, which includes changes in management, significant staff reductions and measures to strengthen margins, will successively bear fruit during 2003.
- Cash flow and capital employed have shown excellent development over the past 12-month period, thanks to a combination of structural changes and ongoing efforts to improve our capital management. At the end of the year we had reduced tied up capital by a full MSEK 362, which is a decrease of 36% compared with year-end 2001.

SCRIBONA

THE MARKET

Compared with the preceding year, demand in Scribona's main markets showed varying development during the fourth quarter. According to IDC, the total Nordic market for PC products grew by less than 1 % in units sold. Desktop PCs were down 4%, laptop PCs were up 16% and PC server sales declined by 4%.

The market for document management products has contracted by an estimated 5% in units sold. Although there are no reliable statistics for IT infrastructure products, this market is also estimated to have declined by around 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 electronics retailers and home PC offers have shown more positive development.

DEVELOPMENT DURING THE FOURTH QUARTER AND FULL YEAR 2002

Sales and income during the fourth quarter

The Group's sales during the fourth quarter reached MSEK 3,627 (3,819), a decrease of 5%. For comparable units and at unchanged exchange rates, sales were down 7%. Sales were also affected by a continued drop in prices for IT infrastructure products.

Due to the transfer of high volume products to Scribona Distribution, significantly lower average prices and a continued weak IT infrastructure market, fourth quarter sales in the Solutions business area dropped 5% to MSEK 736 (775).

Sales in the Distribution business area amounted to MSEK 2,504 (2,610), a decrease of 4%.

Sales in the Brand Alliance business area were down due to declining sales in Toshiba Digital Media. Total sales in the business area decreased by 7% to MSEK 598 (642).

The Group's operating income improved by MSEK 39 to MSEK 7 (48). The entire decrease relative to 2001 is attributable to the Danish units, which operate in a tough market and suffered from considerable temporary cost increases.

The Solutions business area reported strong earnings growth during the quarter. Operating income amounted to MSEK 19 (31) and included a capital gain of MSEK 14 on the sale of an agency. Distribution reported operating income of MSEK -14 (11), a decrease relative to 2001 caused by lower earnings in the Danish operations. Brand Alliance showed positive development and achieved

operating income of MSEK 11 (3) thanks to strong earnings in Toshiba Document Solutions.

Sales and income for the full year

Net sales for the full year totaled MSEK 12,808 (11,872), an increase of 8%. PC LAN was acquired on April 1, 2001, and was therefore not consolidated in the Group during the first quarter of last year. For comparable units and at unchanged exchange rates, sales were down 8%.

Net sales for the full year reached MSEK 2,342 (2,485) in Solutions, MSEK 9,145 (7,762) in Distribution and MSEK 2,106 (2,353) in Brand Alliance.

Operating income before net financial items amounted to MSEK 7 (-91). The year-earlier figure was charged with a goodwill write-down of MSEK 50 and accounts receivable losses of more than MSEK 50. Operating income for Solutions was MSEK 17 (39). Distribution's income growth to MSEK -3 (-49) is explained by the fact that accounts receivable losses during 2002 were normal and a full MSEK 54 lower than 2001. Strong results in Sweden and Norway were undermined by severe profitability problems in Denmark. Brand Alliance achieved a dramatic improvement in operating income to MSEK 26 (-3) thanks to favorable development in Toshiba Document Solutions and Carl Lamm.

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. However, the robust development in several areas was not adequate to compensate for the problems in Scribona's Danish operations.

Net financial items amounted to MSEK -27 (-49). The figure for 2001 included an MSEK 17 write-down of receivables in the partly-owned web development company Proventum. A substantial reduction in average capital employed has contributed to the decrease in net financial items.

The loss before tax was MSEK -20 (-140).

Income tax amounted to MSEK -13 (20) including changes in deferred tax receivables of MSEK -10.

Cash flow and financial position

The Scribona Group's cash flow from operating activities for the full year was MSEK 425 (549). Fourth quarter cash flow amounted to MSEK 379 (349) and net investments to MSEK -4 (2). During the quarter, two small-scale operations in Denmark were acquired in the Distribution and Brand Alliance business areas. Through structural changes and determined efforts to reduce tied up capital, net financial assets at the end of the year had risen to MSEK 307 (-51). Capital employed in 2002 declined by MSEK 362, corresponding to a decrease of 36%. Liquid assets at the end of the period amounted to MSEK 452 (738).

The capital turnover rate 2002 improved considerably to 13.5 times/year (9.3).

The accounts receivable securitization program through the international capital market, which is described in the annual report for 2001, was carried at the beginning of 2003. The program has a term of five years and will secure Scribona's financing requirement together with the Group's other short-term will credit facilities.

Employees

The number of employees on 31 December was 1,469 (1,539).

Key ratios

Earnings per share for the full year amounted to SEK -0.65 (-2.56). Earnings per share excluding items affecting comparability totaled SEK -0.65 (-1.82).

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

The equity ratio on 31 December was 26.4% (21.2%).

Return on capital employed excluding items affecting comparability in 2002 was 0.7% (-3.4%). Including items affecting comparability, the figure was 0.7% (-7.2%).

Return on shareholders' equity excluding items affecting comparability during the year was -3.4% (-9.1%). Including items affecting comparability, the figure was -3.4% (-12.7%).

Parent Company

The Parent Company's net sales in 2002 reached MSEK 18 (18) and income before tax was reported at MSEK -27 (-31). Liquid assets at year-end totaled MSEK 8 (6). The year's investments in plant and equipment amounted to MSEK 1.7 (0.1). Total assets at year-end amounted to MSEK 960 (1,664).

DEVELOPMENT BY BUSINESS AREA

Scribona Solutions

Investments in IT infrastructure fell short of expectations, though most market analysts agree that there is a powerful 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. During the quarter, Scribona defended its position as the leading distributor of IT infrastructure products. Scribona is continuing its positive development and focusing of this important segment towards complex and competence-demanding IT infrastructure products.

With its excellent potential for development, this business area will be an important part of Scribona's future.

Fourth quarter sales in the business area reached 736 (775), down 5%. Operating income amounted to MSEK 19 (31), where the decrease is explained by the above-mentioned capital gain of MSEK 14.

Sales for the full year totaled MSEK 2,342 (2,485). 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 17 (39).

Scribona Distribution

Market development for PC products in the Nordic region stagnated during the quarter, with a marginal increase of less than 1% in units sold. The corporate market remains weak and has declined further. Consumer sales were up. The Nordic markets were in different phases of development, with the number of PC units sold up 14% in Finland and 5% in Norway, but down 4% in Denmark and 5% in Sweden (source IDC).

Fourth quarter sales in the business area amounted to MSEK 2,504 (2,610). Scribona Distribution has thus retained its high share of the market. Strong earnings in Sweden and Norway, but a sharp decrease in Denmark, generated an operating income of MSEK -14 (11). The action program aimed at boosting profitability in the Danish operations through staff reductions and improved margins was intensified at the beginning of 2003.

Sales for the full year amounted to MSEK 9,145 (7,762). 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 -3 (-49).

Scribona Brand Alliance

Fourth quarter sales in the Brand Alliance business area amounted to MSEK 598 (642). The market for document management products shrank by around 5% during the quarter, while the laptop market increased by 15%. The document management divisions Toshiba Document Solutions and Carl Lamm have defended or slightly increased their market shares.

Operating income amounted to MSEK 11 (3). Toshiba Document Solutions and Carl Lamm reported a significant increase compared with the preceding year, while income was adversely affected by lower earnings in Toshiba Digital Media Solutions.

Sales during the year reached MSEK 2,106 (2,353). Operating income was MSEK 26 (-3).

Accounting principles

This year-end 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 costs (RR 21) and related party disclosures (RR 23) went into effect. The new recommendations have not led to any significant change in the previously applied accounting principles.

Dividend

The Board proposes that no dividend be paid to the stockholders. No change will be made in the dividend policy, which states that one third of income after tax is to be distributed to the stockholders over time.

Scribona AB
The Board of Directors

Annual report

The annual report is expected to be published at the beginning of April at which time it will be posted on Scribona's web site. The report can also be ordered from Scribona AB, Box 1374, SE-171 27 SOLNA, telephone +46 (0) 8 734 34 00.

Annual General Meeting

The Annual General Meeting will be held at 3:00 p.m. on May 7, 2002, at Scribona's head office in Solna.

Financial calendar

Interim report for	
January-March 2003	7 May 2003
January -June 2003	15 July 2003
January -September 2003	30 October 2003

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 – REPORT ON OPERATIONS, 2002
Summary Consolidated Income Statement

SEK m.	2002 Jan-Dec	2001 Jan-Dec	2002 Oct-Dec	2001 Oct-Dec
Total income	12,808	11,872	3,627	3,819
Operating expenses				
Goods for resale	-11,377	-10,506	-3,227	-3,394
Other external costs	-536	-530	-156	-130
Staff costs	-801	-755	-219	-213
Depreciation, goodwill	-21	-50	-5	-18
Depreciation, inventories	-42	-56	-9	-10
Other operating expenses	-24	-18	-4	-8
<i>Items affecting comparability</i>				
Swedish Pension Fund, surplus	-	2	-	2
Amortization of goodwill	-	-50	-	-
Income before net financial items	7	-91	7	48
Net financial items	-27	-49	-1	-8
Income before tax	-20	-140	6	40
Tax	-13	20	-19	-28
Minority	0	0	0	0
Income after tax	-33	-120	-13	12
Earnings per share	-0.65	-2.56	-0.25	0.24
Number of shares end of period	51,061,608	51,061,608	51,061,608	51,061,608
New share issue	-	16,821,980	-	-
Average weighted number of shares	51,061,608	46,856,113	51,061,608	51,061,608

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 31 Dec	2002 30 Sep	2002 30 June	2002 31 March	2001 31 Dec
Intangible fixed assets	101	82	79	84	91
Tangible fixed assets	90	99	95	101	106
Other fixed assets	81	99	99	98	92
Inventories	923	855	776	1,037	1,030
Current operating receivables	1,969	1,758	1,983	1,922	2,441
Other financial assets	7	13	20	21	38
Liquid funds	452	247	617	415	738
Total assets	3,623	3,153	3,669	3,678	4,536
Shareholders' equity	957	961	976	963	961
Minority interests	1	1	1	1	1
Provisions	2	8	8	9	14
Long-term operating liabilities	19	5	5	6	6
Current operating liabilities	2,492	1,852	2,067	2,073	2,727
Financial liabilities	152	326	612	626	827
Total liabilities and Shareholders' equity	3,623	3,153	3,669	3,678	4,536
Capital employed	651	1,028	952	1,154	1,013
Net financial capital	307	-66	25	-190	-51

SCRIBONA – REPORT ON OPERATIONS, 2002
Sales by Business Area

SEK m.	2002 <u>Jan-Dec</u>	2001 <u>Jan-Dec</u>	2002 <u>Oct-Dec</u>	2001 <u>Oct-Dec</u>
Solutions	2,342	2,485	736	775
Distribution	9,145	7,762	2,504	2,610
Brand Alliance	2,106	2,353	598	642
Total business areas	13,593	12,600	3,838	4,027
Intra Group	-785	-728	-211	-208
Total	12,808	11,872	3,627	3,819

Results Before Items Affecting Comparability

SEK m.	2002 <u>Jan-Dec</u>	2001 <u>Jan-Dec</u>	2002 <u>Oct-Dec</u>	2001 <u>Oct-Dec</u>
Solutions	17	39	19	31
Distribution	-3	-49	-14	11
Brand Alliance	26	-3	11	3
Total business areas	40	-13	16	45
Joint Group	-33	-30	-9	1
Total	7	-43	7	46

Key Figures

	2002 <u>Jan-Dec</u>	2001 <u>Jan-Dec</u>	2002 <u>Oct-Dec</u>	2001 <u>Oct-Dec</u>
Operating margin before items affecting comparability	0.1%	-0.4%	0.2%	1.2%
Earnings per share	-0.65	-2.56	-0.25	0.24
- excluding items affecting comparability	-0.65	-1.82	-0.25	0.21
Shareholders' equity per share	18.74	18.82		
Equity/assets ratio	26.4%	21.2%		
Return on capital employed	0.7%	-7.2%		
- excluding items affecting comparability	0.7%	-3.4%		
Return on shareholders' equity	-3.4%	-12.7%		
- excluding items affecting comparability	-3.4%	-9.1%		
Capital turnover rate	13.5	9.3		
Capital employed, average	946	1,273		
Shareholders' equity, average	964	941		
Number of employees, average	1,505	1,473		
Number of employees end of period	1,469	1,539		

For definitions of key ratios see Scribona's latest annual report.

SCRIBONA – REPORT ON OPERATIONS, 2002
Cash Flow Statement

SEK m.	2002 Jan-Dec	2001 Jan-Dec	2002 Oct-Dec	2001 Oct-Dec
FUNDS FROM OPERATIONS				
Income after financial items	-20	-140	6	40
Depreciation	63	106	14	28
Other	8	43	5	-7
Tax paid	-10	-17	21	25
Cash flow from operations before changes in working capital	41	-8	46	87
Cash flow from changes in working capital				
Change in inventories	104	255	-67	-17
Change in receivables	514	411	-196	-50
Change in liabilities	-235	-109	596	329
Cash flow from operations	425	549	379	349
INVESTMENT ACTIVITIES				
Acquisitions of operations	-9	-62	1	-
Divestments of operations	-	18	-	18
Acquisitions of fixed assets	-33	-35	-5	-16
Divestments of fixed assets	0	44	0	0
Cash flow from investment activities	-42	-36	-4	2
FINANCING ACTIVITIES				
Change in loans	-676	-36	-174	158
Dividend paid	-	-26	-	-
Cash flow from financing activities	-676	-62	-174	158
Cash flow for the period	-293	451	201	508
Liquid funds beginning of period	738	281	247	225
Exchange difference in liquid funds	8	5	4	4
Liquid funds end of period	452	738	452	738

SCRIBONA – REPORT ON OPERATIONS, 2002
Changes in Shareholders' Equity

SEK m.	2002 <u>Jan-Dec</u>	2001 <u>Jan-Dec</u>	2002 <u>Oct-Dec</u>	2001 <u>Oct-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	961	957
Dividend	-	-26	-	-
New share issue	-	269	-	-
Change in translation difference	29	18	9	-8
Net income for the period	-33	-120	-13	12
Closing balance for the period	957	961	957	961