

PRESS RELEASE FROM SCRIBONA AB

October 27, 2000

Interim Report January – September 2000

- Sales rose 12% in the first three quarters to MSEK 6,496 (5,785) and 24% in the third quarter.
- Third quarter PC sales in the business area Distribution were up 44% in a weakly growing market, signifying a further increase in market share.
- Sales of Toshiba laptop PCs in the business area Brand Alliance rose sharply, increasing market share in a highly expansive market.
- Income before tax improved to MSEK 124 (29) and operating income was MSEK100 (24). A reallocation of MSEK 55 in surplus pension funds from SPP boosted both operating income and income before tax.
- The full-year forecast is an improvement in both operating income before items affecting comparability and income before tax.

The market

Demand in Scribona's market areas picked up steadily over the first nine months of the year but can still be regarded as relatively weak. However, stronger demand for both PCs and server products was noted in the third quarter and continued improvement in demand is anticipated through the end of the year.

According to preliminary statistics for the third quarter, the number of units shipped in the Nordic PC market grew 5% compared with the same period of last year. In spite of this, the market contracted by 1% in the first nine months of 2000. Third quarter development in the Nordic market followed the same pattern as in the first half of the year, with robust growth for laptop PCs (+45%), while the drop in desktop PC sales was curbed somewhat.

Total PC unit shipments in the third quarter showed the sharpest increase in Sweden (+11%) and Denmark (+10%). The Finnish market grew during the same period (+6%), while the Norwegian market decreased (-9%).

The market for document handling products stabilized after the preceding year's downturn, though the growth rate slowed somewhat in the third quarter. Unit shipments of copiers in the Nordic market rose by around 3% in the first nine months.

Sales and income

The Group's sales amounted to MSEK 6,496 (5,785), up 12% from the preceding year. All of the Group's business areas contributed to the period's sales growth.

Sales increased 24% in the third quarter, an increase that was attributable to all business areas, with growth of +11% for Scribona Solutions, +29% for Scribona Distribution and +21% for Scribona Brand Alliance.

For comparable units and adjusted for exchange rate fluctuations, the Group achieved sales growth of 16% during the nine-month period.

As previously mentioned, income of MSEK 55, corresponding to the discounted present value of Scribona's reallocation of pension funds from SPP, was reported as an item affecting comparability in the second quarter.

Operating income totaled MSEK 100 (24). The Scribona Distribution and Scribona Brand Alliance business areas posted significant earnings growth. In particular, Scribona Distribution's third quarter operating income of MSEK 9 (-18) widely surpassed the last year's figure.

The earnings trend for Scribona Solutions is unsatisfactory, with an operating deficit of MSEK 9 (+18) for the nine-month period.

Net financial items amounted to MSEK 24 (5) and included a capital gain of MSEK 33 on the sale of the shares in the Norwegian companies Super Office and Office Systems.

Income before tax was MSEK 124 (29).

Cash flow and financial position

The Scribona Group's cash flow for the first nine months of the year was MSEK -308 (-244). One reason for the negative cash flow is that inventories have swelled by MSEK 206 during the year, mainly as an effect of the period's powerful sales growth.

Consolidated net investments totaled MSEK 95 (48) and net financial capital was MSEK -419 (-243) at the end of the third quarter.

Key ratios

Earnings per share for the first nine months amounted to SEK 2.54 (0.64). Earnings per share for the past 12-month period, excluding items affecting comparability, totaled SEK 2.72 (SEK 2.13 for the full year 1999).

Shareholders' equity per share at the end of the period was SEK 22.08 (20.36).

Return on shareholders' equity for the past 12-month period amounted to 14.2% (5.3% for the full year 1999) and to 12.6% excluding items affecting comparability (9.7% for the full year 1999).

Return on capital employed for the past 12-month period was 13.7% (6.5% for the full year 1999) and 11.4% excluding items affecting comparability (10.2% for the full year 1999).

The equity ratio per 30 September was 25.9% (28.7%).

Development by business area

Scribona Solutions

The business area's sales for the period amounted to MSEK 840 (792), an increase of 6%. The market recovered during the third quarter and showed growth of +11% over the corresponding period of 1999. The partnership with Intenia has bolstered the sales development. However, development in the first nine months was strongly affected by low investment in IT infrastructure and considerable delivery delays from some of the key suppliers had a negative impact on the period's sales. The delivery situation has improved markedly during October.

The operating result was MSEK -9 (+18), with the Finnish and Norwegian operations accounting for the weakest development.

An ambitious action program was launched, where, in addition to cost-cutting measures, streamlining and development of the product range and the service strategy is being evaluated. The action program is expected to generate a substantial improvement in income, in some aspects already by the end of the fourth quarter of the year, but with full effect in the coming year. The planned measures include integration of the during 1998 acquired units within Routers in Norway with Scribona's other Norwegian operations.

The industry anticipates a general improvement in market demand starting in the fourth quarter, which will further enhance the business area's earnings potential.

Scribona Distribution

The market for PCs products strengthened during the third quarter, by 5% according to preliminary statistics, while the market contracted by 1% in the first nine months of the year compared with the same period of 1999. In the third quarter, the business area's PC sales grew 44% measured in units shipped.

Sales in the business area amounted to MSEK 4,160 (3,746), an increase of 11%. The increase for comparable units was 15%. Third quarter sales rose by 29%. Operations in all of the Nordic countries posted higher sales, and the assessment is that Scribona Distribution has gained significant market share.

Operating income was MSEK 3 (-15). The most significant earnings growth relative to the year-earlier period was achieved in the Finnish operations.

Third quarter operating income for Scribona Distribution was MSEK 9 (-18).

Scribona Brand Alliance

Sales in the business area continued to show robust development, particularly with regard to Toshiba' laptop PCs in the Toshiba Digital Media division. The market for laptop PC's is developing very positively and Toshiba's highly competitive product range is contributing to excellent sales with rising market share as a result.

The two divisions for document handling products, Toshiba Document Solutions and Carl Lamm, also enjoyed healthy sales growth. The business area's sales amounted to MSEK 2,104 (1,702), with the strongest development for Toshiba Digital Media.

Operating income improved to MSEK 76 (41) for the nine-month period.

Personnel

The number of employees on 30 September was 1,359 (1,397).

Full-year forecast

The forecast for the full year is an improvement in both operating income before items affecting comparability and income before tax.

Financial information

Year-end report for January – December 2000	February 9, 2001
Interim report for January – March 2001	April 25, 2001
Interim report for January – June 2001	July 16, 2001
Interim report for January – September 2001	October 24, 2001

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

Lennart Svantesson
President and CEO

Facts about Scribona AB

Scribona is the Nordic leader in the market for IT products, offering the customers cutting-edge product expertise, the industry's leading e-commerce systems, optimized product availability and a wide range of complementary services.

Scribona's operations are organized in three business areas:

- *Scribona Solutions – value added distribution of IT infrastructure*
- *Scribona Distribution – effective volume distribution of IT products*
- *Scribona Brand Alliance – exclusive agency for leading brands*

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SCRIBONA – INTERIM REPORT AS OF SEPTEMBER 30, 2000

Summary Consolidated Income Statement

SEK m.	2000 <u>Jan-Sept</u>	1999 <u>Jan-Sept</u>	2000 <u>July-Sept</u>	1999 <u>July-Sept</u>	1999/2000 <u>Oct-Sept</u>	1999 <u>Jan-Dec</u>
Total income	6,496	5,785	2,053	1,654	8,989	8,278
Operating expenses						
Goods for resale	-5,590	-4,960	-1,778	-1,426	-7,730	-7,100
Other external costs	-339	-306	-102	-93	-437	-404
Staff costs	-444	-436	-130	-125	-604	-596
Depreciation, goodwill	-27	-14	-10	-5	-31	-18
Depreciation, inventories	-40	-34	-15	-11	-53	-47
Other operating expenses	-11	-6	-3	-	-18	-13
<i>Items affecting comparability</i>						
Gain/loss on the sale of operations	-	-	-	3	-34	-34
Swedish Pension Fund, surplus	55	-	-	-	55	-
Costs for implementation IT systems, utilization of reserves etc.	-	-5	-	-	3	-2
Income before net financial items	100	24	15	-3	140	64
Net financial items	24	5	-2	-4	31	12
Income before tax	124	29	13	-7	171	76
Tax	-37	-7	-2	2	-66	-36
Income after tax	87	22	11	-5	105	40

Summary Consolidated Balance Sheet

SEK m.	2000 <u>Sept</u>	2000 <u>June</u>	2000 <u>March</u>	1999 <u>Dec</u>	1999 <u>Sept</u>
Intangible fixed assets	191	200	138	147	72
Tangible fixed assets	129	132	133	139	174
Other fixed assets	32	34	33	33	34
Inventories	864	730	771	658	618
Current operating receivables	1,613	1,529	1,513	1,606	1,408
Financial assets	89	101	65	220	125
Total assets	2,918	2,726	2,653	2,803	2,431
Shareholders' equity	756	741	741	721	697
Provisions	32	43	55	68	39
Long-term operating liabilities	7	6	7	7	8
Current operating liabilities	1,615	1,391	1,634	1,676	1,319
Financial liabilities	508	545	216	331	368
Total liabilities and Shareholders' equity	2,918	2,726	2,653	2,803	2,431
Capital employed	1.175	1.185	892	832	940
Net financial capital	-419	-444	-151	-111	-243

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Sales by Business Area

SEK m.	2000 <u>Jan-Sept</u>	1999 <u>Jan-Sept</u>	2000 <u>July-Sept</u>	1999 <u>July-Sept</u>	1999/2000 <u>Oct-Sept</u>	1999 <u>Jan-Dec</u>
Solutions	840	792	257	231	1,196	1,148
Distribution	4,160	3,746	1,344	1,039	5,722	5,308
Brand Alliance	2,104	1,702	673	556	2,869	2,467
Total business areas	7,104	6,240	2,274	1,826	9,787	8,923
Other	-608	-455	-221	-172	-798	-645
Total	6,496	5,785	2,053	1,654	8,989	8,278

Results Before Items Affecting Comparability

SEK m.	2000 <u>Jan-Sept</u>	1999 <u>Jan-Sept</u>	2000 <u>July-Sept</u>	1999 <u>July-Sept</u>	1999/2000 <u>Oct-Sept</u>	1999 <u>Jan-Dec</u>
Solutions	-9	18	-5	2	-2	25
Distribution	3	-15	9	-18	18	0
Brand Alliance	76	41	20	14	127	92
Total business areas	70	44	24	-2	143	117
Joint Group	-25	-15	-9	-4	-27	-17
Total	45	29	15	-6	116	100

Key Figures

	2000 <u>Jan-Sept</u>	1999 <u>Jan-Sept</u>	2000 <u>July-Sept</u>	1999 <u>July-Sept</u>	1999/2000 <u>Oct-Sept</u>	1999 <u>Jan-Dec</u>
Operating margin before items affecting comparability	0.7%	0.5%	0.7%	-0.4%	1.3%	1.2%
Earnings per share	2.54	0.64	0.32	-0.15	3.06	1.17
- excluding items affecting comparability	1.37	0.79	0.32	-0.23	2.72	2.13
Shareholders' equity per share	22.08	20.36			22.08	21.06
Equity/assets ratio	25.9%	28.7%			25.9%	25.7%
Return on capital employed before tax					13.7%	6.5%
- excluding items affecting comparability					11.4%	10.2%
Return on shareholders' equity after tax					14.2%	5.3%
- excluding items affecting comparability					12.6%	9.7%
Capital turnover rate					8.8	8.5
Capital employed, average					1,021	978
Shareholders' equity, average					740	750
Number of employees	1,359	1,397			1,359	1,386
Number of shares, thousand	34,240	34,240			34,240	34,240

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Cash Flow Statement

SEK m.	2000 <u>Jan-Sept</u>	1999 <u>Jan-Sept</u>	2000 <u>July-Sept</u>	1999 <u>July-Sept</u>	1999/2000 <u>Oct-Sept</u>	1999 <u>Jan-Dec</u>
ONGOING OPERATIONS						
Income after financial items	124	29	13	-7	171	76
Adjustments for items not included in cash flow						
Depreciation	67	48	25	16	84	65
Other	-1	0	0	0	-4	-3
	190	77	38	9	251	138
Tax paid	-23	-24	-6	-9	-28	-29
Cash flow from ongoing operations before changes in working capital	167	53	32	0	223	109
Cash flow from changes in working capital						
Changes in inventories	-209	350	-136	93	-241	318
Changes in receivables	17	256	-82	-78	-149	90
Changes in liabilities	-137	-684	218	126	191	-356
Cash flow from ongoing operations	-162	-25	32	141	24	161
INVESTMENT ACTIVITIES						
Acquisitions of subsidiaries/operations	-71	0	0	0	-163	-92
Sale of subsidiaries/operations	5	0	3	0	5	0
Acquisitions of tangible fixed assets	-29	-50	-10	-9	-42	-63
Sale of fixed assets	0	2	0	1	51	53
Cash flow from investment activities	-95	-48	-7	-8	-149	-102
FINANCING ACTIVITIES						
Dividend paid	-51	-171	0	0	-51	-171
Cash flow from financing activities	-51	-171	0	0	-51	-171
Cash flow from the period	-308	-244	25	133	-176	-112
Net financial capital, opening balance	-111	1	-444	-376	-243	1
Net financial capital, closing balance	-419	-243	-419	-243	-419	-111