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Frango's interim report, Q1 2003**Improvement in earnings despite precarious market climate**

Software company Frango AB, which is listed on the 'O' list of the Stockholm Stock Exchange, has today reported an improvement in earnings of SEK 10.0 million. Earnings net of financial items amounted to SEK -7.4 million (-17.4m). The loss reported for the first quarter is in line with normal seasonal trends. Revenues for the quarter were virtually unchanged and amounted to SEK 56.5 million (57.4m).

“The successful implementation of cost-saving measures has contributed to an earnings level in Frango’s quarterly results that will help Frango to return to profitability for the full year. Seasonal variations in sales revenues have traditionally produced a loss for the first quarter. This has been the case throughout the company’s sixteen-year history,” comments Tom Löfstedt, founder and managing director of Frango AB.

Cost-saving measures have helped reduce Frango’s costs by SEK 10.6 million (14 per cent) compared with the corresponding quarter of 2002. Total sales revenues for software were up two per cent. For Frango’s proprietary products, Frango Controller and Frango Consolidator, overall sales revenues grew by 35 per cent. Revenues from maintenance rose by 27.5 per cent, whereas the demand for consulting services and training has remained subdued.

“Demand for consulting services has fallen as a result of poor licence sales during the fourth quarter of 2002. For the first quarter of 2003, however, we have noted an increase in licence sales compared with the same period last year, and I am particularly pleased to see that it is our own, high-margin products, Frango Controller and Frango Consolidator, that have been leading the way. I see this as a step in the right direction, and given the current market climate, I think we can be satisfied with our start to the year,” says Tom Löfstedt.

To read the quarterly report, please visit: www.frango.com

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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).